

**CITY OF HAYWARD, CALIFORNIA  
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**



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**CITY OF HAYWARD, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024

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March 24, 2025

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, 2024. 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, 2024, 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, 2024, 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 2024).

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 multi-year 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 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. In fiscal year 2024, the City of Hayward's economy continued experiencing stable and healthy recovery from the impacts of the pandemic. The City has seen a steady increase in business licenses each year since 2020 and closed 2024 with a high of 7,115 active businesses.

The Employment Development Department data reflects that the unemployment rate as of June 2024 increased from 4.2% to 4.7% in Alameda County. While the unemployment rate has increased by 0.5%, it is still well below the pandemic high rate of 8.9% in 2020.

The City of Hayward, like many bay area communities, has noticed a decline in the number of units sold and a flattening of sale prices during the first half of the 2023 and an improvement as we moved through the summer and fall. The factors that were driving this



sales pattern included the reaction to the continued higher interest rates after multiple interest rate hikes in 2022 impacting mortgages and a reduction in the number of properties offered for sale in 2023. We have now seen two calendar years where current homeowners have decided to wait out the higher interest rates and not offer their current properties for sale resulting in a lower inventory. As we have moved through the 2024 calendar year, home sales have continued to trend lower than those reported over the past several years and median sale value growth has not been as large as we have seen in many of the years since 2020.

Overall, despite the housing market cooling, there was still an increase in FY 2023-24 tax year assessment roll by \$2.0 billion, or 7.2%. Residential use values increased 5.9% a total of \$1.1 billion and represented 53.4% of all growth experienced in the City. Industrial properties posted an increase of \$401 million or a year-over-year increase of 8.2% and commercial properties posted gains of 3.46% and \$76.6 million. Vacant uses increased 16.25% and \$111.3 million on 70 fewer parcels in the category this year.

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, (\$22.3 million in FY 2024) dramatically increased total Sales Tax revenues. However, these revenues are targeted for specific activities as outlined in the ballot measure language in 2014. As a result of the commitment to utilize these revenues for specified activities, the City considers these revenues separate from the City's general Sales Tax revenue.

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 2024 was \$24.5 million.

The City's Utility Use Tax revenue increased \$8.6 million, or 50%, in fiscal year 2023 compared to fiscal year 2022 due to increase in energy demands and provisions. This revenue is stabilized in 2024, but the City will continue to monitor this revenue source for any significant changes. Real Transfer Tax however, has continued to decreased significantly from the prior year from a FY 2021-22 high of \$21.2 million to just over 12.5 million in FY2023-24 due to the cooling of the housing market as a result of the high interest rate environment.

While the City remains optimistic, management remains focused on the long-term fiscal outlook for the future as the City continues to experience growth in expenditures related to employee costs and deferred infrastructure improvements. Controlling expenditures has been a key element in responding to the City's fiscal challenges.

### **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 and unfunded mandates 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 structural budget-saving strategies and cost sharing agreements. While the City has consistently worked to balance its budget, Hayward must continue with this effort to address and resolve an ongoing structural deficit within the General Fund, which is largely driven by rising employee costs and dedication to meet the ever-growing emerging community needs.

The City employs long-term planning as the framework for its fiscal decisions and updates 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 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 addressed to ensure long-term economic stability. The other enormous challenge is continuing to provide an ever-increasingly high level of service to the community with limited resources and rising employee costs – while ensuring long-term economic stability.

## **MAJOR INITIATIVES & ACCOMPLISHMENTS**

In Spring 2024, the Hayward City Council adopted an update to the City's "Strategic Roadmap," which included six revised priority areas: Preserve, Protect & Produce Housing for All; Grow the Economy; Confront Climate Crisis & Champion Environmental Justice; Invest in Infrastructure; Strengthen Organizational Health; and Enhance Community Safety & 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), which guides all of the capital infrastructure replacement and

improvement efforts throughout the City. The capital budget for FY24 totaled about \$115 million, with approximately \$905 million tentatively programmed for the entire ten-year period from FY24 through FY34. While the City's CIP Projects touch the Confront Climate Crisis & Champion Environmental Justice, Enhance Community Safety & Quality of Life, and Strengthen Organizational Health Priorities, they predominantly support the Invest in Infrastructure Priority.

### **Invest in Infrastructure Priority**

***Mission Blvd Phase 3:*** Phase 3 of the Mission Boulevard Corridor Improvement Project, from A Street to the northern City limit at Rose Street, is the last phase of the three-phase Mission Blvd Corridor Improvement Project. Improvements included are undergrounding overhead utilities, electrical service conversions of private properties, construction of a bicycle cycle track, sidewalk, curb and gutter, rehabilitation of pavement, installation of traffic signals and streetlights, installation of traffic striping, pavement marking and signage, improvements to storm drains systems, installation of irrigation system and landscaping, as well as City of Hayward monument signs. The construction bids received in 2021 to implement this project were significantly higher than expected and subsequently rejected, delaying the project timeline. The call for bids was reinitiated in February 2023 and construction started in Summer 2023 and will be completed in the spring 2025.

***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 involved the replacement of the existing Fire Station 6 and Fire Training Center with nine new buildings and structures. New buildings 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 also included the installation of Bay-friendly landscaping, storm water treatment devices, LED lighting, and solar PV panels. The new facilities achieved LEED Silver. Construction started in August 2020, but progress was impacted mainly due to the supply chain and other issues during the Pandemic, with occupancy starting in February 2023 as individual buildings were completed. The Fire Station 6/Classroom Building was completed and occupied in August 2023.

***Design & Construct Capital Improvements to Airport Hangars:*** Routine maintenance of Airport-owned hangars is provided by staff and contractors, but due to the age of the structures, a consultant was hired in FY19 to provide a comprehensive hangar condition assessment that was completed in mid-FY20. A 10-year maintenance schedule was subsequently developed, and repair and replacement work began in FY20, including the installation of LED lighting and extensive roof improvements. The four phase hangar roof repair project was completed in the first quarter of FY24. Airport staff continue to replace worn out hangar wheels as needed.

***Safe Routes to School Program:*** The Alameda County Transportation Commission (ACTC) conducted School Safety Assessments for fourteen public schools in Hayward, resulting in a set of infrastructure recommendations to make it easier for students to bike and walk to

school. Hayward's new Safe Routes to School (SR2S) Program has been created to implement these recommendations. In collaboration with partners including Hayward Unified School District, ACTC, and various community organizations, the Program will combine engineering tools with safety education and other activities to encourage students to choose alternate modes of transportation on their way to school.

The City's first SR2S project began in FY22 near Cesar Chavez Middle School, and included installation of curb and median extensions, advanced stop and yield marking, yellow high-visibility crosswalks, rectangular rapid flashing beacons (RRFB), and more. The project went to bid in February 2023 and construction was completed in early FY 2024. Fifty percent of the project budget is being funded by an ACTC SR2S grant. The City received a grant from the California Air Resources Board in April 2024 that includes implementation of infrastructure improvements at 12 additional schools, with design for those improvements occurring during FY 2025.

***Safe Routes for Seniors Program:*** The City of Hayward's Safe Routes for Seniors (SR4S) Program is a collaborative effort between the City and local senior housing facilities, senior centers, and community-based organizations. Through these partnerships, the City is working to identify areas in Hayward at which to focus accessibility and walkability improvements. In FY22, the City's first SR4S effort was implemented, which involved the improvement of four downtown Hayward intersections, including Foothill Blvd/Hazel Ave-City Center Dr, Montgomery Ave/A St, Montgomery Ave/B St, and Watkins Ave/D St. Improvements included increased pedestrian crossing times, installation of high-visibility ADA ramps, repositioning of cross walks and pedestrian push buttons to align with ADA improvements, and widening medians for pedestrian refuge, among many others. Improvements continued through FY23 and were completed in FY24. The SR4S Program receives support from dedicated Measure BB (Paratransit) funding. The City has begun developing walkability improvements near senior centers and residential areas in South Hayward in FY 24, with several locations identified and concepts developed. These will move into final design in FY 25.

***Reduce Carbon Emissions – Transition 20% of Total City Fleet to EV/Hybrid Models:*** The City maintains a fleet of approximately 475 vehicles and equipment units, and the useful life of these fleet units is maximized and managed via the 10 Year 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 a key consideration.

After a successful 4-year transition moving 15% of the City's fleet to EV/hybrid models by 2023, the target is being increased to 20% by 2027. In FY24, a total of six EV/hybrid vehicles were ordered to replace vehicles that have reached the end of their useful life.

Staff continues to work to invest in EVs where possible and within current replacement cycles and budget parameters. While staff is working aggressively to meet this goal, global supply chain, production issues, and changing state and federal laws continue to delay the timely delivery and procurement of all fleet vehicles.

**Enhance Community Safety & Quality of Life Priority**

***South Hayward Youth & Family Center:*** Since 2013, the City of Hayward, Alameda County (County), and Hayward Area Recreation and Parks District (HARD) have worked towards a shared vision of constructing and operating a new center at the corner of Tennyson and Ruus Roads called the South Hayward Youth and Family Center (SHYFC) -- also known as "The Stack Center." The project site is on City-owned property and located at 680 West Tennyson Road. The City secured the funding, including contributions from the State and Federal governments, for the construction of Phase I of the campus, consisting of the rehabilitation of the Matt Jimenez Community Center Building and site work improvements. Phase I construction commenced in February 2024 and is anticipated to be completed in early 2025. Staff continue to fundraise to close the funding gap for Phase II of the campus.

***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. La Vista Park is planned to include a soccer field, basketball courts, an amphitheater, dog park, playgrounds, picnic areas, walking/hiking trails, science garden, observation points, and open areas. In FY22, the California Environmental Quality Act (CEQA) report was updated to include the park expansion area, and the design was finalized. The construction bids received in June 2023 to implement this project were significantly higher than expected and subsequently rejected, delaying the project timeline. Staff has worked to scale down the project and plan to reinstate the call for bids in late 2024.

***Complete Tennyson & Jackson Corridor Landscape Beautification:*** In FY18, as part of the City Council's Tennyson Corridor Strategic Initiative, staff began renovating the medians along Tennyson Corridor in an effort to transform this busy corridor into a visually appealing community gateway. The three-year project involved new trees, plants, bark chips, pavers, and more, was completed in FY22.

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 commenced in FY23. At the end of FY24, the project was 2/3 complete with an estimated completion date of June 2025. The project mimicked the efforts along Tennyson, including new trees, plants, bark chips, pavers, irrigation, and more.

***Municipal Parking Lot Improvements:*** As part of the City's ongoing effort to improve its municipal parking lots and maximize accessibility in Downtown Hayward, Municipal Lot 8 received significant improvements in FY23 including an upgraded parking configuration to City standards and ADA-compliant parking spaces requirements. The pavement in the lot was also rehabilitated, additional landscaping and LED lighting were installed, and parking stall conditions were upgraded. Municipal Parking Lot 11 was also completed in May 2024. The improvements included upgrading the parking configuration to City standards and ADA parking spaces requirements. Additional improvements were pavement rehabilitation, additional landscaping, additional LED



parking lot lighting, parking stall striping, markings and signages. Muni Lot No. 11 is the last of the nine municipal parking lots to be rehabilitated through the annual pavement and rehabilitation and preventive maintenance program.

## **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 both a five-year and long-range 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 (COP) 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 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.

Most recently, in August of 2023, Standard & Poor's affirmed an AA rating for the 2023 refunding of certificates of participation and reaffirmed the AA long term rating on the 2015 COPs. 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 2024, the City had total debt outstanding of \$79.0 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 2024, 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 2024, the unassigned fund balance of the General Fund was \$31.6 million, while the total fund balance was \$59.8 million (includes non-cash outstanding receivables of over \$10.6 million and \$17.2 million in Measure C District Tax cash balance).

## **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, 2023. This was the thirty seventh 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.

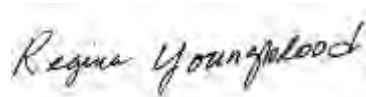
A *Certificate of Achievement for Excellence in Financial Reporting* from the GFOA is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement requirements and staff will submit it to the GFOA to determine eligibility 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 Christina Crosby, Deputy Director of Finance; Shannon Collins, Accounting Manager; Denise Robles, Accountant; Jorge Cortez, Accountant; and the entire Accounting Division staff.

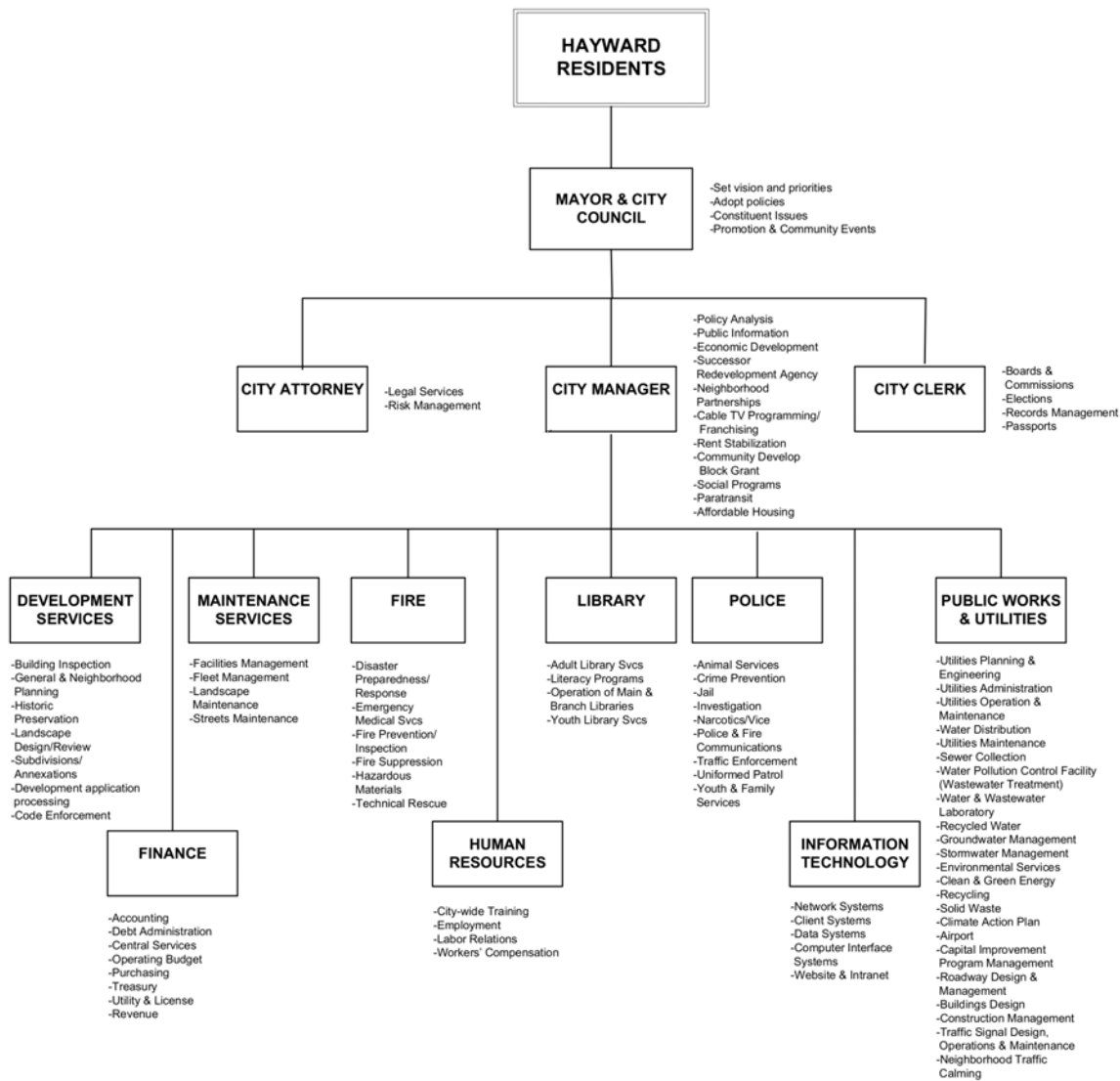
I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully Submitted,



Regina Youngblood  
Interim 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.



**Mark Salinas**  
**Mayor**

Term Expires 2026



**Angela Andrews**  
**Council Member**

Term Expires 2024



**Ray Bonilla Jr.**  
**Council Member**

Term Expires 2024



**Dan Goldstein**  
**Council Member**

Term Expires 2024



**Julie Roche**  
**Council Member**

Term Expires 2026



**George Syrop**  
**Council Member**

Term Expires 2026



**Francisco Zermeño**  
**Council Member**

Term Expires 2024



## ADMINISTRATIVE STAFF

---

### Appointed by City Council

Interim City Manager	Dustin Claussen
City Attorney	Michael Lawson
City Clerk	Miriam Lens

### Department Directors

Assistant City Manager	Regina Youngblood
Acting Assistant City Manager	Adam Kostrzak
Development Services	Sara Buizer
Finance	Nicole Gonzales
Fire	Chief Garrett Contreras
Human Resources	Brittney Frye
Acting Information Technology	Lisa Bolger
Library	Jayanti Addleman
Maintenance Services	Todd Rullman
Police	Chief Bryan Matthews
Public Works & Utilities	Alex Ameri



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Hayward  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*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 the Audit of the Financial Statements

#### *Opinions*

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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, 2024, 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.

We did not audit the financial statements of the East Bay Dischargers Authority, which represent 1.78%, 2.28% and 8.05%, 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 the East Bay Dischargers Authority, is based solely on the report of the other auditors.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*, which became effective during the year ended June 30, 2024 and required a disclosure item in the financial statements as discussed in Note 1 to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

### ***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 is the responsibility of management and, 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.

### ***Supplementary 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 accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025, 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  
March 24, 2025

## **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, 2024. 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 \$578.2 million (*total net position*). Excluding the \$530.54 million net pension liability, \$420.6 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.
- ❑ The City's total net position decreased by \$6.6 million over fiscal year 2024. Governmental activities, including the General Fund, decreased by \$14.6 million and Business-type activities increased by \$8 million.
- ❑ As of June 30, 2024, the City's governmental funds reported combined fund balances of \$196.8 million, a decrease of \$11.9 million from the prior year.
- ❑ At the end of fiscal year 2024, total fund balance for the General Fund, including Measure C, is \$59.8 million, an increase of \$0.8 million over fiscal year 2023. Of the total, the General Fund ending fund balance is \$42.6 million, and Measure C ending fund balance is \$17.2. The total fund balance is comprised of \$10.6 million in non-spendable (illiquid reserves), \$17.5 million in assigned (liquid reserves designated for specific purposes), and \$31.6 million in spendable fund balance designated for contingencies, economic uncertainty, emergencies, and liquidity by City Council. The \$31.6 million unassigned fund balance represents 53% of total General Fund expenditure including Transfers Out. The \$10.6 million in non-spendable reserves offsets a long-term loan receivable (General Fund loan to the Redevelopment Successor Agency).
- ❑ Fiscal year 2024 ended with a net increase to the General Fund, General Purpose Fund Reserve of \$221 thousand (net of Measure C district sales tax revenues).
- ❑ As of June 30, 2024, the City's enterprise funds (Sewer, Water, Stormwater and Airport) reported a combined ending net position of \$399.8 million; an increase of \$8 million from the previous year.

#### **Overview of the Basic Financial Statements**

This discussion and analysis are 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 the required supplementary budget vs. actual information and other statistical supplementary information.

**Government-wide Financial Statements.** (pages 21-22) The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business.

The *statement of net position* (see Table 1 below on page 8) presents information on all 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 9) 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 26-28) Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower 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 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 41-99) 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 122 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 \$578.2 million at the close of the current fiscal year, a decrease from the prior year of \$6.6 million. The change in the combined net position includes a decrease of \$14.6 million in Governmental Activities, and an increase of \$8 million in Business-type Activities.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and other assets	\$291.0	\$310.1	\$321.4	\$315.1	\$612.4	\$625.2
Capital assets	462.8	467.6	180.4	181.0	643.2	648.6
<b>Total assets</b>	<b>753.8</b>	<b>777.6</b>	<b>501.8</b>	<b>496.1</b>	<b>1,255.6</b>	<b>1,273.7</b>
<b>Deferred outflows</b>	<b>126.2</b>	<b>132.4</b>	<b>9.6</b>	<b>9.0</b>	<b>135.8</b>	<b>141.5</b>
<b>Liabilities</b>						
Long term debt outstanding	49.1	66.9	29.5	33.0	78.6	99.9
Other liabilities	634.3	623.3	55.0	51.6	689.3	674.9
<b>Total liabilities</b>	<b>683.4</b>	<b>690.2</b>	<b>84.5</b>	<b>84.6</b>	<b>767.9</b>	<b>774.8</b>
<b>Deferred inflows</b>	<b>18.2</b>	<b>26.7</b>	<b>27.0</b>	<b>28.7</b>	<b>45.2</b>	<b>55.4</b>
<b>Net position:</b>						
Net investments in capital assets	413.7	408.6	150.9	148.0	564.5	556.6
Restricted	123.7	131.4	0.0	0.0	123.7	131.4
Unrestricted*	(358.9)	(346.9)	249.0	243.9	110.0	(103.1)
<b>Total net position</b>	<b>\$178.4</b>	<b>\$193.1</b>	<b>\$399.8</b>	<b>\$391.9</b>	<b>\$578.2</b>	<b>\$585.0</b>

\* Unrestricted net position for June 30, 2024 and 2023, includes the City's net pension liability, which is not a claim on current financial assets.

The largest portion of the fiscal year 2024 City's net position, \$564.5 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 2024, the City's net position included \$135.8 million in deferred outflows of resources. Of this amount, \$116.8 million is related to pensions. This includes \$48.5 million related to pension contributions after the measurement date, as well as \$6.5 million attributable to changes in calculation assumptions and differences between expected and actual trust fund performance. \$18.7 million of the deferred outflows are related to other post-employment benefits (OPEB). \$8.7 million of these OPEB related deferred outflows is related to employer contributions after the measurement date and \$10.0 million is related to changes in assumptions and trust performance. Finally, \$0.2 million in outflows is related to 2016 refunding of certificates of participation, resulting in a deferred loss.

The City's long-term debt of \$78.6 million includes \$8.5 million due within one year, as well as an additional \$70.1 million due in future years.

The largest share of the City's other liabilities is comprised of \$135.8 million in net pension liabilities and \$67.1 million in OPEB liabilities, as detailed in Note 13, \$18.7 million as detailed in note and 0.2 million in note 7. Other major liabilities include \$25.6 million in accrued liabilities, \$11.6 in unearned revenue, \$19.6 million in accounts payable, \$12.9 million in total compensated absences, and \$20.8 million in refundable deposits.

Deferred inflows of resources totaled \$45.2 million in fiscal year 2024, \$6.1 million related to pensions, \$24.6 million related to leases and \$14.4 million related to OPEB. Pension-related deferred inflows are comprised of \$6.2 million in differences between actual and expected experience. Deferred outflows changes in assumptions was 16.0 million and \$40.5 million in net difference between projected and actual earnings on investments. OPEB-related deferred inflows consist of \$11.2 million in changes to calculation assumptions, \$11.2 million in difference between projected. The difference between the expected and actual experience is 1.4 million in deferred outflows.

A portion of the City's net position, \$123.6 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 \$530.5 million net pension liability, \$420.6 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 decreased by a net total of \$14.6 million.

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

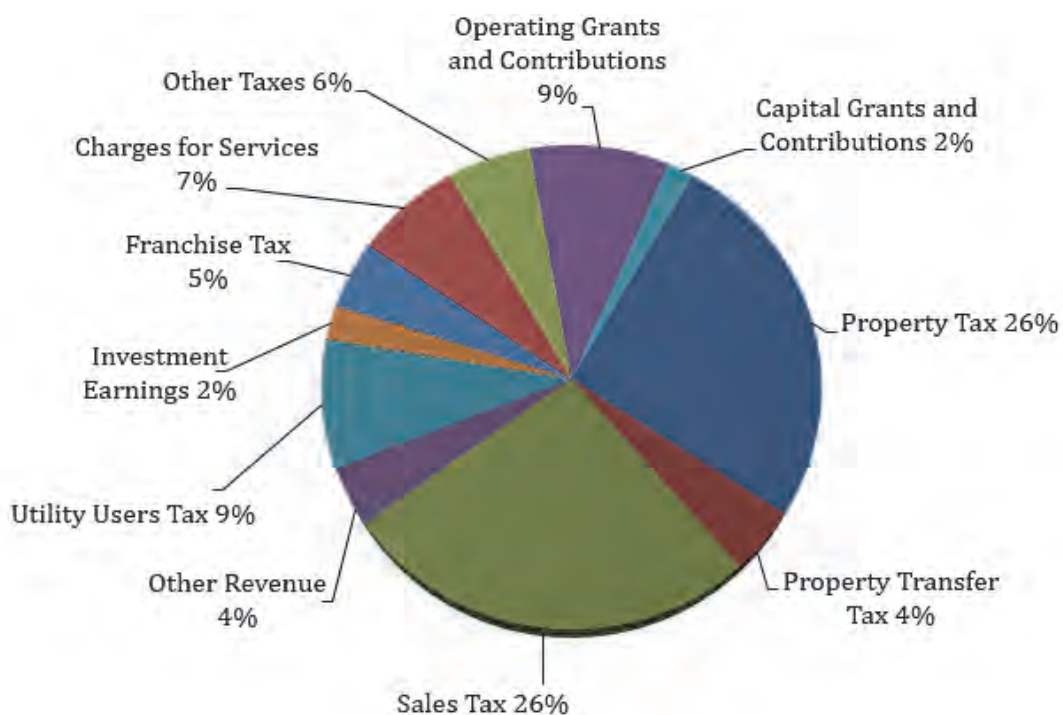
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Program revenues</b>						
Charges for services	\$20.3	\$28.2	\$104.7	\$101.0	\$125.0	\$129.2
Operating contributions and grants	27.2	35.1	-	-	27.2	35.1
Capital contributions and grants	5.1	12.8	-	-	5.1	12.8
	52.7	76.1	104.7	101.0	157.3	177.2
<b>General revenues</b>						
Property tax	73.7	70.3	-	-	73.7	70.3
Sales tax	75.3	66.9	-	-	75.3	66.9
Utility user tax	24.5	25.9	-	-	24.5	25.9
Real property transfer tax	12.5	12.4	-	-	12.5	12.4
Franchise fees	13.2	11.9	-	-	13.2	11.9
Other taxes	19.9	17.4	-	-	19.9	17.4
Investment earnings	6.5	3.6	8.6	3.2	15.1	6.8
Gain on disposal of capital	-	-	-	-	-	-
Gain on sale of capital assets	0.0	0.0	-	-	0.0	0.0
Miscellaneous	6.0	5.1	-	-	6.0	5.1
General revenues subtotal	231.6	213.6	8.6	3.2	240.1	216.7
<b>Total Revenues</b>	284.3	289.7	113.3	104.2	397.4	393.9
<b>Expenses by activity</b>						
General Government	41.1	23.1	-	-	41.1	23.1
Public safety	157.2	166.2	-	-	157.2	166.2
Public works and transportation	55.7	25.0	-	-	55.7	25.0
Library and neighborhood services	16.3	14.6	-	-	16.3	14.6
Economic development	1.7	8.8	-	-	1.7	8.8
Planning and building	14.1	10.5	-	-	14.1	10.5
Maintenance services	18.5	14.1	-	-	18.5	14.1
Interest on long term debt	(2.0)	2.1	-	-	(2.0)	2.1
Sewer	-	-	32.7	28.3	32.7	28.3
Water	-	-	59.9	52.5	59.9	52.5
Airport	-	-	5.1	4.6	5.1	4.6
Stormwater	-	-	3.8	2.7	3.8	2.7
Recycling	-	-	0.2	(0.1)	0.2	(0.1)
<b>Total expenses</b>	302.6	264.4	101.6	88.0	404.0	352.4
Increase (decrease) before transfers	(18.2)	25.3	11.6	16.2	(6.6)	41.5
Transfers	3.6	4.4	(3.6)	(4.4)	-	-
Change in Net Position	(14.6)	29.7	8.0	11.8	(6.6)	41.5
Beginning Net Position	193.1	163.4	391.9	380.1	585.0	543.5
<b>Ending Net Position (June 30)</b>	\$178.4	\$193.1	\$399.8	\$391.9	\$578.2	\$584.9

## 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 include general taxes (property, sales, etc.). Total revenues decreased by \$5.6 million:

- ❑ Charges for Services decreased by \$.4.2 million over the prior year.
- ❑ Operating Contributions and Grants decreased by \$7.9 compared to the previous year due to a decrease in the number of awards from outside agencies.
- ❑ Capital contributions and grants decreased by \$7.7 million over the prior year.
- ❑ Property Taxes increased by \$3.4 million over the prior year, due to continued growth in residential use property values.
- ❑ Sales Taxes increased by \$8.4 million over the prior year, due to continued strength of online sales and increased collections.
- ❑ Real Property Transfer Tax increased by \$0.2 million over 2023, despite an expected RPTT slowdown prompted by the Covid-19 pandemic.
- ❑ Miscellaneous Revenue increased by \$0.9 million compared to 2023.

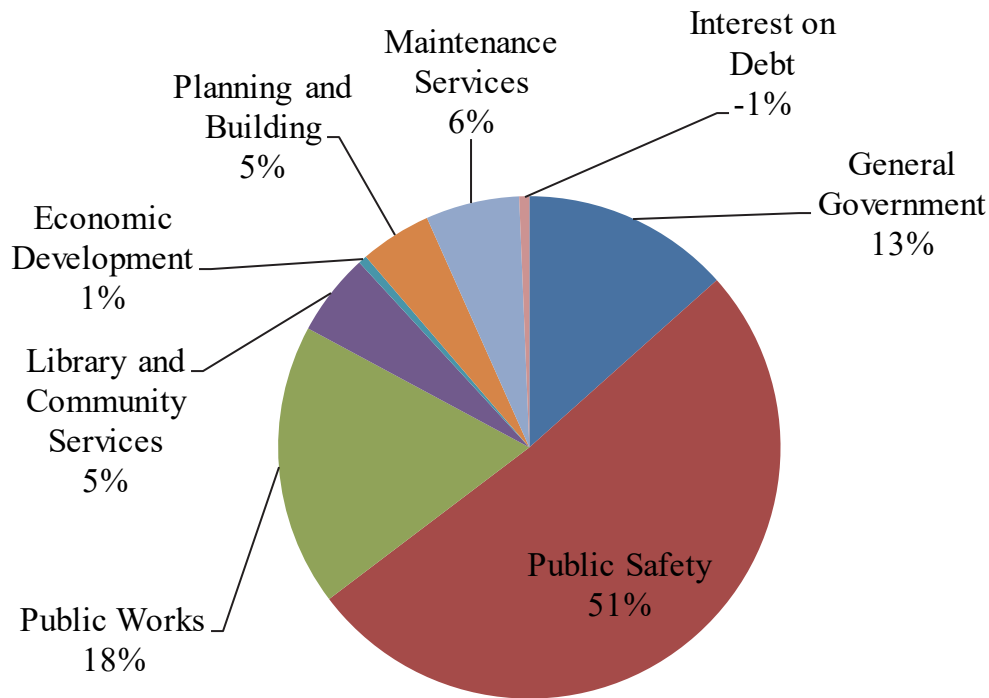
**Chart 1 – Revenues by Source – Governmental Activities for Fiscal Year 2024**



## Governmental Activities Expenses

The governmental expenses (excluding transfers) increased by \$38 million to \$302.4 million. Operational cost in general government expenditures increased by \$17.8 million, public safety costs decreased by \$9 million, \$30.7 million in public works costs increased, and a net increase of \$11 million across other governmental activities expenditures. A significant portion of the increase in expenditure 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.

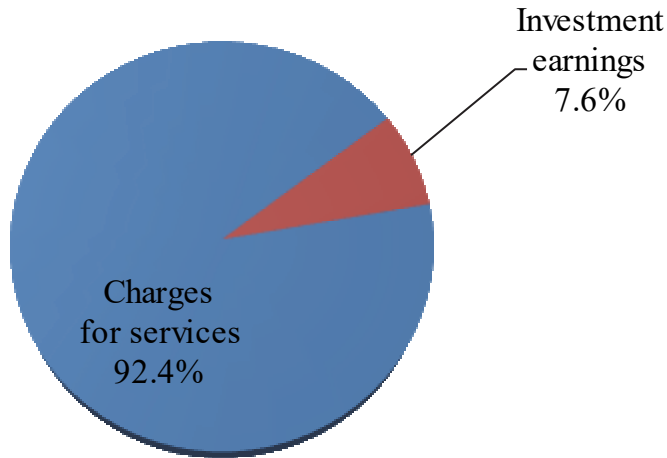
**Chart 2 – Expenses by Function – Governmental Activities for Fiscal Year 2024**



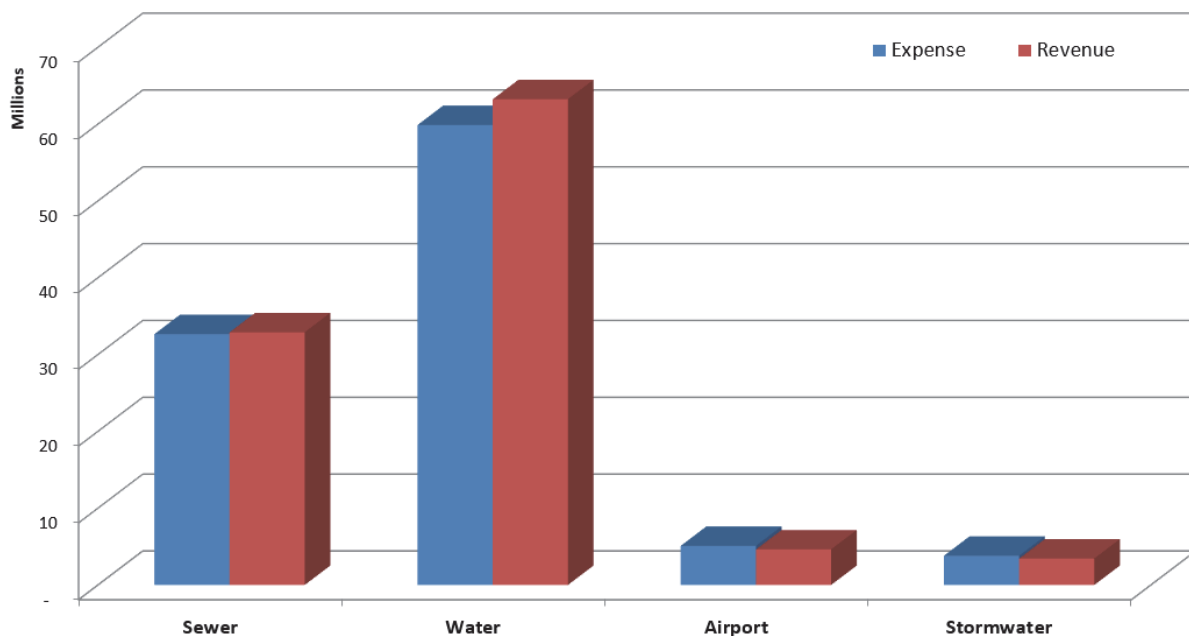
**Business-Type Activities.** The net position of business-type activities was \$399.8 million at June 30, 2024, an increase of \$8 million from last fiscal year. Program revenues totaled \$105 million, while program expenses totaled \$101.1 million.

As the *Revenue by Source* chart indicates, charges for utility services account for 97% 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 \$2.8 million, water increased by \$5.6 million, and Stormwater decreased by \$0.3 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 \$0.1 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 2024, the City's governmental funds reported combined ending fund balances of \$196.8 million, a decrease of \$11.9 million over prior year. Among the City's major governmental funds, there was an increase of \$0.8 million to the General Fund and an increase of \$0.6 million to Measure C Fund, which were mostly offset by a reduction of \$3.7 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 a decrease of \$5.2 million to the Route 238 Improvement fund; an increase of \$0.1 million to the Affordable Housing fund; \$0.5 million to the Measure BB fund; \$1.2 million to the Park Dedication Ordinance fund. 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 \$197 million of the fund balance or 47% represents Non-Spendable, Restricted, and Assigned fund balances; and 53% 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 82.7% of the total governmental revenues stand at 62.8% 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 2024, the General Fund's Unassigned fund balance was \$31.6 million (exclusive of Measure C), a decrease of \$7.8 million over the prior year. The total fund balance, inclusive of Non-spendable and Assigned balances, was \$59.8 million, a increase of \$0.8 million from the prior fiscal year. This difference is related to federal Covid-19 response funding, along with significant decreases 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 4.0% of total General Fund expenditure of \$239.6 million (including Transfers Out).

**General Fund Budgetary Highlights.** Fiscal year 2024 ended with a Net Change in Fund Balance of \$0.85 million (GAAP Basis).

**Table 3 - FY 2024 General Fund Budget Summary (expressed in thousands)**

	A	B	C	Variance	Variance
	2024	2024	2024	(C-B)	%
<i>(reflected in thousands)</i>	Adopted	Adjusted	Actual		
Revenues	217,542	217,851	233,016	15,165	6.5%
Expenditures	197,908	207,725	208,579	854	0.4%
Transfers In/(Out)	(25,831)	(36,363)	(23,585)	12,777	-35.1%
<b>Net Change in Fund Balance</b>	<b>(6,197)</b>	<b>(26,237)</b>	<b>852</b>	<b>27,089</b>	
<b>(Budget Basis)</b>					

The net change in fund balance for fiscal year 2024 based on actual performance (column C) is positive \$0.85 million. The net change in fund balance is primarily attributed to federal pandemic response funding. This fund balance summary 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 \$0.85 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 2024, the unrestricted net position of the Sewer and Water Funds amounted to \$111.6 and \$126.3 million, respectively. Sewer net position increased by \$2.8 million and Water net position increased to \$5.6 million.

**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 2024 the fund ended with a net position of \$13.8 million, an increase of \$1.3 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, 2024, the City's investments in capital assets for its governmental and business-type activities are \$643.2 million (net of accumulated depreciation) as presented below in Table 4. 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 decreased by 0.8%, with 89.4 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	
	2024	2023	2024	2023	2024	2023
Land	19.2	19.2	4.8	\$4.8	\$24.0	\$24.0
Construction in progress	89.4	81.0	38.1	30.8	127.5	111.8
Buildings	66.3	68.4	12.4	13.0	78.7	81.4
Improvements other than buildings	62.3	64.2	0.0	\$0.0	62.3	64.2
Machinery and equipment	23.4	23.5	48.4	50.2	71.8	73.7
Street infrastructure	202.1	211.2	0.0	-	202.1	211.2
Sewer infrastructure	-	-	47	50.5	47.1	50.5
Water infrastructure	-	-	24	25.1	23.6	25.1
Airport infrastructure	0	-	6	6.5	6.1	6.5
<b>Total</b>	<b>\$462.8</b>	<b>\$467.6</b>	<b>\$180.4</b>	<b>\$181.0</b>	<b>\$643.1</b>	<b>\$648.6</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 2024, the City had total bonded debt outstanding of \$78.6 million as presented in Table 5. This represents a decrease of \$21.3 million versus the prior year. Of the total outstanding bond debt, \$40.7 million represents certificates of participation debt for Civic Center Project (City Hall) and 21<sup>st</sup> Century Library; \$0.1 million represents capital leases for a solar power generator, fleet vehicles, computer, and telephone equipment; \$27.6 million represents State Water Board financing for a water pollution control facility; \$2.3 million private placement lease; \$1.9 million loan represents loan from State Energy Resources Conservation and Development Commission.

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



**Table 5 – City of Hayward Outstanding Debt** *(in millions)*

	Governmental Activities		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Certificates of Participation	\$40.7	\$55.8	-	-	\$40.7	\$55.8
Capital Lease Obligations	0.1	0.4	-	-	0.1	0.4
Capital Lease Equipment					-	-
Private Placement Loan- Cert of Participation	6.0	7.8	-	-	6.0	7.8
Private Placement Loan- Fire and Wellness	2.3	2.7	-	-	2.3	2.7
State Water Resources Control Board Loan	-	-	27.6	30.8	27.6	30.8
State Energy Resources Conservation	0.0	0.1	1.9	2.2	1.9	2.4
<b>Total Long-Term Debt</b>	<b>\$49.1</b>	<b>\$66.9</b>	<b>\$29.5</b>	<b>\$33.0</b>	<b>\$78.6</b>	<b>\$99.9</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, 2024 a total of \$221 thousand 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, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash, cash equivalents, and investments (Note 2)	\$199,289,270	\$259,589,103	\$458,878,373
Cash, cash equivalents, and investments with fiscal agents (Note 2)		1	1
Accounts receivable, net	14,571,024	19,757,784	34,328,808
Due from other governments	18,453,928	11,797	18,465,725
Interest receivable	233,697	319,290	552,987
Internal balances (Note 5)	(2,686,079)	2,686,079	
Loans receivable (Note 3)	48,034,725		48,034,725
Leases receivable (Note 4)		25,552,357	25,552,357
Long-term loans to the Private Purpose Trust Fund (Note 20)	5,939,979		5,939,979
Land held for resale (Note 1)	6,838,652		6,838,652
Deposits, parts, supplies and other	285,248	4,405,223	4,690,471
Investment in East Bay Dischargers Authority (Note 17)		9,118,584	9,118,584
Capital assets (Note 6):			
Land	19,246,485	4,757,492	24,003,977
Construction in progress	89,417,947	38,103,803	127,521,750
Depreciable capital assets, net	354,154,240	137,498,386	491,652,626
Total assets	753,779,116	501,799,899	1,255,579,015
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions (Note 13)	110,313,297	6,482,360	116,795,657
Related to OPEB (Note 15)	15,628,403	3,099,462	18,727,865
Deferred loss on refunding (Note 7)	281,166		281,166
Total deferred outflows of resources	126,222,866	9,581,822	135,804,688
<b>LIABILITIES:</b>			
Accounts payable	12,650,200	6,940,022	19,590,222
Accrued interest	303,775	318,507	622,282
Accrued liabilities	25,617,369	6,023	25,623,392
Unearned revenue	10,991,669	631,087	11,622,756
Refundable deposits	16,295,524	4,538,727	20,834,251
Accrued reclamation costs, due within one year (Note 11)		125,000	125,000
Compensated absences (Note 1):			
Due within one year	8,374,230	1,197,217	9,571,447
Due in more than one year	2,976,614	363,964	3,340,578
Long-term debt (Note 7):			
Due within one year	4,986,804	3,527,139	8,513,943
Due in more than one year	44,151,467	25,978,108	70,129,575
Subscription liabilities (Note 8):			
Due within one year	62,646		62,646
Due in more than one year	246,665		246,665
Net pension liabilities, due in more than one year (Note 13)	500,783,375	29,761,119	530,544,494
Net OPEB liability, due in more than one year (Note 15)	56,018,902	11,109,800	67,128,702
Total liabilities	683,459,240	84,496,713	767,955,953
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to leases (Note 4)		24,661,156	24,661,156
Related to pensions (Note 13)	6,158,814		6,158,814
Related to OPEB (Note 15)	12,001,270	2,380,121	14,381,391
Total deferred inflows of resources	18,160,084	27,041,277	45,201,361
<b>NET POSITION (Note 10):</b>			
Net investments in capital assets	413,652,256	150,854,434	564,506,690
Restricted for:			
Public safety	573,770		573,770
Debt service		1	1
Public works and transportation	39,240,529		39,240,529
Planning and building	41,830,902		41,830,902
Economic development	42,019,122		42,019,122
Total restricted net position	123,664,323	1	123,664,324
Unrestricted	(358,933,921)	248,989,296	(109,944,625)
Total net position	\$178,382,658	\$399,843,731	\$578,226,389

See accompanying notes to basic financial statements

CITY OF HAYWARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General government	\$41,061,682	\$2,570,867	\$10,747,523	
Public safety	157,239,897	2,804,653	4,094,953	
Public works and transportation	55,670,037	5,085,507	11,946,790	\$5,112,234
Library and community services	16,274,365	1,205,069	440,000	
Economic development	1,683,222	1,281,165		
Planning and building	14,081,790	5,331,185		
Maintenance services	18,488,401	2,056,030		
Interest on long-term debt	(1,981,560)			
Total Governmental Activities	302,517,834	20,334,476	27,229,266	5,112,234
BUSINESS-TYPE ACTIVITIES:				
Sewer	32,650,697	32,892,790		
Water	59,881,805	63,230,491		
Airport	5,096,164	4,627,028		
Stormwater	3,808,378	3,441,834		
Recycling	202,324	503,267		
Total Business-type Activities	101,639,368	104,695,410		
Total	\$404,157,202	\$125,029,886	\$27,229,266	\$5,112,234
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 disposal of capital assets				
Miscellaneous				
TRANSFERS (Note 5)				
Total General Revenues And Transfers				
CHANGE IN NET POSITION				
BEGINNING NET POSITION				
ENDING NET POSITION				

See accompanying notes to basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
(\$27,743,292)		(\$27,743,292)
(150,340,291)		(150,340,291)
(33,525,506)		(33,525,506)
(14,629,296)		(14,629,296)
(402,057)		(402,057)
(8,750,605)		(8,750,605)
(16,432,371)		(16,432,371)
1,981,560		1,981,560
(249,841,858)		(249,841,858)
	\$242,093	242,093
	3,348,686	3,348,686
	(469,136)	(469,136)
	(366,544)	(366,544)
	300,943	300,943
	3,056,042	3,056,042
(249,841,858)	3,056,042	(246,785,816)
73,658,984		73,658,984
75,344,108		75,344,108
24,453,592		24,453,592
12,540,552		12,540,552
13,161,911		13,161,911
5,743,381		5,743,381
2,253,091		2,253,091
11,705,277		11,705,277
202,532		202,532
6,498,376	8,555,103	15,053,479
26,948		26,948
5,952,245		5,952,245
3,621,036	(3,621,036)	
235,162,033	4,934,067	240,096,100
(14,679,825)	7,990,109	(6,689,716)
193,062,483	391,853,622	584,916,105
\$178,382,658	\$399,843,731	\$578,226,389

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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 2024. 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.

*American Rescue Plan Act* – Accounts for the American Rescue Plan Act (ARPA) federal stimulus package grants received by the City for internal and external needs of the City associated with the COVID-19 crisis.

*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.

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

CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2024

		Special Revenue Funds	
	General*	Federal Grants	America Rescue Plan Act
<b>ASSETS:</b>			
Cash, cash equivalents, and investments (Note 2)	\$36,142,395	\$2,833,518	\$10,043,980
Accounts receivable, net	13,037,987		
Due from other governments	15,786,477		
Interest receivable	17,817	1,683	4,141
Due from other funds (Note 5)	6,271,690		
Loans receivable (Note 4)	8,600,000	13,122,151	
Long-term loans to the Private Purpose Trust Fund (Note 20)	2,036,442		
Land held for resale (Note 1)			
Deposits, parts, supplies and other	3,126		
Total Assets	<u>\$81,895,934</u>	<u>\$15,957,352</u>	<u>\$10,048,121</u>
<b>LIABILITIES:</b>			
Accounts payable	\$2,695,910	\$24,172	\$233,474
Accrued liabilities	826,877		
Due to other funds (Note 5)			
Long-term interfund payables (Note 5)	2,777,361		
Unearned revenue			9,814,647
Refundable deposits	15,812,670		
Total Liabilities	<u>22,112,818</u>	<u>24,172</u>	<u>10,048,121</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue			
Total Deferred Inflows of Resources			
<b>FUND BALANCES (Note 10):</b>			
Nonspendable	10,639,568		
Restricted:			
Public safety			
Public works and transportation			
Planning and building		15,933,180	
Economic development			
Assigned	17,520,037		
Unassigned	31,623,511		
Total Fund Balances	<u>59,783,116</u>	<u>15,933,180</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$81,895,934</u>	<u>\$15,957,352</u>	<u>\$10,048,121</u>

See accompanying notes to basic financial statements

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

Capital Projects Funds		Debt Service Fund		
Housing Authority	General Capital Projects	Certificates of Participation	Other Governmental Funds	Total Governmental Funds
\$5,147,088	\$18,102,071		\$71,561,835	\$143,830,887
	693,825		583,848	14,315,660
	111,966		2,509,633	18,408,076
2,121	24,380	\$489	160,616	211,247
				6,271,690
12,838,535			13,474,039	48,034,725
3,876,516				5,912,958
707,539			6,131,113	6,838,652
				3,126
<u>\$22,571,799</u>	<u>\$18,932,242</u>	<u>\$489</u>	<u>\$94,421,084</u>	<u>\$243,827,021</u>
\$2,548	\$3,714,031		\$3,196,299	\$9,866,434
113	5,680		9,320	841,990
		\$182,154	5,998,254	6,180,408
				2,777,361
	454,004		680,674	10,949,325
	134,583		338,134	16,285,387
<u>2,661</u>	<u>4,308,298</u>	<u>182,154</u>	<u>10,222,681</u>	<u>46,900,905</u>
			118,797	118,797
			118,797	118,797
				10,639,568
			573,770	573,770
			39,240,529	39,240,529
			25,897,722	41,830,902
22,569,138			19,449,984	42,019,122
	14,623,944			32,143,981
		(181,665)	(1,082,399)	30,359,447
<u>22,569,138</u>	<u>14,623,944</u>	<u>(181,665)</u>	<u>84,079,606</u>	<u>196,807,319</u>
<u>\$22,571,799</u>	<u>\$18,932,242</u>	<u>\$489</u>	<u>\$94,421,084</u>	<u>\$243,827,021</u>

CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024

Total Fund Balances reported on the governmental funds balance sheet \$196,807,319

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	18,873,737
Construction in progress	88,023,932
Depreciable capital assets, net	332,296,771

**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	55,458,383
Accounts receivable	255,364
Interest receivable	22,450
Due from other governments	45,852
Long-term loans to the Private Purpose Trust Fund	27,021
Deposits, parts, supplies and other	282,122
Land	372,748
Construction in progress	1,394,015
Depreciable capital assets, net	21,857,469
Accounts payable	(2,783,766)
Accrued interest	(4,273)
Accrued liabilities	(24,775,379)
Unearned revenue	(42,344)
Refundable deposits	(10,137)
Compensated absences	(781,172)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(7,852,703)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(3,716,709)
Long-term debt	(144,423)
Subscription liabilities	(309,311)

**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	118,797
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**LONG-TERM ASSETS AND LIABILITIES**

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

Long-term debt	(48,993,848)
Deferred outflow for deferred loss on refunding	281,166
Interest payable	(299,502)
Compensated absences	(10,569,672)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(388,776,189)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(48,675,060)

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$178,382,658

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, 2024

		Special Revenue Funds	
	General*	Federal Grants	America Rescue Plan Act
REVENUES:			
Property taxes	\$73,406,274		
Sales taxes	75,344,108		
Utility users tax	24,453,592		
Other taxes	34,580,636		
Licenses and permits	6,131,063		
Fines and forfeitures	2,703,562		
Special assessments			
Investment income	1,653,396	\$99,830	\$371,754
Rental income	172		
Intergovernmental	5,906,061	819,373	3,847,065
Fees and charges for services	5,005,339		
Other revenue	3,832,602	133,805	23,203
Total Revenues	233,016,805	1,053,008	4,242,022
EXPENDITURES:			
Current:			
General government	19,785,424		2,078,993
Public safety	150,278,179	188,295	
Public works and transportation	4,492,101		546,088
Library and community services	11,772,670	60,674	
Economic development		479,233	
Planning and building	9,886,897	172,766	
Maintenance services	12,363,648		1,616,941
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	208,578,919	900,968	4,242,022
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,437,886	152,040	
OTHER FINANCING SOURCES (USES):			
Proceeds from issuance of long-term debt			
Transfers in (Note 5)	7,443,234		
Transfers (out) (Note 5)	(31,028,315)	(4,561)	
Total Other Financing Sources (Uses)	(23,585,081)	(4,561)	
CHANGE IN FUND BALANCES	852,805	147,479	
BEGINNING FUND BALANCES	58,930,311	15,785,701	
ENDING FUND BALANCES (DEFICITS)	\$59,783,116	\$15,933,180	

See accompanying notes to basic financial statements

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

Capital Projects Funds		(Formerly nonmajor) Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Housing Authority	General Capital Projects	Certificates of Participation		
				\$73,406,274
				75,344,108
				24,453,592
	\$1,809,022		\$693,139	37,082,797
				6,131,063
			18,269	2,721,831
			1,654,366	1,654,366
\$179,703	774,978	\$57,260	1,771,130	4,908,051
			837,385	837,557
	3,586,274		25,530,647	39,689,420
				5,005,339
542	909,452		6,438,009	11,337,613
180,245	7,079,726	57,260	36,942,945	282,572,011
				21,864,417
			910,099	151,376,573
			9,605,833	14,644,022
			1,684,654	13,517,998
			53,166	532,399
128,824			1,298,758	11,487,245
			1,243,441	15,224,030
	24,176,833		22,828,227	47,005,060
		54,569,724		54,569,724
		2,028,085		2,028,085
128,824	24,176,833	56,597,809	37,624,178	332,249,553
51,421	(17,097,107)	(56,540,549)	(681,233)	(49,677,542)
		41,117,569		41,117,569
	13,312,440	7,981,362	865,226	29,602,262
(6,897)			(1,953,145)	(32,992,918)
(6,897)	13,312,440	49,098,931	(1,087,919)	37,726,913
44,524	(3,784,667)	(7,441,618)	(1,769,152)	(11,950,629)
22,524,614	18,408,611	7,259,953	85,848,758	208,757,948
\$22,569,138	\$14,623,944	(\$181,665)	\$84,079,606	\$196,807,319

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, 2024

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 (\$11,950,629)

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 47,005,060

Non-capitalized capital outlay expenditures and net retirements were reclassified to various governmental activities (37,891,968)

Depreciation expense is deducted from fund balance

(Depreciation expense is net of internal service fund depreciation of  
\$3,195,068 which has already been allocated to service funds) (15,218,208)

**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 58,614,104

Proceeds from issuance of debt are deducted from fund balance (41,117,569)

Amortization of deferred loss on refunding is deducted from fund balance (93,721)

Interest payable is added back to fund balance 66,784

**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 31,149

Compensated absences (1,251,655)

Net pension liabilities and pension-related deferred outflows/inflows of resources (22,075,618)

Net OPEB liabilities and OPEB-related deferred outflows/inflows of resources 9,992,169

**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 (789,723)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (\$14,679,825)

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 2024. 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.

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

CITY OF HAYWARD  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Sewer	Water	Airport	Non-Major Funds	Totals	
<b>ASSETS:</b>						
Current Assets:						
Cash and investments (Note 2)	\$113,486,647	\$131,064,068	\$7,974,305	\$7,064,083	\$259,589,103	\$55,458,383
Cash and investments with fiscal agents (Note 2)	1				1	
Accounts receivable, net	5,834,448	11,975,723	206,490	1,741,123	19,757,784	255,364
Interest receivable	46,566	54,074	215,705	2,945	319,290	45,852
Due from other governments	754			11,043	11,797	22,450
Deposits, parts, supplies and other	1,808,479	2,596,744			4,405,223	282,122
Total Current Assets	121,176,895	145,690,609	8,396,500	8,819,194	284,083,198	56,064,171
Noncurrent Assets:						
Leases receivable (Note 4)			25,552,357		25,552,357	
Long-term interfund receivables (Note 5)		2,777,361			2,777,361	
Long-term loans to the Private Purpose Trust Fund (Note 20)						27,021
Investment in East Bay Dischargers Authority (Note 17)	9,118,584				9,118,584	
Capital assets (Note 6):						
Land	1,830,143	2,683,047	244,302		4,757,492	372,748
Construction in progress	21,638,243	14,153,235	2,312,325		38,103,803	1,394,015
Depreciable capital assets, net	94,454,322	33,936,090	9,107,840	134	137,498,386	21,857,469
Total Noncurrent Assets	127,041,292	53,549,733	37,216,824	134	217,807,983	23,651,253
Total Assets	248,218,187	199,240,342	45,613,324	8,819,328	501,891,181	79,715,424
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions (Note 13)	3,003,493	2,178,073	527,232	773,562	6,482,360	2,186,715
Related to OPEB (Note 15)	1,273,495	1,279,113	249,081	297,773	3,099,462	1,108,689
Total Deferred Outflows of Resources	4,276,988	3,457,186	776,313	1,071,335	9,581,822	3,295,404
<b>LIABILITIES:</b>						
Current Liabilities:						
Accounts payable	2,429,991	4,416,315	76,649	17,067	6,940,022	2,783,766
Accrued interest	318,507				318,507	4,273
Accrued liabilities	3,430	1,346	95	1,152	6,023	24,775,379
Unearned revenue	229,568	430,717	(29,198)		631,087	42,344
Refundable deposits		4,409,191	129,536		4,538,727	10,137
Due to other funds (Note 5)				91,282	91,282	
Compensated absences, due within one year (Note 1)	440,078	579,526	72,790	104,823	1,197,217	576,320
Accrued reclamation costs (Note 11)	125,000				125,000	
Long-term debt, due within one year (Note 7)	3,527,139				3,527,139	144,423
Subscription liabilities, due within one year						62,646
Total Current Liabilities	7,073,713	9,837,095	249,872	214,324	17,375,004	28,399,288
Noncurrent Liabilities:						
Compensated absences, due in more than one year (Note 1)	133,787	176,181	22,129	31,867	363,964	204,852
Net pension liabilities, due in more than one year (Note 13)	13,789,318	9,999,736	2,420,571	3,551,494	29,761,119	10,039,418
Net OPEB liability, due in more than one year (Note 15)	4,564,752	4,584,890	892,812	1,067,346	11,109,800	3,974,019
Long-term debt, due in more than one year (Note 7)	25,978,108				25,978,108	
Subscription liabilities, due in more than one year						246,665
Total Noncurrent Liabilities	44,465,965	14,760,807	3,335,512	4,650,707	67,212,991	14,464,954
Total Liabilities	51,539,678	24,597,902	3,585,384	4,865,031	84,587,995	42,864,242
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Related to leases (Note 4)			24,661,156		24,661,156	
Related to OPEB (Note 15)	977,935	982,249	191,273	228,664	2,380,121	851,379
Total Deferred Inflows of Resources	977,935	982,249	24,852,429	228,664	27,041,277	851,379
<b>NET POSITION (Note 10):</b>						
Net investments in capital assets	88,417,461	50,772,372	11,664,467	134	150,854,434	23,170,498
Restricted for debt service	1				1	
Unrestricted	111,560,100	126,345,005	6,287,357	4,796,834	248,989,296	16,124,709
Total Net Position	\$199,977,562	\$177,117,377	\$17,951,824	\$4,796,968	\$399,843,731	\$39,295,207

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, 2024

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Sewer	Water	Airport	Non-Major Funds	Totals	
OPERATING REVENUES:						
Charges for services	\$32,808,207	\$15,973,790	\$4,050,240	\$3,412,213	\$56,244,450	\$33,211,111
Sale of water		47,197,305			47,197,305	
Miscellaneous	411,109	59,396	576,788	532,888	1,580,181	3,864,667
Total Operating Revenues	33,219,316	63,230,491	4,627,028	3,945,101	105,021,936	37,075,778
OPERATING EXPENSES:						
Salaries and related expenses	11,765,643	9,005,492	2,114,933	3,064,164	25,950,232	10,076,054
Materials, supplies and services	12,590,233	10,551,201	1,790,815	921,580	25,853,829	16,576,375
Repairs and maintenance	1,635,423	1,879,201	265,080	24,838	3,804,542	4,539,537
Water purchases		36,105,538			36,105,538	
Self-funded insurance expense						12,096,174
Depreciation (Note 6)	6,157,172	2,340,373	925,336	120	9,423,001	3,195,068
Total Operating Expenses	32,148,471	59,881,805	5,096,164	4,010,702	101,137,142	46,483,208
Operating Income (Loss)	1,070,845	3,348,686	(469,136)	(65,601)	3,884,794	(9,407,430)
NONOPERATING REVENUES (EXPENSES):						
Investment income	3,558,250	4,145,473	633,746	217,634	8,555,103	1,586,865
Interest (expense)	(502,226)				(502,226)	(7,798)
(Loss) on investment in JPA	(326,526)				(326,526)	
Gain on sale of capital assets						26,948
Net Nonoperating Revenues (Expenses)	2,729,498	4,145,473	633,746	217,634	7,726,351	1,606,015
Income (Loss) Before Contributions and Transfers	3,800,343	7,494,159	164,610	152,033	11,611,145	(7,801,415)
TRANSFERS						
Transfers in (Note 5)	1,247,005	792,076		684,825	2,723,906	12,946,755
Transfers (out) (Note 5)	(2,210,236)	(2,675,850)	(359,980)	(1,098,876)	(6,344,942)	(5,935,063)
Net Transfers	(963,231)	(1,883,774)	(359,980)	(414,051)	(3,621,036)	7,011,692
CHANGE IN NET POSITION	2,837,112	5,610,385	(195,370)	(262,018)	7,990,109	(789,723)
BEGINNING NET POSITION	197,140,450	171,506,992	18,147,194	5,058,986	391,853,622	40,084,930
ENDING NET POSITION	\$199,977,562	\$177,117,377	\$17,951,824	\$4,796,968	\$399,843,731	\$39,295,207

See accompanying notes to basic financial statements

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Sewer	Water	Airport	Non-Major Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$32,767,422	\$61,899,797	\$4,378,676	\$3,932,435	\$102,978,330	\$37,175,463
Payments to suppliers	(13,522,170)	(49,351,486)	(2,127,393)	(1,036,315)	(66,037,364)	(32,348,839)
Payments to employees	(10,798,526)	(8,822,271)	(2,110,104)	(2,257,648)	(23,988,549)	(10,804,640)
Net Cash Flows From Operating Activities	8,446,726	3,726,040	141,179	638,472	12,952,417	(5,978,016)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:						
Interfund receipts (payments)	232,283	120,836		(141,001)	212,118	
Transfers in	1,247,005	792,076		684,825	2,723,906	12,946,755
Transfers (out)	(2,210,236)	(2,675,850)	(359,980)	(1,098,876)	(6,344,942)	(5,935,063)
Net Cash Flows From Noncapital and Related Financing Activities	(730,948)	(1,762,938)	(359,980)	(555,052)	(3,408,918)	7,011,692
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of capital assets	(7,855,019)	(208,440)	(702,307)		(8,765,766)	(4,473,560)
Proceeds from sale of capital assets						89,683
Principal payments on capital debt	(3,514,990)				(3,514,990)	(293,988)
Interest paid	(504,706)				(504,706)	(9,454)
Net Cash Flows From Capital and Related Financing Activities	(11,874,715)	(208,440)	(702,307)		(12,785,462)	(4,687,319)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income	3,558,250	4,145,473	633,746	217,634	8,555,103	1,470,466
Net Cash Flows From Investing Activities	3,558,250	4,145,473	633,746	217,634	8,555,103	1,470,466
NET CASH FLOWS	(600,687)	5,900,135	(287,362)	301,054	5,313,140	(2,183,177)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	114,087,334	125,163,933	8,261,667	6,763,029	254,275,963	57,641,560
CASH AND EQUIVALENTS AT END OF PERIOD	<u>\$113,486,647</u>	<u>\$131,064,068</u>	<u>\$7,974,305</u>	<u>\$7,064,083</u>	<u>\$259,589,103</u>	<u>\$55,458,383</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income (loss)	\$1,070,845	\$3,348,686	(\$469,136)	(\$65,601)	\$3,884,794	(\$9,407,430)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	6,157,172	2,340,373	925,336	120	9,423,001	3,195,068
Change in assets and liabilities:						
Receivables, net	(420,208)	(1,566,057)	133,618	(12,223)	(1,864,870)	187,483
Deposits, parts, supplies and other	331,506	(490,253)			(158,747)	(73,186)
Due from other governments	14,877			(443)	14,434	(4,536)
Due to interest receivable	(46,566)	(54,074)	(72,447)		(173,087)	
Due to leases receivable			(309,423)		(309,423)	
Accounts payable and other accrued expenses	371,980	(325,293)	(71,498)	(89,897)	(114,708)	863,247
Due to retirement system	1,436,253	(39,489)	245,965	798,191	2,440,920	(152,956)
Due to OPEB	(507,496)	266,861	(208,983)	(15,173)	(464,791)	(635,876)
Compensated absences	38,360	(44,151)	(32,153)	23,498	(14,446)	60,246
Refundable deposits		376,642	5,202		381,844	
Unearned revenue	3	(87,205)	(5,302)		(92,504)	(10,076)
Net Cash Flows From Operating Activities	<u>\$8,446,726</u>	<u>\$3,726,040</u>	<u>\$141,179</u>	<u>\$638,472</u>	<u>\$12,952,417</u>	<u>(\$5,978,016)</u>
NON-CASH TRANSACTIONS:						
Retirement of capital assets						(\$34,501)

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.

FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2024

	Private Purpose Trust Fund	Custodial Funds
CURRENT ASSETS:		
Cash and investments (Note 2)	\$836,336	\$4,597,019
Cash and investments with fiscal agents (Note 2)	1,799	367,175
Accounts receivable, net	453,912	3,897
Interest receivable	43,955	1,691
Due from other governments		36,085
Deposits, parts, supplies and other		201,524
	<u>1,336,002</u>	<u>5,207,391</u>
Total Current Assets		
NONCURRENT ASSETS:		
Loans receivable (Note 20)	24,509,337	
Lease receivable (Note 20)	1,253,942	
Land held for resale	3,483,031	
Capital assets (Note 20):		
Land	4,430,516	
Depreciable capital assets, net	<u>8,545,075</u>	
Total Noncurrent Assets	<u>42,221,901</u>	
Total Assets	<u>43,557,903</u>	<u>5,207,391</u>
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	27,527	78,240
Accrued interest	320,747	
Deferred revenue	63,165	30,831
Refundable deposits		34,678
Long-term debt, due in less than one year (Note 20)	<u>2,290,000</u>	
Total Current Liabilities	<u>2,701,439</u>	<u>143,749</u>
NONCURRENT LIABILITIES (Note 20):		
Long-term loans payable, due in more than one year	5,939,979	8,600,000
Long-term debt, due in more than one year	<u>19,823,101</u>	
Total Noncurrent Liabilities	<u>25,763,080</u>	<u>8,600,000</u>
Total Liabilities	<u>28,464,519</u>	<u>8,743,749</u>
DEFERRED INFLOWS OF RESOURCES:		
Related to leases (Note 20)	<u>1,235,380</u>	
Total Deferred Inflows of Resources	<u>1,235,380</u>	
NET POSITION		
Restricted for:		
Organizations and other governments	13,858,004	(7,921,847)
Bondholders		<u>4,385,489</u>
Total Net Position	<u>\$13,858,004</u>	<u>(\$3,536,358)</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property tax	\$3,560,563	\$1,118,584
Special assessment		180,161
Other revenue		262,368
Investment income	33,979	155,500
Total additions	<u>3,594,542</u>	<u>1,716,613</u>
DEDUCTIONS		
Maintenance services	1,146,854	489,369
Contractual services		305,646
Payments to bondholders		391,238
Improvements other than buildings		9,153,541
Depreciation expense (Note 20)	314,131	
Interest and fiscal charges	837,756	169,999
Total deductions	<u>2,298,741</u>	<u>10,509,793</u>
Net change in position	1,295,801	(8,793,180)
Net position - beginning	<u>12,562,203</u>	<u>5,256,822</u>
Net position - ending	<u><u>\$13,858,004</u></u>	<u><u>(\$3,536,358)</u></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, 2024**

**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, 2024**

**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 17).

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, 2024**

**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* – The 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.

*American Rescue Plan Act* – Accounts for the American Rescue Plan Act (ARPA) federal stimulus package grants received by the City for internal and external needs of the City associated with the COVID-19 crisis.

*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.

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

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, 2024**

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

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

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 statements, 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 and leases, 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 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, 2024**

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

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

- 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.

For the fiscal year ended June 30, 2024, expenditures exceeded the budgeted appropriations as follows:

	Expenditures Exceeded Budget
General Fund	\$853,937
Certificates of Participation Debt Service Fund	48,611,247

The reasons for the excess expenditures in the General Fund in fiscal year 2024 are due to the fact that overtime in the fire department exceeded budgeted expectations as well as expenses related to an unexpected cyber incident. For the Certificates of Participation Debt Service Fund, the excess expenditures were related to refunding of Certificates of Participation during fiscal year 2024.

**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, 2024 was stated at the lowest of historical cost, net realizable value, or agreed-upon sales price if a disposition agreement has been made with a developer performing projects in accordance with the Redevelopment Plan of the former Redevelopment Agency of the City of Hayward.

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

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

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

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.

**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, 2024:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$10,038,944	\$1,575,627	\$11,614,571
Additions	8,718,258	1,193,849	9,912,107
Payments	(7,406,358)	(1,208,295)	(8,614,653)
Ending Balance	<u>\$11,350,844</u>	<u>\$1,561,181</u>	<u>\$12,912,025</u>
Current Portion	<u>\$8,374,230</u>	<u>\$1,197,217</u>	<u>\$9,571,447</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 7), 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 9). 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, 2024**

**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.

***Leases*** – A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

***Lessor*** – The City is a lessor for a noncancellable leases of land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements for the leases, with the exception of short-term and regulated leases.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***Subscription-Based Information Technology Arrangements (SBITAs)*** - A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

***New Governmental Accounting Standards Board Statement Pronouncement –***

In June 2022, GASB issued Statement No. 100, *Accounting for Changes and Error Corrections*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. This Statement also addresses corrections of errors in previously issued financial statements. The provisions of this Statement were implemented during fiscal year 2024. The implementation of this Statement did not have a material impact on the financial statements, but required a disclosure item in the financial statements for a change in major fund reporting during the year.

***New Fund***

During fiscal year 2024, the City opened The Hayward Economic Development Corporation Fund, a new Custodial Fund. The City Council authorized the formation of the Hayward Economic Development Corporation as a nonprofit public benefit corporation on October 10, 2023. The formation of the Corporation as a nonprofit public benefit corporation organized under Section 509(a)(3)(A) as a supporting organization organized exclusively to benefit and support the City of Hayward in implementing the economic development activities throughout the city, along with other related objectives.

**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, 2024, the City held no uncollateralized deposits under escrow agreements with construction contractors. Such deposits are permitted to be uncollateralized under the government code.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

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, 2024, 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 Fiduciary agreements.

***Statement of Net Position***

Cash, cash equivalents, and investments	\$458,878,373
Cash, cash equivalents, and investments with fiscal agents	1

***Private Purpose Trust Fund***

Cash and investments	836,336
Cash and investments with fiscal agents	1,799

***Custodial Funds***

Cash and investments	4,597,019
Cash and investments with fiscal agents	367,175

Total Cash and Investments	\$464,680,703
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Cash and investments as of June 30, 2024 consisted of the following:

Cash in bank	\$90,615,758
Cash on hand (Petty Cash)	3,175
Investments	374,061,770
Total Cash and Investments	\$464,680,703

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.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

*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	20%	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%
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, 2024**

**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	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

***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.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2024:

Investment Type	Level 1	Level 2	Total
<b>Investments by Fair Value:</b>			
U.S. Treasury Notes	\$187,359,550		\$187,359,550
U.S. Agency Securities		\$20,641,127	20,641,127
Medium-Term Notes		38,276,155	38,276,155
Municipal Bonds		7,928,644	7,928,644
Supranationals		1,255,676	1,255,676
Certificates of Deposit		900,214	900,214
Asset-Backed Securities		6,814,454	6,814,454
Total Investments at Fair Value	<u>\$187,359,550</u>	<u>\$75,816,270</u>	263,175,820
<b>Investments Measured at Amortized Cost:</b>			
Money Market Mutual Funds			368,973
California Asset Management Program (CAMP)			2,250,575
California Local Agency Investment Fund			<u>108,266,402</u>
Total Investments			<u>\$374,061,770</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, Certificates of Deposit 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, 2024**

**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	\$60,648,857	\$48,031,226	\$78,679,467	\$187,359,550
U.S. Agency Securities		2,937,825	17,703,302	20,641,127
Money Market Mutual Funds	368,973			368,973
California Local Agency Investment Fund	108,266,402			108,266,402
California Asset Management Program (CAMP)	2,250,575			2,250,575
Medium-Term Notes	2,138,027	4,648,907	31,489,221	38,276,155
Municipal Bonds		3,192,802	4,735,842	7,928,644
Supranationals	1,255,676			1,255,676
Certificates of Deposit		900,214		900,214
Asset-Backed Securities		455,850	6,358,604	6,814,454
Total Investments	<u>\$174,928,510</u>	<u>\$60,166,824</u>	<u>\$138,966,436</u>	<u>374,061,770</u>
Cash in Banks				90,615,758
Cash on Hand (Petty Cash)				3,175
Total Cash				<u>90,618,933</u>
Total Cash and Investments				<u>\$464,680,703</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, 2024, these investments had an average maturity of 217 days.

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. The City, as a CAMP shareholder, may withdraw all or any portion of the funds in each CAMP account at any time by redeeming shares. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2024, fair value was approximate to the City's cost. At June 30, 2024, these investments had an average maturity of 38 days.

Money market funds are available for withdrawal on demand and at June 30, 2024, had an average maturity of 39 days.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**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, 2024 for each investment type as provided by Moody’s investment rating system (as of date of purchase):

Investment Type	AAAm/AAA	AA1 - AA3	A1 - A3	Baa1	Not Rated	Total
U.S. Treasury Notes	\$187,359,550					\$187,359,550
U.S. Agency Securities	20,641,127					20,641,127
Money Market Mutual Funds	368,973					368,973
California Local Agency Investment Fund					\$108,266,402	108,266,402
California Asset Management Program (CAMP)	2,250,575					2,250,575
Medium-Term Notes	429,941	\$6,012,100	\$30,753,733	\$1,080,381		38,276,155
Municipal Bonds		7,928,644				7,928,644
Supranationals	1,255,676					1,255,676
Certificates of Deposit		900,214				900,214
Asset-Backed Securities	5,190,870				1,623,584	6,814,454
Total Investments	<u>\$217,496,712</u>	<u>\$14,840,958</u>	<u>\$30,753,733</u>	<u>\$1,080,381</u>	<u>\$109,889,986</u>	<u>\$374,061,770</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, 2024, no investments were subjected to custodial credit risk on the entity-wide level.

**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 for-profit housing developers and to qualified first-time homebuyers for the above purposes.

**4. LEASES RECEIVABLE**

**Lessor** – The City from to time to time engages in lease arrangements allowing the right for others to use various owned land and buildings for the public benefit. The borrowing rate for the leases are implicit in the lease agreements and therefore, the City has applied the incremental borrowing rate of the City for all leases of 3%. Leases where the City acts as the lessor are recorded as a lease receivable offset with a deferred inflow of resources.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**4. LEASES RECEIVABLE (Continued)**

As of June 30, 2024, these leases receivable and related deferred inflows of resources consisted of the following:

Lessor	Original Lease Date	Expiration Date Including Options	Annual Revenue as of June 30, 2024	Lease Receivable Balance at June 30, 2024	Deferred Inflow of Resources at June 30, 2024
<b><i>Proprietary Funds - Airport Fund</i></b>					
Home Depot USA, Inc.	12/12/2000	12/31/2045	\$645,342	\$8,614,180	\$8,298,607
Mahabal Hospitality, LLC	12/1/2017	11/30/2067	268,687	5,129,994	5,031,266
Ramesta Hospitality, LLC	12/1/2017	11/30/2067	268,687	5,129,994	5,031,266
Velo Two, LLC	11/1/2018	10/31/2068	156,680	3,065,420	2,911,907
BDC Sueirro LP	3/1/2006	2/29/2056	165,252	2,742,849	2,636,701
Hayward Airport Plaza, LLC	11/1/2019	10/31/2029	61,798	358,288	270,491
Pacific Roller Die Company, Inc.	12/1/2020	11/30/2025	83,781	116,699	111,986
GTE Mobilnet	10/1/2006	9/30/2031	31,292	196,448	182,616
Watt Industries, Inc.	7/2/1984	10/10/2038	19,520	153,496	144,509
Paul Mazza	1/1/2005	12/31/2054	10,151	44,989	41,807
			<u>\$1,711,190</u>	<u>\$25,552,357</u>	<u>\$24,661,156</u>

***Regulated Leases*** – In accordance with GASB Statement No. 87, the City does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g., the U.S. Department of Transportation and the Federal Aviation Administration regulated aviation leases between airports, air carriers and other aeronautical users. Regulated leases include airline leases, as well as contracts with Fixed Based Operators (FBOs), and Specialized Aviation Service Operators (SASO).

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**4. LEASES RECEIVABLE (Continued)**

By definition, the following lease agreements are considered to be regulated leases and therefore, the City does not recognize a receivable and corresponding deferred inflow of resources for the following leases. As of June 30, 2024, the annual lease revenue and terms of the leases were as follows:

Lessor	Original Lease Date	Expiration Date Including Options	Annual Revenue as of June 30, 2024
<i>Proprietary Funds - Airport Fund</i>			
Meridian Aviation, Inc.	1/1/2014	12/31/2063	\$148,471
Watt Industries, Inc.	10/11/1988	12/1/2045	116,706
Pape Properties, Inc	7/1/1998	12/31/2048	134,743
Avcon, Inc.	3/1/2012	2/28/2027	73,132
Career Aviation Sales, Inc.	7/1/2005	12/31/2053	93,254
Ascend Development HWD - II, LLC	2/2/2004	12/31/2054	56,008
California Military Department	7/1/2014	6/30/2025	48,927
Briggs Resources, Inc.	5/1/2018	4/30/2070	42,063
EPIC Aviation, LLC	2/2/2004	12/31/2054	89,509
Ascend Development, HWD, LLC	8/1/2001	12/31/2051	29,116
Aviation Training, Inc.	9/1/2017	8/31/2047	22,008
Hayward FBO LLC, dba APP Jet Center	3/1/2017	2/28/2047	14,844
William Field	12/14/1999	12/31/2048	30,881
Ascend Development HWD - II, LLC	2/2/2004	12/31/2054	25,801
Hayward Hangars, LLC	12/13/2022	12/31/2063	52,651
			\$978,114

The future expected minimum rentals to be received from the existing regulated leases are as follows at June 30, 2024:

Year Ending June 30:	Minimum Lease Revenue
2025	\$978,114
2026	978,114
2027	929,187
2028	904,809
2029	856,055
2030 - 2034	4,280,273
2035 - 2039	4,280,273
2040 - 2044	4,244,272
2045 - 2049	3,861,907
2050 - 2054	2,670,147
2055 - 2059	1,616,681
2060 - 2064	972,739
2065 - 2069	416,609
2070	28,042
Total	\$27,017,222

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**5. 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, 2024 were as follows:

<u>FROM FUND:</u>	<u>TO FUND:</u>	<u>AMOUNT:</u>
General Fund	General Capital Projects Fund	\$12,400,000 A
	Certificates of Participation Debt Service Fund	7,981,362 B
	Non-Major Governmental Funds	500,000 A
	Internal Service Funds	10,146,953 A, B, C
Federal Grants Special Revenue Fund	Internal Service Funds	4,561 B, C
Housing Authority Capital Projects Fund	General Fund	4,204 D
	Internal Service Funds	2,693 B, C
Non-Major Governmental Funds	General Fund	581,914 B, D
	General Capital Projects Fund	901,440 A
	Non-Major Governmental Funds	350,226 A
	Internal Service Funds	119,565 B, C
Sewer Enterprise Fund	General Fund	823,783 D
	Water Enterprise Fund	410,000 A
	Internal Service Funds	976,453 B, C
Water Enterprise Fund	General Fund	1,229,099 D
	Non-Major Enterprise Funds	600,000 D
	Internal Service Funds	846,751 B, C
Airport Enterprise Fund	General Fund	185,168 D
	Internal Service Funds	174,812 B, C
Non-Major Enterprise Funds	General Fund	125,049 D
	Non-Major Governmental Funds	15,000 A
	Sewer Enterprise Fund	811,607 A
	Internal Service Funds	147,220 B, C
Internal Service Funds	General Fund	4,494,017 B
	General Capital Projects Fund	11,000 A
	Sewer Enterprise Fund	435,398 B
	Water Enterprise Fund	382,076 B
	Non-Major Enterprise Funds	84,825 B
	Internal Service Funds	527,747 B, C
		<u><u>\$45,272,923</u></u>

A To fund capital projects.

B To fund debt service, capital projects, administrative overhead, and insurance.

C To Fund General Liability Internal Service Fund for insurance.

D To fund allocation of administrative overhead.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**5. 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, 2024 interfund balances were as follows:

<u>Due from Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Route 238 Corridor Improvement Fund	\$5,761,938
	Certificates of Participation Debt Service Fund	182,154
	Non-Major Governmental Funds	236,316
	Non-Major Enterprise Funds	91,282
		<u>\$6,271,690</u>

***Long-Term Interfund Advances*** – At June 30, 2024, 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		\$2,777,361
Water Enterprise Fund	\$2,777,361	
Total	<u>\$2,777,361</u>	<u>\$2,777,361</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, 2024, the outstanding loan balance was \$2,777,361.

***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.

**6. 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.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**6. CAPITAL ASSETS (Continued)**

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.

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

	Balance June 30, 2023	Additions	Retirements	Transfers	Balance June 30, 2024
<b><i>Governmental activities:</i></b>					
Capital assets not being depreciated:					
Land	\$19,246,485				\$19,246,485
Construction in progress	81,025,498	\$9,848,014		(\$1,455,565)	89,417,947
Total capital assets not being depreciated	100,271,983	9,848,014		(1,455,565)	108,664,432
Capital assets being depreciated:					
Buildings and improvements	105,948,414				105,948,414
Improvements other than buildings	81,066,391			1,335,818	82,402,209
Machinery and equipment	72,349,021	3,879,314	(\$1,933,762)		74,294,573
Streets	343,259,538			119,747	343,379,285
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
Right-to-use subscription assets	540,910				540,910
Total capital assets being depreciated	619,417,151	3,879,314	(1,933,762)	1,455,565	622,818,268
Less accumulated depreciation for:					
Buildings and improvements	37,527,730	2,144,580			39,672,310
Improvements other than buildings	16,906,095	3,169,521			20,075,616
Machinery and equipment	48,875,098	3,881,855	(1,886,611)		50,870,342
Streets	134,542,520	8,724,075			143,266,595
Traffic signals	7,236,838	149,664			7,386,502
Medians	2,612,724	88,168			2,700,892
Conduits	1,540,569				1,540,569
Drains	2,768,792	117,500			2,886,292
Right-to-use Assets	126,997	137,913			264,910
Total accumulated depreciation	252,137,363	18,413,276	(1,886,611)		268,664,028
Net depreciable assets	367,279,788	(14,533,962)	(47,151)	1,455,565	354,154,240
Governmental activity capital assets, net	\$467,551,771	(\$4,685,948)	(\$47,151)		\$462,818,672

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**6. CAPITAL ASSETS (Continued)**

	Balance June 30, 2023	Additions	Transfers	Balance June 30, 2024
<i><b>Business-type activities:</b></i>				
Capital assets not being depreciated:				
Land	\$4,757,492			\$4,757,492
Construction in progress	30,810,162	\$8,765,766	(\$1,472,125)	38,103,803
Total capital assets not being depreciated	35,567,654	8,765,766	(1,472,125)	42,861,295
Capital assets being depreciated:				
Buildings and improvements	36,759,292			36,759,292
Machinery and equipment	77,542,386		710,453	78,252,839
Sewer pipelines and infrastructure	126,823,616		468,313	127,291,929
Water pipelines and infrastructure	71,359,378		293,359	71,652,737
Airport hangars, tarmacs and other infrastructure assets	28,588,734			28,588,734
Total capital assets being depreciated	341,073,406		1,472,125	342,545,531
Less accumulated depreciation for:				
Buildings and improvements	23,740,715	623,940		24,364,655
Machinery and equipment	27,312,695	2,460,635		29,773,330
Sewer pipelines and infrastructure	76,297,010	3,916,398		80,213,408
Water pipelines and infrastructure	46,232,016	1,831,437		48,063,453
Airport hangars, tarmacs and other infrastructure assets	22,041,708	590,591		22,632,299
Total accumulated depreciation	195,624,144	9,423,001		205,047,145
Net depreciable assets	145,449,262	(9,423,001)	1,472,125	137,498,386
Business-type activity capital assets, net	\$181,016,916	(\$657,235)		\$180,359,681

Governmental capital assets construction in progress was composed of the following at June 30, 2024:

	Project Budget	Expended to June 30, 2024	Committed
Buildings	\$66,580,000	\$3,301,669	\$63,278,331
Improvements other than buildings	92,200,855	81,506,894	10,693,961
Machinery and equipment	1,106,559	911,924	194,635
Streets	42,938,000	2,832,287	40,105,713
Traffic Signals	965,000	865,173	99,827
Total	\$203,790,414	\$89,417,947	\$114,372,467

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**6. CAPITAL ASSETS (Continued)**

A summary of enterprise fund construction in progress at June 30, 2024 follows:

	Project Budget	Expended to June 30, 2024	Committed
Sewer Enterprise Fund	\$34,833,114	\$21,638,243	\$13,194,871
Water Enterprise Fund	17,992,277	14,153,235	3,839,042
Airport Enterprise Fund	7,464,000	2,312,325	5,151,675
Total	<u>\$60,289,391</u>	<u>\$38,103,803</u>	<u>\$22,185,588</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.

**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	\$1,376,496
Public Safety	10,461,348
Public Works and Transportation	1,425,402
Library and Community Services	779,924
Redevelopment	133,885
Planning and Building	635,391
Maintenance Services	405,762
Internal Service Funds	3,195,068
	<u>\$18,413,276</u>

***Business-Type Activities***

Sewer Fund	\$6,157,172
Water Fund	2,340,373
Airport Fund	925,336
Stormwater Fund	120
	<u>\$9,423,001</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**7. 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, 2023	Additions	Retirements	Balance at June 30, 2024	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	\$52,245,000		\$52,245,000		
Add: Original issue premium	5,689,046	3,593,081		3,593,081		
2023 Refunding COP (a), 5%, due 11/1/34	37,030,000		\$37,030,000		\$37,030,000	\$2,595,000
Add: Original issue premium	4,087,569		4,087,569	371,599	3,715,970	
Total Certificates of Participation		55,838,081	41,117,569	56,209,680	40,745,970	2,595,000
<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	7,524,642		1,806,787	5,717,855	1,856,836
Add: Original issue premium	876,695	318,798		79,700	239,098	
<b>Loan Payable</b>						
Energy Efficiency Loan (a), 1%, due 12/22/2023	2,488,880	138,252		138,252		
<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	2,670,610		379,685	2,290,925	390,545
Total Direct Borrowings		10,652,302		2,404,424	8,247,878	2,247,381
Subtotal		66,490,383	41,117,569	58,614,104	48,993,848	4,842,381
<b>Direct Borrowings:</b>						
<b>Internal Service Fund Long-Term Debt (b)</b>						
<b>Capital Leases - Fleet</b>						
Fire Engines						
3.05%, due 1/17/2024	824,000	94,067		94,067		
Fire Truck						
2.92%, due 6/15/2025	1,272,000	284,721		140,298	144,423	144,423
Total Capital Lease Obligations (Direct Borrowings)		378,788		234,365	144,423	144,423
Subtotal		378,788		234,365	144,423	144,423
Total Governmental Activity Debt		\$66,869,171	\$41,117,569	\$58,848,469	\$49,138,271	\$4,986,804

(Continued)



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

Type of Obligation	Authorized and Issued	Balance at June 30, 2023	Retirements	Balance at June 30, 2024	Current Portion
<b>Business-type Activity Debt</b>					
<b>Direct Borrowings:</b>					
<b>Loan Payable</b>					
Energy Efficiency Loan (c), 3%, due 6/22/2025	\$2,450,000	\$419,742	\$206,726	\$213,016	\$213,016
Energy Efficiency Loan (c), 1% due 6/22/2038	2,150,955	1,824,152	113,248	1,710,904	114,432
<b>State Water Resource Control Board Loan 2006</b>					
1%, due 9/30/2028 (c)	54,550,018	16,367,112	2,727,501	13,639,611	2,727,501
<b>State Water Resource Control Board Loan 2019</b>					
1%, due 3/31/2049 (c)	21,227,086	14,409,231	467,515	13,941,716	472,190
Total Business-type Activity Debt (Direct Borrowings)		<u>\$33,020,237</u>	<u>\$3,514,990</u>	<u>\$29,505,247</u>	<u>\$3,527,139</u>

Debt service payments are generally made from the following sources:

- (a) Revenues recorded in the General Fund.
- (b) Operating revenues recorded in the Internal Service Funds.
- (c) Operating revenues 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 2024, the City had total debt outstanding of \$78.6 million, which complies with, and is significantly under, the current policy limits.

***Certificates of Participation (COPs)***

***2015 Certificates of Participation*** – On October 1, 2015, the City issued \$67,535,000 in Certificates of Participation (2015 COPs) to acquire and construct a number of capital improvements, including a new library and community learning center, improvements to existing fire stations, and street rehabilitation and repairs. The 2015 COPs bear interest at 3% to 5% and are due serially each November 1. Interest payments are due semi-annually on May 1 and November 1, through maturity in 2034. The 2015 COPs were refunded in December 2023 by the 2023 Certificates of Participation as discussed below.

***2023 Certificates of Participation*** – On November 28 2023, the City issued \$37,030,000 in Certificates of Participation (2023 Refunding COPs). The proceeds of the Bonds were used to refund the 2015 Certificates of Participation. As a result, the refunded 2015 Certificates of Participation are considered to be defeased and the liability has been removed from the Statement of Net Position. The 2023 COPs bear interest at 5% and are due serially each November 1, thorough maturity in 2034. Interest payments are due semi-annually on May 1 and November 1, through maturity on November 1, 2034. The refunding resulted in an economic gain in the amount of \$3,491,497.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**7. 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.

***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. The loan was paid off as of June 30, 2024.

***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.

***Lease Obligations***

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

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**7. 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, 2024, the City's gross repayment obligation totaled \$13,639,611. The repayments of the loan are due annually on September 30 of each year commencing 2009 until 2029.

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, 2024, the City has drawn down \$15,669,071. As of June 30, 2024, the City's estimated gross repayment obligation totaled \$13,941,716. The loan bears interest at 1% and payments are due annually on January 31 of each year commencing in 2021 until 2050.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

***Debt Service Requirements***

At June 30, 2024, annual debt service requirements to maturity for long-term debt, including interest payments, were as follows:

Year Ending June 30:	Governmental Activities - 2023 Refunding Certificates of Participation		Governmental Activities - Direct Borrowings	
	Principal	Interest	Principal	Interest
2025	\$2,595,000	\$1,640,635	\$2,391,804	\$186,834
2026	2,725,000	1,721,750	2,306,723	126,760
2027	2,875,000	1,585,500	2,369,216	65,079
2028	3,025,000	1,441,750	425,023	27,831
2029	3,175,000	1,290,500	437,179	15,674
2030 - 2034	18,380,000	4,006,250	223,258	3,170
2035	4,255,000	212,750		
Totals	37,030,000	\$11,899,135	8,153,203	\$425,348
Plus unamortized premium	3,715,970		239,098	
Total Long-term debt principal, net	\$40,745,970		\$8,392,301	

Year Ending June 30:	Business-Type Activities Direct Borrowings	
	Principal	Interest
2025	\$3,527,139	\$161,050
2026	3,320,006	150,372
2027	3,325,935	144,444
2028	3,331,888	138,493
2029	3,340,075	132,410
2030 - 2034	3,145,161	569,227
2035 - 2039	3,174,097	409,023
2040 - 2044	2,796,361	261,674
2045 - 2049	2,939,004	119,031
2050 - 2051	605,581	6,055
Totals	\$29,505,247	\$2,091,779

***Defeased Bonds***

As of June 30, 2024, outstanding balances for defeased debt were \$510,000 for the 2001 Water System Improvement Project Certificates of Participation, \$6,200,000 for the 2007 Refunding Certificates of Participation and \$48,715,000 for the 2015 Certificates of Participation.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

***Leasing Arrangements***

Certificates of Participation, Lease Revenue Bonds and other 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. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

During fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which required the City to incorporate intangible right-to-use subscription assets, and subscription liabilities. The subscription liabilities are offset with subscription assets as shown in Note 6.

A summary of subscription-based information technology arrangements (SBITA) transactions for the fiscal year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Retirements	Balance June 30, 2024	Current Portion
<b>Governmental Activities</b>				
Subscription Liabilities				
Arctic Wolf License	\$110,402		\$110,402	
Intterra Software	258,532	(\$59,623)	198,909	\$62,646
	<u>368,934</u>	<u>(\$59,623)</u>	<u>309,311</u>	<u>\$62,646</u>
Total Subscription Liabilities	<u>\$368,934</u>	<u>(\$59,623)</u>	<u>\$309,311</u>	<u>\$62,646</u>

On July 1, 2022, the City entered into a 35 month subscription for the use of an Arctic Wolf License Subscription. An initial subscription liability was recorded in the amount of \$213,427. As of June 30, 2024, the value of the subscription liability is \$110,402. The City is required to make annual fixed payments of \$107,441. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2024 is \$213,426 with accumulated amortization of \$144,832, which is included in Note 6 Capital Assets.

On September 1, 2021, the City entered into a 60 month subscription for the use of an Intterra Software Subscription. An initial subscription liability was recorded in the amount of \$322,984. As of June 30, 2024, the value of the subscription liability is \$198,909. The City is required to make annual fixed payments of \$64,452. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2024 is \$327,484 with accumulated amortization of \$120,078, which is included in Note 6 Capital Assets.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The future subscription and interest subscription payments as of June 30, 2024 follows:

For the Year Ended June 30	Principal	Interest	Total
2024	\$62,646	\$4,706	\$67,352
2025	176,463	3,224	179,687
2026	70,202	1,661	71,863
Totals	\$309,311	\$9,591	\$318,902

**9. 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, 2024 was \$30,000.

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, 2024 was \$3,870,064.

**10. NET POSITION AND FUND BALANCES**

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

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

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

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

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

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**10. 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 residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have been assigned by City Council Resolution.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**10. NET POSITION AND FUND BALANCES (Continued)**

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

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

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

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

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

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



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**10. NET POSITION AND FUND BALANCES (Continued)**

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

	<u><b>Balance at June 30, 2024</b></u>
<b>Nonspendables:</b>	
Items not in spendable form:	
Long-term loans to Private Purpose Trust	\$2,036,442
Deposits, parts, supplies and other	<u>8,603,126</u>
<b>Total Nonspendable Fund Balances</b>	<u><b>10,639,568</b></u>
<b>Assigned:</b>	
Other	256,170
Measure C District sales tax	<u>17,263,867</u>
<b>Total Assigned Fund Balances</b>	<u><b>17,520,037</b></u>
<b>Unassigned:</b>	
Designations:	
Liquidity	<u>31,623,511</u>
<b>Total Unassigned Fund Balances</b>	<u><b>31,623,511</b></u>
<b>Total Fund Balances</b>	<u><u><b>\$59,783,116</b></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, 2024, the following funds had a deficit:

The Certificates of Participation Debt Service Fund reported a deficit of \$181,665 due to expenditures related to the payments made during the year on the City's long-term debt. This deficit is expected to be eliminated through the transfer of revenue to pay the debt. The Local Grants Special Revenue Fund reported a deficit of \$57,566 due to delayed reimbursement. The deficit is expected to be eliminated once the reimbursement payment is received. The Route 238 Capital Projects Fund reported a deficit of \$1,024,833 due to sale of properties. The deficit is expected to be eliminated with transfers in fiscal year 2025.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**10. NET POSITION AND FUND BALANCES (Continued)**

The Recycling Enterprise Fund reported a deficit of \$276,353 at June 30, 2024 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 \$6,709,805 at June 30, 2024 due to increasing cost of insurance premiums and legal fees, in addition to the internal service rates adjustment was not enough to cover the previous years' deficits at the end of fiscal year 2024. This deficit is expected to be eliminated with future internal service fund charges and transfers in fiscal year 2025.

**11. 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 \$65,821 for the year ended June 30, 2024. 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.

**12. DEFERRED COMPENSATION PLAN**

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan (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. The Plan's trust administrator is Great-West Retirement Services.

As established by the plan, all eligible employees of the City in the Hayward Police Officers' Association (HPOA) and International Association of Firefighters (Local 1909) become participants in the Plan once they have entered into the participation agreement.

The City contributes \$2,400 annually per eligible participant to the Plan. Contributions made by an employee and the employer vest immediately. No forfeitures were noted during the current period. During the year, the City contributed \$568,558 to the Plan.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**13. PENSION PLANS**

***General Information about the Pension Plans***

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

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

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**13. PENSION PLANS (Continued)**

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<b>Miscellaneous</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to</b>	<b>On or after</b>
	<b>January 1, 2013</b>	<b>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%	6.75%
Required employer contribution rates (A)	10.96%	10.96%
	<b>Safety - Fire</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to</b>	<b>On or after</b>
	<b>January 1, 2013</b>	<b>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%	11.25%
Required employer contribution rates (A)	21.20%	21.20%
	<b>Safety - Police</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to</b>	<b>On or after</b>
	<b>January 1, 2013</b>	<b>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%	13.50%
Required employer contribution rates (A)	23.92%	23.92%

(A) Rates represents blended combination rates

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**13. 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, 2022 and measurement date of June 30, 2023:

	<u>Miscellaneous</u>	<u>Safety-Fire</u>	<u>Safety - Police</u>
Inactive employees or beneficiaries currently receiving benefits	965	190	368
Inactive employees entitled to but not yet receiving benefits	749	21	83
Active employees	<u>529</u>	<u>125</u>	<u>161</u>
Total	<u><u>2,243</u></u>	<u><u>336</u></u>	<u><u>612</u></u>

Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

***Net Pension Liability***

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

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**13. PENSION PLANS (Continued)**

**Actuarial Assumptions** – For the measurement period ended June 30, 2023, the total pension liabilities were determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022 and June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>All Plans</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

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

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability for each Plan was 6.90%. 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**  
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**13. 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. Using historical returns of all the fund's asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return (a),(b)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.00%)	(0.59%)
Total	<u>100%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

***Changes of Assumptions*** – Effective with the June 30, 2022 valuation date (2023 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**13. 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, 2022</b>	<b>\$544,066,746</b>	<b>\$354,826,823</b>	<b>\$189,239,923</b>
<b>Changes in the year:</b>			
Service cost	9,702,002		9,702,002
Interest on the total pension liability	37,369,466		37,369,466
Changes of Benefit Terms	685,128		685,128
Differences between actual and expected experience	6,749,442		6,749,442
Contribution - employer		17,250,057	(17,250,057)
Contribution - employee		6,286,123	(6,286,123)
Net investment income		22,063,264	(22,063,264)
Administrative expenses		(260,923)	260,923
Benefit payments, including refunds of employee contributions	(29,531,668)	(29,531,668)	
<b>Net changes</b>	<b>24,974,370</b>	<b>15,806,853</b>	<b>9,167,517</b>
<b>Balance at June 30, 2023</b>	<b>\$569,041,116</b>	<b>\$370,633,676</b>	<b>\$198,407,440</b>

***Safety - Fire Plan:***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2022</b>	<b>\$344,924,059</b>	<b>\$215,310,633</b>	<b>\$129,613,426</b>
<b>Changes in the year:</b>			
Service cost	6,220,274		6,220,274
Interest on the total pension liability	23,431,081		23,431,081
Changes of Benefit Terms	104,390		104,390
Differences between actual and expected experience	686,568		686,568
Contribution - employer		12,364,688	(12,364,688)
Contribution - employee		3,358,508	(3,358,508)
Net investment income		13,343,902	(13,343,902)
Administrative expenses		(158,329)	158,329
Benefit payments, including refunds of employee contributions	(18,488,522)	(18,488,522)	
<b>Net changes</b>	<b>11,953,791</b>	<b>10,420,247</b>	<b>1,533,544</b>
<b>Balance at June 30, 2023</b>	<b>\$356,877,850</b>	<b>\$225,730,880</b>	<b>\$131,146,970</b>



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**13. PENSION PLANS (Continued)**

*Safety - Police Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2022</b>	<b>\$478,495,542</b>	<b>\$287,255,164</b>	<b>\$191,240,378</b>
<b>Changes in the year:</b>			
Service cost	8,285,073		8,285,073
Interest on the total pension liability	32,947,579		32,947,579
Changes of Benefit Terms	161,875		161,875
Differences between actual and expected experience	7,860,371		7,860,371
Contribution - employer		17,771,966	(17,771,966)
Contribution - employee		4,015,333	(4,015,333)
Net investment income		17,929,127	(17,929,127)
Administrative expenses		(211,234)	211,234
Benefit payments, including refunds of employee contributions	(26,318,344)	(26,318,344)	
<b>Net changes</b>	<b>22,936,554</b>	<b>13,186,848</b>	<b>9,749,706</b>
<b>Balance at June 30, 2023</b>	<b>\$501,432,096</b>	<b>\$300,442,012</b>	<b>\$200,990,084</b>
<b>Combined Total</b>	<b>\$1,427,351,062</b>	<b>\$896,806,568</b>	<b>\$530,544,494</b>

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	5.90%	5.90%	5.90%
Net Pension Liability	\$271,334,186	\$178,060,737	\$269,442,558
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$198,407,440	\$131,146,970	\$200,990,084
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$138,129,938	\$92,484,162	\$145,145,239

***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**  
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**13. PENSION PLANS (Continued)**

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

For the year ended June 30, 2024, the City recognized pension expense of \$29,210,213 for the Miscellaneous Plan, \$14,771,343 for the Safety Plan – Fire and \$28,936,720 for the Safety Plan – Police. At June 30, 2024, 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	\$18,526,227	
Differences between actual and expected experience	4,442,602	
Changes of assumptions	3,516,098	
Net differences between projected and actual earnings on plan investments	16,730,805	
Total	<u>\$43,215,732</u>	

***Safety Plan - Fire:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$12,033,861	
Differences between actual and expected experience	1,431,979	(\$5,103,395)
Changes of assumptions	5,961,084	
Net differences between projected and actual earnings on plan investments	10,285,809	
Total	<u>\$29,712,733</u>	<u>(\$5,103,395)</u>

***Safety Plan - Police:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$17,912,004	
Differences between actual and expected experience	5,980,841	(\$1,055,419)
Changes of assumptions	6,512,607	
Net differences between projected and actual earnings on plan investments	13,461,740	
Total	<u>\$43,867,192</u>	<u>(\$1,055,419)</u>
<b>Combined total</b>	<u><u>\$116,795,657</u></u>	<u><u>(\$6,158,814)</u></u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**13. PENSION PLANS (Continued)**

\$48,472,092 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
2025	\$9,353,694
2026	3,196,875
2027	11,701,997
2028	436,939
Total	<u>\$24,689,505</u>

***Safety Plan - Fire:***

Year Ended June 30	Annual Amortization
2025	\$2,756,508
2026	1,547,875
2027	7,875,436
2028	395,658
Total	<u>\$12,575,477</u>

***Safety Plan - Police:***

Year Ended June 30	Annual Amortization
2025	\$9,741,022
2026	5,085,279
2027	9,730,150
2028	343,318
Total	<u>\$24,899,769</u>

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

Year Ended June 30	Amortization Amount
2025	\$21,851,224
2026	9,830,029
2027	29,307,583
2028	1,175,915
Total	<u>\$62,164,751</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**14. 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, 2024, total contributions of \$25,258 were made based on a total amount of covered compensation of \$753,199.

**15. 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 \$151 to \$157 per month in lieu of contributions to the CalPERS plan.

**Employees Covered**

Membership in the plan consisted of the following at June 30, 2023 (latest actuarial valuation date):

Active employees	824
Inactive employees or beneficiaries currently receiving benefit payments	705
Inactive employees entitled to but not yet receiving benefit payments	186
Total	<u><u>1,715</u></u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

**Net OPEB Liability**

**Actuarial Methods and Assumptions** – The City’s net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 that was rolled forward to determine the total OPEB liability, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.10%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.10%
Mortality Rate	The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022 applied generationally from 2017
Pre-Retirement Turnover	Must retire from PERS on or after age 65 with at least 10 years of service.
Healthcare	3.90% to 6.5%

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	1-5 Year Expected Real Rate of Return
Global Equities	49.0%	4.40%
Fixed Income	23.0%	-1.00%
Global Real Estate (REITs)	20.0%	3.00%
Treasury Inflation Protected Securities	5.0%	-1.80%
Commodities	3.0%	0.80%
Total	<u>100.0%</u>	

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.10%. 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**  
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**15. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balance at June 30, 2022 (Measurement Date)	\$89,461,199	\$18,936,901	\$70,524,298
Changes Recognized for the Measurement Period:			
Service Cost	2,111,113		2,111,113
Interest on the total OPEB liability	5,434,941		5,434,941
Changes of assumptions	4,088,459		4,088,459
Investment Experience		(30,486)	30,486
Plan Experience	(1,950,586)		(1,950,586)
Changes of Benefit Terms	(2,940,384)		(2,940,384)
Contributions from the employer		8,500,958	(8,500,958)
Contributions from the employee		399,609	(399,609)
Net investment income		1,275,453	(1,275,453)
Administrative expenses		(6,395)	6,395
Benefit payments	(4,949,836)	(4,949,836)	
Net changes	1,793,707	5,189,303	(3,395,596)
Balance at June 30, 2023 (Measurement Date)	\$91,254,906	\$24,126,204	\$67,128,702

**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:

<b>Net OPEB Liability/(Asset)</b>		
<b>Discount Rate -1%</b>	<b>Discount Rate</b>	<b>Discount Rate +1%</b>
<b>5.10%</b>	<b>6.10%</b>	<b>7.10%</b>
\$78,375,048	\$67,128,702	\$57,762,310

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:

<b>Net OPEB Liability/(Asset)</b>		
<b>Healthcare Cost</b>		
<b>1% Decrease</b>	<b>Trend Rates</b>	<b>1% Increase</b>
<b>4.80%</b>	<b>5.80%</b>	<b>6.80%</b>
\$58,594,774	\$67,128,702	\$77,869,915

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**15. 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, 2024, the City recognized OPEB expense of \$(2,355,613). At June 30, 2024, 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	\$8,737,223	
Changes of assumptions	7,969,855	(\$11,202,562)
Difference between Expected and Actual Experience	581,151	(3,178,829)
Net difference between projected and actual earnings on investments	1,439,636	
Total	<u>\$18,727,865</u>	<u>(\$14,381,391)</u>

\$8,737,223 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, 2025. 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
2025	(\$4,955,765)
2026	(1,946,178)
2027	1,409,560
2028	647,126
2029	336,673
Thereafter	117,835
Total	<u>(\$4,390,749)</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**16. RISK MANAGEMENT**

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

<u>Type of Coverage</u>	<u>Self Insurance</u>	<u>Coverage and Limits</u>
General Liability	\$0 - \$1,000,000 per occurrence	\$0 - \$25,000,000
Workers' compensation	\$0 - statutory limits	\$500,000 - \$50,000,000
Property	\$0 - \$500,000 per occurrence	\$10,000 - \$1,000,000,000
Cyber	\$0 - \$500,000 per occurrence	\$500,000 - \$40,000,000
Boiler and machinery	\$0 - \$350,000 per occurrence	\$10,000 - \$100,000,000
Airport	None	\$25,000 - \$50,000,000
Pollution	\$0- \$250,000 per pollution condition	\$0 - \$10,000,000

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, 2024**

**16. 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	
			2024	2023
Balance, beginning of year	\$8,906,840	\$15,589,402	\$24,496,242	\$21,251,059
Current year claims and changes in estimates	886,883	4,824,257	5,711,140	9,280,184
Claims paid	<u>(839,311)</u>	<u>(4,625,943)</u>	<u>(5,465,254)</u>	<u>(6,035,001)</u>
Balance, end of year	<u>\$8,954,412</u>	<u>\$15,787,716</u>	<u>\$24,742,128</u>	<u>\$24,496,242</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, 2024 is \$24,742,128. This amount is net of the allowable adjustment to recognize investment income.

**17. 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, 2024**

**17. 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 2024 amounted to \$946,450 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 \$9,118,584 at June 30, 2023, the latest date for which financial information is available.

The investment in East Bay Dischargers Authority is valued as of June 30, 2023, the latest date for which financial information is available.

Summary financial information as of and for the year ended June 30, 2023 (the most recent audited financial information available) for EBDA's common use operations was as follows:

Assets	
Current	\$4,067,647
Noncurrent	24,086,832
Total Assets	<u>28,154,479</u>
Deferred outflow of resources	<u>945,004</u>
Total	<u><u>\$29,099,483</u></u>
Liabilities	\$1,392,242
Deferred inflow of resources	351,488
Net Position	<u>27,355,753</u>
Total	<u><u>\$29,099,483</u></u>
Revenues	\$5,680,327
Expenses	(6,338,202)
Non-operating revenues	1,033,328
Non-operating expenses	<u>(1,355,031)</u>
Change in Net Position	<u><u>(\$979,578)</u></u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**18. 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.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**18. COMMITMENTS AND CONTINGENCIES (Continued)**

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.

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 \$2,445,576 during fiscal year 2024, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2025 is estimated to be \$2,425,887.

***Purchase and Sale Agreement with CalTrans***

On January 1, 2016, the City entered into a purchase and sale agreement with the State of California and Department of Transportation related to certain real property located in the Route 238 Bypass corridor acquired and to be used for the purpose of constructing a new alignment for a freeway or expressway bypass to Route 238 in the City of Hayward. In 2010, it was determined that these excess properties were no longer needed for highway purposes and were certified as excess properties. As part of the agreement with the State and Department of Transportation, the City is authorized to purchase certain parcels of the excess real property. The City has title to four parcels as of June 30, 2024 as title was transferred by the State and County to the City, however, the City has not been required to pay for the parcel to CalTrans and therefore, the parcels are not recorded in the City's financial statements. The fair market value of the parcels as of the most recent appraisal report dated July 21, 2021 is \$6,220,000.

**19. 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.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**19. CONDUIT DEBT WITHOUT CITY COMMITMENT (Continued)**

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.

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.

On April 11, 2023, the City sponsored the issuance of City of Hayward Airport Revenue Bonds which were issued in the aggregate principal amount of \$5,512,000 to assist in the financing, refinancing, furnishing and equipping of an Aircraft Storage Hangar Project at the Hayward Airport. The City has no legal or moral liability with respect to the payment of this debt.

**20. 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.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

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.

***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, 2024 was \$24,509,337 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust, consisting of rehabilitation and construction loans.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*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, 2024.

	School Project	Cannery Park	Cinema Place	Attraction	Total
Balance at June 30, 2023	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337
Less: Loan Payments					
Balance at June 30, 2024	<u>\$19,259,659</u>	<u>\$3,491,901</u>	<u>\$275,624</u>	<u>\$1,482,153</u>	<u>\$24,509,337</u>

***Leases Receivable***

The Successor Agency from to time to time engages in lease arrangements allowing the right for others to use various owned land and buildings for the public benefit. The borrowing rate for the leases are implicit in the lease agreements and therefore, the Successor Agency has applied the incremental borrowing rate of the Successor Agency for all leases of 3%. Leases where the Successor Agency acts as the lessor are recorded as a lease receivable offset with a deferred inflow of resources.

As of June 30, 2024, these leases receivable and related deferred inflows of resources consisted of the following:

Lessor	Original Lease Date	Expiration Date Including Options	Annual Revenue as of June 30, 2024	Lease Receivable Balance at June 30, 2024	Deferred Inflow of Resources at June 30, 2024
<b><i>Private Purpose Trust Fund</i></b>					
Cinema Place Hayward, LLC	5/1/2007	4/30/2057	\$59,485	\$1,253,942	\$1,235,380

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**20. 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, 2023	Additions	Balance June 30, 2024
Capital assets not being depreciated:			
Land	\$4,430,516		\$4,430,516
Total capital asset not being depreciated	<u>4,430,516</u>		<u>4,430,516</u>
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	<u>14,145,472</u>		<u>14,145,472</u>
Less accumulated depreciation for:			
Buildings and improvements	5,276,691	\$314,131	5,590,822
Machinery and equipment	9,575		9,575
Total accumulated depreciation	<u>5,286,266</u>	<u>314,131</u>	<u>5,600,397</u>
Net depreciable assets	<u>8,859,206</u>	<u>(314,131)</u>	<u>8,545,075</u>
Private purpose trust fund assets, net	<u>\$13,289,722</u>	<u>(\$314,131)</u>	<u>\$12,975,591</u>



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**20. 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, 2024 was \$5,939,979 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	\$2,036,442	
Housing Authority Special Revenue Fund	3,876,516	
Internal Service Funds	27,021	
Successor Agency Private Purpose Trust Fund		\$5,939,979
Total	<u>\$5,939,979</u>	<u>\$5,939,979</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, 2024**

**20. 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, 2023	Retirements	Balance at June 30, 2024	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	\$22,085,000 2,392,109	\$2,180,000 184,008	\$19,905,000 2,208,101	\$2,290,000
Total	<u>\$35,270,000</u>	<u>\$24,477,109</u>	<u>\$2,364,008</u>	<u>\$22,113,101</u>	<u>\$2,290,000</u>

At June 30, 2024, future debt service requirement for the Successor Agency were as follows:

Year Ending June 30	Successor Agency	
	Principal	Interest
2025	\$2,290,000	\$1,154,375
2026	2,405,000	1,049,625
2027	2,415,000	939,375
2028	2,625,000	823,625
2029	1,845,000	702,125
2030 - 2034	5,580,000	1,644,125
2035 - 2037	2,745,000	143,075
Totals	19,905,000	<u>\$6,456,325</u>
Plus unamortized premium	2,208,101	
Total Long-term debt principal, net	<u>\$22,113,101</u>	

***2016 Tax Allocation Refunding Bonds***

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

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.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

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 2024, total tax increment calculated and available for distribution by the County Auditor-Controller was \$5,502,007 and the total received by the Successor Agency was \$3,560,563. The taxes available for distribution covered 110% of the \$3,229,625 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.

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**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 of 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, 2019, 2020 and 2021, there were no changes. In 2022, the accounting discount rate reduced from 7.15% to 6.90%. 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.

**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>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
\$7,504,688	\$7,869,869	\$8,124,065	\$8,254,476	\$8,338,579	\$9,264,461	\$9,702,002
30,173,942	31,188,964	32,708,864	33,774,340	34,724,511	35,732,803	37,369,466
444,821	2,372,377	6,313,847	(481,002)	(2,023,562)	1,252,761	6,749,442
23,917,327	(2,819,842)				15,236,428	685,128
(22,746,836)	(23,688,392)	(24,796,470)	(26,234,280)	(27,282,114)	(28,329,956)	(29,531,668)
39,293,942	14,922,976	22,350,306	15,313,534	13,757,414	33,156,497	24,974,370
405,272,077	444,566,019	459,488,995	481,839,301	497,152,835	510,910,249	544,066,746
<u>\$444,566,019</u>	<u>\$459,488,995</u>	<u>\$481,839,301</u>	<u>\$497,152,835</u>	<u>\$510,910,249</u>	<u>\$544,066,746</u>	<u>\$569,041,116</u>
\$11,093,282	\$10,774,004	\$12,008,441	\$12,993,586	\$14,566,265	\$16,196,634	\$17,250,057
3,799,837	4,511,187	4,682,650	5,503,016	5,540,369	6,156,612	6,286,123
29,788,614	24,576,008	19,998,965	15,793,925	73,248,533	(29,606,807)	22,063,264
(22,746,836)	(23,688,392)	(24,796,470)	(26,234,280)	(27,282,114)	(28,329,956)	(29,531,668)
(46,705)	(711)					
(397,560)	(453,086)	(218,097)	(447,310)	(324,560)	(243,354)	(260,923)
	(860,419)	711				
21,490,632	14,858,591	11,676,200	7,608,937	65,748,493	(35,826,871)	15,806,853
269,270,841	290,761,473	305,620,064	317,296,264	324,905,201	390,653,694	354,826,823
<u>\$290,761,473</u>	<u>\$305,620,064</u>	<u>\$317,296,264</u>	<u>\$324,905,201</u>	<u>\$390,653,694</u>	<u>\$354,826,823</u>	<u>\$370,633,676</u>
<u>\$153,804,546</u>	<u>\$153,868,931</u>	<u>\$164,543,037</u>	<u>\$172,247,634</u>	<u>\$120,256,555</u>	<u>\$189,239,923</u>	<u>\$198,407,440</u>
65.40%	66.51%	65.85%	65.35%	76.46%	65.22%	65.13%
\$39,325,308	\$43,553,412	\$42,884,033	\$49,210,706	\$50,091,731	\$53,975,164	\$56,737,788
391.11%	353.29%	383.69%	350.02%	240.07%	350.61%	349.69%

**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, 2.50% for 2021 and 2022, and 2.30% for 2023, and 2.5% for 2024.
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, 7.00% for 2021 and 2022, and 7.00% for 2023 and 2024, 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, 2021 and 2022, 2023, and 2024, 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.

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



<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$10,776,908	\$12,013,423	\$12,996,103	\$14,580,046	\$16,119,682	\$17,251,303	\$18,526,227
10,776,908	12,013,423	12,996,103	14,580,046	16,119,682	17,251,303	18,526,227
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$43,553,412	\$42,884,033	\$49,210,706	\$50,091,731	\$53,975,164	\$56,737,788	\$64,498,250
24.74%	28.01%	26.41%	29.11%	29.86%	30.41%	28.72%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

**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 of 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>
 Plan fiduciary net position as a percentage of the total pension liability	71.43%	69.07%	63.33%
 Covered payroll	\$14,894,224	\$15,304,881	\$15,425,723
 Net pension liability as percentage of covered payroll	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, 2020 and 2021, there were no changes. In 2022, the accounting discount rate reduced from 7.15% to 6.90%. 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.

**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>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
\$5,098,972	\$4,895,549	\$5,286,457	\$5,558,671	\$5,407,873	\$5,827,305	\$6,220,274
19,657,506	20,408,514	21,091,439	22,013,653	22,482,175	22,663,052	23,431,081
(324,662)	2,612,499	270,193	3,298,871	(3,440,760)	(6,319,906)	686,568
16,122,983	(1,401,429)				10,219,002	104,390
(14,874,772)	(15,849,714)	(16,586,918)	(17,242,575)	(17,764,280)	(18,205,377)	(18,488,522)
25,680,027	10,665,419	10,061,171	13,628,620	6,685,008	14,184,076	11,953,791
264,019,738	289,699,765	300,365,184	310,426,355	324,054,975	330,739,983	344,924,059
<u>\$289,699,765</u>	<u>\$300,365,184</u>	<u>\$310,426,355</u>	<u>\$324,054,975</u>	<u>\$330,739,983</u>	<u>\$344,924,059</u>	<u>\$356,877,850</u>
\$6,378,762	\$6,646,548	\$8,015,957	\$9,191,715	\$10,135,787	\$11,490,694	\$12,364,688
2,544,269	2,516,137	3,093,507	2,851,797	2,828,307	2,983,463	3,358,508
18,488,612	15,036,869	12,184,975	9,590,927	44,584,546	(18,111,315)	13,343,902
(14,874,772)	(15,849,714)	(16,586,918)	(17,242,575)	(17,764,280)	(18,205,377)	(18,488,522)
	(437)					
(246,848)	(279,683)	(133,462)	(272,922)	(197,504)	(147,824)	(158,329)
	(531,122)	437				
12,290,023	7,538,598	6,574,496	4,118,942	39,586,856	(21,990,359)	10,420,247
167,192,077	179,482,100	187,020,698	193,595,194	197,714,136	237,300,992	215,310,633
<u>\$179,482,100</u>	<u>\$187,020,698</u>	<u>\$193,595,194</u>	<u>\$197,714,136</u>	<u>\$237,300,992</u>	<u>\$215,310,633</u>	<u>\$225,730,880</u>
<u>\$110,217,665</u>	<u>\$113,344,486</u>	<u>\$116,831,161</u>	<u>\$126,340,839</u>	<u>\$93,438,991</u>	<u>\$129,613,426</u>	<u>\$131,146,970</u>
61.95%	62.26%	62.36%	61.01%	71.75%	62.42%	63.25%
\$16,579,674	\$17,977,548	\$19,202,305	\$18,986,921	\$18,899,737	\$19,620,173	\$22,375,094
664.78%	630.48%	608.42%	665.41%	494.39%	660.61%	586.13%

**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 2020, 2.50% for 2021 and 2022, and 2.30% for 2023, and 2.5% for 2024.
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, 7.00% for 2021 and 2022, and 7.00% for 2023 and 2024, 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, 2021 and 2022, 2023, and 2024, 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.

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

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$6,646,548	\$8,015,966	\$9,197,653	\$10,135,787	\$11,490,694	\$12,364,514	\$12,033,861
6,646,548	8,015,966	9,197,653	10,135,787	11,490,694	12,364,514	12,033,861
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$17,977,548	\$19,202,305	\$18,986,921	\$18,899,737	\$19,620,173	\$22,375,094	\$28,721,363
36.97%	41.74%	48.44%	53.63%	58.57%	55.26%	41.90%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

**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 of 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>	<u>\$321,239,482</u>	<u>\$327,821,129</u>	<u>\$346,687,593</u>
<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>	<u>\$216,215,691</u>	<u>\$214,902,945</u>	<u>\$210,395,848</u>
<b>Net pension liability - ending (a)-(b)</b>	<u>\$105,023,791</u>	<u>\$112,918,184</u>	<u>\$136,291,745</u>
 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, 2020 and 2021, there were no changes. In 2022, the accounting discount rate reduced from 7.15% to 6.90%. 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.

**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>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
\$8,055,656	\$8,436,727	\$7,716,531	\$8,079,098	\$7,685,977	\$8,300,617	\$8,285,073
25,738,287	26,651,517	28,039,320	29,217,195	30,543,429	31,411,054	32,947,579
(3,900,767)	(1,105,506)	4,860,684	2,096,406	4,592,527	(2,679,143)	7,860,371
21,956,739	(1,587,612)				16,532,003	161,875
(17,590,706)	(19,447,095)	(20,910,933)	(22,208,581)	(24,078,504)	(24,596,971)	(26,318,344)
34,259,209	12,948,031	19,705,602	17,184,118	18,743,429	28,967,560	22,936,554
346,687,593	380,946,802	393,894,833	413,600,435	430,784,553	449,527,982	478,495,542
<u>\$380,946,802</u>	<u>\$393,894,833</u>	<u>\$413,600,435</u>	<u>\$430,784,553</u>	<u>\$449,527,982</u>	<u>\$478,495,542</u>	<u>\$501,432,096</u>
\$10,508,222	\$10,740,724	\$12,243,071	\$13,842,327	\$14,979,477	\$16,166,620	\$17,771,966
3,782,992	3,754,299	3,750,089	3,749,712	3,687,755	3,803,625	4,015,333
23,301,215	19,562,389	16,002,505	12,710,839	59,475,902	(24,027,912)	17,929,127
(17,590,706)	(19,447,095)	(20,910,933)	(22,208,581)	(24,078,504)	(24,596,971)	(26,318,344)
	(567)					
(310,635)	(358,539)	(173,879)	(358,879)	(262,026)	(196,916)	(211,234)
	(680,871)	567				
19,691,088	13,570,340	10,911,420	7,735,418	53,802,604	(28,851,554)	13,186,848
210,395,848	230,086,936	243,657,276	254,568,696	262,304,114	316,106,718	287,255,164
<u>\$230,086,936</u>	<u>\$243,657,276</u>	<u>\$254,568,696</u>	<u>\$262,304,114</u>	<u>\$316,106,718</u>	<u>\$287,255,164</u>	<u>\$300,442,012</u>
<u>\$150,859,866</u>	<u>\$150,237,557</u>	<u>\$159,031,739</u>	<u>\$168,480,439</u>	<u>\$133,421,264</u>	<u>\$191,240,378</u>	<u>\$200,990,084</u>
60.40%	61.86%	61.55%	60.89%	70.32%	60.03%	59.92%
\$22,884,077	\$24,345,421	\$24,912,360	\$24,853,675	\$24,906,152	\$25,146,543	\$25,721,568
659.24%	617.11%	638.36%	677.89%	535.70%	760.50%	781.41%

**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>\$0</u>	<u>\$0</u>	<u>\$0</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	15 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.50%
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, 7.00% for 2021 and 2022, and 7.00% for 2023 and 2024, 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, 2021 and 2022, 2023, and 2024, 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.

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



<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$10,740,724	\$12,240,356	\$13,839,941	\$14,979,710	\$16,160,318	\$17,688,292	\$17,912,004
<u>10,740,724</u>	<u>12,240,356</u>	<u>13,839,941</u>	<u>14,979,710</u>	<u>16,160,318</u>	<u>17,688,292</u>	<u>17,912,004</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</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	\$25,146,543	\$25,721,568	\$27,859,244
44.12%	49.13%	55.69%	60.14%	64.26%	68.77%	64.29%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

**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	6/30/21	6/30/22	6/30/23
<b>Total OPEB Liability</b>							
Service cost	\$4,646,537	\$4,054,275	\$4,121,478	\$2,213,810	\$1,773,630	\$2,049,624	\$2,111,113
Interest	3,528,286	4,015,577	4,186,619	5,048,226	5,405,045	5,283,927	5,434,941
Changes in benefit terms							(2,940,384)
Differences between expected and actual experience			2,686,781		(2,914,546)		(1,950,586)
Changes of assumptions	(11,390,281)	(1,014,291)	(32,786,613)	(10,988,323)	8,589,843		4,088,459
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)	(4,795,404)	(4,888,972)	(4,949,836)
<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>8,058,568</b>	<b>2,444,579</b>	<b>1,793,707</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>78,958,052</b>	<b>87,016,620</b>	<b>89,461,199</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>\$87,016,620</b>	<b>\$89,461,199</b>	<b>\$91,254,906</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$4,263,071	\$5,190,672	\$6,344,188	\$7,455,802	\$6,795,404	\$9,179,251	\$8,500,958
Contributions - employee			377,793	(374,055)	368,000	377,606	399,609
Net investment income	396,755	318,308	455,417	1,012,025	3,350,575	(2,938,354)	1,244,967
Administrative expense	(2,014)	(2,234)	(1,348)	(4,528)	(4,628)	(5,439)	(6,395)
Other expense		(5,491)					
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)	(4,795,404)	(4,888,972)	(4,949,836)
<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>5,713,947</b>	<b>1,724,092</b>	<b>5,189,303</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>11,498,862</b>	<b>17,212,809</b>	<b>18,936,901</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>	<b>\$17,212,809</b>	<b>\$18,936,901</b>	<b>\$24,126,204</b>
Net OPEB liability - ending (a)-(b)	\$106,688,200	\$108,242,506	\$79,274,721	\$67,459,190	\$69,803,811	\$70,524,298	\$67,128,702
Plan fiduciary net position as a percentage of the total OPEB liability	3.74%	4.80%	9.47%	14.56%	19.78%	21.17%	26.44%
Covered-employee payroll	\$97,007,987	\$100,785,694	\$104,434,054	\$105,982,182	\$110,872,748	\$114,198,930	\$119,264,193
Net OPEB liability as a percentage of covered-employee payroll	109.98%	107.40%	75.91%	63.65%	62.96%	61.76%	56.29%

**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\*

<b>Fiscal Year Ended June 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Actuarially determined contribution	\$8,038,027	\$8,394,467	\$7,004,174	\$7,190,835	\$7,190,483	\$7,230,409	\$7,447,062
Contributions in relation to the actuarially determined contribution	<u>5,190,672</u>	<u>6,374,161</u>	<u>7,455,802</u>	<u>6,795,404</u>	<u>9,179,251</u>	<u>8,450,190</u>	<u>8,737,223</u>
Contribution deficiency (excess)	<u>\$2,847,355</u>	<u>\$2,020,306</u>	<u>(\$451,628)</u>	<u>\$395,431</u>	<u>(\$1,988,768)</u>	<u>(\$1,219,781)</u>	<u>(\$1,290,161)</u>
Covered employee payroll	<u>\$100,785,694</u>	<u>\$104,434,054</u>	<u>\$105,982,182</u>	<u>\$110,872,748</u>	<u>\$114,198,930</u>	<u>\$119,264,193</u>	<u>\$137,575,367</u>
Contributions as a percentage of covered payroll	5.15%	6.10%	7.03%	6.13%	8.04%	7.09%	6.35%

**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	6/30/2021	6/30/2021	6/30/2023
Actuarial Assumptions:							
Discount Rate	3.56%	3.62%	6.90%	6.90%	6.10%	6.10%	6.10%
Inflation	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%
Payroll Growth	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment Rate of Return	7.28%	6.90%	6.90%	6.90%	6.10%	6.10%	6.10%
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.				Mortality rates were the published CalPERS rates (MacLeod Watts)
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%	3.9% to 5.8%	3.9% to 5.8%	3.9% to 5.8%

\* Fiscal year 2018 was the first year of implementation.

Source: GASB 75 Valuation

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**GENERAL FUND AND SPECIAL REVENUE FUNDS  
BUDGET AND ACTUAL SCHEDULES**

CITY OF HAYWARD  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis*	Variance with Adjusted Budget Positive (Negative)
	Adopted *	Adjusted *		
REVENUES:				
Property taxes	\$67,497,969	\$67,497,969	\$73,406,274	\$5,908,305
Sales taxes	68,289,693	68,289,693	75,344,108	7,054,415
Utility users tax	18,000,000	18,000,000	24,453,592	6,453,592
Other taxes	38,865,005	38,865,005	34,580,636	(4,284,369)
Licenses and permits	8,894,660	8,965,089	6,131,063	(2,834,026)
Fines and forfeitures	2,739,609	2,739,609	2,703,562	(36,047)
Investment income	299,880	299,880	1,653,396	1,353,516
Rental income	350,000	350,000	172	(349,828)
Intergovernmental	7,968,954	8,251,354	5,906,061	(2,345,293)
Fees and charges for services	4,104,600	4,104,600	5,005,339	900,739
Other revenue	531,500	488,049	3,832,602	3,344,553
Total Revenues	217,541,870	217,851,248	233,016,805	15,165,557
EXPENDITURES:				
Current:				
General government	17,174,579	21,827,724	19,785,424	2,042,300
Public safety	143,454,536	145,409,062	150,278,179	(4,869,117)
Public works and transportation	3,447,778	3,992,215	4,492,101	(499,886)
Library and community services	10,295,333	11,682,559	11,772,670	(90,111)
Planning and building	10,294,104	11,242,629	9,886,897	1,355,732
Maintenance services	13,242,091	13,570,793	12,363,648	1,207,145
Total Expenditures	197,908,421	207,724,982	208,578,919	(853,937)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	19,633,449	10,126,266	24,437,886	14,311,620
OTHER FINANCING SOURCES (USES):				
Transfers in	4,542,051	9,066,234	7,443,234	(1,623,000)
Transfers (out)	(30,372,935)	(45,429,446)	(31,028,315)	14,401,131
Total Other Financing Sources (Uses)	(25,830,884)	(36,363,212)	(23,585,081)	12,778,131
NET CHANGE IN FUND BALANCE	<u>(\$6,197,435)</u>	<u>(\$26,236,946)</u>	852,805	<u>\$27,089,751</u>
BEGINNING FUND BALANCE			58,930,311	
ENDING FUND BALANCE			<u>\$59,783,116</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, 2024

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income			\$99,830	\$99,830
Intergovernmental	\$851,526	\$2,060,751	819,373	(1,241,378)
Other revenue			133,805	133,805
	<u>851,526</u>	<u>2,060,751</u>	<u>1,053,008</u>	<u>(1,007,743)</u>
Total Revenues				
EXPENDITURES:				
Current:				
General government		137,500		137,500
Public safety		922,092	188,295	733,797
Library and community services	421,491	1,101,005	60,674	1,040,331
Economic development		154,699	479,233	(324,534)
Planning and building	508,064	1,075,633	172,766	902,867
	<u>929,555</u>	<u>3,390,929</u>	<u>900,968</u>	<u>2,489,961</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(78,029)</u>	<u>(1,330,178)</u>	<u>152,040</u>	<u>1,482,218</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	83,069	183,069		(183,069)
Transfers (out)	4,254	(4,561)	(4,561)	
	<u>4,254</u>	<u>178,508</u>	<u>(4,561)</u>	<u>(183,069)</u>
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCE	<u>(\$73,775)</u>	<u>(\$1,151,670)</u>	147,479	\$1,299,149
BEGINNING FUND BALANCE			15,785,701	
ENDING FUND BALANCE			<u>\$15,933,180</u>	

CITY OF HAYWARD  
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Adjusted Budget Positive (Negative)</u>
REVENUES:				
Investment income			\$371,754	\$371,754
Intergovernmental			3,847,065	3,847,065
Other revenue			23,203	23,203
Total Revenues			4,242,022	4,242,022
EXPENDITURES:				
Current:				
General government	\$1,500,000	\$9,396,026	2,078,993	7,317,033
Public works and transportation	621,000	1,972,992	546,088	1,426,904
Maintenance services	910,000	2,036,193	1,616,941	419,252
Total Expenditures	3,031,000	13,405,211	4,242,022	9,163,189
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,031,000)</u>	<u>(13,405,211)</u>		<u>13,405,211</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$3,031,000)</u></u>	<u><u>(\$13,405,211)</u></u>		<u><u>\$13,405,211</u></u>
BEGINNING FUND BALANCE				
ENDING FUND BALANCE				



## **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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Adjusted Budget Positive (Negative)</u>
REVENUES:				
Investment income	\$65,000	\$65,000	\$179,703	\$114,703
Other revenue	<u>25,000</u>	<u>25,000</u>	<u>542</u>	<u>(24,458)</u>
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>180,245</u>	<u>90,245</u>
EXPENDITURES:				
Current:				
Economic development		9,850		9,850
Planning and building	<u>176,187</u>	<u>874,017</u>	<u>128,824</u>	<u>745,193</u>
Total Expenditures	<u>176,187</u>	<u>883,867</u>	<u>128,824</u>	<u>755,043</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(86,187)</u>	<u>(793,867)</u>	<u>51,421</u>	<u>(845,288)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(2,693)</u>	<u>(3,000)</u>	<u>(6,897)</u>	<u>(3,897)</u>
Total Other Financing Sources (Uses)	<u>(2,693)</u>	<u>(3,000)</u>	<u>(6,897)</u>	<u>(3,897)</u>
NET CHANGE IN FUND BALANCE	<u>(\$88,880)</u>	<u>(\$793,867)</u>	<u>44,524</u>	<u>\$838,391</u>
BEGINNING FUND BALANCE			<u>22,524,614</u>	
ENDING FUND BALANCE			<u>\$22,569,138</u>	

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, 2024

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Other taxes	\$1,080,000	\$1,080,000	\$1,809,022	\$729,022
Investment income			774,978	774,978
Intergovernmental		3,303,175	3,586,274	283,099
Other revenue	200,000	204,226	909,452	705,226
Total Revenues	1,280,000	4,587,401	7,079,726	2,492,325
EXPENDITURES:				
Current:				
Public works and transportation	75,000	82,685		82,685
Capital outlay	27,680,000	74,809,789	24,176,833	50,632,956
Total Expenditures	27,755,000	74,892,474	24,176,833	50,715,641
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(26,475,000)	(70,305,073)	(17,097,107)	53,207,966
OTHER FINANCING SOURCES (USES):				
Transfers in	13,301,440	18,060,048	13,312,440	4,747,608
Total Other Financing Sources (Uses)	13,301,440	18,060,048	13,312,440	4,747,608
NET CHANGE IN FUND BALANCE	(\$13,173,560)	(\$52,245,025)	(3,784,667)	\$48,460,358
BEGINNING FUND BALANCE			18,408,611	
ENDING FUND BALANCE			\$14,623,944	

CITY OF HAYWARD  
CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income	\$3,000	\$3,000	\$57,260	54,260
Total Revenues	3,000	3,000	57,260	54,260
EXPENDITURES:				
Debt service				
Principal	5,853,914	5,853,914	54,569,724	(48,715,810)
Interest and fiscal charges	2,132,648	2,132,648	2,028,085	104,563
Total Expenditures	7,986,562	7,986,562	56,597,809	(48,611,247)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,983,562)	(7,983,562)	(56,540,549)	(48,556,987)
OTHER FINANCING SOURCES (USES):				
Proceeds from debt issuance			41,117,569	(41,117,569)
Transfers in	8,131,003	7,986,262	7,981,362	4,900
Total Other Financing Sources (Uses)	8,131,003	7,986,262	49,098,931	(41,112,669)
NET CHANGE IN FUND BALANCE	\$147,441	\$2,700	(7,441,618)	(\$7,444,318)
BEGINNING FUND BALANCE			7,259,953	
ENDING FUND BALANCE			(\$181,665)	

## **COMBINING GENERAL FUND SCHEDULES**

CITY OF HAYWARD  
GENERAL FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2024

	General Fund		
	General Purpose	Measure C District Sales Tax	Total
<b>ASSETS:</b>			
Cash, cash equivalents, and investments	\$22,883,959	\$13,258,436	\$36,142,395
Accounts receivable, net	13,032,563	5,424	13,037,987
Due from other governments	11,765,209	4,021,268	15,786,477
Interest receivable	17,817		17,817
Due from other funds	6,271,690		6,271,690
Long-term loans receivable	8,600,000		8,600,000
Long-term loans to the Private Purpose Trust Fund	2,036,442		2,036,442
Deposits, parts, supplies and other	3,126		3,126
Total Assets	<u>\$64,610,806</u>	<u>\$17,285,128</u>	<u>\$81,895,934</u>
<b>LIABILITIES:</b>			
Accounts payable	\$2,674,649	\$21,261	\$2,695,910
Accrued liabilities	826,877		826,877
Long-term interfund payables	2,777,361		2,777,361
Refundable deposits	15,812,670		15,812,670
Total Liabilities	<u>22,091,557</u>	<u>21,261</u>	<u>22,112,818</u>
<b>FUND BALANCES:</b>			
Nonspendable	10,639,568		10,639,568
Assigned	256,170	17,263,867	17,520,037
Unassigned	31,623,511		31,623,511
Total Fund Balances	<u>42,519,249</u>	<u>17,263,867</u>	<u>59,783,116</u>
Total Liabilities and Fund Balances	<u>\$64,610,806</u>	<u>\$17,285,128</u>	<u>\$81,895,934</u>

CITY OF HAYWARD  
GENERAL FUND  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund		
	General Fund	Measure C District Sales Tax	Total
REVENUES:			
Property taxes	\$73,406,274		\$73,406,274
Sales taxes	53,034,329	\$22,309,779	75,344,108
Utility users tax	24,453,592		24,453,592
Other taxes	34,580,636		34,580,636
Licenses and permits	6,131,063		6,131,063
Fines and forfeitures	2,703,562		2,703,562
Investment income	935,991	717,405	1,653,396
Rental income	172		172
Intergovernmental	5,906,061		5,906,061
Fees and charges for services	5,005,339		5,005,339
Other revenue	3,832,602		3,832,602
Total Revenues	209,989,621	23,027,184	233,016,805
EXPENDITURES:			
Current:			
General government	19,256,260	529,164	19,785,424
Public safety	146,824,321	3,453,858	150,278,179
Public works and transportation	4,492,101		4,492,101
Library and community services	11,772,670		11,772,670
Planning and building	9,886,897		9,886,897
Maintenance services	10,583,163	1,780,485	12,363,648
Total Expenditures	202,815,412	5,763,507	208,578,919
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,174,209	17,263,677	24,437,886
OTHER FINANCING SOURCES (USES):			
Transfers in	7,443,234		7,443,234
Transfers (out)	(14,395,974)	(16,632,341)	(31,028,315)
Total Other Financing Sources (Uses)	(6,952,740)	(16,632,341)	(23,585,081)
CHANGE IN FUND BALANCES	221,469	631,336	852,805
BEGINNING FUND BALANCES	42,297,780	16,632,531	58,930,311
ENDING FUND BALANCES	\$42,519,249	\$17,263,867	\$59,783,116

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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.

*Local Housing Trust Program Fund* – Accounts for transactions related to the local housing trust fund program to provide matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing and emergency shelters.

*Traffic Impact Fee Loan Fund* – Accounts for transactions related to the collection of a traffic impact fee paid by new developments to help mitigate cumulative transportation impacts of development growth.

## **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, 2024

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant Program	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
ASSETS:				
Cash, cash equivalents, and investments	\$880,073		\$729,773	\$19,922,624
Accounts receivable, net				
Due from other governments	798,727			
Interest receivable	390		290	17
Loans receivable		\$4,961,599	148,188	
Land held for resale				
Total Assets	<u>\$1,679,190</u>	<u>\$4,961,599</u>	<u>\$878,251</u>	<u>\$19,922,641</u>
LIABILITIES:				
Accounts payable	\$8,521	\$503,117	\$1,885	
Accrued liabilities		5,204		
Due to other funds		173,638		
Unearned revenue				
Refundable deposits				
Total Liabilities	<u>8,521</u>	<u>681,959</u>	<u>1,885</u>	
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	1,670,669			
Planning and building				\$19,922,641
Economic development		4,279,640	876,366	
Debt service				
Unassigned				
Total Fund Balances	<u>1,670,669</u>	<u>4,279,640</u>	<u>876,366</u>	<u>19,922,641</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,679,190</u>	<u>\$4,961,599</u>	<u>\$878,251</u>	<u>\$19,922,641</u>

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
\$48,564 935	\$999,495 4,000	\$12,344,745	\$625,570	\$5,005,749	\$1,083,595
	52,037	18,509 91,069 229,195	258	8,351 2,063	369
<u>\$49,499</u>	<u>\$1,055,532</u>	<u>\$12,683,518</u>	<u>\$625,828</u>	<u>\$5,016,163</u>	<u>\$1,083,964</u>
	\$34,326 352	\$200,797		\$106,499	\$4,360
	4,000	175,564	\$52,058		
	<u>38,678</u>	<u>376,361</u>	<u>52,058</u>	<u>106,499</u>	<u>4,360</u>
<u>\$936</u>					
<u>936</u>					
			573,770		
48,563	1,016,854	12,307,157		4,909,664	1,079,604
<u>48,563</u>	<u>1,016,854</u>	<u>12,307,157</u>	<u>573,770</u>	<u>4,909,664</u>	<u>1,079,604</u>
<u>\$49,499</u>	<u>\$1,055,532</u>	<u>\$12,683,518</u>	<u>\$625,828</u>	<u>\$5,016,163</u>	<u>\$1,083,964</u>

(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
ASSETS:				
Cash, cash equivalents, and investments	\$817,728	\$125,382	\$16,304,352	\$574,376
Accounts receivable, net				
Due from other governments			1,482,855	123,216
Interest receivable	337	58	5,503	237
Loans receivable				
Land held for resale				
Total Assets	<u>\$818,065</u>	<u>\$125,440</u>	<u>\$17,792,710</u>	<u>\$697,829</u>
LIABILITIES:				
Accounts payable	\$251,008	\$125,440	\$194,892	
Accrued liabilities	1,192			
Due to other funds				
Unearned revenue				
Refundable deposits				
Total Liabilities	<u>252,200</u>	<u>125,440</u>	<u>194,892</u>	
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	565,865		17,597,818	\$697,829
Planning and building				
Economic development				
Debt service				
Unassigned				
Total Fund Balances	<u>565,865</u>		<u>17,597,818</u>	<u>697,829</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$818,065</u>	<u>\$125,440</u>	<u>\$17,792,710</u>	<u>\$697,829</u>

SPECIAL REVENUE FUNDS

Local Grants	RRAA (SB1)	Rental Housing Program	Affordable Housing	Local Housing Trust Program	Traffic Impact Fee Loan
\$12,000	\$4,962,050	\$278,208	\$5,284,392	\$649,430	
45,381		449,052			
	1,904	112	2,175		
			7,598,057	537,000	
<u>\$57,381</u>	<u>\$4,963,954</u>	<u>\$727,372</u>	<u>\$12,884,624</u>	<u>\$1,186,430</u>	
\$52,269		\$52,530	\$2,866		
62,678		449,052			
<u>114,947</u>		<u>501,582</u>	<u>2,866</u>		
	\$4,963,954				
		225,790	12,881,758	\$1,186,430	
<u>(57,566)</u>					
<u>(57,566)</u>	<u>4,963,954</u>	<u>225,790</u>	<u>12,881,758</u>	<u>1,186,430</u>	
<u>\$57,381</u>	<u>\$4,963,954</u>	<u>\$727,372</u>	<u>\$12,884,624</u>	<u>\$1,186,430</u>	
					(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2024

	CAPITAL PROJECTS FUNDS			
	Route 238 Corridor Improvement	Traffic Signal Construction	Performance Deposits	Total Nonmajor Governmental Funds
ASSETS:				
Cash, cash equivalents, and investments		\$577,147	\$348,582	\$71,561,835
Accounts receivable, net	\$117,861			583,848
Due from other governments	30,052	2,542		2,509,633
Interest receivable	3,416	237	144	160,616
Loans receivable				13,474,039
Land held for resale	6,131,113			6,131,113
Total Assets	<u>\$6,282,442</u>	<u>\$579,926</u>	<u>\$348,726</u>	<u>\$94,421,084</u>
LIABILITIES:				
Accounts payable	\$1,395,591	\$262,198		\$3,196,299
Accrued liabilities			\$2,572	9,320
Due to other funds	5,761,938			5,998,254
Unearned revenue				680,674
Refundable deposits	31,885		306,249	338,134
Total Liabilities	<u>7,189,414</u>	<u>262,198</u>	<u>308,821</u>	<u>10,222,681</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	117,861			118,797
Total Deferred Inflows of Resources	<u>117,861</u>			<u>118,797</u>
FUND BALANCES:				
Restricted:				
Public safety				573,770
Public works and transportation		317,728	39,905	39,240,529
Planning and building				25,897,722
Economic development				19,449,984
Debt service				
Unassigned	(1,024,833)			(1,082,399)
Total Fund Balances	<u>(1,024,833)</u>	<u>317,728</u>	<u>39,905</u>	<u>84,079,606</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$6,282,442</u>	<u>\$579,926</u>	<u>\$348,726</u>	<u>\$94,421,084</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, 2024

	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	\$73,519	\$66,853	\$13,297	\$1,187
Rental income				
Intergovernmental	4,442,443	1,618,621	52,869	
Fines and forfeitures				
Fees and charges for services				
Other revenue	181,496	440,000	521,905	1,193,597
Total Revenues	4,697,458	2,125,474	588,071	1,194,784
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation	1,457,415	2,597,090	78	
Library and community services		3,004		
Economic development		50,000	(243)	
Maintenance services	46,885			
Planning and building			74,956	
Capital outlay	3,103,854			
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	4,608,154	2,650,094	74,791	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	89,304	(524,620)	513,280	1,194,784
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance				
Transfers in	15,000			
Transfers (out)	(1,342,226)	(22,000)	(24,085)	
Total Other Financing Sources (Uses)	(1,327,226)	(22,000)	(24,085)	
NET CHANGE IN FUND BALANCES	(1,237,922)	(546,620)	489,195	1,194,784
BEGINNING FUND BALANCES	2,908,591	4,826,260	387,171	18,727,857
ENDING FUND BALANCES (DEFICITS)	\$1,670,669	\$4,279,640	\$876,366	\$19,922,641

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>
		\$693,139			
\$1,987	\$32,088	358,609	\$19,113	\$1,654,366 145,723	\$37,742
		4,958,256	18,269		
	270,451				
1,987	302,539	6,010,004	37,382	1,800,089	37,742
	157,998 126,315	1,039,239 1,658,330			
				1,196,556	
					434,855
	284,313	2,697,569		1,196,556	434,855
1,987	18,226	3,312,435	37,382	603,533	(397,113)
		(437,033)			
		(437,033)			
1,987	18,226	2,875,402	37,382	603,533	(397,113)
46,576	998,628	9,431,755	536,388	4,306,131	1,476,717
\$48,563	\$1,016,854	\$12,307,157	\$573,770	\$4,909,664	\$1,079,604
(Continued)					

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$29,004	\$943	\$410,348	\$15,326
Rental income				
Intergovernmental			8,787,663	733,941
Fines and forfeitures				
Fees and charges for services				
Other revenue				
Total Revenues	29,004	943	9,198,011	749,267
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation			4,360,696	25,000
Library and community services		23,320		
Economic development				
Maintenance services				
Planning and building				
Capital outlay	378,112		4,696,352	722,661
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	378,112	23,320	9,057,048	747,661
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(349,108)	(22,377)	140,963	1,606
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance			350,226	
Transfers in				
Transfers (out)		(96,388)		
Total Other Financing Sources (Uses)		(96,388)	350,226	
NET CHANGE IN FUND BALANCES	(349,108)	(118,765)	491,189	1,606
BEGINNING FUND BALANCES	914,973	118,765	17,106,629	696,223
ENDING FUND BALANCES (DEFICITS)	\$565,865		\$17,597,818	\$697,829

SPECIAL REVENUE FUNDS

<u>Local Grants</u>	<u>RRAA (SB1)</u>	<u>Rental Housing Program</u>	<u>Affordable Housing</u>	<u>Local Housing Trust Program</u>	<u>Traffic Impact Fee Loan</u>
\$834	\$110,960	\$8,616	\$161,861		
548,867	4,147,990	791,217			
25,000		294	489,948		
574,701	4,258,950	800,127	651,809		
752,101					
		(243)	3,652		
	3,350,000	653,544	546,162	\$24,096	
752,101	3,350,000	653,301	549,814	24,096	
(177,400)	908,950	146,826	101,995	(24,096)	
		(24,995)	(6,418)		
		(24,995)	(6,418)		
(177,400)	908,950	121,831	95,577	(24,096)	
119,834	4,055,004	103,959	12,786,181	1,210,526	
(\$57,566)	\$4,963,954	\$225,790	\$12,881,758	\$1,186,430	
					(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	CAPITAL PROJECTS FUNDS			
	Route 238 Corridor Improvement	Traffic Signal Construction	Performance Deposits	Total Nonmajor Governmental Funds
REVENUES:				
Other taxes				\$693,139
Special assessments				1,654,366
Investment income	\$260,210	\$12,102	\$10,808	1,771,130
Rental income	46,168			837,385
Intergovernmental		239,997		25,530,647
Fines and forfeitures				18,269
Fees and charges for services				
Other revenue	3,315,318			6,438,009
Total Revenues	3,621,696	252,099	10,808	36,942,945
EXPENDITURES:				
Current:				
Public safety				910,099
Public works and transportation				9,605,833
Library and community services				1,684,654
Economic development				53,166
Maintenance services				1,243,441
Planning and building				1,298,758
Capital outlay	8,870,731	1,271,662		22,828,227
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	8,870,731	1,271,662		37,624,178
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,249,035)	(1,019,563)	10,808	(681,233)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance				
Transfers in		500,000		865,226
Transfers (out)				(1,953,145)
Total Other Financing Sources (Uses)		500,000		(1,087,919)
NET CHANGE IN FUND BALANCES	(5,249,035)	(519,563)	10,808	(1,769,152)
BEGINNING FUND BALANCES	4,224,202	837,291	29,097	85,848,758
ENDING FUND BALANCES (DEFICITS)	(\$1,024,833)	\$317,728	\$39,905	\$84,079,606

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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, 2024

	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		\$73,519	\$73,519		\$66,853	\$66,853
Rental income						
Intergovernmental	\$390,000	4,442,443	4,052,443	\$1,527,801	1,618,621	90,820
Fees and charges for services						
Other revenue		181,496	181,496	504,877	440,000	(64,877)
Total Revenues	390,000	4,697,458	4,307,458	2,032,678	2,125,474	92,796
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation		1,457,415	(1,457,415)	4,420,264	2,597,090	1,823,174
Library and community services					3,004	(3,004)
Economic development				83,758	50,000	33,758
Maintenance services	53,477	46,885	6,592			
Planning and building						
Capital outlay	6,302,677	3,103,854	3,198,823			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	6,356,154	4,608,154	1,748,000	4,504,022	2,650,094	1,853,928
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,966,154)	89,304	6,055,458	(2,471,344)	(524,620)	1,946,724
OTHER FINANCING SOURCES (USES)						
Proceeds from debt issuance						
Transfers in	196,496	15,000	(181,496)	100,000		(100,000)
Transfers (out)	(1,342,226)	(1,342,226)		(22,000)	(22,000)	
Total Other Financing Sources (Uses)	(1,145,730)	(1,327,226)	(181,496)	78,000	(22,000)	(100,000)
NET CHANGE IN FUND BALANCES	(\$7,111,884)	(1,237,922)	\$5,873,962	(\$2,393,344)	(546,620)	\$1,846,724
BEGINNING FUND BALANCES		2,908,591			4,826,260	
ENDING FUND BALANCES (DEFICITS)		\$1,670,669			\$4,279,640	



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	\$13,297	\$7,797		\$1,187	\$1,187		\$1,987	\$1,987
	52,869	52,869						
	521,905	521,905	2,235,906	1,193,597	(1,042,309)			
5,500	588,071	582,571	2,235,906	1,194,784	(1,041,122)		1,987	1,987
78	78							
9,850	(243)	10,093						
124,061	74,956	49,105						
133,989	74,791	59,198						
(128,489)	513,280	641,769	2,235,906	1,194,784	(1,041,122)		1,987	1,987
(10,611)	(24,085)	(13,474)						
(10,611)	(24,085)	(13,474)						
(\$139,100)	489,195	\$628,295	2,235,906	1,194,784	(\$1,041,122)		1,987	\$1,987
	387,171			18,727,857			46,576	
	\$876,366			\$19,922,641			\$48,563	

(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, 2024

	SPECIAL REVENUE FUNDS					
	Donation			Recycling		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes				\$693,069	\$693,139	\$70
Special assessments						
Investment income		\$32,088	\$32,088	4,000	358,609	354,609
Rental income						
Intergovernmental				751,141	4,958,256	4,207,115
Fees and charges for services						
Other revenue	\$363,618	270,451	(93,167)			
Total Revenues	363,618	302,539	(61,079)	1,448,210	6,010,004	4,561,794
EXPENDITURES:						
Current:						
Public safety	415,812	157,998	257,814			
Public works and transportation	576,988	126,315	450,673	1,477,744	1,039,239	438,505
Library and community services				7,836,921	1,658,330	6,178,591
Economic development						
Maintenance services						
Planning and building						
Capital outlay						
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	992,800	284,313	708,487	9,314,665	2,697,569	6,617,096
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(629,182)	18,226	647,408	(7,866,455)	3,312,435	11,178,890
OTHER FINANCING SOURCES (USES)						
Proceeds from debt issuance						
Transfers in				83,069		(83,069)
Transfers (out)				(520,102)	(437,033)	83,069
Total Other Financing Sources (Uses)				(437,033)	(437,033)	
NET CHANGE IN FUND BALANCES	<u>(\$629,182)</u>	18,226	<u>\$647,408</u>	<u>(\$8,303,488)</u>	2,875,402	<u>\$11,178,890</u>
BEGINNING FUND BALANCES		998,628			9,431,755	
ENDING FUND BALANCES (DEFICITS)		<u>\$1,016,854</u>			<u>\$12,307,157</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)
	\$19,113	\$19,113	\$1,554,837 20,427	\$1,654,366 145,723	\$99,529 125,296		\$37,742	\$37,742
	18,269	18,269						
	37,382	37,382	1,575,264	1,800,089	224,825		37,742	37,742
			2,674,904	1,196,556	1,478,348			
						\$1,438,152	434,855	1,003,297
			2,674,904	1,196,556	1,478,348	1,438,152	434,855	1,003,297
	37,382	37,382	(1,099,640)	603,533	1,703,173	(1,438,152)	(397,113)	1,041,039
	37,382	\$37,382	(\$1,099,640)	603,533	\$1,703,173	(\$1,438,152)	(397,113)	\$1,041,039
	536,388			4,306,131			1,476,717	
	\$573,770			\$4,909,664			\$1,079,604	

(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, 2024

	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		\$29,004	\$29,004		\$943	\$943
Rental income						
Intergovernmental						
Fees and charges for services						
Other revenue						
Total Revenues		29,004	29,004		943	943
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services				\$1,648,143	23,320	1,624,823
Economic development						
Maintenance services						
Planning and building						
Capital outlay	\$861,841	378,112	483,729			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	861,841	378,112	483,729	1,648,143	23,320	1,624,823
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(861,841)	(349,108)	512,733	(1,648,143)	(22,377)	1,625,766
OTHER FINANCING SOURCES (USES)						
Proceeds from debt issuance						
Transfers in						
Transfers (out)				(96,388)	(96,388)	
Total Other Financing Sources (Uses)				(96,388)	(96,388)	
NET CHANGE IN FUND BALANCES	<u>(\$861,841)</u>	<u>(349,108)</u>	<u>\$512,733</u>	<u>(\$1,744,531)</u>	<u>(118,765)</u>	<u>\$1,625,766</u>
BEGINNING FUND BALANCES		914,973			118,765	
ENDING FUND BALANCES (DEFICITS)		<u>\$565,865</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)
	\$410,348	\$410,348		\$15,326	\$15,326		\$834	\$834
\$2,079,130	8,787,663	6,708,533		733,941	733,941	\$2,157,370	548,867	(1,608,503)
						25,000	25,000	
2,079,130	9,198,011	7,118,881		749,267	749,267	2,182,370	574,701	(1,607,669)
4,161,926	3,542,199	619,727	\$25,034	25,000	34	2,828,259	752,101	2,076,158
1,515,000	818,497	696,503						
14,842,427	4,696,352	10,146,075	1,630,869	722,661	908,208			
20,519,353	9,057,048	11,462,305	1,655,903	747,661	908,242	2,828,259	752,101	2,076,158
(18,440,223)	140,963	(18,299,260)	(1,655,903)	1,606	1,657,509	(645,889)	(177,400)	468,489
350,226	350,226					(100,000)		100,000
350,226	350,226					(100,000)		100,000
(\$18,089,997)	491,189	\$18,581,186	(\$1,655,903)	1,606	\$1,657,509	(\$745,889)	(177,400)	\$568,489
	17,106,629			696,223			119,834	
	\$17,597,818			\$697,829			(\$57,566)	

(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, 2024

	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		\$110,960	\$110,960		\$8,616	\$8,616
Rental income					791,217	791,217
Intergovernmental		4,147,990	4,147,990			
Fees and charges for services						
Other revenue					294	294
Total Revenues		4,258,950	4,258,950		800,127	800,127
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services						
Economic development					(243)	243
Maintenance services						
Planning and building				\$966,069	653,544	
Capital outlay	\$7,350,000	3,350,000	4,000,000			
Debt Service						
Principal						
Interest and fiscal charges						
Total Expenditures	7,350,000	3,350,000	4,000,000	966,069	653,301	243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,350,000)	908,950	8,258,950	(966,069)	146,826	1,112,895
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(24,995)	(24,995)	
Total Other Financing Sources (Uses)				(24,995)	(24,995)	
NET CHANGE IN FUND BALANCES	(\$7,350,000)	908,950	\$8,258,950	(\$991,064)	121,831	\$1,112,895
BEGINNING FUND BALANCES		4,055,004			103,959	
ENDING FUND BALANCES (DEFICITS)		\$4,963,954			\$225,790	

SPECIAL REVENUE FUNDS

Affordable Housing			Local Housing Trust Program			Traffic Impact Fee Loan		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
\$24,000	\$161,861	\$137,861						
			\$2,784,380		(\$2,784,380)			
250,000	489,948	239,948						
274,000	651,809	377,809	2,784,380		(2,784,380)			
3,652	3,652							
2,810,094	546,162		3,286,030	24,096				
2,813,746	549,814		3,286,030	24,096				
(2,539,746)	101,995	2,641,741	(501,650)	(24,096)	477,554			
(6,418)	(6,418)							
(6,418)	(6,418)							
(\$2,546,164)	95,577	\$2,641,741	(\$501,650)	(24,096)	\$477,554			
	12,786,181			1,210,526				
	\$12,881,758			\$1,186,430				

(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, 2024

CAPITAL PROJECTS FUNDS						
	Route 238 Corridor Improvement			Traffic Signal Construction		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		\$260,210	\$260,210		\$12,102	\$12,102
Rental income		46,168	46,168			
Intergovernmental					239,997	239,997
Fees and charges for services						
Other revenue		3,315,318	3,315,318			
Total Revenues		3,621,696	3,621,696		252,099	252,099
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services						
Economic development						
Maintenance services						
Planning and building						
Capital outlay	\$25,723,165	8,870,731	16,852,434	\$3,120,752	1,271,662	1,849,090
Debt Service						
Principal						
Interest and fiscal charges						
Total Expenditures	25,723,165	8,870,731	16,852,434	3,120,752	1,271,662	1,849,090
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,723,165)	(5,249,035)	20,474,130	(3,120,752)	(1,019,563)	2,101,189
OTHER FINANCING SOURCES (USES)						
Proceeds from debt issuance						
Transfers in				500,000	500,000	
Transfers (out)						
Total Other Financing Sources (Uses)				500,000	500,000	
NET CHANGE IN FUND BALANCES	(\$25,723,165)	(5,249,035)	\$20,474,130	(\$2,620,752)	(519,563)	\$2,101,189
BEGINNING FUND BALANCES		4,224,202			837,291	
ENDING FUND BALANCES (DEFICITS)		(\$1,024,833)			\$317,728	



## **NON-MAJOR ENTERPRISE FUNDS**

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

*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, 2024

	Stormwater	Recycling	Totals
Current Assets:			
Cash and investments	\$7,064,083		\$7,064,083
Accounts receivable, net	1,699,188	\$41,935	1,741,123
Due from other governments	11,043		11,043
Interest receivable	2,889	56	2,945
Total Current Assets	8,777,203	41,991	8,819,194
Noncurrent Assets:			
Capital assets			
Depreciable capital assets, net	134		134
Total Noncurrent Assets	134		134
Total Assets	8,777,337	41,991	8,819,328
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	738,989	34,573	773,562
Related to OPEB	271,554	26,219	297,773
Total Deferred Outflows of Resources	1,010,543	60,792	1,071,335
LIABILITIES:			
Current Liabilities:			
Accounts payable	15,371	1,696	17,067
Accrued liabilities	1,152		1,152
Due to other funds		91,282	91,282
Compensated absences, due within one year	94,609	10,214	104,823
Total Current Liabilities	111,132	103,192	214,324
Noncurrent Liabilities:			
Compensated absences, due in more than one year	28,762	3,105	31,867
Net pension liabilities, due in more than one year	3,392,769	158,725	3,551,494
Net OPEB liabilities, due in more than one year	973,366	93,980	1,067,346
Total Noncurrent Liabilities	4,394,897	255,810	4,650,707
Total Liabilities	4,506,029	359,002	4,865,031
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	208,530	20,134	228,664
Total Deferred Inflows of Resources	208,530	20,134	228,664
NET POSITION:			
Net investments in capital assets	134		134
Unrestricted	5,073,187	(276,353)	4,796,834
Total Net Position	\$5,073,321	(\$276,353)	\$4,796,968

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024

	Stormwater	Recycling	Total
OPERATING REVENUES:			
Charges for services	\$2,908,946	\$503,267	\$3,412,213
Miscellaneous	532,888		532,888
Total Operating Revenues	3,441,834	503,267	3,945,101
OPERATING EXPENSES:			
Salaries and related expenses	2,884,507	179,657	3,064,164
Materials, supplies and services	898,913	22,667	921,580
Repairs and maintenance	24,838		24,838
Depreciation	120		120
Total Operating Expenses	3,808,378	202,324	4,010,702
Operating Income (Loss)	(366,544)	300,943	(65,601)
NONOPERATING REVENUES:			
Net investment income	215,763	1,871	217,634
Net Nonoperating Revenues	215,763	1,871	217,634
Income (Loss) Before Contributions and Transfers	(150,781)	302,814	152,033
TRANSFERS			
Transfers in	84,825	600,000	684,825
Transfers (out)	(285,130)	(813,746)	(1,098,876)
Net Transfers	(200,305)	(213,746)	(414,051)
CHANGE IN NET POSITION	(351,086)	89,068	(262,018)
BEGINNING NET POSITION	5,424,407	(365,421)	5,058,986
ENDING NET POSITION	\$5,073,321	(\$276,353)	\$4,796,968

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

	Stormwater	Recycling	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$3,424,769	\$507,666	\$3,932,435
Payments to suppliers	(1,008,634)	(27,681)	(1,036,315)
Payments to employees	(2,130,539)	(127,109)	(2,257,648)
Net Cash Flows From Operating Activities	285,596	352,876	638,472
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Interfund receipts		(141,001)	(141,001)
Transfers in	84,825	600,000	684,825
Transfers (out)	(285,130)	(813,746)	(1,098,876)
Net Cash Flows From Noncapital and Related Financing Activities	(200,305)	(354,747)	(555,052)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	215,763	1,871	217,634
Net Cash Flows From Investing Activities	215,763	1,871	217,634
NET CASH FLOWS	301,054		301,054
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	6,763,029		6,763,029
CASH AND EQUIVALENTS AT END OF PERIOD	\$7,064,083		\$7,064,083
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	(\$366,544)	\$300,943	(\$65,601)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	120		120
Change in assets and liabilities:			
Receivables, net	(16,678)	4,455	(12,223)
Due from other governments	(387)	(56)	(443)
Accounts payable and other accrued expenses	(84,883)	(5,014)	(89,897)
Due to retirement system	789,644	8,547	798,191
Due to OPEB	(45,855)	30,682	(15,173)
Compensated absences	10,179	13,319	23,498
Net Cash Flows From Operating Activities	\$285,596	\$352,876	\$638,472

## 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, 2024

	Workers' Compensation Insurance*	General Liability	Facilities Management
<b>ASSETS:</b>			
Current Assets:			
Cash and investments	\$27,212,125	\$3,444,877	\$1,077,059
Accounts receivable, net	344,700	(298,306)	13,167
Deposits, parts, supplies and other	282,122		
Due from other governments			
Interest receivable	11,217	1,232	564
Total Current Assets	<u>27,850,164</u>	<u>3,147,803</u>	<u>1,090,790</u>
Noncurrent Assets:			
Long-term loans to the Private Purpose Trust Fund		27,021	
Land			372,748
Construction in progress			449,080
Depreciable capital assets, net			2,700,006
Total Noncurrent Assets		<u>27,021</u>	<u>3,521,834</u>
Total Assets	<u>27,850,164</u>	<u>3,174,824</u>	<u>4,612,624</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to pensions	172,863	142,612	458,087
Related to OPEB	95,512	74,911	279,045
Total Deferred Outflows of Resources	<u>268,375</u>	<u>217,523</u>	<u>737,132</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	37,161	108,585	1,048,227
Accrued interest			
Accrued liabilities*	15,796,856	8,957,359	
Unearned revenue	3,801		12,031
Refundable deposits			10,137
Compensated absences, due within one year	33,643	40,889	104,545
Long-term debt, due within one year			
Subscription liabilities, due within one year			
Total Current Liabilities	<u>15,871,461</u>	<u>9,106,833</u>	<u>1,174,940</u>
Noncurrent Liabilities:			
Compensated absences, due in more than one year	11,958	14,534	37,160
Net pension liabilities, due in more than one year	793,629	654,744	2,103,119
Net OPEB liabilities, due in more than one year	342,356	268,515	1,000,218
Subscription liabilities, due in more than one year			
Total Noncurrent Liabilities	<u>1,147,943</u>	<u>937,793</u>	<u>3,140,497</u>
Total Liabilities	<u>17,019,404</u>	<u>10,044,626</u>	<u>4,315,437</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to OPEB	73,345	57,526	214,283
Total Deferred Inflows of Resources	<u>73,345</u>	<u>57,526</u>	<u>214,283</u>
<b>NET POSITION:</b>			
Net investments in capital assets			3,521,834
Unrestricted	11,025,790	(6,709,805)	(2,701,798)
Total Net Position	<u>\$11,025,790</u>	<u>(\$6,709,805)</u>	<u>\$820,036</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.

Fleet Management	Technology Services	Employee Benefits	Total
\$11,500,279	\$7,065,894	\$5,158,149	\$55,458,383
127,909	67,543	351	255,364
			282,122
45,852			45,852
4,536	2,782	2,119	22,450
11,678,576	7,136,219	5,160,619	56,064,171
			27,021
			372,748
44,341	900,594		1,394,015
15,914,482	3,242,981		21,857,469
15,958,823	4,143,575		23,651,253
27,637,399	11,279,794	5,160,619	79,715,424
592,056	821,097		2,186,715
256,572	402,649		1,108,689
848,628	1,223,746		3,295,404
1,075,100	507,195	7,498	2,783,766
367	3,906		4,273
21,164			24,775,379
7,071	19,441		42,344
			10,137
73,259	323,984		576,320
144,423			144,423
	62,646		62,646
1,321,384	917,172	7,498	28,399,288
26,040	115,160		204,852
2,718,180	3,769,746		10,039,418
919,663	1,443,267		3,974,019
	246,665		246,665
3,663,883	5,574,838		14,464,954
4,985,267	6,492,010	7,498	42,864,242
197,025	309,200		851,379
197,025	309,200		851,379
15,814,400	3,834,264		23,170,498
7,489,335	1,868,066	5,153,121	16,124,709
\$23,303,735	\$5,702,330	\$5,153,121	\$39,295,207

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024

	Workers' Compensation Insurance	General Liability	Facilities Management
OPERATING REVENUES			
Charges for services	\$5,752,655		\$5,640,185
Other		\$41,226	217,766
Total Operating Revenues	<u>5,752,655</u>	<u>41,226</u>	<u>5,857,951</u>
OPERATING EXPENSES			
Salaries and related expenses	852,451	959,249	2,250,496
Materials, supplies and services	761,400	6,391,427	3,971,263
Repairs and maintenance			1,326,635
Self-funded insurance expense	4,824,257	873,871	
Depreciation			137,684
Total Operating Expenses	<u>6,438,108</u>	<u>8,224,547</u>	<u>7,686,078</u>
Operating Income (Loss)	<u>(685,453)</u>	<u>(8,183,321)</u>	<u>(1,828,127)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,001,194	17,632	41,855
Interest (expense)			
Gain (loss) on disposal of capital assets			
Total Nonoperating Revenues (Expenses)	<u>1,001,194</u>	<u>17,632</u>	<u>41,855</u>
Income (Loss) Before Transfers	<u>315,741</u>	<u>(8,165,689)</u>	<u>(1,786,272)</u>
CONTRIBUTIONS AND TRANSFERS			
Transfers in		7,666,573	656,243
Transfers (out)	(5,448,386)	(15,559)	(104,295)
Net Contributions and Transfers	<u>(5,448,386)</u>	<u>7,651,014</u>	<u>551,948</u>
CHANGE IN NET POSITION	(5,132,645)	(514,675)	(1,234,324)
BEGINNING NET POSITION (DEFICIT)	<u>16,158,435</u>	<u>(6,195,130)</u>	<u>2,054,360</u>
ENDING NET POSITION (DEFICIT)	<u><u>\$11,025,790</u></u>	<u><u>(\$6,709,805)</u></u>	<u><u>\$820,036</u></u>



<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$8,960,828	\$8,974,590	\$3,882,853	\$33,211,111
2,186	3,598,432	5,057	3,864,667
<u>8,963,014</u>	<u>12,573,022</u>	<u>3,887,910</u>	<u>37,075,778</u>
1,717,759	4,296,099		10,076,054
739,633	3,985,760	726,892	16,576,375
1,433,871	1,779,031		4,539,537
	888	6,397,158	12,096,174
<u>2,526,599</u>	<u>530,785</u>		<u>3,195,068</u>
<u>6,417,862</u>	<u>10,592,563</u>	<u>7,124,050</u>	<u>46,483,208</u>
<u>2,545,152</u>	<u>1,980,459</u>	<u>(3,236,140)</u>	<u>(9,407,430)</u>
287,029	190,321	48,834	1,586,865
(7,798)			(7,798)
<u>55,182</u>	<u>(28,234)</u>		<u>26,948</u>
<u>334,413</u>	<u>162,087</u>	<u>48,834</u>	<u>1,606,015</u>
<u>2,879,565</u>	<u>2,142,546</u>	<u>(3,187,306)</u>	<u>(7,801,415)</u>
600,000	466,544	3,557,395	12,946,755
<u>(138,525)</u>	<u>(228,298)</u>		<u>(5,935,063)</u>
<u>461,475</u>	<u>238,246</u>	<u>3,557,395</u>	<u>7,011,692</u>
3,341,040	2,380,792	370,089	(789,723)
<u>19,962,695</u>	<u>3,321,538</u>	<u>4,783,032</u>	<u>40,084,930</u>
<u>\$23,303,735</u>	<u>\$5,702,330</u>	<u>\$5,153,121</u>	<u>\$39,295,207</u>

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2024

	Workers' Compensation Insurance	General Liability	Facilities Management
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$5,543,970	\$339,994	\$5,857,386
Payments to suppliers	(5,445,332)	(7,243,999)	(4,865,091)
Payments to employees	(966,515)	(968,003)	(2,210,671)
Cash Flows from Operating Activities	<u>(867,877)</u>	<u>(7,872,008)</u>	<u>(1,218,376)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in		7,666,573	656,243
Transfers out	(5,448,386)	(15,559)	(104,295)
Cash Flows from Noncapital Financing Activities	<u>(5,448,386)</u>	<u>7,651,014</u>	<u>551,948</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets			(45,962)
Proceeds from sale of capital assets			
Principal payments on capital debt			
Interest paid on capital debt			
Cash Flows from Capital and Related Financing Activities			<u>(45,962)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	1,001,194	17,632	41,855
Cash Flows from Investing Activities	<u>1,001,194</u>	<u>17,632</u>	<u>41,855</u>
Net increase (decrease) in cash and cash equivalents	(5,315,069)	(203,362)	(670,535)
Cash and cash equivalents at beginning of period	<u>32,527,194</u>	<u>3,648,239</u>	<u>1,747,594</u>
Cash and cash equivalents at end of period	<u><u>\$27,212,125</u></u>	<u><u>\$3,444,877</u></u>	<u><u>\$1,077,059</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	(\$685,453)	(\$8,183,321)	(\$1,828,127)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation			137,684
Change in assets and liabilities:			
Receivables, net	(135,302)	298,768	(3,489)
Deposits, parts, supplies and other	(73,384)		
Due from other governments			
Accounts payable and other accrued expenses	140,325	21,299	432,807
Due to retirement system	(87,316)	(8,090)	(31,243)
Due to OPEB	(28,620)	(16,534)	75,143
Compensated absences	1,872	15,870	(4,075)
Unearned revenue	1		2,924
Cash Flows from Operating Activities	<u><u>(867,877)</u></u>	<u><u>(7,872,008)</u></u>	<u><u>(1,218,376)</u></u>
<b>NON-CASH TRANSACTIONS:</b>			
Retirement of capital assets			

Fleet Management	Technology Services	Employee Benefits	Total
\$8,969,549	\$12,579,124	\$3,885,440	\$37,175,463
(1,719,725)	(5,950,867)	(7,123,825)	(32,348,839)
(2,004,272)	(4,655,179)		(10,804,640)
5,245,552	1,973,078	(3,238,385)	(5,978,016)
600,000	466,544	3,557,395	12,946,755
(138,525)	(228,298)		(5,935,063)
461,475	238,246	3,557,395	7,011,692
(3,667,951)	(887,673)		(4,601,586)
89,683			89,683
(234,365)	(59,623)		(293,988)
(9,454)			(9,454)
(3,822,087)	(947,296)		(4,815,345)
299,950	189,027	48,834	1,598,492
299,950	189,027	48,834	1,598,492
2,184,890	1,453,055	367,844	(2,183,177)
9,315,389	5,612,839	4,790,305	57,641,560
\$11,500,279	\$7,065,894	\$5,158,149	\$55,458,383
\$2,545,152	\$1,980,459	(\$3,236,140)	(\$9,407,430)
2,526,599	530,785		3,195,068
11,071	18,905	(2,470)	187,483
	198		(73,186)
(4,536)			(4,536)
453,779	(185,188)	225	863,247
146,387	(172,694)		(152,956)
(420,782)	(245,083)		(635,876)
(12,118)	58,697		60,246
	(13,001)		(10,076)
\$5,245,552	\$1,973,078	(\$3,238,385)	(\$5,978,016)
(\$34,501)			(\$34,501)

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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.

*Hayward Development Corporation* – Accounts serves as a nonprofit benefit corporation under Section 509(a)(3)(A) as a supporting organization organized exclusively to benefit and support the City of Hayward in implementing the economic development activities throughout the City, along with other related objectives.

*Other Custodial Funds* – Accounts for activities of Hayward Coalition for Youth, the Hayward Friends of the Library Fund, the Edward Byrne Grant and the Cannabis Community Fund.

CITY OF HAYWARD  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2024

	Custodial Funds				
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Hayward Economic Development Corporation Fund	Other Custodial Funds	Total
ASSETS:					
Cash and investments	\$3,857,892	\$219,929	\$244,178	\$275,020	\$4,597,019
Cash and investments with fiscal agents	367,175				367,175
Accounts receivable, net	3,053	844			3,897
Interest receivable	1,591	91		9	1,691
Due from other governments	34,987			1,098	36,085
Deposits, parts, supplies and other	201,524				201,524
Total Assets	<u>4,466,222</u>	<u>220,864</u>	<u>244,178</u>	<u>276,127</u>	<u>5,207,391</u>
CURRENT LIABILITIES:					
Accounts payable and accrued liabilities	27,461		49,339	1,440	78,240
Loans payable			8,600,000		8,600,000
Deferred revenue	29,987	844			30,831
Refundable deposits	23,285			11,393	34,678
Total Liabilities	<u>80,733</u>	<u>844</u>	<u>8,649,339</u>	<u>12,833</u>	<u>8,743,749</u>
NET POSITION					
Restricted for:					
Organizations and other governments		220,020	(8,405,161)	263,294	(7,921,847)
Bondholders	4,385,489				4,385,489
Total Net Position	<u>\$4,385,489</u>	<u>\$220,020</u>	<u>(\$8,405,161)</u>	<u>\$263,294</u>	<u>(\$3,536,358)</u>

CITY OF HAYWARD  
COMBINING STATEMENT OF CHANGES IN CUSTODIAL FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds				Total
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Hayward Economic Development Corporation Fund	Other Custodial Funds	
ADDITIONS					
Property tax	\$1,118,584				\$1,118,584
Special assessment				\$180,161	180,161
Other revenue				262,368	262,368
Investment income	141,568	\$13,305		627	155,500
Total additions	1,260,152	13,305		443,156	1,716,613
DEDUCTIONS					
Maintenance services	487,877			1,492	489,369
Improvements other than buildings		748,380	\$8,405,161		9,153,541
Contractual services		78,484		227,162	305,646
Payments to bondholders	391,238				391,238
Interest and fiscal charges	169,999				169,999
Total deductions	1,049,114	826,864	8,405,161	228,654	10,509,793
Net change in position	211,038	(813,559)	(8,405,161)	214,502	(8,793,180)
Net position - beginning	4,174,451	1,033,579		48,792	5,256,822
Net position - ending	\$4,385,489	\$220,020	(\$8,405,161)	\$263,294	(\$3,536,358)

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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:

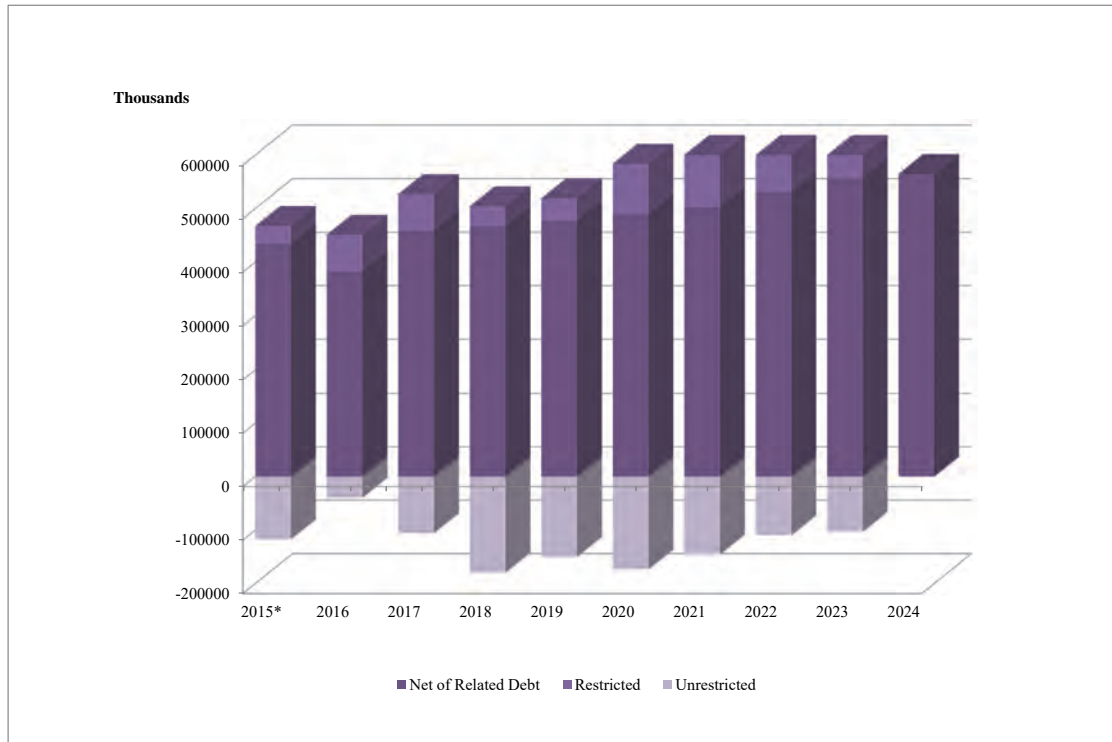
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

### ***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.

	2015*	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net investment in capital assets	\$305,320,098	\$254,986,441	\$324,056,697	\$324,408,453	\$329,532,552	\$340,992,711	\$357,492,270	\$385,787,176	\$408,626,627	\$413,652,256
Restricted	33,021,745	68,045,952	68,431,025	37,795,705	41,119,395	94,077,986	117,664,651	121,721,287	131,419,026	123,664,323
Unrestricted	(257,512,639)	(195,715,585)	(266,000,254)	(327,597,600)	(322,106,063)	(373,531,268)	(368,801,977)	(343,965,833)	(346,983,170)	(358,933,921)
Total governmental activities net position	\$80,829,204	\$127,316,808	\$126,487,468	\$34,606,558	\$48,545,884	\$61,539,429	\$106,354,944	\$163,542,630	\$193,062,483	\$178,382,658
<b>Business-type activities</b>										
Net investment in capital assets	\$129,150,393	\$128,152,757	\$134,479,298	\$141,998,213	\$148,443,353	\$148,432,952	\$145,334,998	\$145,781,120	\$147,996,679	\$150,854,434
Restricted						284,001	2	2	1	1
Unrestricted	140,262,979	156,403,925	160,313,212	148,088,671	172,060,648	200,188,102	223,235,836	234,270,711	243,856,942	248,989,296
Total business-type activities net position	\$269,413,372	\$284,556,682	\$294,792,510	\$290,086,884	\$320,504,001	\$348,905,055	\$368,570,836	\$380,051,833	\$391,853,622	\$399,843,731
<b>Primary government</b>										
Net investment in capital assets	\$434,470,491	\$383,139,198	\$458,535,995	\$466,406,666	\$477,975,905	\$489,425,663	\$502,827,268	\$531,568,296	\$556,623,306	\$564,506,690
Restricted	33,021,745	68,045,952	68,431,025	37,795,705	41,119,395	94,361,987	117,664,653	121,721,289	131,419,027	123,664,324
Unrestricted	(117,249,660)	(39,311,660)	(105,687,042)	(179,508,929)	(150,045,415)	(173,343,166)	(145,566,141)	(109,695,122)	(103,126,228)	(109,944,625)
Total primary government net position	\$350,242,576	\$411,873,490	\$421,279,978	\$324,693,442	\$369,049,885	\$410,444,484	\$474,925,780	\$543,594,463	\$584,916,105	\$578,226,389

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$16,245,827	\$14,192,819	\$16,158,933	\$36,743,529
Public Safety	106,541,527	118,423,530	128,069,028	136,621,829
Public Works and Transportation	12,295,579	14,414,107	25,599,837	24,077,319
Library and Community Services	5,150,554	9,047,644	7,056,242	10,673,935
Economic Development	835,342	1,762,937	152,175	1,480,505
Planning and Building	6,831,521	7,281,726	8,628,739	11,093,298
Maintenance Services	5,798,009	6,156,886	8,288,824	11,482,643
Community Development				
Culture and Leisure				
Nondepartmental				
Interest on Long Term Debt	1,400,778	1,490,140	3,078,848	3,238,555
Total Governmental Activities Expenses	<u>155,099,137</u>	<u>172,769,788</u>	<u>197,032,626</u>	<u>235,411,613</u>
Business-Type Activities:				
Sewer	19,967,350	23,757,316	22,755,149	19,762,825
Water	36,953,171	38,253,454	46,225,355	52,084,024
Airport	3,489,917	3,976,602	6,348,333	4,236,680
Centennial Hall Maintenance and Operation				
Stormwater	2,373,574	3,042,678	2,450,088	2,817,649
Recycling				
Total Business-Type Activities Expenses	<u>62,784,012</u>	<u>69,030,050</u>	<u>77,778,925</u>	<u>78,901,178</u>
Total Primary Government Expenses	<u>\$217,883,149</u>	<u>\$241,799,838</u>	<u>\$274,811,551</u>	<u>\$314,312,791</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$3,404,484	\$3,513,507	\$2,627,359	\$3,920,063
Public Safety	3,311,997	3,585,912	4,638,881	4,859,695
Public Works and Transportation	4,966,061	5,620,367	7,009,479	6,019,771
Library and Community Services	116,787	1,312,128	2,537,062	317,596
Economic Development	1,292,172			
Planning and Building	4,536,430	6,060,654	6,926,489	6,294,675
Maintenance Services	1,504,197	1,088,664	1,488,851	1,555,141
Community Development				
Culture and Leisure				
Nondepartmental				
Operating Grants and Contributions	10,587,001	13,611,989	11,984,727	10,626,753
Capital Grants and Contributions	5,807,599	31,255,350	1,463,593	2,472,715
Total Government Activities Program Revenues	<u>35,526,728</u>	<u>66,048,571</u>	<u>38,676,441</u>	<u>36,066,409</u>

2019	2020	2021	2022	2023	2024
\$26,842,761	\$30,267,967	\$24,801,183	\$19,288,029	\$23,138,347	\$41,061,682
130,098,500	128,620,640	139,350,883	120,120,829	166,217,907	157,239,897
26,136,150	22,129,650	26,493,672	25,616,470	24,981,972	55,670,037
10,026,345	10,983,659	11,444,270	12,359,104	14,645,388	16,274,365
2,177,009	2,565,850	2,981,340	6,672,124	8,801,341	1,683,222
10,688,978	10,662,520	10,430,293	10,485,538	10,475,502	14,081,790
11,993,462	12,156,273	12,442,998	12,539,476	14,112,028	18,488,401
2,863,705	2,784,563	2,551,130	2,320,830	2,057,051	(1,981,560)
220,826,910	220,171,122	230,495,769	209,402,400	264,429,536	302,517,834
22,065,651	20,147,930	21,928,468	23,143,122	28,307,273	32,650,697
46,827,858	47,714,898	49,135,479	48,798,451	52,457,801	59,881,805
4,045,984	3,755,558	3,428,349	4,299,086	4,637,977	5,096,164
2,793,121	2,784,429	2,727,484	2,658,755	2,600,832	3,808,378
	16,514	283,369	240,200	(687)	202,324
75,732,614	74,419,329	77,503,149	79,139,614	88,003,196	101,639,368
\$296,559,524	\$294,590,451	\$307,998,918	\$288,542,014	\$352,432,732	\$404,157,202
\$3,328,124	\$4,220,061	\$2,491,348	\$2,237,533	\$2,239,179	\$2,570,867
4,837,363	4,240,808	3,537,739	2,469,328	3,610,524	2,804,653
6,061,761	4,894,838	5,505,441	5,909,251	5,257,260	5,085,507
3,101,839	885,787	3,919,571	2,341,288	1,245,785	1,205,069
	544,108	520,189	2,653,271	6,786,370	1,281,165
7,052,017	5,479,966	5,751,306	6,237,845	7,262,132	5,331,185
1,652,433	1,489,507	1,682,246	2,120,249	1,809,879	2,056,030
14,868,015	14,757,617	29,517,552	34,655,418	35,141,869	27,229,266
4,831,794	5,780,882	5,395,405	3,594,521	12,797,724	5,112,234
45,733,346	42,293,574	58,320,797	62,218,704	76,150,722	52,675,976

(Continued)

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

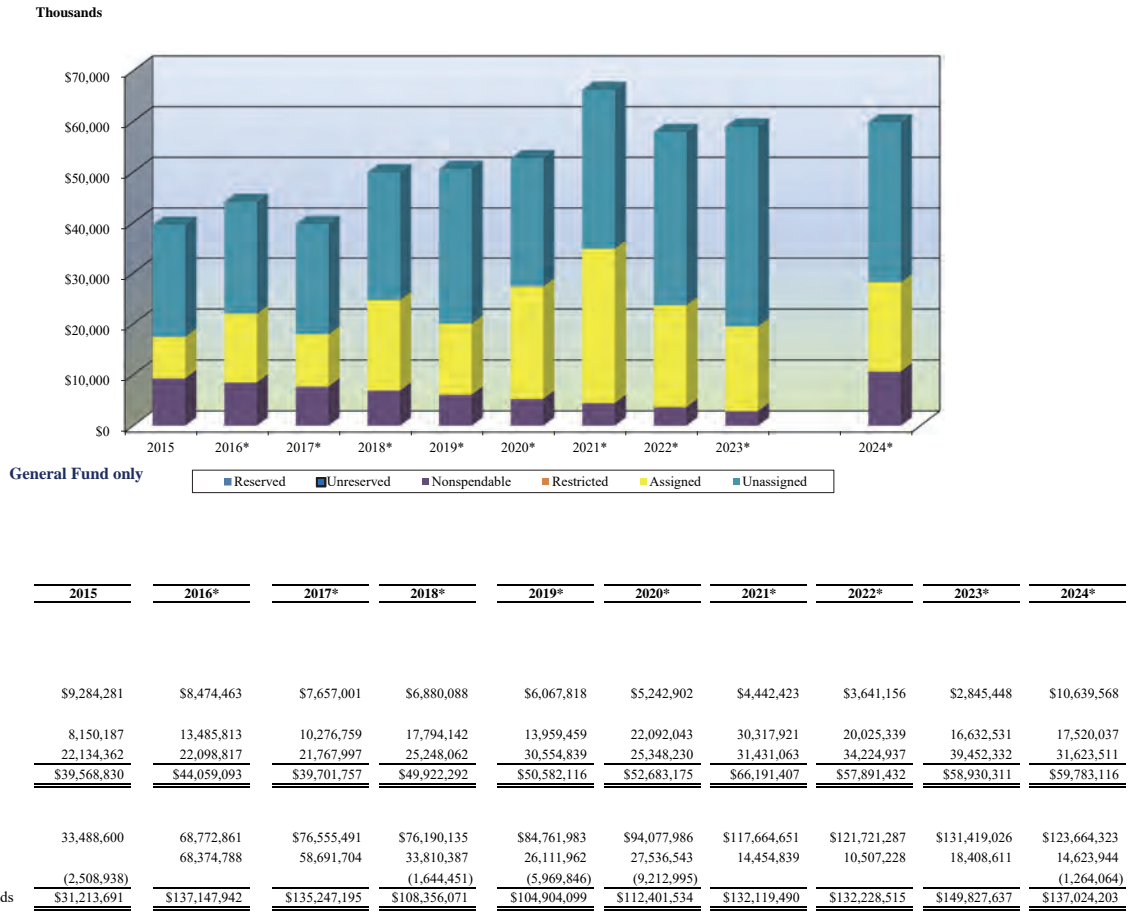
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Business-Type Activities:				
Charges for Services:				
Sewer	28,389,311	33,557,099	27,000,318	26,374,872
Water	44,704,910	46,264,199	53,565,672	59,385,204
Airport	2,995,362	3,239,400	4,161,002	3,426,086
Centennial Hall Maintenance & Operation				
Stormwater	2,832,703	2,894,801	3,066,075	3,165,846
Recycling				
Operating Grants and Contributions			1,162,390	
Capital Grants and Contributions				
Total Business-Type Activities Program Revenue	<u>78,922,286</u>	<u>85,955,499</u>	<u>88,955,457</u>	<u>92,352,008</u>
Total Primary Government Program Revenues	<u>\$114,449,014</u>	<u>\$152,004,070</u>	<u>\$127,631,898</u>	<u>\$128,418,417</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$119,572,409)	(\$106,721,218)	(\$158,356,185)	(\$199,345,204)
Business-Type Activities	<u>16,138,274</u>	<u>16,925,449</u>	<u>11,176,532</u>	<u>13,450,830</u>
Total Primary Government Net Expense	<u>(\$103,434,135)</u>	<u>(\$89,795,769)</u>	<u>(\$147,179,653)</u>	<u>(\$185,894,374)</u>
Total Primary Government Net Expense from prior page	<u>(\$103,434,135)</u>	<u>(\$89,795,769)</u>	<u>(\$147,179,653)</u>	<u>(\$185,894,374)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$42,740,159	\$44,750,688	\$48,768,731	\$52,136,552
Incremental Property Tax				
Special Assessments				
Sales Taxes	39,148,631	46,495,377	48,848,674	48,550,524
Utility Users Tax	15,680,721	22,040,616	20,753,813	17,487,828
Real Property Transfer Tax	5,710,272	7,849,464	8,349,727	9,168,329
Franchise Tax	10,127,647	10,139,140	9,646,261	9,647,904
Business Tax	2,634,539	2,603,305	3,664,550	4,550,835
Excise Tax	2,142,691	3,782,330	2,226,200	2,261,598
Other Taxes	6,314,878	5,774,001	5,607,637	6,924,304
Motor Vehicle in-lieu, Unrestricted	62,743	61,688	71,223	84,769
Investment Earnings	349,196	523,123	1,470,868	1,253,635
Gain (Loss) on land held for resale				
Gain (Loss) on Sale of Capital Assets	(352,880)	882,491	121,761	49,910
(Loss) from disposal of capital assets				
Miscellaneous	2,996,956	5,505,290	5,130,121	5,514,057
Transfers (refer to CAFR Footnote 4)	2,618,309	2,801,309	2,861,623	2,621,785
Transfers ( Note 5)				
Extraordinary Item (refer to CAFR Footnote 19)				
Total Governmental Activities General Revenues and Transfers	<u>130,173,862</u>	<u>153,208,822</u>	<u>157,521,189</u>	<u>160,252,030</u>
Business-Type Activities:				
Investment Earnings	533,521	1,019,170	1,920,919	925,665
(Loss) from disposal of capital assets				135,712
Loss on equity investment				
Miscellaneous				
Transfers ( Note 5)	(2,618,309)	(2,801,309)	(2,861,623)	(2,621,785)
Total Business-Type Activities General Revenues and Transfers	<u>(2,084,788)</u>	<u>(1,782,139)</u>	<u>(940,704)</u>	<u>(1,560,408)</u>
Total Primary Government General Revenues and Transfers	<u>\$128,089,074</u>	<u>\$151,426,683</u>	<u>\$156,580,485</u>	<u>\$158,691,622</u>
<b>Change in Net Position</b>				
Governmental Activities	\$10,601,453	\$46,487,604	(\$834,996)	(\$39,093,174)
Business-Type Activities	<u>14,053,486</u>	<u>15,143,310</u>	<u>10,235,828</u>	<u>11,890,422</u>
Total Primary Government	<u>\$24,654,939</u>	<u>\$61,630,914</u>	<u>\$9,400,832</u>	<u>(\$27,202,752)</u>



2019	2020	2021	2022	2023	2024
37,064,893	30,078,797	30,144,384	31,457,157	35,253,101	32,892,790
61,614,956	61,951,757	61,842,042	61,480,757	58,569,056	63,230,491
3,611,746	3,616,344	3,610,821	3,900,365	3,906,588	4,627,028
3,328,818	5,019,351	3,633,200	3,618,896	2,855,609	3,441,834
	119,683	42,546	104,027	449,850	503,267
105,620,413	100,785,932	99,272,993	100,561,202	101,034,204	104,695,410
\$151,353,759	\$143,079,506	\$157,593,790	\$162,779,906	\$177,184,926	\$157,371,386
(\$175,093,564)	(\$177,877,548)	(\$172,174,972)	(\$147,183,696)	(\$188,278,814)	(\$249,841,858)
29,887,799	26,366,603	21,769,844	21,421,588	13,031,008	3,056,042
(\$145,205,765)	(\$151,510,945)	(\$150,405,128)	(\$125,762,108)	(\$175,247,806)	(\$246,657,790)
(\$145,205,765)	(\$151,510,945)	(\$150,405,128)	(\$125,762,108)	(\$175,247,806)	(\$246,657,790)
\$55,970,615	\$58,939,316	\$62,227,460	\$64,950,195	\$70,287,589	\$73,658,984
52,917,415	56,566,457	58,652,032	64,666,358	66,932,441	75,344,108
16,935,327	16,065,943	17,267,592	17,308,117	25,944,798	24,453,592
12,256,155	12,150,286	17,120,032	21,226,290	12,356,957	12,540,552
9,730,173	10,581,960	10,624,234	10,515,952	11,906,945	13,161,911
4,415,292	4,057,795	4,365,441	3,996,798	4,098,698	5,743,381
2,329,766	2,383,998	2,070,754	1,958,345	2,205,810	2,253,091
8,637,556	8,505,009	8,497,353	9,879,685	11,064,218	11,705,277
77,775	126,184	117,578	182,633	168,068	202,532
3,277,620	3,272,624	1,124,743	(3,912,851)	3,613,671	6,498,376
10,982,198		3,390,000			
		82,854	37,265		
				(277,565)	26,948
7,837,732	15,167,508	18,633,107	9,449,880	5,096,781	5,952,245
3,665,266	3,054,013	3,185,444	4,112,715		
				4,400,256	3,621,036
189,032,890	190,871,093	207,358,624	204,371,382	217,798,667	235,162,033
4,305,963	5,088,464	1,081,381	(5,186,214)	3,171,037	8,555,103
(111,379)			(965,799)		
(3,665,266)	(3,054,013)	(3,185,444)	(4,112,715)	(4,400,256)	(3,621,036)
529,318	2,034,451	(2,104,063)	(10,264,728)	(1,229,219)	4,934,067
\$189,562,208	\$192,905,544	\$205,254,561	\$194,106,654	\$216,569,448	\$240,096,100
\$13,939,326	\$12,993,545	\$35,183,652	\$57,187,686	\$29,519,853	(\$14,679,825)
30,417,117	28,401,054	19,665,781	11,156,860	11,801,789	7,990,109
\$44,356,443	\$41,394,599	\$54,849,433	\$68,344,546	\$41,321,642	(\$6,689,716)

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

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



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

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

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

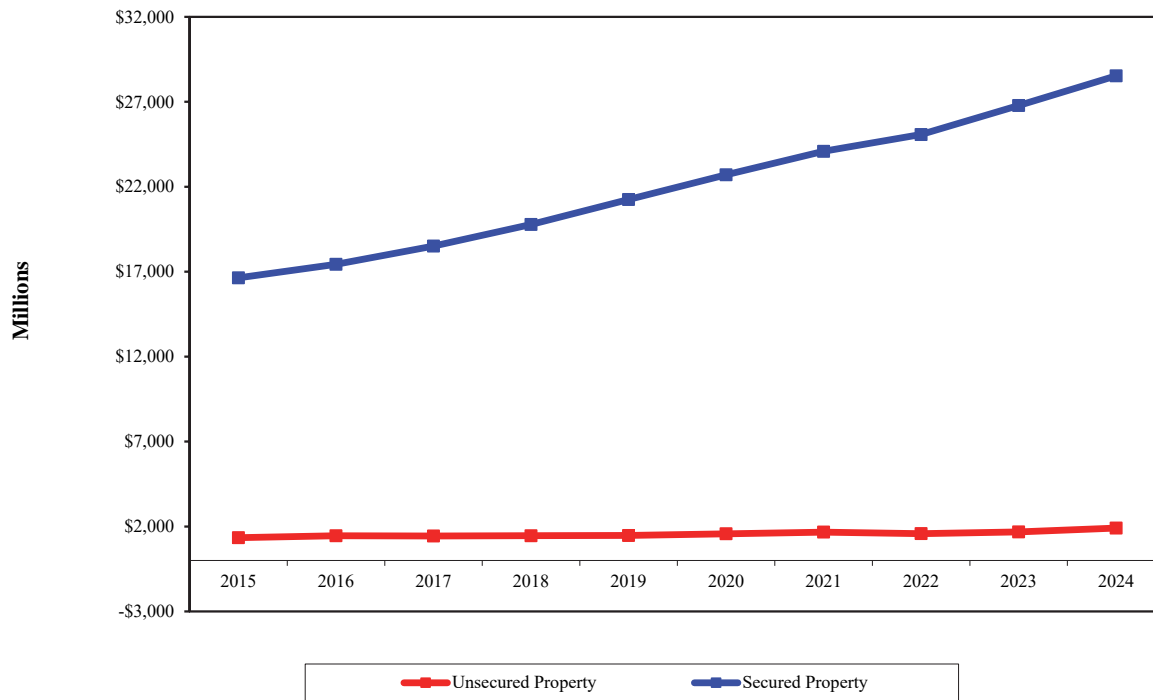
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**CITY OF HAYWARD**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	<b>Fiscal Years Ended June 30,</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Revenues</b>					
Property Taxes	\$42,128,306	\$44,159,430	\$47,195,566	\$51,235,946	\$54,467,978
Property Tax Increment					
Sales Taxes	39,148,631	46,495,377	48,848,674	48,550,524	52,917,415
Utility Users Taxes	15,680,721	22,040,616	20,753,813	17,487,828	16,935,327
Other Taxes	23,424,572	26,554,046	27,518,428	28,116,819	32,658,149
Licenses and permits	5,031,300	6,316,823	7,766,510	7,091,074	7,814,026
Fines and forfeitures	2,549,034	2,341,565	2,499,964	2,487,183	2,670,298
Special Assessments	980,329	1,166,399	1,026,071	1,003,388	1,059,378
Use of money and property	357,388	561,895	1,746,291	1,644,775	3,473,471
Intergovernmental revenues	22,647,381	37,101,458	28,403,369	23,151,743	28,991,082
Fees and charges for services	7,639,834	9,885,890	5,889,181	7,360,450	7,373,160
Reimbursement from Developer					
Gain on Sale					10,982,198
Other	5,002,806	7,909,582	11,082,590	6,084,935	10,689,323
<b>Total Revenues</b>	<b>164,590,302</b>	<b>204,533,081</b>	<b>202,730,457</b>	<b>194,214,665</b>	<b>230,031,805</b>
<b>Expenditures</b>					
Current:					
General government	13,702,855	12,675,974	13,182,512	14,309,144	15,335,579
Public safety	96,719,824	105,164,624	110,461,347	110,621,648	118,169,989
Public works and transportation	6,623,943	3,850,989	4,001,258	3,772,501	8,850,429
Library and community services	6,748,325	8,371,078	6,678,908	7,638,673	7,722,543
Economic development	763,285	1,984,194	56,797	81,274	1,512,567
Planning and building	6,495,171	7,382,233	8,497,395	8,372,228	9,229,204
Maintenance services	5,581,077	6,279,365	7,711,268	7,720,401	9,973,511
Nondepartmental					
Capital outlay	30,819,943	39,864,835	48,972,280	47,870,707	45,601,421
Debt service:					
Principal	2,156,489	2,397,381	2,561,048	2,676,156	5,013,353
Interest and fiscal charges	1,158,708	1,055,901	3,303,835	3,321,225	3,190,198
Bond issuance cost		1,054,619	2,972		
Pass-through payments					
<b>Total Expenditures</b>	<b>170,769,620</b>	<b>190,081,193</b>	<b>205,429,620</b>	<b>206,383,957</b>	<b>224,598,794</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,179,318)</u>	<u>14,451,888</u>	<u>(2,699,163)</u>	<u>(12,169,292)</u>	<u>5,433,011</u>
<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)		87,348,775			
Premium on refunding bonds issued (refer to ACFR Footnote 6)		6,565,740			
Payment to refunded bond escrow agent (refer to ACFR Footnote 6)		(20,455,936)			
Proceeds of repayment agreement					
Proceeds from long term debt (refer to ACFR Footnote 6)	5,500,000				
Proceeds from issuance of long-term debt					
Gain on land held for resale					
Transfers in (refer to ACFR Footnote 4)	9,012,179	25,098,265	40,553,431	13,461,040	40,742,247
Transfers out (refer to ACFR Footnote 4)	(12,188,316)	(27,899,357)	(44,118,007)	(17,962,337)	(48,967,406)
<b>Total other financing sources (uses)</b>	<b>2,323,863</b>	<b>70,657,487</b>	<b>(3,564,576)</b>	<b>(4,501,297)</b>	<b>(8,225,159)</b>
Extraordinary Item (Refer to ACFR Footnote 19)					
<b>Net Change in fund balances</b>	<b><u>(\$3,855,455)</u></b>	<b><u>\$85,109,375</u></b>	<b><u>(\$6,263,739)</u></b>	<b><u>(\$16,670,589)</u></b>	<b><u>(\$2,792,148)</u></b>
Debt service as a percentage of noncapital expenditures	2.4%	2.4%	3.8%	3.5%	4.2%
Non-capitalized capital outlay				17,768,968	14,789,030

Fiscal Years Ended June 30,				
2020	2021	2022	2023	2024
\$58,431,804	\$61,196,409	\$63,524,226	\$68,458,487	\$73,406,274
56,566,457	58,652,032	64,666,358	66,932,441	75,344,108
16,065,943	17,267,592	17,308,117	25,944,798	24,453,592
31,774,255	36,672,642	42,293,995	36,987,146	37,082,797
6,435,587	5,439,030	7,040,991	7,959,299	6,131,063
2,210,385	2,194,569	2,908,314	2,680,493	2,721,831
1,297,894	1,408,903	1,427,107	1,547,811	1,654,366
3,901,043	1,729,716	(2,085,572)	3,129,954	5,745,608
28,937,153	38,526,058	42,581,105	52,257,273	39,689,420
5,585,549	9,712,963	8,305,207	4,506,630	5,005,339
18,289,406	24,378,704	17,150,080	18,779,649	11,337,613
229,495,476	257,178,618	265,119,928	289,183,981	282,572,011
14,607,161	13,971,584	19,264,532	21,750,190	21,864,417
123,148,622	129,477,772	135,547,462	144,815,357	151,376,573
6,849,771	8,198,266	9,841,151	10,664,999	14,644,022
8,707,212	9,123,989	10,597,268	12,948,082	13,517,998
1,576,741	2,350,344	6,674,218	8,705,058	532,399
8,618,787	8,712,707	9,576,414	9,442,396	11,487,245
9,840,025	10,752,525	12,017,944	13,234,112	15,224,030
34,471,404	40,657,890	53,296,125	38,525,972	47,005,060
5,207,513	5,416,028	6,257,552	6,121,651	54,569,724
3,007,504	2,795,772	2,615,974	2,375,640	2,028,085
216,034,740	231,456,877	265,688,640	268,583,457	332,249,553
13,460,736	25,721,741	(568,712)	20,600,524	(49,677,542)
		1,063,021		41,117,569
	3,390,000			
15,104,770	12,292,089	42,742,446	44,503,979	29,602,262
(18,967,012)	(17,809,505)	(51,427,705)	(46,466,502)	(32,992,918)
(3,862,242)	(2,127,416)	(7,622,238)	(1,962,523)	37,726,913
\$9,598,494	\$23,594,325	(\$8,190,950)	\$18,638,001	(\$11,950,629)
4.2%	4.1%	3.9%	3.5%	17.6%
13,167,567	16,025,372	14,564,462	12,224,749	37,763,942

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



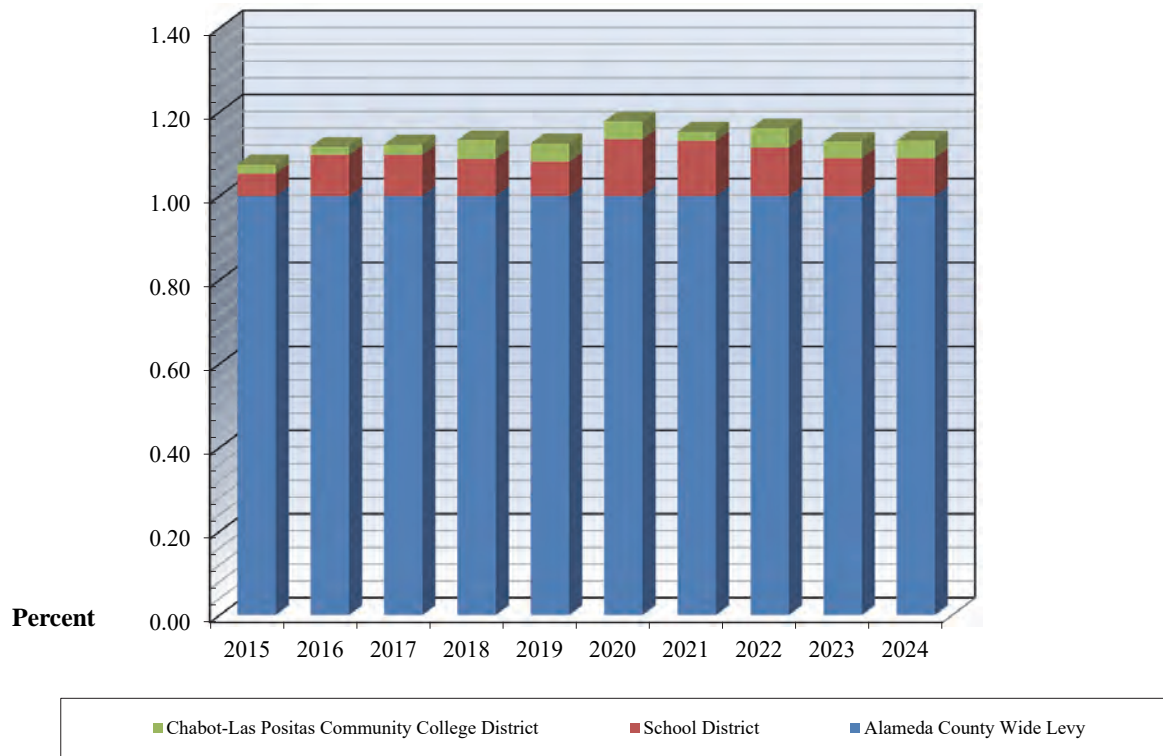
Fiscal Year	Total Secured Property	Total Unsecured Property	Total Assessed ( c )	Estimated Full Market ( a )	Direct Tax Rate ( b )
2015	16,639,488,990	1,340,155,668	17,979,644,658	17,979,644,658	1%
2016	17,432,403,170	1,452,793,040	18,885,196,210	18,885,196,210	1%
2017	18,505,587,803	1,439,106,697	19,944,694,500	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%
2022	25,074,926,004	1,580,752,210	26,655,678,214	26,655,678,214	1%
2023	26,781,262,134	1,681,286,944	28,462,549,078	28,462,549,078	1%
2024	28,531,755,687	1,906,804,619	30,438,560,306	30,438,560,306	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	Total
2015	1.0000	0.0018	0.0000	0.0527	0.0217	0.0045		0.0085	1.0892
2016	1.0000	0.0018	0.0000	0.0970	0.0198	0.0026		0.0067	1.1279
2017	1.0000	0.0018	0.0000	0.0974	0.0246	0.0080		0.0032	1.1350
2018	1.0000	0.0018	0.0000	0.0881	0.0445	0.0084	0.0299	0.0021	1.1748
2019	1.0000	0.0018	0.0112	0.0806	0.0443	0.0070	0.0300	0.0057	1.1806
2020	1.0000	0.0018	0.0108	0.1350	0.0422	0.0120	0.0300	0.0060	1.2378
2021	1.0000	0.0018	0.0036	0.1310	0.0214	0.0139	0.0299	0.0014	1.2030
2022	1.0000	0.0018	0.0041	0.1150	0.0458	0.0060	0.0299	0.0020	1.2046
2023	1.0000	0.0018	0.0103	0.0900	0.0388	0.0140	0.0299	0.0058	1.1906
2024	1.0000	0.0018	0.0088	0.0900	0.0416	0.0134	0.0299	0.0057	1.1912

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

Employer	FY 2024			FY 2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Russell City Energy Company, LLC	270,600,000	1	0.008890039	496,173,868	1	2.76%
Southland Mall LP	261,155,710	2	0.008579766	152,292,236	3	0.85%
Lincoln Landing Property Owner Llc	231,955,389	3	0.007620445			
Hayward 544 LLC	180,489,920	4	0.005929647			
Gi ETS Hayward LLC	161,262,000	7	0.005297951			
Clawiter Innovation LLC	152,663,334	5	0.005015458			
PSB Northern Calif Industrial Portfolio LLC	147,390,193	6	0.00484222	197,869,979	2	1.10%
Hayward Point Eden I Limited Partnership	117,104,302	8	0.003847235	98,476,852	5	0.55%
Hayward Industrial Park Associates	109,137,930	9	0.003585516	92,630,302	7	0.52%
IPT Hayward Logistics Center LLC	104,285,744	10	0.003426106			
Bottling Group LLC				121,318,793	4	0.67%
SCI Limited Partnership				80,129,349	9	0.45%
Berkeley Farm Inc.				97,112,289	6	0.54%
Guardian KW Hayward LLC				89,080,522	8	0.50%
Impax Laboratories Inc.				80,842,696	10	0.45%
<b>Subtotal</b>	<b>\$1,736,044,522</b>		<b>5.70%</b>	<b>\$1,505,926,886</b>		<b>8.38%</b>

Total Assessed Valuation:

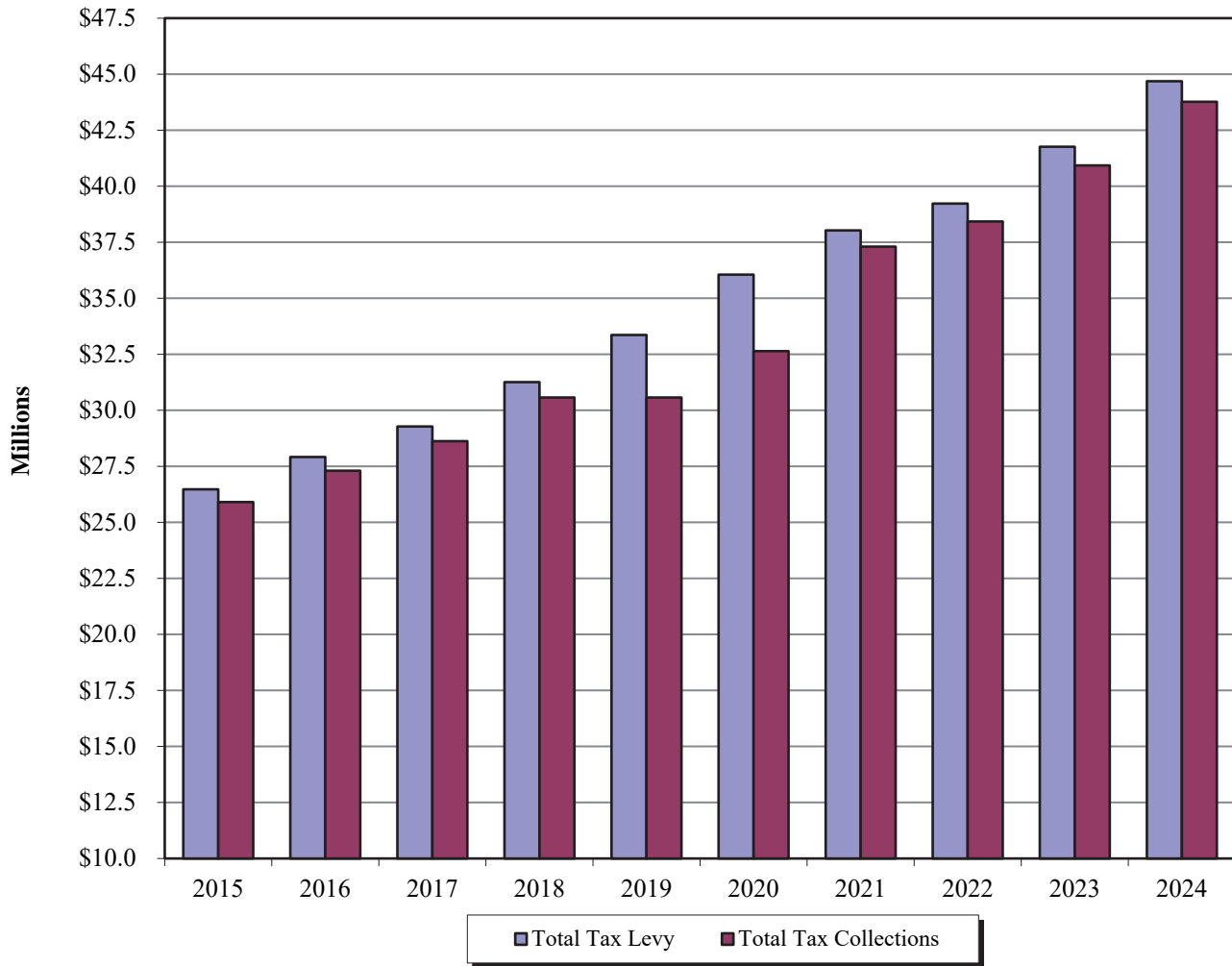
Fiscal Year 2023/2024 \$30,438,560,306

Fiscal Year 2014/2015 \$17,979,644,658

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls



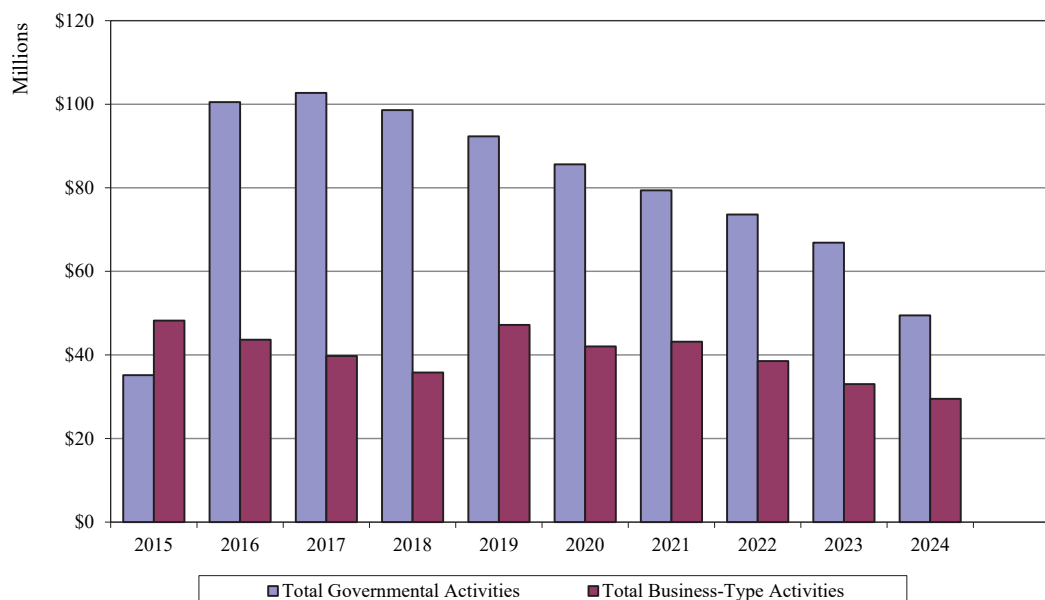
**CITY OF HAYWARD  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**



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
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	30,569,520	91.63%
2020	36,054,277	34,833,923	96.62%	505,412	32,638,455	90.53%
2021	38,025,883	36,767,160	96.69%	537,243	37,304,403	98.10%
2022	39,223,816	37,821,398	96.42%	604,452	38,425,850	97.97%
2023	41,759,359	40,260,859	96.41%	667,323	40,928,182	98.01%
2024	44,684,997	43,034,899	96.31%	733,353	43,768,252	97.95%

Source: Alameda County Assessor Office

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



Governmental Activities					
Fiscal Year	Tax Allocation Bonds	Certificates of Participation	Revenue Bonds	Capital Lease and Subscription	Total
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
2022	0 (a)	69,185,304	766,118	3,646,076	73,597,498
2023	0 (a)	63,681,523	138,251	3,049,397	66,869,171
2024	0 (a)	48,993,848	0	453,734	49,447,582

Business-Type Activities					
Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Total	Total Government	Government Debt Per Capita (b)
2015	\$6,055,000	\$42,151,592	\$48,206,592	\$83,376,623	\$545
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
2022	2,000,000	36,523,498	38,523,498	112,120,996	698.18
2023	0	33,020,237	33,020,237	99,889,408	625.09
2024	0	29,505,247	29,505,247	78,952,829	494.17

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**

2023-24 Assessed Valuation:	\$ 31,053,700,119
Redevelopment Incremental Valuation:	(3,786,684,161)
Adjusted Assessed Valuation:	<u>\$ 27,267,015,958</u>

	Total Debt 6/30/2024	% Applicable (1)	City's Share of Debt 6/30/2024	
<b>DIRECT DEBT:</b>				
City of Hayward General Fund Obligations	\$ 49,447,582	100.000%	\$ 49,447,582	
<b>Total Direct Debt</b>			<u>\$ 49,447,582</u>	<b>\$ 49,447,582</b>

<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>				
Alameda County	\$497,295,000	7.44%	\$36,988,802	
Bay Area Rapid Transit District	2,445,575,000	2.953	72,217,830	
Chabot-Las Positas Community College District	947,675,000	18.074	171,282,780	
Castro Valley Unified School District	135,335,000	0.099	133,982	
Hayward Unified School District	740,018,932	86.161	637,607,712	
New Haven Unified School District	237,045,346	13.31	31,550,736	
Pleasanton Unified School District	278,860,000	0.032	89,235	
San Lorenzo Unified School District	208,575,000	15.305	31,922,404	
Washington Township Healthcare District	462,295,000	1.674	7,738,818	
Hayward Area Recreation and Park District	154,875,000	55.693	86,254,534	
East Bay Regional Park District	144,520,000	4.642	6,708,618	
City of Hayward Community Facilities District No. 1	3,870,064	100	3,870,064	
City of Hayward 1915 Act Bonds	30,000	100	30,000	
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>				<b>\$ 1,086,395,515</b>

Ratios to 2023-24 Assessed Valuation:  
Subtotal Overlapping Tax and Assessment Debt 3.64%

<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>				
Alameda County General Fund Obligations	\$656,746,000	7.44%	\$48,848,767	
Alameda-Contra Costa Transit District Certificates of Participation	10,420,000	8.755	912,271	
Hayward Unified School District General Fund Obligations	80,049,213	86.161	68,971,202	
Pleasanton Unified School District General Fund Obligations	30,000,000	0.032	9,600	
San Lorenzo Unified School District General Fund Obligations	7,635,000	15.305	1,168,537	
Castro Valley Unified School District Certificates of Participation	4,010,000	0.099	3,970	
Hayward Area Recreation and Park District General Fund Obligations	7,540,000	55.693	4,199,252	
Eden Township Healthcare District General Fund Obligations	13,235,000	40.288	5,332,117	
City of Hayward General Fund Obligations	45,038,780	100	45,038,780	
City of Hayward Loans Payable	810	100	810	
City of Hayward Capital Leases	144,423	100	144,423	
				<b>\$ 129,445,716</b>

<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</b>	\$40,100,000	7.529 & 100. %	\$21,425,482	
			<u>\$ 21,425,482</u>	

Total Direct Debt	\$45,184,013
Total Overlapping Debt	\$1,237,266,713
<b>Grand Total Direct and Overlapping Debt</b>	<b><u>\$ 1,286,714,295</u> (2)</b>
<b>Combined Total Direct and Overlapping Debt</b>	<b><u>\$ 1,286,714,295</u> (2)</b>

Ratios to 2023-24 Assessed Valuation:  
Combined Total Direct and Overlapping Tax and Assessment Debt 4.30%

**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	\$30,438,560,306
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BONDED DEBT LIMIT (15.% OF ASSESSED VALUE)	\$4,565,784,046
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$49,509,869
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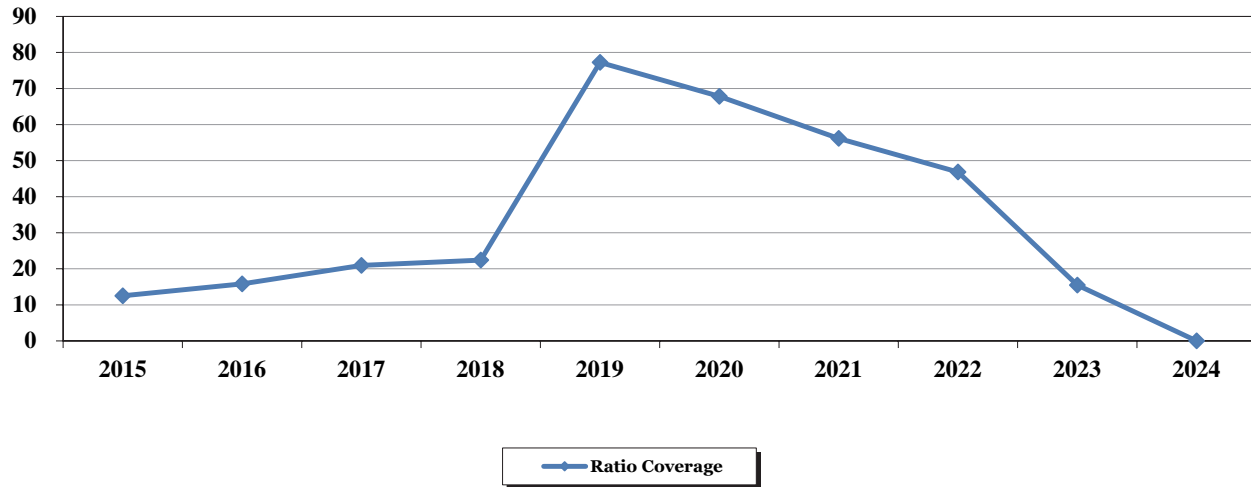
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	49,509,869
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Amount of debt subject to limit	0
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LEGAL BONDED DEBT MARGIN	\$4,565,784,046
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Fiscal 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
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%
2022	3,998,351,732	0	3,998,351,732	0.00%
2023	4,269,382,362	0	4,269,382,362	0.00%
2024	4,565,784,046	0	4,565,784,046	0.00%

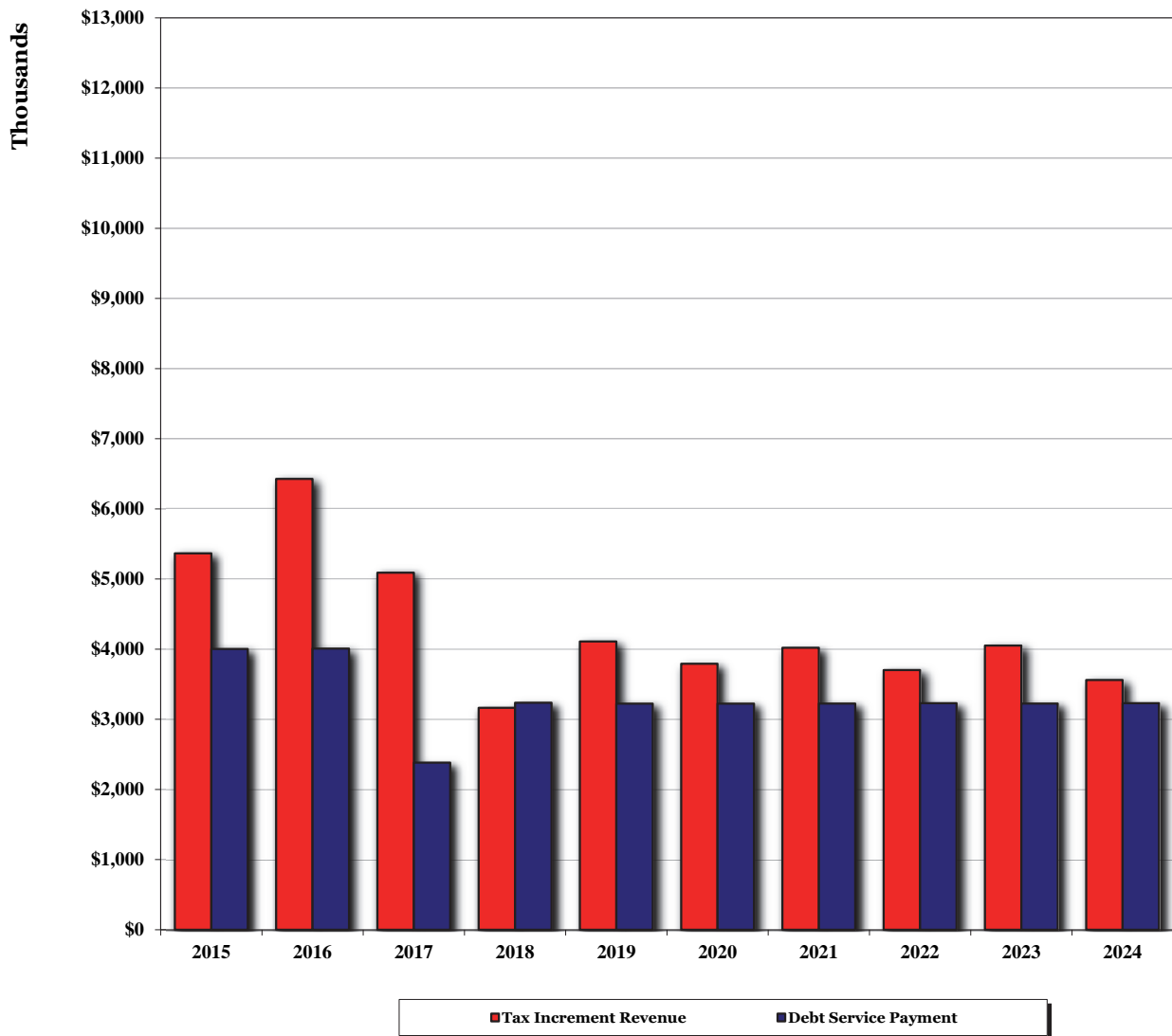
**CITY OF HAYWARD  
REVENUE BOND COVERAGE  
WASTEWATER REVENUE BONDS  
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio Coverage
				Principal	Interest	Total	
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
2022	88,096,478	62,788,487	25,307,991	487,444	52,812	540,256	46.84
2023	96,389,299	71,699,492	24,689,807	1,555,726	39,473	1,595,199	15.48
2024	104,153,530	83,532,731	20,620,799				

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**



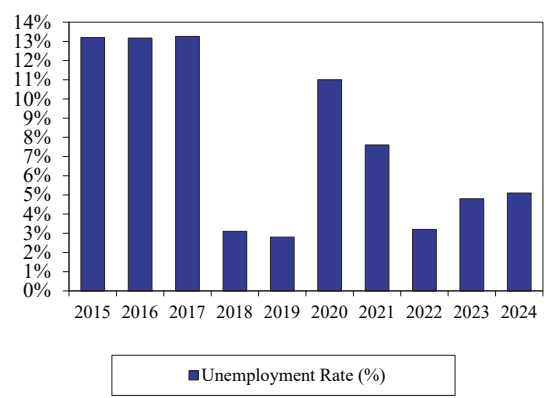
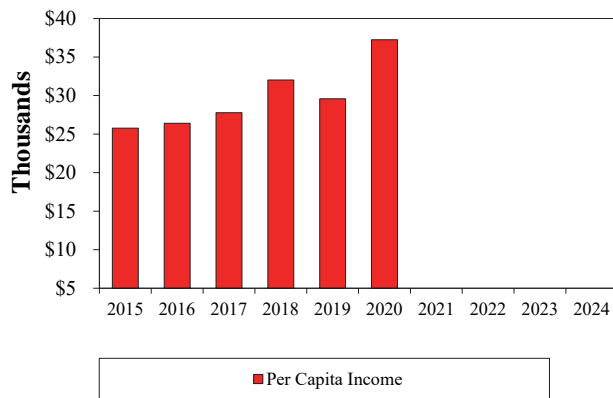
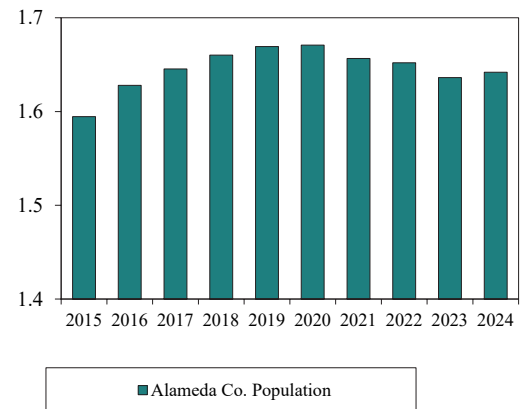
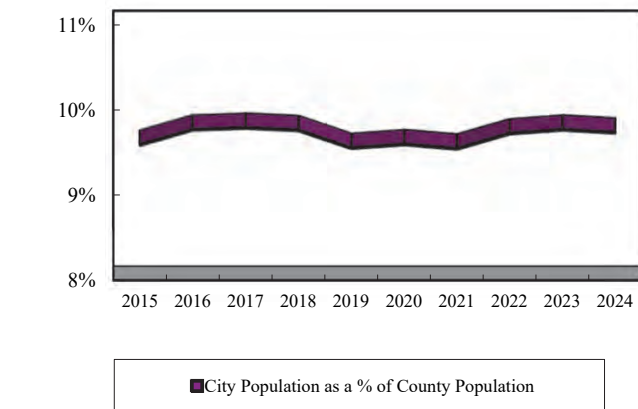
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	\$5,365,287	\$1,750,000	\$2,253,588	\$4,003,588	1.34
2016	6,427,560	1,835,000	2,173,931	4,008,931	1.60
2017	5,089,716	2,035,000	347,642	2,382,642	2.14
2018	3,163,863	1,685,000	1,550,975	3,235,975	0.98
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
2022	3,701,590	1,975,000	1,254,250	3,229,250	1.15
2023	4,051,193	2,070,000	1,154,375	3,224,375	1.26
2024	3,560,563	2,180,000	1,049,625	3,229,625	1.10

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
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%
2022	160,591		3.2%	1,651,979	9.72%
2023	159,800		4.8%	1,636,194	9.77%
2024	159,770		5.1%	1,641,869	9.73%

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 2024</u>	<u>FY 2014</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Hayward Unified School District	*	2,500	1	1.7%
California State University East Bay	*	1,447	2	1.0%
Kaiser Permanente Medical Center		1,200	3	0.8%
City of Hayward		845	4	0.6%
St. Rose Hospital		842	5	0.6%
Gillig Corporation		700	6	0.5%
IMPAX Laboratories Inc	*	700	7	0.5%
Chabot Community College	*	600	8	0.4%
Bay Cities Auto Auction		500	9	0.3%
Marelich Mechanical		500	10	0.3%
Alameda County Sheriff's Department	*			
Baxter Bio Pharma	*			
Berkeley Farms, LLC	*			
Fremont Bank Operations Center	*			
Illumina	*			
Pentagon Technologies	*			
Plastikon Industries, LLC	*			
Siemens Building Tech	*			
Subtotal		<u>9,834</u>		<u>6.5%</u>
Total City Population Using Census Data		<u>151,037</u>		

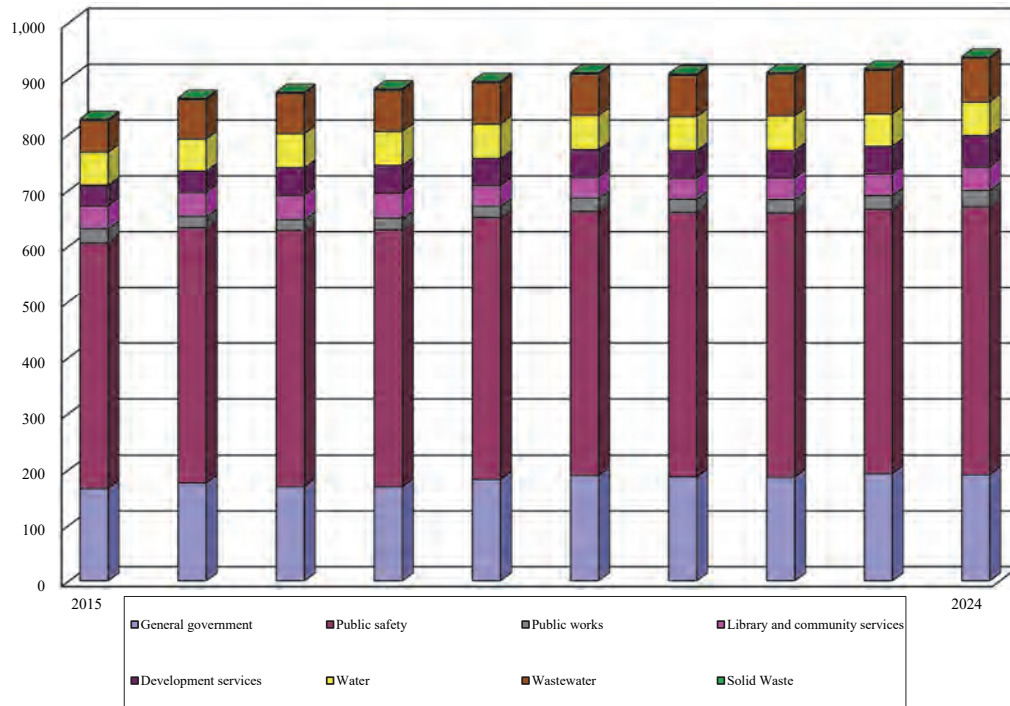
Source: City of Hayward Adopted Operating Budget FY24

Note: FY24 data not available for ranking or total employment.

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



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



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Function</b>										
General government	165.00	175.00	168.50	168.50	181.50	188.25	186.25	185.75	191.85	189.85
Public safety	439.50	457.00	459.00	460.00	469.00	473.00	473.00	473.00	473.00	480.00
Public works	26.00	20.50	19.56	20.71	20.56	24.00	24.45	24.15	24.95	29.75
Library and community services	40.20	42.20	42.80	44.80	35.80	36.80	36.80	37.80	38.30	40.80
Development services	36.00	39.00	50.00	50.00	49.50	50.00	50.00	50.00	50.00	57.00
Water	58.50	57.30	60.61	60.46	61.41	61.26	60.71	61.61	57.61	59.91
Wastewater	56.00	70.40	71.58	73.58	73.78	73.24	73.34	75.24	78.44	78.34
Solid Waste	3.00	2.80	2.75	2.75	2.75	2.75	2.75	2.25	2.15	2.15
<b>Total</b>	<b>824.20</b>	<b>864.20</b>	<b>874.80</b>	<b>880.80</b>	<b>894.30</b>	<b>909.30</b>	<b>907.30</b>	<b>909.80</b>	<b>916.30</b>	<b>937.80</b>

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>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Public safety:					
Fire alarms	18,860	18,414	20,361	23,379	21,298
Police: (Uniform Crime Reporting Statistics)					
Crimes Against Property	5,462	4,682	4,918	8,134	8,839
Crimes Against Person	568	520	511	1,652	1,586
Arson calls	20	19	28	18	21
Public works					
Pavement Condition Index (PCI)*	69	70	69	71	73
*Industry measure of street condition with 100 ideal score					
Annual pavement improvement projects	10	10	10	9	12
Airport operations count/flights	90,048	126,219	132,096	128,954	111,756
Airport reported based aircraft	461	461	461	447	447
Community Services					
Social Services Projects Funded	18	26	19	18	17
Facilities Projects Funded	1	1	4	4	2
Economic Development Projects Funded	2	6	5	2	4
New Housing/Rehab Projects Funded	2	2	2	3	2
Public Services Projects Funded	5	18	7	6	7
Measure B Projects Funded	8	4	6	5	0
Measure BB Projects Funded	0	1	1	1	5
ARPA Projects Funded				3	3
Development Services - Planning					
Active Subdivisions	40	48	38	29	28
Active Parcel Maps	11	12	13	17	16
Affordable Housing Development Units Funded	0	0	182	76	10
Building Permits	4,501	4,291	4,517	5,150	4,065
Residential Rental Inspections	943	334	142	699	262
Library and neighborhood services					
Library Materials in Collection	204,416	154,535	158,258	162,172	167,341
Library Circulation (Items checked out)	395,758	144,108	370,628	455,913	455,936
Community Preservation Cases	2,522	2,518	2,159	1,734	1,935
Water					
Water service connections	38,236	38,532	37,764	38,073	38,371
Water main breaks	17	19	9	16	15
Average daily consumption (thousands of gallons or gallons)	13,962	14,405,184	13,901,276	12,886,593	13,135,112
Wastewater					
Sewer service connections	35,256	35,256	35,497	35,950	36,206
Average daily treatment (thousands of gallons)	10,717	10,355	10,605	12,379	11,839
Solid Waste					
Landfilled waste recycled and diversion rate*	<b>66%</b>	<b>73%</b>	<b>74%</b>	<b>74%</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**

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
<b>Function/Program</b>					
Public safety:					
Fire stations (a)	9	9	9	9	9
Number of firefighters and officers (b)	118	118	114	129	124
Police stations	1	1	1	1	1
Number of police officers (c)	177	186	194	176	178
Public works					
Miles of streets	266	283	283	283	283
Street lights	8,178	8,273	8,288	8,238	8,327
Traffic Signals	134	134	136	143	146
Airport	1	1	1	1	1
Library and neighborhood services					
City Libraries	2	2	2	2	2
Water					
Number of consumers	150,000	150,000	155,000	160,500	159,500
Average daily consumption (gallons)	13,600,000	12,255,000	12,870,000	14,650,000	14,046,000
Miles of water mains	385	385	385	385	391
Storage capacity (gallons)	29,350,000	29,350,000	30,550,000	30,550,000	25,350,000
Wastewater					
Miles of sewers	325	325	325	325	321
Number of treatment plants	1	1	1	1	1
Treatment capacity (gallons)	18,500,000	18,500,000	18,500,000	18,500,000	18,400,000

(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,				
2020	2021	2022	2023	2024
9	9	9	9	9
122	121	125	128	143
1	1	1	1	1
181	169	161	154	160
283	283	283	283	283
8,327	8,327	8,377	8,383	8,382
146	146	146	146	146
1	1	1	1	1
2	2	2	2	2
159,203	162,954	159,827	163,782	162,954
13,962,000	14,405,184	13,901,276	12,886,593	13,135,112
391	391	391	391	404
31,250,000	25,000,000	25,000,000	25,000,000	25,000,000
321	321	321	321	321
1	1	1	1	1
18,500,000	18,500,000	18,500,000	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)