

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FISCAL YEAR 2023



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CITY OF HAYWARD, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2023

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, 2023

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March 14, 2024

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, 2023. 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, 2023, 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, 2023, 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 multiyear basis.

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

CITY PROFILE & SERVICES

With a population currently estimated at 162,954, Hayward is the sixth largest city in the San Francisco Bay Area and the third largest city in Alameda County. Hayward is located fourteen miles south of Oakland in the San Francisco Bay Area. The City area includes sixty-one square miles lying between the eastern shore of the San Francisco Bay and the southern Oakland-Berkeley Hills. Hayward serves as a major transportation hub and a center of commercial and industrial activity, with immediate access to major interstate freeways, rail lines, and public transit routes such as Bay Area Rapid Transit (BART). The community has more than 50,000 homes and residences of all types; and considerable commercial and industrial development. Major institutional facilities include California State University-East Bay, Chabot Community College, one major hospital, a variety of private and vocational educational institutions; and state and county offices.

City Structure

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

City Services

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

Component Units

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

ECONOMIC CONDITION AND OUTLOOK

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

Local Economy

Hayward is a diverse city with a diverse economy – comprised of a well-established and growing business community that represents a balance of retail, industrial, and advanced technologies. In fiscal year 2023, the City of Hayward economy continued experiencing stable and healthy recovery from the impacts of the pandemic.

The Employment Development Department data reflects that the unemployment rate as of June 2023 increased from 3.3% to 4.2% in Alameda County. While the unemployment rate has increased by 0.9%, it is still well below the pandemic high rate of 8.9% in 2020.

The City of Hayward has seen a year over year increase of approximately 7% in its assessed valuation, despite the median residential home sales price dropping from \$850,000 to

\$830,000 between 2022 and 2023, a decrease of 1.8%. The total assessed valuation for Hayward has grown from \$15.2 billion in FY 2012 to \$28.4 billion in FY 2023, as real estate values have been restored to pre-Great Recession levels and includes new residential and commercial developments. The City's property tax revenues increased by 7% in FY 2023 as compared to FY 2022.

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, (\$22.9 million in FY 2023) 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 2023 was \$25.9 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. While this revenue is expected to stabilize in 2024, the City will continue to monitor this revenue source for any significant changes. Real Transfer Tax however, decreased significantly from the prior year from \$21.2 million to just over 12.4 million, an approximate decrease of 42% 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. Management and employee groups have successfully partnered to implement significant structural savings and cost-sharing that will assist the City in achieving long-term fiscal sustainability.

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 greatly reduced as compared to years past, the City continues its efforts to eliminate structural gaps and achieve a more stable fiscal outlook on a long-term basis.

While Hayward's underlying economy is viewed as stable and positive in the long-term, today's economic challenges, notably to the City's General Fund, must be 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 2023, 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 FY 2023 totaled about \$118 million, with approximately \$634 million tentatively programmed for the entire ten-year period from FY 2023 through FY 2032. 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 Phases 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 will include 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. Staff also applied for grant opportunities to help close the funding gap. The call for bids was reinitiated in February 2023 and construction commenced in Summer 2023.

Linear Park Project: In April 2022, construction began on the approximately one-mile stretch of Linear Park along the eastern side of Mission Blvd, roughly from Blanche Street to Fairway Street. The project included reshaping flat landscape areas to echo the East Bay Hills, planting trees and native plants, using recycled concrete to expand pathways, adding seating using reclaimed wood and upcycled materials, and adding artwork to crosswalks, among a number of other improvements. Construction was substantially completed in Fall 2022.

Construct Fire Station No. 6 & Fire Training Center: Located on West Winton Avenue, adjacent to the Hayward Executive Airport, the New Fire Station 6 and Fire Training Center Project involves the replacement of the existing Fire Station 6 and Fire Training Center with nine new buildings and structures. New buildings will include Fire Station 6/Classroom Building, Apparatus Building, Training Tower, Burn Building, Storage Building, Hangar Building, USAR/BART Training Structure, Outdoor Classroom, Entry Canopy, and a parking lot. The project will also include the installation of Bay-friendly landscaping, storm water treatment devices, LED lighting, and solar PV panels. The new facilities are planned to achieve LEED Silver, and the habitable buildings are being designed to achieve Net Zero Energy. Construction started in August 2020 and is anticipated to be entirely complete in Spring 2024.

Complete Initial Phase of Recycled Water Project: To improve overall water supply reliability and conserve drinking water supplies, the City constructed a recycled water system to deliver tertiary-treated recycled water to sites near the WPCF for landscape irrigation and industrial uses. Construction of the storage tank, pump station, and distribution pipeline system was completed in FY 2020. Construction of the treatment facility and customer connections to the recycled water system were also completed in, and recycled water deliveries to the first phase of customers began in Spring FY 2022. The Phase I customer sites include four parks, six schools, one college, nineteen private businesses, and City street landscaping.

Design & Construct Capital Improvements to Airport Hangars: 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 FY 2019 to provide a comprehensive hangar condition assessment that was completed in mid-FY 2020. A 10-year maintenance schedule was subsequently developed, and repair and replacement work began in FY 2020, including the installation of LED lighting and extensive roof improvements. Work has continued through FY 2023, during which improvements were completed on Hangar Buildings “F,” “G,” “H,” and “I.”

Safe Routes to School Program: The Alameda County Transportation Commission (ACTC) recently conducted School Safety Assessments for all 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 FY 2022 near Cesar Chavez Middle School, and includes 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 the construction completion is anticipated in early FY 2024. Fifty percent of the project budget is being funded by an ACTC SR2S grant.

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 FY 2022, 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 FY 2023 and are anticipated to be complete in FY24. The SR4S Program receives annual support from dedicated Measure BB (Paratransit) funding.

Confront Climate Crisis & Champion Environmental Justice Priority

Reduce Carbon Emissions – Transition 15% of Total City Fleet to EV/Hybrid Models: The City maintains a fleet of approximately 450 vehicles and equipment units, 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 hybrid patrol vehicle pilot in FY 2021, Fleet Management updated the standard specifications for Hayward Police patrol vehicles, and all new patrol cars will be hybrid-powered models. In FY 2022, a total of ten hybrid patrol cars were ordered to replace vehicles that have reached the end of their useful life, and an additional nine were ordered in FY 2023. Once received and placed into service, the fleet vehicle matrix will consist of 18% EV/hybrid units.

Staff are also working 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 and production issues have delayed the timely delivery 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 now has the funding to build Phase I of the campus, including contributions from the State and Federal governments. 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, bike terrain park, basketball courts, an amphitheater, dog park, zip-line, playgrounds, picnic areas, walking/hiking trails, science garden, water play area, observation points, and open areas. In FY 2022, 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 will work with consultants to scale down the project and plan to reinitiate the call for bids in early 2024.

Complete Tennyson & Jackson Corridor Landscape Beautification: In FY 2018, as part of the City Council's Tennyson Corridor Strategic Initiative, staff began renovating the medians along Tennyson Corridor in an effort to transform this busy corridor into a visually appealing community gateway. The three-year project involved new trees, plants, bark chips, pavers, and more, was completed in FY 2022.

Similar median beautification efforts are planned for the Jackson Corridor, another key arterial road within the City. Also, a three year-long project, this effort commenced in FY 2023.

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 FY 2023 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.

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. This opinion is likely to improve given recent changes to the City's fiscal outlook. A critical component of the rating agency review is the City's financial management status - i.e., appropriate reserve levels, plans to reduce liabilities, fiscal policies, etc. If the City fails to maintain these areas of fiscal control, the City could see a reduction in future ratings.

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

Budgetary Controls & Financial Policies

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

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

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

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

Debt Administration: Even as a charter city, Hayward has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the city); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt (such as term). At the end of fiscal year 2023, the City had total debt outstanding of \$99.89 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 2023, 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 2023, the unassigned fund balance of the General Fund was \$39.4 million, while the total fund balance was \$58.9 million (includes non-cash outstanding receivables of over \$2.9 million and \$16.6 million in Measure C District Tax cash balance). The unassigned fund balance represents 16.9% of total General Fund expenditures of \$233.5 million (including Transfers Out).

AWARDS AND ACKNOWLEDGEMENTS

Award Recognition

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Hayward for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. 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 Michelle Polintan, Acting Accounting Manager; Denise Robles, Accountant; Michele Tan, Accountant; and the entire Accounting Division staff.

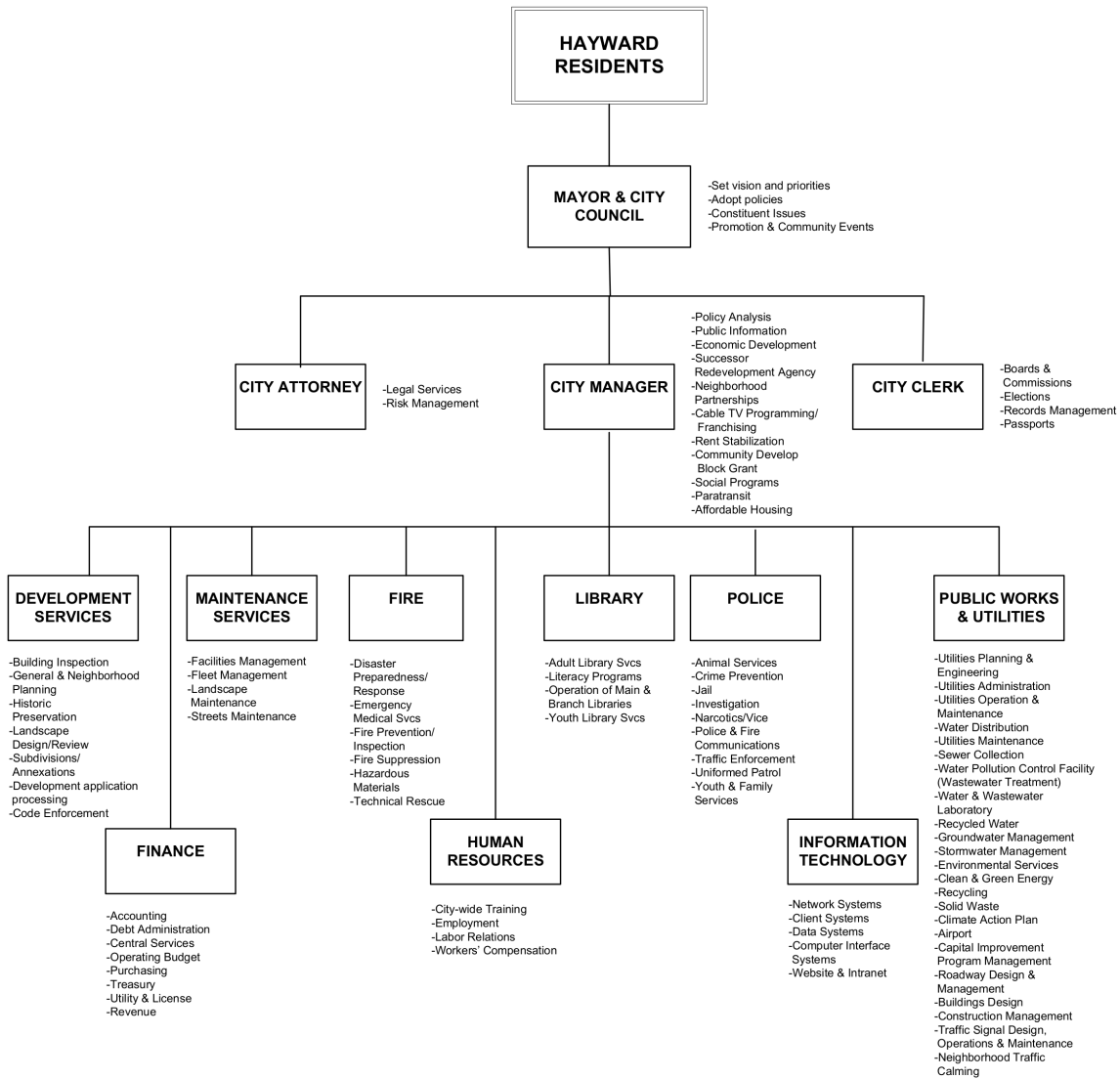
I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully Submitted,



Nicole Gonzales
Director of Finance
City of Hayward

CITYWIDE ORGANIZATION



ELECTED OFFICIALS

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



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

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

Department Directors

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



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**City of Hayward
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

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, 2023, 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, 2023, 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 1.90%, 2.41% and 9.06%, 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. 96, *Subscription-Based Information Technology Arrangements*, which became effective during the year ended June 30, 2023 and required the restatement of certain subscription-related balances as discussed in Note 1, Note 6 and Note 8 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 14, 2024, 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 14, 2024

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, 2023. 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 assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$584.9 million (*total net position*). Excluding the \$510.1 million net pension liability, \$406.9 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.
- ❑ The City's total net position increased by \$41.3 million over fiscal year 2022. Governmental activities, including the General Fund, increased by \$29.5 million and Business-type activities increased by \$11.8 million.
- ❑ As of June 30, 2023, the City's governmental funds reported combined fund balances of \$208.7 million, an increase of \$18.6 million from the prior year.
- ❑ At the end of fiscal year 2023, total fund balance for the General Fund, including Measure C, is \$58.9 million, an increase of \$1.03 million over fiscal year 2022. Of the total, the General Fund ending fund balance is \$42.3 million, and Measure C ending fund balance is \$16.6. The total fund balance is comprised of \$2.8 million in non-spendable (illiquid reserves), \$16.6 million in assigned (liquid reserves designated for specific purposes), and \$39.5 million in spendable fund balance designated for contingencies, economic uncertainty, emergencies, and liquidity by City Council. The \$39.5 million in unassigned fund balance represents 16.9% of total General Fund expenditures including Transfers Out. The \$2.8 million in non-spendable reserves offsets a long-term loan receivable (General Fund loan to the Redevelopment Successor Agency).
- ❑ Fiscal year 2023 ended with a net increase to the General Fund, General Purpose Fund Reserve of \$4.4 million (net of Measure C district sales tax revenues).
- ❑ As of June 30, 2023, the City's enterprise funds (Sewer, Water, Stormwater and Airport) reported a combined ending net position of \$391.9 million; an increase of \$11.8 million from the previous year.

Overview of the Basic Financial Statements

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

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

The *statement of net position* (see Table 1 below on page 8) presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It should be noted that net position includes liquid and illiquid assets (cash and non-cash).

The *statement of activities and change in net position* (see Table 2 below on page 10) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow impacts in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

Governmental Funds. (pages 26-32) Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

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

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

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement is provided for all governmental funds with annually adopted budgets. The budget comparison statements for the General Fund, Federal Grants Special Revenue Fund, Housing Authority Capital Project Fund, the Route 238 Corridor Improvement Capital Project Fund and General Capital Projects Fund are located in the financial statements starting on page 8 of this report. All other major and non-major funds with legally adopted annual budgets are located in the supplementary information section.

Proprietary Funds. (pages 34-36) The City maintains two different types of *proprietary funds*, the Enterprise Funds and the Internal Service Funds. The *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, storm water runoff, and airport operations. The *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Workers Compensation, General Liability, Fleet Management, Facilities, Information Technology, and Employee Benefits Funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

Fiduciary Funds. (pages 38-39) Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

Notes to the Basic Financial Statements. (pages 41-100) 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 \$584.9 million at the close of the current fiscal year, an increase from the prior year of \$41.3 million. The change in the combined net position includes an increase of \$29.5 million in Governmental Activities, and an increase of \$11.8 million in Business-type Activities.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$310.1	\$309.3	\$315.1	\$311.9	\$625.2	\$621.3
Capital assets	467.6	456.9	181.0	184.3	648.6	641.2
Total assets	777.6	766.3	496.1	496.2	1,273.7	1,262.5
Deferred outflows	132.3	64.2	9.0	5.6	141.4	69.8
Liabilities						
Long term debt outstanding	66.9	73.6	33.0	38.5	99.9	112.1
Other liabilities	623.3	480.1	51.6	45.5	674.9	525.5
Total liabilities	690.2	553.7	84.6	84.0	774.8	637.6
Deferred inflows	26.7	113.2	28.7	37.8	55.4	151.0
Net position:						
Net investments in capital assets	408.6	385.8	148.0	145.8	556.6	531.6
Restricted	131.4	121.7	0.0	0.0	131.4	121.7
Unrestricted	(347.0)	(344.0)	243.9	234.3	(103.2)	(109.7)
Total net position	\$193.0	\$163.5	\$391.9	\$380.1	\$584.9	\$543.6

The largest portion of the fiscal year 2023 City's net position, \$556.6 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 2023, the City's net position included \$141.4 million in deferred outflows of resources. Of this amount, \$124.0 million is related to pensions. This includes \$47.4 million related to pension contributions after the measurement date, as well as \$76.6 million attributable to changes in calculation assumptions and differences between expected and actual trust fund performance. \$17.0 million of the deferred outflows are related to other post-employment benefits (OPEB). \$8.5 million of these OPEB related deferred outflows is related to employer contributions after the measurement date and \$8.5 million is related to changes in assumptions and trust performance. Finally, \$0.4 million in outflows is related to 2016 refunding of certificates of participation, resulting in a deferred loss.

The City's long-term debt of \$99.9 million includes \$9.6 million due within one year, as well as an additional \$ 90.3 million due in future years.

The largest share of the City's other liabilities is comprised of \$510.1 million in net pension liabilities and \$70.5 million in OPEB liabilities, as detailed in Note 13 and Note 15, respectively. Other major liabilities include \$34.7 million in accrued liabilities, \$15.4 in unearned revenue, \$21.2 million in accounts payable, \$11.6 million in total compensated absences, and \$10.3 million in refundable deposits.

Deferred inflows of resources totaled \$55.4 million in fiscal year 2023, \$9.4 million related to pensions and \$20.4 million related to OPEB. Pension-related deferred inflows are comprised of \$9.4 million in differences between actual and expected experience. OPEB-related deferred inflows consist of \$18.4 million in changes to calculation assumptions, and \$2 million difference between expected and actual experience.

A portion of the City's net position, \$131.4 million, represents the resources that are subject to external restrictions on how they may be used. Almost all of the restricted net position is related to City's special revenue and capital projects funds. Excluding the \$510.1 million net pension liability, \$406.9 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.

Statement of Activities. The Statement of Activities provides information about all the City's revenues and expenses, with an emphasis on measuring net revenues or expenses of each of the City's programs and explains in detail the change in Net Position for the year. The City's governmental activities net position increased by a net total of \$29.5 million.

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

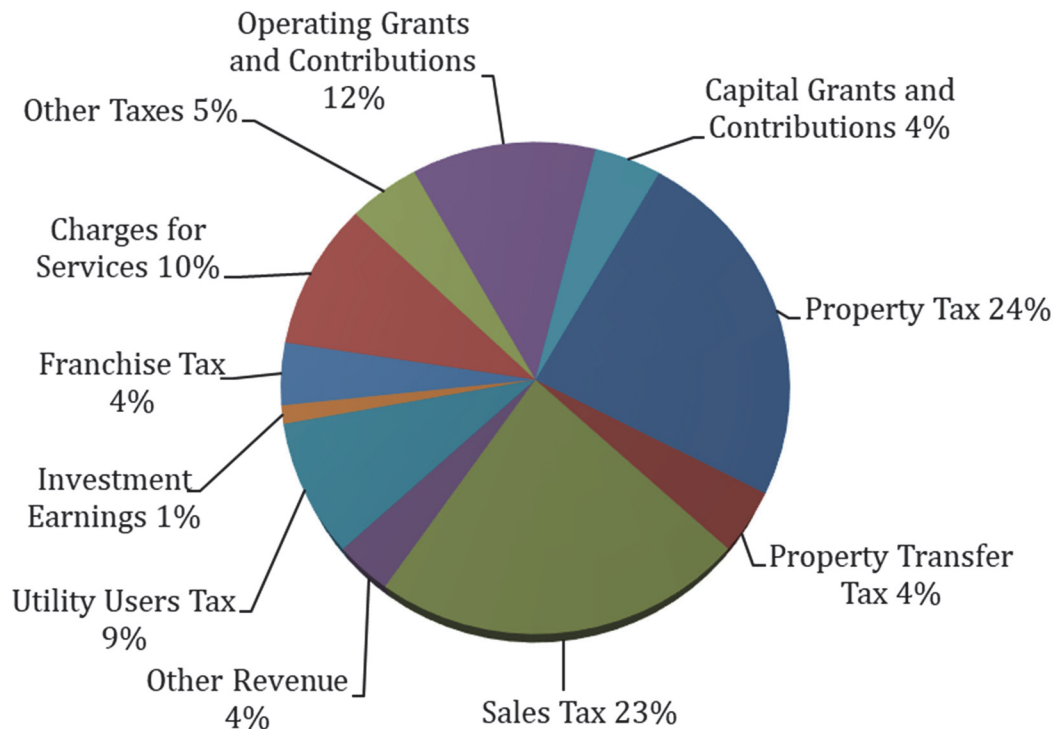
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues						
Charges for services	\$28.2	\$24.0	\$101.0	\$100.6	\$129.2	\$124.5
Operating contributions and grants	35.1	34.7	-	-	35.1	34.7
Capital contributions and grants	12.8	3.6	-	-	12.8	3.6
	76.1	62.2	101.0	100.6	177.2	162.8
General revenues						
Property tax	70.3	65.0	-	-	70.3	65.0
Sales tax	66.9	64.7	-	-	66.9	64.7
Utility user tax	25.9	17.3	-	-	25.9	17.3
Real property transfer tax	12.4	21.2	-	-	12.4	21.2
Franchise fees	11.9	10.5	-	-	11.9	10.5
Other taxes	17.5	16.0	-	-	17.5	16.0
Investment earnings	3.6	(3.9)	3.2	(4.9)	6.8	(8.8)
Gain on sale of land for resale	-	-	-	(1.0)	-	(1.0)
Gain on sale of capital assets	0.0	0.0	-	-	0.0	0.0
Miscellaneous	5.1	9.4	-	-	5.1	9.4
General revenues subtotal	213.7	200.3	3.2	(5.8)	216.9	194.4
Total Revenues	289.8	262.5	104.2	94.7	394.0	357.2
Expenses by activity						
General Government	23.1	19.3	-	-	23.1	19.3
Public safety	166.2	120.1	-	-	166.2	120.1
Public works and transportation	25.0	25.6	-	-	25.0	25.6
Library and neighborhood services	14.6	12.4	-	-	14.6	12.4
Economic development	8.8	6.7	-	-	8.8	6.7
Planning and building	10.5	10.5	-	-	10.5	10.5
Maintenance services	14.1	12.5	-	-	14.1	12.5
Interest on long term debt	2.1	2.3	-	-	2.1	2.3
Sewer	-	-	28.3	23.1	28.3	23.1
Water	-	-	52.5	48.8	52.5	48.8
Airport	-	-	4.6	4.3	4.6	4.3
Stormwater	-	-	2.7	2.7	2.7	2.7
Recycling	-	-	(0.1)	0.2	(0.1)	0.2
Total expenses	264.4	209.4	88.0	79.1	352.4	288.5
Increase (decrease) before transfers	25.4	53.1	16.2	15.6	41.6	68.7
Transfers	4.4	4.1	(4.4)	(4.1)	-	-
Change in Net Position	29.8	57.2	11.8	11.5	41.6	68.7
Beginning Net Position, as restated*	163.5	106.4	380.1	368.6	543.6	474.9
Ending Net Position (June 30)	\$193.3	\$163.5	\$391.9	\$380.1	\$585.1	\$543.5

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 increased by \$27.3 million:

- ❑ Charges for Services increased by \$4.2 million from the prior year in part due to increased permit and planning review revenue in development services and increased code enforcement/inspection fees.
- ❑ Operating Contributions and Grants increased by \$0.4 compared to prior year due to increase in the number of award grant money from outside agencies.
- ❑ Capital contributions and grants increased by \$9.2 million over the prior year.
- ❑ Property Taxes increased by \$5.3 million over the prior year, due to continued growth in residential property values and the number of new construction builds.
- ❑ Sales Taxes increased by \$2.3 million over the prior year, due to continued strength of the local economy.
- ❑ Real Property Transfer Tax decreased by \$8.8 million over 2022 due to the decrease in real estate transaction and cooling of the commercial and housing market due to the high interest environment.
- ❑ Miscellaneous Revenue decreased by \$4.3 million compared to 2022.

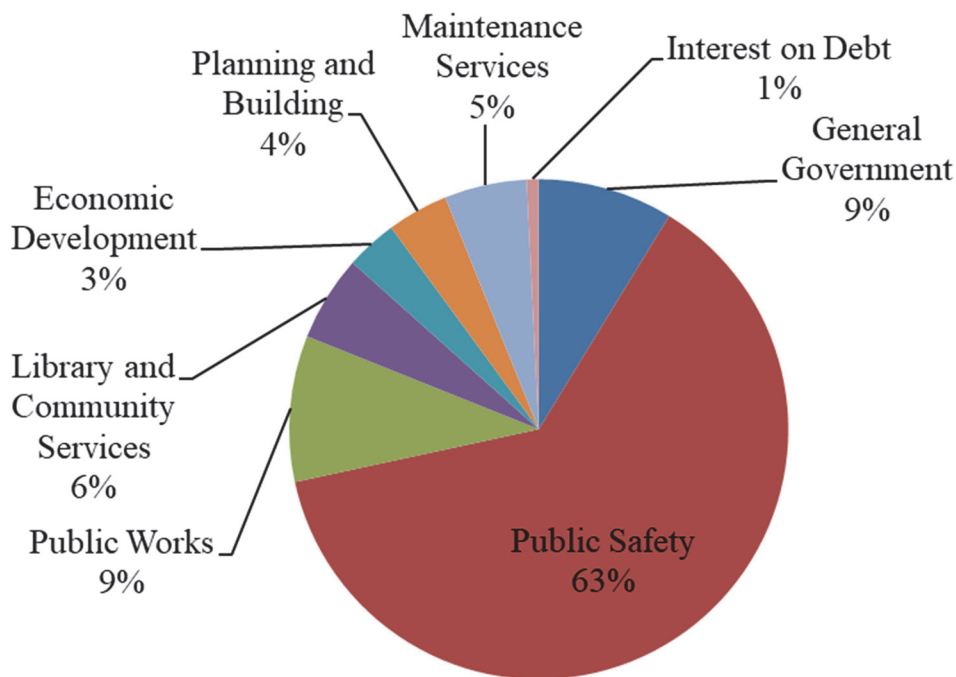
Chart 1 – Revenues by Source – Governmental Activities for Fiscal Year 2023



Governmental Activities Expenses

The governmental expenses (excluding transfers) increased by \$55.0 million to a total of \$264.4 million. Operational cost in general government expenditures increased by of \$3.8 million, public safety costs increased by \$46.1 million, public works costs decreased by \$0.6 million, and a net increase of \$5.7 million across other governmental activities expenditures. A significant portion of the increase in expenditures is related to personnel expenses including rising salaries and pension benefit costs, as well as an increase in overtime expenses and mutual aid response. The increase in public safety 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 2023



Business-Type Activities. The net position of business-type activities was \$391.9 million at June 30, 2023, an increase of \$11.8 million from last fiscal year. Business-type activities revenues totaled \$104.2 million, while program expenses totaled \$88.0 million (excluding transfers).

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

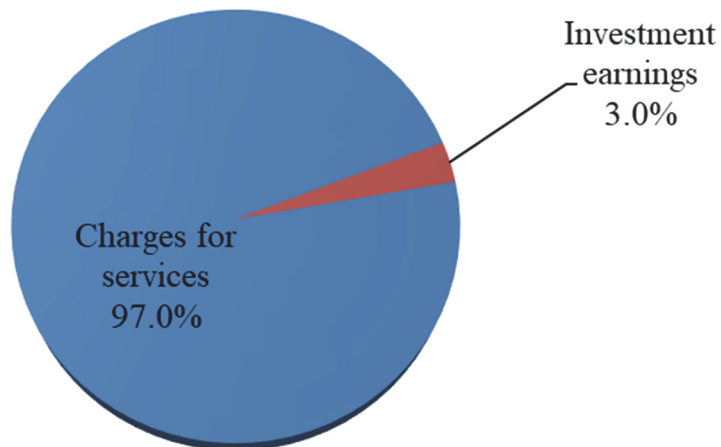
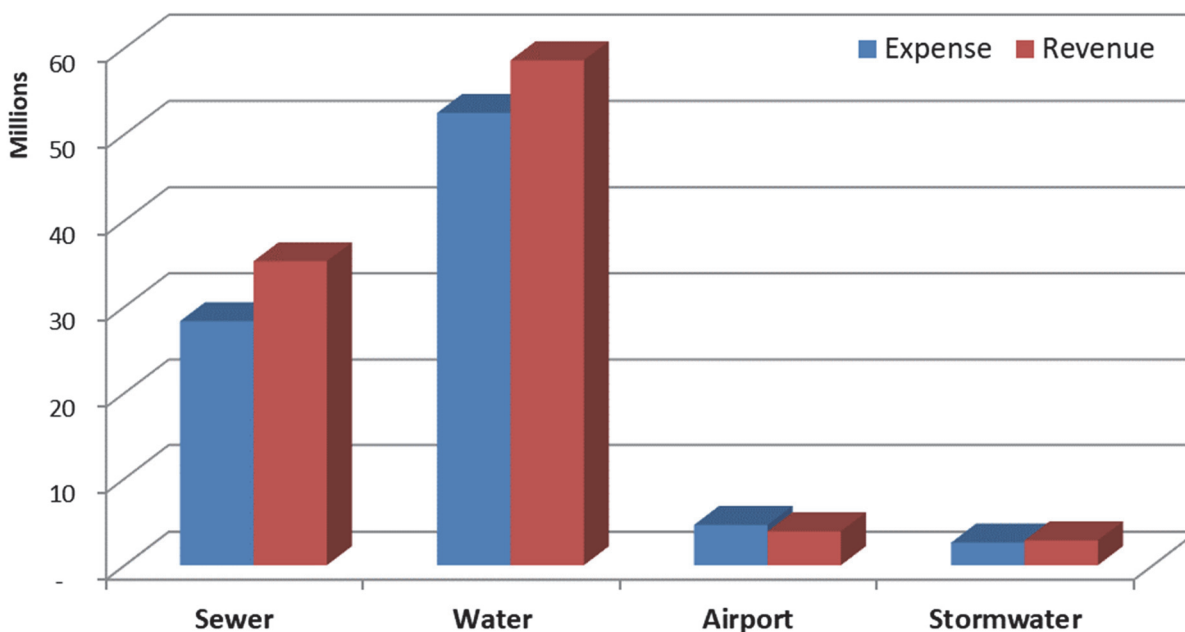


Chart 4 – Expenses and Program Revenues – Business-type Activities



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 its net position. Sewer saw an increase of \$7.0 million, water increased by \$5.3 million, and Stormwater decreased by \$0.1 million and Recycling increased 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 \$0.6 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 2023, the City's governmental funds reported combined ending fund balances of \$208.7 million, an increase of \$18.6 million over prior year. Of this amount, 81.1% (\$169.3 million) represents Non-Spendable, Restricted, and Assigned fund balances; and \$39.4 million or 18.9% 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 75.6% of the total governmental revenues and 72.9% 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 2023, the General Fund's Unassigned fund balance was \$39.4 million (exclusive of Measure C), an increase of \$5.2 million over the prior year. The total fund balance, inclusive of Non-spendable and Assigned balances, was \$42.3 million, an increase of \$4.4 million from the prior fiscal year. This change is related to federal grant funding, along with significant increases to Property, Sales, and Utility User Tax revenues.

As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 16.9% of total General Fund expenditures of \$233.5 million (including Transfers Out).

General Fund Budgetary Highlights. Fiscal year 2023 ended with a Net Change in Fund Balance of \$16.9 million (GAAP Basis).

Table 3 – Fiscal Year 2023 General Fund Budget Summary *(in thousands)*

	A	B	C	Variance	Variance
	2023	2023	2023	(C-B)	%
<i>(reflected in thousands)</i>	Adopted	Adjusted	Actual		
Revenues	208,173	210,686	218,646	7,960	3.3%
Expenditures	185,409	198,613	195,850	(2,763)	-1.4%
Transfers In/(Out)	(25,976)	(27,905)	(21,757)	6,147	-22.0%
Net Change in Fund Balance	(3,211)	(15,832)	1,039	16,871	
(Budget Basis)					

The net change in fund balance for fiscal year 2023 based on actual performance (column C) is positive \$16.9 million. This fund balance summary on page 32 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 \$16.9 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 2023, the unrestricted net position of the Sewer and Water Funds amounted to \$113.9 and \$118.6 million, respectively. Sewer net position increased by \$6.9 million and Water net position increased to \$5.2 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 2023 the fund ended with a net position of \$12.6 million, an increase of \$2.6 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, 2023, the City's investments in capital assets for its governmental and business-type activities are \$648.6 million (net of accumulated depreciation) as presented below in Table 4. The investment in capital assets includes land, buildings, land improvements, machinery and equipment, vehicles, and street infrastructure such as roads, bridges, streetlights, traffic signals, airport hangers, sewer, and water pipelines. The City's investment in capital assets for the current fiscal year increased by 1.1%, with several projects moving from being classified as Construction in Progress to classified as completed Improvements and Buildings.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
	Land	19.2	\$19.2	\$4.8	\$4.8	\$24.0
Construction in progress	81.0	62.1	30.8	24.9	111.8	87.0
Buildings	68.4	70.4	13.0	13.7	81.4	84.1
Improvements other than buildings	64.2	61.2	\$0.0	-	64.2	61.2
Machinery and equipment	23.5	23.7	50.2	52.5	73.7	76.2
Street infrastructure	211.2	220.2	-	-	211.2	220.2
Sewer infrastructure	-	-	50.5	54.3	50.5	54.3
Water infrastructure	-	-	25.1	27.0	25.1	27.0
Airport infrastructure	-	-	6.5	7.2	6.5	7.2
Total	\$467.6	\$456.9	\$181.0	\$184.3	\$648.6	\$641.2

Additional information on the City’s capital assets can be found in Note 6 to the basic financial statements.

Debt Administration. At the end of fiscal year 2023, the City had total bonded debt outstanding of \$92.0 million as presented in Table 5. This represents a decrease of \$18.5 million versus the prior year. Of the total outstanding bond debt, \$55.8 million represents certificates of participation debt for Civic Center Project (City Hall) and 21st Century Library; \$0.4 million represents capital leases for a solar power generator, fleet vehicles, computer, and telephone equipment; \$30.8 million represents State Water Board financing for a water pollution control facility; \$2.7 million private placement lease; \$2.4 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	
	2023	2022	2023	2022	2023	2022
Certificates of Participation	\$55.8	\$59.5	-	-	\$55.8	\$59.5
Capital Lease Obligations	0.4	0.6	-	-	0.4	\$0.6
Capital Lease Equipment		0.4				\$0.4
Private Placement Loan- Cert of Participation	7.8	9.7	-	-	7.8	\$9.7
Private Placement Loan- Fire and Wellness	2.7	3.0	-	2.0	2.7	\$5.0
State Water Resources Control Board Loan	-	-	30.8	34.0	30.8	\$34.0
State Energy Resources Conservation	0.1	0.4	2.2	2.6	2.4	\$3.0
Total Long-Term Debt	\$66.9	\$73.6	\$33.0	\$38.5	\$99.9	\$112.1

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 9 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, 2023, a total of \$4.2 million in special assessment district debt was outstanding by four special assessment districts. (Further detail regarding the City debt can be found in Note 9 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. 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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash, cash equivalents, and investments (Note 2)	\$227,738,489	\$254,275,963	\$482,014,452
Cash, cash equivalents, and investments with fiscal agents (Note 2)	7,938,074	1	7,938,075
Accounts receivable, net	3,209,509	17,895,803	21,105,312
Due from other governments	21,054,206	26,287	21,080,493
Interest receivable	91,766	143,258	235,024
Internal balances (Note 5)	(2,898,197)	2,898,197	
Loans receivable (Note 3)	39,133,041		39,133,041
Leases receivable (Note 4)		26,176,024	26,176,024
Long-term loans to the Private Purpose Trust Fund (Note 20)	6,739,979		6,739,979
Land held for resale (Note 1)	6,838,652		6,838,652
Deposits, parts, supplies and other	217,942	4,246,476	4,464,418
Investment in East Bay Dischargers Authority (Note 17)		9,445,110	9,445,110
Capital assets (Note 6):			
Land	19,246,485	4,757,492	24,003,977
Construction in progress	81,025,498	30,810,162	111,835,660
Depreciable capital assets, net	367,279,788	145,449,262	512,729,050
Total assets	<u>777,615,232</u>	<u>496,124,035</u>	<u>1,273,739,267</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 13)	117,460,716	6,517,900	123,978,616
Related to OPEB (Note 15)	14,507,685	2,498,968	17,006,653
Deferred loss on refunding (Note 7)	374,887		374,887
Total deferred outflows of resources	<u>132,343,288</u>	<u>9,016,868</u>	<u>141,360,156</u>
LIABILITIES:			
Accounts payable	14,978,117	6,191,877	21,169,994
Accrued interest	373,509	320,987	694,496
Accrued liabilities	33,792,779	868,876	34,661,655
Unearned revenue	14,676,282	723,591	15,399,873
Refundable deposits	6,103,857	4,156,883	10,260,740
Accrued reclamation costs, due within one year (Note 11)		125,000	125,000
Compensated absences (Note 1):			
Due within one year	8,150,854	1,205,592	9,356,446
Due in more than one year	1,888,089	370,035	2,258,124
Long-term debt (Note 7):			
Due within one year	6,088,279	3,515,005	9,603,284
Due in more than one year	60,780,892	29,505,232	90,286,124
Subscription liabilities (Note 8):			
Due within one year	170,025		170,025
Due in more than one year	198,909		198,909
Net pension liabilities, due in more than one year (Note 13)	482,805,327	27,288,400	510,093,727
Net OPEB liability, due in more than one year (Note 15)	60,161,412	10,362,886	70,524,298
Total liabilities	<u>690,168,331</u>	<u>84,634,364</u>	<u>774,802,695</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to leases (Note 4)		25,594,246	25,594,246
Related to pensions (Note 13)	9,361,619	67,339	9,428,958
Related to OPEB (Note 15)	17,366,087	2,991,332	20,357,419
Total deferred inflows of resources	<u>26,727,706</u>	<u>28,652,917</u>	<u>55,380,623</u>
NET POSITION (Note 10):			
Net investments in capital assets	408,626,627	147,996,679	556,623,306
Restricted for:			
Public safety	536,388		536,388
Debt service	7,259,953	1	7,259,954
Public works and transportation	41,919,081		41,919,081
Planning and building	39,864,893		39,864,893
Economic development	41,838,711		41,838,711
Total restricted net position	<u>131,419,026</u>	<u>1</u>	<u>131,419,027</u>
Unrestricted	(346,983,170)	243,856,942	(103,126,228)
Total net position	<u>\$193,062,483</u>	<u>\$391,853,622</u>	<u>\$584,916,105</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General government	\$23,138,347	\$2,239,179	\$16,632,901	
Public safety	166,217,907	3,610,524	4,198,822	
Public works and transportation	24,981,972	5,257,260	14,218,396	\$12,797,724
Library and community services	14,645,388	1,245,785	91,750	
Economic development	8,801,341	6,786,370		
Planning and building	10,475,502	7,262,132		
Maintenance services	14,112,028	1,809,879		
Interest on long-term debt	2,057,051			
Total Governmental Activities	264,429,536	28,211,129	35,141,869	12,797,724
BUSINESS-TYPE ACTIVITIES:				
Sewer	28,307,273	35,253,101		
Water	52,457,801	58,569,056		
Airport	4,637,977	3,906,588		
Stormwater	2,600,832	2,855,609		
Recycling	(687)	449,850		
Total Business-type Activities	88,003,196	101,034,204		
Total	\$352,432,732	\$129,245,333	\$35,141,869	\$12,797,724

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

(Loss) 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
(\$4,266,267)		(\$4,266,267)
(158,408,561)		(158,408,561)
7,291,408		7,291,408
(13,307,853)		(13,307,853)
(2,014,971)		(2,014,971)
(3,213,370)		(3,213,370)
(12,302,149)		(12,302,149)
(2,057,051)		(2,057,051)
<u>(188,278,814)</u>		<u>(188,278,814)</u>
	\$6,945,828	6,945,828
	6,111,255	6,111,255
	(731,389)	(731,389)
	254,777	254,777
	450,537	450,537
	<u>13,031,008</u>	<u>13,031,008</u>
<u>(188,278,814)</u>	<u>13,031,008</u>	<u>(175,247,806)</u>
70,287,589		70,287,589
66,932,441		66,932,441
25,944,798		25,944,798
12,356,957		12,356,957
11,906,945		11,906,945
4,098,698		4,098,698
2,205,810		2,205,810
11,064,218		11,064,218
168,068		168,068
3,613,671	3,171,037	6,784,708
(277,565)		(277,565)
5,096,781		5,096,781
4,400,256	(4,400,256)	
<u>217,798,667</u>	<u>(1,229,219)</u>	<u>216,569,448</u>
29,519,853	11,801,789	41,321,642
<u>163,542,630</u>	<u>380,051,833</u>	<u>543,594,463</u>
<u>\$193,062,483</u>	<u>\$391,853,622</u>	<u>\$584,916,105</u>

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CITY OF HAYWARD, CALIFORNIA

FUND FINANCIAL STATEMENTS

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

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be major funds by the City in fiscal year 2023. 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.

CITY OF HAYWARD
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	Special Revenue Funds		
	General*	Federal Grants	America Rescue Plan Act
ASSETS:			
Cash, cash equivalents, and investments (Note 2)	\$62,420,428	\$2,642,854	\$14,502,806
Cash, cash equivalents, and investments with fiscal agents (Note 2)			
Accounts receivable, net	1,586,857		
Due from other governments	13,732,910	16,265	
Interest receivable		17,392	
Due from other funds (Note 5)	1,838,041		
Loans receivable (Note 4)		13,125,975	
Long-term loans to the Private Purpose Trust Fund (Note 20)	2,836,442		
Land held for resale (Note 1)			
Deposits, parts, supplies and other	9,006		
Total Assets	\$82,423,684	\$15,802,486	\$14,502,806
LIABILITIES:			
Accounts payable	\$6,131,691	\$16,785	\$840,763
Accrued liabilities	8,786,285		332
Due to other funds (Note 5)			
Long-term interfund payables (Note 5)	2,898,197		
Unearned revenue			13,661,711
Refundable deposits	5,677,200		
Total Liabilities	23,493,373	16,785	14,502,806
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue			
Total Deferred Inflows of Resources			
FUND BALANCES (Note 10):			
Nonspendable	2,845,448		
Restricted:			
Public safety			
Public works and transportation			
Planning and building		15,785,701	
Economic development			
Debt service			
Assigned	16,632,531		
Unassigned	39,452,332		
Total Fund Balances	58,930,311	15,785,701	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$82,423,684	\$15,802,486	\$14,502,806

See accompanying notes to basic financial statements

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

Capital Projects Funds		Other	Total
Housing Authority	General Capital Projects	Governmental Funds	Governmental Funds
\$5,094,718	\$8,443,494	\$76,992,629	\$170,096,929
	7,938,074		7,938,074
	586,393	570,962	2,744,212
	4,279,451	2,943,109	20,971,735
		74,374	91,766
			1,838,041
12,929,936		13,077,130	39,133,041
3,876,516			6,712,958
707,539		6,131,113	6,838,652
			9,006
<u>\$22,608,709</u>	<u>\$21,247,412</u>	<u>\$99,789,317</u>	<u>\$256,374,414</u>
\$80,208	\$2,354,913	\$3,761,741	\$13,186,101
3,887	4,694	92,799	8,887,997
		1,838,041	1,838,041
			2,898,197
	399,908	562,243	14,623,862
	79,286	338,134	6,094,620
<u>84,095</u>	<u>2,838,801</u>	<u>6,592,958</u>	<u>47,528,818</u>
		87,648	87,648
		87,648	87,648
			2,845,448
		536,388	536,388
		41,919,081	41,919,081
		24,079,192	39,864,893
22,524,614		19,314,097	41,838,711
		7,259,953	7,259,953
	18,408,611		35,041,142
			39,452,332
<u>22,524,614</u>	<u>18,408,611</u>	<u>93,108,711</u>	<u>208,757,948</u>
<u>\$22,608,709</u>	<u>\$21,247,412</u>	<u>\$99,789,317</u>	<u>\$256,374,414</u>

CITY OF HAYWARD
GOVERNMENTAL FUNDS
BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total Fund Balances reported on the governmental funds balance sheet \$208,757,948

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	80,513,598
Depreciable capital assets, net	345,912,221

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	57,641,560
Accounts receivable	465,297
Due from other governments	82,471
Long-term loans to the Private Purpose Trust Fund	27,021
Deposits, parts, supplies and other	208,936
Land	372,748
Construction in progress	511,900
Depreciable capital assets, net	21,367,567
Accounts payable	(1,792,016)
Accrued interest	(7,223)
Accrued liabilities	(24,904,782)
Unearned revenue	(52,420)
Refundable deposits	(9,237)
Compensated absences	(720,926)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(8,005,659)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(4,352,585)
Long-term debt	(378,788)
Subscription liabilities	(368,934)

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	87,648
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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	(66,490,383)
Deferred outflow for deferred loss on refunding	374,887
Interest payable	(366,286)
Compensated absences	(9,318,017)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(366,700,571)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(58,667,229)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$193,062,483
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See accompanying notes to basic financial statements

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CITY OF HAYWARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds		
	General*	Federal Grants	America Rescue Plan Act
REVENUES:			
Property taxes	\$68,458,487		
Sales taxes	66,932,441		
Utility users tax	25,944,798		
Other taxes	34,588,602		
Licenses and permits	7,959,299		
Fines and forfeitures	2,504,635		
Special assessments			
Investment income	616,954	\$28,611	\$240,792
Rental income	75		
Intergovernmental	6,275,056	731,760	12,509,208
Fees and charges for services	4,506,412		
Other revenue	859,439	522,219	
Total Revenues	218,646,198	1,282,590	12,750,000
EXPENDITURES:			
Current:			
General government	17,482,117		4,268,073
Public safety	144,085,111	173,803	386
Public works and transportation	3,403,009		771,446
Library and community services	9,889,336	168,201	
Economic development		597,428	
Planning and building	9,442,396		
Maintenance services	11,548,283		460,095
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	195,850,252	939,432	5,500,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	22,795,946	343,158	7,250,000
OTHER FINANCING SOURCES (USES):			
Transfers in (Note 5)	15,850,418		
Transfers (out) (Note 5)	(37,607,485)	(6,707)	(7,250,000)
Total Other Financing Sources (Uses)	(21,757,067)	(6,707)	(7,250,000)
CHANGE IN FUND BALANCES	1,038,879	336,451	
BEGINNING FUND BALANCES	57,891,432	15,449,250	
ENDING FUND BALANCES (DEFICITS)	\$58,930,311	\$15,785,701	

See accompanying notes to basic financial statements

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

<u>Capital Projects Funds</u>			
<u>Housing Authority</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
			\$68,458,487
			66,932,441
			25,944,798
	\$1,763,211	\$635,333	36,987,146
			7,959,299
		175,858	2,680,493
		1,547,811	1,547,811
\$76,971	399,766	1,121,800	2,484,894
		644,985	645,060
	5,449,154	27,292,095	52,257,273
218			4,506,630
(19,809)	7,607,879	9,809,921	18,779,649
<u>57,380</u>	<u>15,220,010</u>	<u>41,227,803</u>	<u>289,183,981</u>
			21,750,190
		556,057	144,815,357
		6,490,544	10,664,999
		2,890,545	12,948,082
199,977		7,907,653	8,705,058
			9,442,396
		1,225,734	13,234,112
	26,574,459	11,951,513	38,525,972
	355,029	5,766,622	6,121,651
	17,464	2,358,176	2,375,640
<u>199,977</u>	<u>26,946,952</u>	<u>39,146,844</u>	<u>268,583,457</u>
<u>(142,597)</u>	<u>(11,726,942)</u>	<u>2,080,959</u>	<u>20,600,524</u>
	19,628,325	9,025,236	44,503,979
(11,384)		(1,590,926)	(46,466,502)
<u>(11,384)</u>	<u>19,628,325</u>	<u>7,434,310</u>	<u>(1,962,523)</u>
(153,981)	7,901,383	9,515,269	18,638,001
<u>22,678,595</u>	<u>10,507,228</u>	<u>83,593,442</u>	<u>190,119,947</u>
<u>\$22,524,614</u>	<u>\$18,408,611</u>	<u>\$93,108,711</u>	<u>\$208,757,948</u>

CITY OF HAYWARD
RECONCILIATION OF THE
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
WITH THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

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 \$18,638,001

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	38,525,972
Non-capitalized capital outlay expenditures and net retirements were reclassified to various governmental activities	(12,224,749)
Depreciation expense is deducted from fund balance	
(Depreciation expense is net of internal service fund depreciation of \$3,215,372 which has already been allocated to service funds)	(15,256,612)

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	6,500,776
Amortization of deferred loss on refunding is deducted from fund balance	(93,721)
Interest payable is added back to fund balance	47,845

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	(102,334)
Compensated absences	(333,388)
Net pension liabilities and pension-related deferred outflows/inflows of resources	(10,124,436)
Net OPEB liabilities and OPEB-related deferred outflows/inflows of resources	6,370,112

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

Change in Net Position - All Internal Service Funds	<u>(2,427,613)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$29,519,853</u></u>
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See accompanying notes to basic financial statements

CITY OF HAYWARD, CALIFORNIA

MAJOR PROPRIETARY FUNDS

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

The City has identified the funds below as major proprietary funds in fiscal year 2023. 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, 2023

	Business-type Activities-Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Sewer	Water	Airport	Non-Major Funds		
ASSETS:						
Current Assets:						
Cash and investments (Note 2)	\$114,087,334	\$125,163,933	\$8,261,667	\$6,763,029	\$254,275,963	\$57,641,560
Cash and investments with fiscal agents (Note 2)	1				1	
Accounts receivable, net	5,414,240	10,409,666	340,108	1,731,789	17,895,803	465,297
Interest receivable			143,258		143,258	
Due from other governments	15,631			10,656	26,287	82,471
Deposits, parts, supplies and other	2,139,985	2,106,491			4,246,476	208,936
Due from other funds (Note 5)	232,283				232,283	
Total Current Assets	121,889,474	137,680,090	8,745,033	8,505,474	276,820,071	58,398,264
Noncurrent Assets:						
Leases receivable (Note 4)			26,176,024		26,176,024	
Long-term interfund receivables (Note 5)		2,898,197			2,898,197	
Long-term loans to the Private Purpose Trust Fund (Note 20)						27,021
Investment in East Bay Dischargers Authority (Note 17)	9,445,110				9,445,110	
Capital assets (Note 6):						
Land	1,830,143	2,683,047	244,302		4,757,492	372,748
Construction in progress	14,961,990	14,238,154	1,610,018		30,810,162	511,900
Depreciable capital assets, net	99,432,728	35,983,104	10,033,176	254	145,449,262	21,367,567
Total Noncurrent Assets	125,669,971	55,802,502	38,063,520	254	219,536,247	22,279,236
Total Assets	247,559,445	193,482,592	46,808,553	8,505,728	496,356,318	80,677,500
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions (Note 13)	2,924,467	2,458,903	515,285	619,245	6,517,900	2,504,103
Related to OPEB (Note 15)	1,099,633	925,705	240,335	233,295	2,498,968	1,002,000
Total Deferred Outflows of Resources	4,024,100	3,384,608	755,620	852,540	9,016,868	3,506,103
LIABILITIES:						
Current Liabilities:						
Accounts payable	1,680,669	4,417,294	70,351	23,563	6,191,877	1,792,016
Accrued interest	320,987				320,987	7,223
Accrued liabilities	380,772	325,660	77,891	84,553	868,876	24,904,782
Unearned revenue	229,565	517,922	(23,896)		723,591	52,420
Refundable deposits		4,032,549	124,334		4,156,883	9,237
Due to other funds (Note 5)				232,283	232,283	
Compensated absences, due within one year (Note 1)	409,742	612,012	97,229	86,609	1,205,592	585,337
Accrued reclamation costs (Note 11)	125,000				125,000	
Long-term debt, due within one year (Note 7)	3,515,005				3,515,005	234,365
Subscription liabilities, due within one year						170,025
Total Current Liabilities	6,661,740	9,905,437	345,909	427,008	17,340,094	27,755,405
Noncurrent Liabilities:						
Compensated absences, due in more than one year (Note 1)	125,763	187,846	29,843	26,583	370,035	135,589
Net pension liabilities, due in more than one year (Note 13)	12,243,824	10,294,653	2,157,335	2,592,588	27,288,400	10,483,893
Net OPEB liability, due in more than one year (Note 15)	4,560,031	3,838,776	996,635	967,444	10,362,886	4,155,163
Long-term debt, due in more than one year (Note 7)	29,505,232				29,505,232	144,423
Subscription liabilities, due in more than one year						198,909
Total Noncurrent Liabilities	46,434,850	14,321,275	3,183,813	3,586,615	67,526,553	15,117,977
Total Liabilities	53,096,590	24,226,712	3,529,722	4,013,623	84,866,647	42,873,382
DEFERRED INFLOWS OF RESOURCES:						
Related to leases (Note 4)			25,594,246		25,594,246	
Related to pensions (Note 13)	30,215	25,402	5,324	6,398	67,339	25,869
Related to OPEB (Note 15)	1,316,290	1,108,094	287,687	279,261	2,991,332	1,199,422
Total Deferred Inflows of Resources	1,346,505	1,133,496	25,887,257	285,659	28,652,917	1,225,291
NET POSITION (Note 10):						
Net investments in capital assets	83,204,624	52,904,305	11,887,496	254	147,996,679	21,504,493
Restricted for debt service	1				1	
Unrestricted	113,935,825	118,602,687	6,259,698	5,058,732	243,856,942	18,580,437
Total Net Position	\$197,140,450	\$171,506,992	\$18,147,194	\$5,058,986	\$391,853,622	\$40,084,930

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, 2023

	Business-type Activities-Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Sewer	Water	Airport	Non-Major Funds		
OPERATING REVENUES:						
Charges for services	\$31,803,745	\$17,360,115	\$3,898,657	\$3,290,845	\$56,353,362	\$35,075,411
Sale of water		41,203,445			41,203,445	
Miscellaneous	3,420,550	5,496	7,931	14,614	3,448,591	1,204,977
Total Operating Revenues	35,224,295	58,569,056	3,906,588	3,305,459	101,005,398	36,280,388
OPERATING EXPENSES:						
Salaries and related expenses	9,641,707	5,428,468	1,768,576	1,713,209	18,551,960	9,089,123
Materials, supplies and services	10,148,860	10,641,488	1,368,466	865,889	23,024,703	14,282,161
Repairs and maintenance	1,840,082	1,673,875	244,782	20,883	3,779,622	4,898,502
Water purchases		32,325,012			32,325,012	
Self-funded insurance expense						14,038,448
Depreciation (Note 6)	6,162,641	2,336,619	1,234,923	164	9,734,347	3,215,372
Total Operating Expenses	27,793,290	52,405,462	4,616,747	2,600,145	87,415,644	45,523,606
Operating Income (Loss)	7,431,005	6,163,594	(710,159)	705,314	13,589,754	(9,243,218)
NONOPERATING REVENUES (EXPENSES):						
Investment income	1,208,068	1,387,880	500,743	74,346	3,171,037	745,051
Interest (expense)	(513,983)	(52,339)	(21,230)		(587,552)	(14,660)
Gain on investment in JPA	28,806				28,806	
Loss on sale of capital assets						(277,565)
Net Nonoperating Revenues (Expenses)	722,891	1,335,541	479,513	74,346	2,612,291	452,826
Income (Loss) Before Contributions and Transfers	8,153,896	7,499,135	(230,646)	779,660	16,202,045	(8,790,392)
TRANSFERS						
Transfers in (Note 5)	989,607	410,000		610,000	2,009,607	13,992,067
Transfers (out) (Note 5)	(2,168,406)	(2,654,144)	(348,743)	(1,238,570)	(6,409,863)	(7,629,288)
Net Transfers	(1,178,799)	(2,244,144)	(348,743)	(628,570)	(4,400,256)	6,362,779
CHANGE IN NET POSITION	6,975,097	5,254,991	(579,389)	151,090	11,801,789	(2,427,613)
BEGINNING NET POSITION	190,165,353	166,252,001	18,726,583	4,907,896	380,051,833	42,512,543
ENDING NET POSITION	\$197,140,450	\$171,506,992	\$18,147,194	\$5,058,986	\$391,853,622	\$40,084,930

See accompanying notes to basic financial statements

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	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	\$35,563,409	\$60,361,732	\$3,341,136	\$3,382,746	\$102,649,023	\$36,392,941
Payments to suppliers	(10,610,981)	(46,390,050)	(1,607,166)	(878,248)	(59,486,445)	(30,642,819)
Payments to employees	(10,900,602)	(8,912,442)	(2,083,968)	(2,321,485)	(24,218,497)	(10,073,312)
Net Cash Flows From Operating Activities	<u>14,051,826</u>	<u>5,059,240</u>	<u>(349,998)</u>	<u>183,013</u>	<u>18,944,081</u>	<u>(4,323,190)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:						
Interfund receipts (payments)	97,530	39,484		(97,530)	39,484	
Transfers in	989,607	410,000		610,000	2,009,607	13,992,067
Transfers (out)	(2,168,406)	(2,654,144)	(348,743)	(1,238,570)	(6,409,863)	(7,629,288)
Net Cash Flows From Noncapital and Related Financing Activities	<u>(1,081,269)</u>	<u>(2,204,660)</u>	<u>(348,743)</u>	<u>(726,100)</u>	<u>(4,360,772)</u>	<u>6,362,779</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of capital assets	(5,654,772)	(182,589)	(649,808)		(6,487,169)	(2,551,734)
Principal payments on capital debt	(3,503,261)	(1,555,726)	(444,274)		(5,503,261)	(399,527)
Interest paid	(475,910)	(58,380)	(24,341)		(558,631)	(16,268)
Net Cash Flows From Capital and Related Financing Activities	<u>(9,633,943)</u>	<u>(1,796,695)</u>	<u>(1,118,423)</u>		<u>(12,549,061)</u>	<u>(2,967,529)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income	1,208,069	1,387,881	500,745	74,346	3,171,041	750,251
Net Cash Flows From Investing Activities	<u>1,208,069</u>	<u>1,387,881</u>	<u>500,745</u>	<u>74,346</u>	<u>3,171,041</u>	<u>750,251</u>
NET CASH FLOWS	<u>4,544,683</u>	<u>2,445,766</u>	<u>(1,316,419)</u>	<u>(468,741)</u>	<u>5,205,289</u>	<u>(177,689)</u>
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	<u>109,542,651</u>	<u>122,718,167</u>	<u>9,578,086</u>	<u>7,231,770</u>	<u>249,070,674</u>	<u>57,819,249</u>
CASH AND EQUIVALENTS AT END OF PERIOD	<u>\$114,087,334</u>	<u>\$125,163,933</u>	<u>\$8,261,667</u>	<u>\$6,763,029</u>	<u>\$254,275,963</u>	<u>\$57,641,560</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income (loss)	\$7,431,005	\$6,163,594	(\$710,159)	\$705,314	\$13,589,754	(\$9,243,218)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	6,162,641	2,336,619	1,234,923	164	9,734,347	3,215,372
Change in assets and liabilities:						
Receivables, net	340,661	1,470,386	(162,953)	59,382	1,707,476	94,327
Deposits, parts, supplies and other	331,507	(302,681)	8,612		37,438	67,919
Due from other governments	(1,547)	135		(95)	(1,507)	(77,917)
Due to interest receivable			(77,633)		(77,633)	
Due to leases receivable			(323,266)		(323,266)	
Accounts payable and other accrued expenses	1,046,454	(1,446,994)	(2,530)	8,524	(394,546)	2,576,292
Due to retirement system	(310,417)	(1,840,774)	(241,921)	(273,679)	(2,666,791)	(397,769)
Due to OPEB	(928,375)	(1,708,666)	(71,806)	(317,431)	(3,026,278)	(610,370)
Compensated absences	(20,103)	65,466	(1,665)	834	44,532	23,950
Refundable deposits		235,850	4,167		240,017	
Unearned revenue		86,305	(5,767)		80,538	28,224
Net Cash Flows From Operating Activities	<u>\$14,051,826</u>	<u>\$5,059,240</u>	<u>(\$349,998)</u>	<u>\$183,013</u>	<u>\$18,944,081</u>	<u>(\$4,323,190)</u>
NON-CASH TRANSACTIONS:						
Retirement of capital assets	<u>(\$40,524)</u>				<u>(\$40,524)</u>	<u>(\$277,565)</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD, CALIFORNIA

FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	Private Purpose Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
CURRENT ASSETS:		
Cash and investments (Note 2)	\$2,467,201	\$5,063,907
Cash and investments with fiscal agents (Note 2)	1,383	363,434
Accounts receivable, net	453,912	3,897
Interest receivable	22,095	
Due from other governments		59,337
Deposits, parts, supplies and other		<u>201,524</u>
 Total Current Assets	 <u>2,944,591</u>	 <u>5,692,099</u>
NONCURRENT ASSETS:		
Loans receivable (Note 20)	24,509,337	
Lease receivable (Note 20)	1,282,083	
Land held for resale	3,483,031	
Capital assets (Note 20):		
Land	4,430,516	
Depreciable capital assets, net	<u>8,859,206</u>	
 Total Noncurrent Assets	 <u>42,564,173</u>	
 Total Assets	 <u>45,508,764</u>	 <u>5,692,099</u>
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	36,419	154,925
Accrued interest	356,883	
Deferred revenue	63,165	55,831
Refundable deposits		224,521
Long-term debt, due in less than one year (Note 20)	<u>2,180,000</u>	
 Total Current Liabilities	 <u>2,636,467</u>	 <u>435,277</u>
NONCURRENT LIABILITIES (Note 20):		
Long-term loans payable, due in more than one year	6,739,979	
Long-term debt, due in more than one year	<u>22,297,109</u>	
 Total Noncurrent Liabilities	 <u>29,037,088</u>	
 Total Liabilities	 <u>31,673,555</u>	 <u>435,277</u>
DEFERRED INFLOWS OF RESOURCES:		
Related to leases (Note 20)	<u>1,273,006</u>	
 Total Deferred Inflows of Resources	 <u>1,273,006</u>	
NET POSITION		
Restricted for:		
Organizations and other governments	12,562,203	1,082,371
Bondholders		<u>4,174,451</u>
 Total Net Position	 <u>\$12,562,203</u>	 <u>\$5,256,822</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property tax	\$4,051,193	\$1,097,551
Special assessment		178,364
Other revenue		1,149,242
Rental income	37,500	
Investment income	35,446	62,872
	<u>4,124,139</u>	<u>2,488,029</u>
DEDUCTIONS		
Maintenance services	269,701	523,312
Contractual services		1,289,004
Payments to bondholders		376,712
Depreciation expense (Note 20)	314,130	
Interest and fiscal charges	940,179	186,355
	<u>1,524,010</u>	<u>2,375,383</u>
Net change in position	2,600,129	112,646
Net position - beginning	<u>9,962,074</u>	<u>5,144,176</u>
Net position - ending	<u>\$12,562,203</u>	<u>\$5,256,822</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, 2023

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, 2023

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, 3rd Floor
777 B Street
Hayward, California 94541

Basis of Presentation – The City’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

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

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

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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.

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.

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

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Service funds

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

Fiduciary funds

These funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts, other governmental entities, and non-profits. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements. The Successor Agency to the Former Redevelopment Agency of the City of Hayward Private Purpose Trust Fund is used to account for the activities of the Redevelopment Agency of the City of Hayward Successor Agency. Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity. The financial activities of these funds are excluded from the City-wide financial 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.

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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Land held for Resale of \$6,838,652 at June 30, 2023 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:

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

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

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

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences – The long-term portion of the liability for vested vacation, time off in lieu of overtime and sick pay for governmental fund type operations is recorded as compensated absences in the government-wide financial statements. The portion expected to be permanently liquidated (matured due to termination) is recorded in the governmental funds. Vested vacation and sick pay of proprietary fund type operations is recorded in the respective proprietary fund type. Compensated absences attributable to governmental funds are typically liquidated by the General Fund. Compensated Absences are presented below as of June 30, 2023:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$9,681,605	\$1,531,095	\$11,212,700
Additions	8,218,062	1,216,050	9,434,112
Payments	(7,860,724)	(1,171,518)	(9,032,242)
Ending Balance	\$10,038,943	\$1,575,627	\$11,614,570
Current Portion	\$8,150,854	\$1,205,592	\$9,356,446

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, 2023

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, 2023

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, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Governmental Accounting Standards Board Statement Pronouncement –

GASB 96 – Subscription-Based Information Technology Arrangements – In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this Statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The provisions of this Statement were implemented during fiscal year 2023. As part of the implementation of this Statement, the City has accounted for certain subscription transactions, which required the restatement of beginning net position of the governmental activities capital assets and subscription liabilities in the amount of \$540,910, and the net effect on beginning net position and fund balance is zero. See the subscription disclosure in Note 6 and Note 8.

New Funds

During fiscal year 2023, the City opened two new Special Revenue Funds. The *Local Housing Trust Program Special Revenue 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. The *Traffic Impact Fee Loan Special Revenue 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.

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, 2023, the City held no uncollateralized deposits under escrow agreements with construction contractors. Such deposits are permitted to be uncollateralized under the government code.

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

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Classification – As of June 30, 2023, 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	\$482,014,452
Cash, cash equivalents, and investments with fiscal agents	7,938,075

Private Purpose Trust Fund

Cash and investments	2,467,201
Cash and investments with fiscal agents	1,383

Custodial Funds

Cash and investments	5,063,907
Cash and investments with fiscal agents	363,434

Total Cash and Investments	\$497,848,452
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Cash and investments as of June 30, 2023 consisted of the following:

Cash in bank	\$95,694,381
Cash on hand (Petty Cash)	3,175
Investments	402,150,896
Total Cash and Investments	\$497,848,452

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, 2023

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, 2023

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements – The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Notes/Bills	No Limit	No Limit
U.S. Agency Securities (fully backed)	No Limit	No Limit
U.S. Agency Securities (mortgage-backed)	No Limit	None to AAA
Money Market Mutual Funds	No Limit	AAm to AAAm-G
Collateralized Certificates of Deposits	None to 1 year	None to A-1+
FDIC Insured Deposits	No Limit	No Limit
Investment Agreements	No Limit	None to two Highest Categories
Commercial Paper	None to 270 days	A-1 to A-1+
State General Obligations	No Limit	A/A2 to Two Highest Categories
Municipal Obligations	No Limit	AAA to Two Highest Categories
Federal Funds or Bankers Acceptances	180 days to 1 year	A-1 to A-1+
Repurchase Agreements	None to 30 days	None to A
Pre-funded Municipal Bonds	No Limit	AAA
California Local Agency Investment Fund	No Limit	No Limit

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, 2023

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, 2023:

Investment Type	Level 1	Level 2	Total
Investments by Fair Value:			
U.S. Treasury Notes	\$194,692,396		\$194,692,396
U.S. Agency Securities		\$6,848,096	6,848,096
Medium-Term Notes		39,857,983	39,857,983
Municipal Bonds		9,546,422	9,546,422
Supranationals		1,196,854	1,196,854
Asset-Backed Securities		3,994,036	3,994,036
Total Investments at Fair Value	\$194,692,396	\$61,443,391	256,135,787
Investments Measured at Amortized Cost:			
Money Market Mutual Funds			8,302,890
California Local Agency Investment Fund			136,820,056
Certificates of Deposit			892,163
Total Investments			\$402,150,896

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

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

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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	\$64,895,683	\$53,120,598	\$76,676,115	\$194,692,396
U.S. Agency Securities			6,848,096	6,848,096
Money Market Mutual Funds	8,302,890			8,302,890
California Local Agency Investment Fund	136,820,056			136,820,056
Medium-Term Notes		13,548,132	26,309,851	39,857,983
Municipal Bonds		2,443,154	7,103,268	9,546,422
Supranationals		1,196,854		1,196,854
Certificates of Deposit			892,163	892,163
Asset-Backed Securities	100,604	233,716	3,659,716	3,994,036
Total Investments	<u>\$210,119,233</u>	<u>\$70,542,454</u>	<u>\$121,489,209</u>	<u>402,150,896</u>
Cash in Banks				95,694,381
Cash on Hand (Petty Cash)				<u>3,175</u>
Total Cash				<u>95,697,556</u>
Total Cash and Investments				<u><u>\$497,848,452</u></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, 2023, these investments had an average maturity of 260 days.

Money market funds are available for withdrawal on demand and at June 30, 2023, had an average maturity of 1 day.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023 for each investment type as provided by Moody’s investment rating system (as of date of purchase):

Investment Type	AAAm/AAA	AA1 - AA3	A1 - A 3	P-1	Not Rated	Total
U.S. Treasury Notes	\$194,692,396					\$194,692,396
U.S. Agency Securities	6,848,096					6,848,096
Money Market Mutual Funds	8,302,890					8,302,890
California Local Agency Investment Fund					\$136,820,056	136,820,056
Medium-Term Notes	429,083	\$8,841,568	\$30,587,332			39,857,983
Municipal Bonds		7,772,248			1,774,174	9,546,422
Supranationals	1,196,854					1,196,854
Certificates of Deposit		892,163				892,163
Asset-Backed Securities	2,337,495				1,656,541	3,994,036
Total Investments	\$213,806,814	\$17,505,979	\$30,587,332		\$140,250,771	\$402,150,896

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, 2023, 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-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, 2023

4. LEASES RECEIVABLE (Continued)

As of June 30, 2023, 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, 2023	Lease Receivable Balance at June 30, 2023	Deferred Inflow of Resources at June 30, 2023
<i>Proprietary Funds - Airport Fund</i>					
Home Depot USA, Inc.	12/12/2000	12/31/2045	\$653,528	\$8,895,274	\$8,684,539
Mahabal Hospitality, LLC	12/1/2017	11/30/2067	271,089	5,199,494	5,147,150
Ramesta Hospitality, LLC	12/1/2017	11/30/2067	271,089	5,199,494	5,147,150
Velo Two, LLC	11/1/2018	10/31/2068	157,106	3,082,755	2,977,589
BDC Sueirro LP	3/1/2006	2/29/2056	166,714	2,794,402	2,719,965
Hayward Airport Plaza, LLC	11/1/2019	10/31/2029	62,419	385,540	321,208
Pacific Roller Die Company, Inc.	12/1/2020	11/30/2025	86,096	196,183	191,034
GTE Mobilnet	10/1/2006	9/30/2031	31,906	217,720	207,805
Watt Industries, Inc.	7/2/1984	10/10/2038	19,902	160,140	154,630
Paul Mazza	1/1/2005	12/31/2054	10,157	45,022	43,176
			<u>\$1,730,006</u>	<u>\$26,176,024</u>	<u>\$25,594,246</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, 2023

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, 2023, 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, 2023
<i>Proprietary Funds - Airport Fund</i>			
Meridian Aviation, Inc.	1/1/2014	12/31/2063	\$141,064
Watt Industries, Inc.	10/11/1988	12/1/2045	116,706
Pape Properties, Inc	7/1/1998	12/31/2048	105,543
Avcon, Inc.	3/1/2012	2/28/2027	73,132
Career Aviation Sales, Inc.	7/1/2005	12/31/2053	74,893
Ascend Development HWD - II, LLC	2/2/2004	12/31/2054	45,458
California Military Department	7/1/2014	6/30/2025	46,708
Briggs Resources, Inc.	5/1/2018	4/30/2068	40,693
EPIC Aviation, LLC	2/2/2004	12/31/2054	63,985
Ascend Development, HWD, LLC	8/1/2001	12/31/2051	41,036
Aviation Training, Inc.	9/1/2017	8/31/2047	22,008
Hayward FBO LLC, dba APP Jet Center	3/1/2017	2/28/2047	16,673
William Field	12/14/1999	12/31/2048	24,405
Ascend Development HWD - II, LLC	2/2/2004	12/31/2054	20,719
Hayward Hangars, LLC	12/13/2022	12/31/2063	28,839
			\$861,862

The future expected minimum rentals to be received from the existing regulated leases are as follows at June 30, 2023:

Year Ending June 30:	Minimum Lease Revenue
2024	\$861,862
2025	978,114
2026	978,114
2027	929,187
2028	904,809
2029 - 2033	4,280,273
2034 - 2038	4,280,273
2039 - 2043	4,280,273
2044 - 2048	4,100,267
2049 - 2053	2,908,466
2054 - 2058	1,716,871
2059 - 2063	1,215,923
2064 - 2068	511,998
2069 - 2072	35,053
Total	\$27,981,483

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023 were as follows:

<u>FROM FUND:</u>	<u>TO FUND:</u>	<u>AMOUNT:</u>
General Fund	General Capital Projects Fund	\$17,717,430 A
	Non-Major Governmental Funds	8,631,003 B
	Internal Service Funds	11,259,052 B
Federal Grants Special Revenue Fund	Internal Service Funds	6,707 B
American Rescue Plan Act Special Revenue Fund	General Fund	7,250,000 B
Housing Authority Capital Projects Fund	General Fund	3,897 C
	Internal Service Funds	7,487 B
Non-Major Governmental Funds	General Fund	331,050 B
	General Capital Projects Fund	750,000 A
	Non-Major Governmental Funds	350,226 B
	Internal Service Funds	159,650 B
Sewer Enterprise Fund	General Fund	823,783 C
	Internal Service Funds	934,623 B
	Water Enterprise Fund	410,000 A
Water Enterprise Fund	General Fund	1,229,099 C
	Non-Major Enterprise Funds	610,000 C
	Internal Service Funds	815,045 B
Airport Enterprise Fund	Internal Service Funds	348,743 B
Non-Major Enterprise Funds	General Fund	233,963 C
	Non-Major Governmental Funds	15,000 A
	Sewer Enterprise Fund	989,607 B
Internal Service Funds	General Fund	5,978,626 C
	General Capital Projects Fund	1,160,895 A
	Non-Major Governmental Funds	29,007 A
	Internal Service Funds	460,760 B
		<u>\$60,505,653</u>

A To fund capital projects.

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

C To fund allocation of administrative overhead.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023 interfund balances were as follows:

<u>Due from Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$1,838,041
Sewer Enterprise Fund	Non-Major Enterprise Funds	232,283
		<u>\$2,070,324</u>

Long-Term Interfund Advances – At June 30, 2023, 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		\$2,898,197
Water Enterprise Fund	\$2,898,197	
Total	<u>\$2,898,197</u>	<u>\$2,898,197</u>

In fiscal year 2014, the Water Enterprise Fund loaned \$3,420,000 to the General Fund for costs related to a new fire station and firehouse clinic. This loan bears 2% interest and repayments are made semiannually every December 1st and June 1st. As of June 30, 2023, the outstanding loan balance was \$2,898,197.

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, 2023

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 1st of the year following acquisition. The City has assigned the useful lives listed below to capital assets.

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

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

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

	June 30, 2022 (as restated)	Additions	Retirements	Transfers	Balance June 30, 2023
Governmental activities:					
Capital assets not being depreciated:					
Land	\$19,246,485				\$19,246,485
Construction in progress	62,135,175	\$26,020,555		(\$7,130,232)	81,025,498
Total capital assets not being depreciated	81,381,660	26,020,555		(7,130,232)	100,271,983
Capital assets being depreciated:					
Buildings and improvements	105,794,217			154,197	105,948,414
Improvements other than buildings	75,052,859		(\$29,437)	6,042,969	81,066,391
Machinery and equipment	69,745,546	3,035,549	(1,365,140)	933,066	72,349,021
Streets	343,271,158		(11,620)		343,259,538
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	610,116,657	3,035,549	(1,406,197)	7,130,232	619,417,151
Less accumulated depreciation for:					
Buildings and improvements	35,372,031	2,155,699			37,527,730
Improvements other than buildings	13,900,045	3,015,936	(9,886)		16,906,095
Machinery and equipment	46,023,432	3,755,645	(903,979)		48,875,098
Streets	125,496,919	9,057,221	(11,620)		134,542,520
Traffic signals	7,086,558	150,280			7,236,838
Medians	2,520,018	92,706			2,612,724
Conduits	1,540,569				1,540,569
Drains	2,651,292	117,500			2,768,792
Right-to-use Assets		126,997			126,997
Total accumulated depreciation	234,590,864	18,471,984	(925,485)		252,137,363
Net depreciable assets	375,525,793	(15,436,435)	(480,712)	7,130,232	367,279,788
Governmental activity capital assets, net	\$456,907,453	\$10,584,120	(\$480,712)		\$467,551,771

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

6. CAPITAL ASSETS (Continued)

	Balance June 30, 2022	Additions	Adjustments	Balance June 30, 2023
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$4,757,492			\$4,757,492
Construction in progress	24,875,307	\$5,975,379	(\$40,524)	30,810,162
Total capital assets not being depreciated	29,632,799	5,975,379	(40,524)	35,567,654
Capital assets being depreciated:				
Buildings and improvements	36,759,292			36,759,292
Machinery and equipment	77,087,420	454,966		77,542,386
Sewer pipelines and infrastructure	126,766,792	56,824		126,823,616
Water pipelines and infrastructure	71,359,378			71,359,378
Airport hangars, tarmacs and other infrastructure assets	28,588,734			28,588,734
Total capital assets being depreciated	340,561,616	511,790		341,073,406
Less accumulated depreciation for:				
Buildings and improvements	23,099,134	641,581		23,740,715
Machinery and equipment	24,606,872	2,705,823		27,312,695
Sewer pipelines and infrastructure	72,439,889	3,857,121		76,297,010
Water pipelines and infrastructure	44,400,675	1,831,341		46,232,016
Airport hangars, tarmacs and other infrastructure assets	21,343,227	698,481		22,041,708
Total accumulated depreciation	185,889,797	9,734,347		195,624,144
Net depreciable assets	154,671,819	(9,222,557)		145,449,262
Business-type activity capital assets, net	\$184,304,618	(\$3,247,178)	(\$40,524)	\$181,016,916

Governmental capital assets construction in progress was composed of the following at June 30, 2023:

	Project Budget	Expended to June 30, 2023	Committed
Buildings	\$5,100,000	\$3,055,311	\$2,044,689
Improvements other than buildings	91,451,086	74,903,282	16,547,804
Machinery and equipment	966,559	342,891	623,668
Streets	39,700,000	2,663,072	37,036,928
Traffic Signals	965,000	60,942	904,058
Total	\$138,182,645	\$81,025,498	\$57,157,147

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

6. CAPITAL ASSETS (Continued)

A summary of enterprise fund construction in progress at June 30, 2023 follows:

	Project Budget	Expended to June 30, 2023	Committed
Sewer Enterprise Fund	\$31,305,114	\$14,961,990	\$16,343,124
Water Enterprise Fund	28,442,277	14,238,154	14,204,123
Airport Enterprise Fund	7,464,000	1,610,018	5,853,982
Total	\$67,211,391	\$30,810,162	\$36,401,229

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

Construction Commitments – The government has active construction projects as of June 30, 2023. The projects include construction in areas for newly developed housing and the library. At year end, the government’s commitments for these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
South Hayward Youth and Family Center	\$3,055,311	\$2,044,690

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	\$1,330,325
Public Safety	10,525,267
Public Works and Transportation	1,434,112
Library and Community Services	784,690
Redevelopment	134,703
Planning and Building	639,273
Maintenance Services	408,242
Internal Service Funds	3,215,372
	\$18,471,984

Business-Type Activities

Sewer Fund	\$6,162,641
Water Fund	2,336,620
Airport Fund	1,234,922
Stormwater Fund	164
	\$9,734,347

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2022	Retirements	Balance at June 30, 2023	Current Portion
Governmental Activity Debt:					
Certificates of Participation					
2015 COP (a), 3.0-5.0%, due 12/31/34	\$67,535,000	\$55,610,000	\$3,365,000	\$52,245,000	\$3,530,000
Add: Original issue premium	5,689,046	3,892,509	299,428	3,593,081	
Total Certificates of Participation		59,502,509	3,664,428	55,838,081	3,530,000
Direct Borrowings:					
Private Placement Certificates of Participation					
2016 Refunding COP (a), 2.6-2.76%, due 11/1/2026	19,813,775	9,284,300	1,759,658	7,524,642	1,806,787
Add: Original issue premium	876,695	398,495	79,697	318,798	
Loan Payable					
Energy Efficiency Loan (a), 1%, due 12/22/2023	2,488,880	411,090	272,838	138,252	137,442
Private Placement Loan					
2014 Fire Station #7 and Wellness Center					
Private Placement Loan (a), 2.84%, due 8/1/2029	5,500,000	3,039,736	369,126	2,670,610	379,685
Capital Lease - Equipment					
SCBA Equipment Lease (a), 5%, due 2/1/2023	1,063,021	355,029	355,029		
Total Direct Borrowings		13,488,650	2,836,348	10,652,302	2,323,914
Subtotal		72,991,159	6,500,776	66,490,383	5,853,914
Direct Borrowings:					
Internal Service Fund Long-Term Debt (b)					
Capital Leases - Fleet					
Fire Engines					
3.05%, due 1/17/2024	824,000	185,330	91,263	94,067	94,069
Fire Truck					
2.92%, due 6/15/2025	1,272,000	421,009	136,288	284,721	140,296
Total Capital Lease Obligations (Direct Borrowings)		606,339	227,551	378,788	234,365
Subtotal		606,339	227,551	378,788	234,365
Total Governmental Activity Debt		\$73,597,498	\$6,728,327	\$66,869,171	\$6,088,279

(Continued)

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

7. LONG-TERM DEBT (Continued)

Type of Obligation	Authorized and Issued	Balance at June 30, 2022	Retirements	Balance at June 30, 2023	Current Portion
Business-type Activity Debt					
Direct Borrowings:					
Private Placement Revenue Bonds					
2013 Water Revenue Refunding Loan (c), 2.76%, due 5/1/2025	\$7,245,000	\$2,000,000	\$2,000,000		
Loan Payable					
Energy Efficiency Loan (c), 3%, due 6/22/2025	2,450,000	620,430	200,688	\$419,742	\$206,726
Energy Efficiency Loan (c), 1% due 6/22/2038	2,150,955	1,936,338	112,186	1,824,152	113,263
State Water Resource Control Board Loan 2006 1%, due 9/30/2028 (d)	54,550,018	19,094,613	2,727,501	16,367,112	2,727,501
State Water Resource Control Board Loan 2019 1%, due 3/31/2049 (d)	21,227,086	14,872,117	462,886	14,409,231	467,515
Total Business-type Activity Debt (Direct Borrowings)		<u>\$38,523,498</u>	<u>\$5,503,261</u>	<u>\$33,020,237</u>	<u>\$3,515,005</u>

Debt service payments are generally made from the following sources:

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

Even as a charter city, Hayward has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the City); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt (such as term). At the end of fiscal year 2023, the City had total debt outstanding of \$100 million, which complies with, and is significantly under, the current policy limits.

Certificates of Participation (COPs)

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

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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 until 2023.

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, 2023

7. LONG-TERM DEBT (Continued)

2013 Water Revenue Refunding Private Placement Loan

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

The pledge of future Water Fund Revenues ended in fiscal year 2023 as repayment of the \$2.1 million in remaining debt service on the bonds was fully paid on May 1, 2023. For fiscal year 2023, Water Fund Revenues including operating revenues, non-operating interest earnings and transfers in amounted to \$60.4 million and operating costs including operating expenses, but not interest, depreciation or amortizations amounted to \$50 million. Net Revenues available for debt service amounted to \$10.3 million, which represented coverage of 5.0 times over the \$2,055,200 in debt service.

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

As of June 30, 2023, the 2013 Water Revenue Refunding Bonds were paid off in full.

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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

7. LONG-TERM DEBT (Continued)

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, 2023, the City's gross repayment obligation totaled \$16,367,112. 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, 2023, the City has drawn down \$15,669,071. As of June 30, 2023, the City's estimated gross repayment obligation totaled \$14,409,231. 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, 2023

7. LONG-TERM DEBT (Continued)

Debt Service Requirements

At June 30, 2023, annual debt service requirements to maturity for long-term debt, including interest payments, were as follows:

Year Ending June 30:	Governmental Activities - 2015 Certificates of Participation		Governmental Activities - Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$3,530,000	\$1,877,938	\$2,558,279	\$248,167
2025	3,710,000	1,715,488	2,392,615	186,834
2026	3,855,000	1,564,188	2,306,723	126,760
2027	4,010,000	1,426,938	2,369,216	65,079
2028	4,130,000	1,304,838	425,023	27,831
2029 - 2033	22,640,000	4,445,781	660,436	18,844
2034 - 2035	10,370,000	405,269		
Totals	52,245,000	\$12,740,440	10,712,292	\$673,515
Plus unamortized premium	3,593,081		318,798	
Total Long-term debt principal, net	\$55,838,081		\$11,031,090	

Year Ending June 30:	Business-Type Activities Direct Borrowings	
	Principal	Interest
2024	\$3,515,005	\$240,129
2025	3,527,152	173,183
2026	3,320,007	161,050
2027	3,325,935	150,372
2028	3,331,888	144,444
2029 - 2033	5,843,614	600,382
2034 - 2038	3,272,948	441,442
2039 - 2043	2,768,675	289,360
2044 - 2048	2,909,905	148,130
2049 - 2050	1,205,108	18,106
Totals	\$33,020,237	\$2,366,598

Defeased Bonds

As of June 30, 2023, outstanding balances for defeased debt were \$665,000 for the 2001 Water System Improvement Project Certificates of Participation and \$8,060,000 for the 2007 Refunding Certificates of Participation.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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 restatement of capital assets, specifically to incorporate intangible right-to-use subscription assets, and subscription liabilities. As a result, initial subscription liabilities were recorded in the amounts of \$536,411 as of July 1, 2022 for governmental activities. 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, 2023, are as follows:

	Balance June 30, 2022 (as restated)	Retirements	Balance June 30, 2023	Current Portion
Governmental Activities				
Subscription Liabilities				
Arctic Wolf License	\$213,427	(\$103,025)	\$110,402	\$110,402
Intterra Software	327,483	(68,951)	258,532	59,623
Total Subscription Liabilities	<u>\$540,910</u>	<u>(\$171,976)</u>	<u>\$368,934</u>	<u>\$170,025</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, 2023, 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, 2023 is \$213,426 with accumulated amortization of \$72,416, 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, 2023, the value of the subscription liability is \$258,532. 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, 2023 is \$327,484 with accumulated amortization of \$54,581, which is included in Note 6 Capital Assets.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The future subscription and interest subscription payments as of June 30, 2023 follows:

For the Year Ended June 30	Principal	Interest	Total
2024	\$170,025	\$8,528	\$178,553
2025	62,645	4,706	67,351
2026	66,061	3,224	69,285
2027	70,203	1,661	71,864
Totals	<u>\$368,934</u>	<u>\$18,119</u>	<u>\$387,053</u>

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, 2023 was \$55,000.

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, 2023 was \$4,236,302.

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, 2023

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, 2023

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, 2023

10. NET POSITION AND FUND BALANCES (Continued)

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

	Balance at June 30, 2023
Nonspendables:	
Items not in spendable form:	
Long-term loans to Private Purpose Trust	\$2,836,442
Deposits, parts, supplies and other	9,006
Total Nonspendable Fund Balances	2,845,448
Assigned:	
Measure C District sales tax	16,632,531
Total Assigned Fund Balances	16,632,531
Unassigned:	
Designations:	
Liquidity	39,452,332
Total Unassigned Fund Balances	39,452,332
Total Fund Balances	\$58,930,311

- **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, 2023, the following funds had a deficit:

The Recycling Enterprise Fund reported a deficit of \$365,421 at June 30, 2023 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 \$6,195,130 at June 30, 2023 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 2023. This deficit is expected to be eliminated with future internal service fund charges and a one-time transfer in fiscal year 2024.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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 \$53,580 for the year ended June 30, 2023. 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 \$321,832 to the Plan.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023

13. PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Classic Tier I	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.50%	1.0% - 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates (A)	9.77%	9.77%
	Safety - Fire	
	Classic Tier I	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	10.50%
Required employer contribution rates (A)	18.49%	18.49%
	Safety - Police	
	Classic Tier I	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	13.00%
Required employer contribution rates (A)	21.69%	21.69%

(A) Rates represents blended combination rates

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2021 and measurement date of June 30, 2022:

	<u>Miscellaneous</u>	<u>Safety-Fire</u>	<u>Safety - Police</u>
Inactive employees or beneficiaries currently receiving benefits	961	192	361
Inactive employees entitled to but not yet receiving benefits	735	23	79
Active employees	515	120	167
Total	<u>2,211</u>	<u>335</u>	<u>607</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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2023

13. PENSION PLANS (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liabilities were determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2021 and June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

	All Plans
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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 for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 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 CalPERS Experience Study and review of Actuarial to Assumptions 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
For the Year Ended June 30, 2023

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	-5.0%	-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, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the Board could make its final decision on the asset allocation in November 2021.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

13. PENSION PLANS (Continued)

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions are reflected in the GASB 68 accounting valuation reports for the June 30, 2022 measurement date.

Changes in the Net Pension Liability

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

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	\$510,910,249	\$390,653,694	\$120,256,555
Changes in the year:			
Service cost	9,264,461		9,264,461
Interest on the total pension liability	35,732,803		35,732,803
Changes of Assumptions	15,236,428		15,236,428
Differences between actual and expected experience	1,252,761		1,252,761
Contribution - employer		16,196,634	(16,196,634)
Contribution - employee		6,156,612	(6,156,612)
Net investment income		(29,606,807)	29,606,807
Administrative expenses		(243,354)	243,354
Benefit payments, including refunds of employee contributions	(28,329,956)	(28,329,956)	
Net changes	33,156,497	(35,826,871)	68,983,368
Balance at June 30, 2022	\$544,066,746	\$354,826,823	\$189,239,923

Safety - Fire Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	\$330,739,983	\$237,300,992	\$93,438,991
Changes in the year:			
Service cost	5,827,305		5,827,305
Interest on the total pension liability	22,663,052		22,663,052
Changes of Assumptions	10,219,002		10,219,002
Differences between actual and expected experience	(6,319,906)		(6,319,906)
Contribution - employer		11,490,694	(11,490,694)
Contribution - employee		2,983,463	(2,983,463)
Net investment income		(18,111,315)	18,111,315
Administrative expenses		(147,824)	147,824
Benefit payments, including refunds of employee contributions	(18,205,377)	(18,205,377)	
Net changes	14,184,076	(21,990,359)	36,174,435
Balance at June 30, 2022	\$344,924,059	\$215,310,633	\$129,613,426

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

13. PENSION PLANS (Continued)

Safety - Police Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	\$449,527,982	\$316,106,718	\$133,421,264
Changes in the year:			
Service cost	8,300,617		8,300,617
Interest on the total pension liability	31,411,054		31,411,054
Changes of Assumptions	16,532,003		16,532,003
Differences between actual and expected experience	(2,679,143)		(2,679,143)
Contribution - employer		16,166,620	(16,166,620)
Contribution - employee		3,803,625	(3,803,625)
Net investment income		(24,027,912)	24,027,912
Administrative expenses		(196,916)	196,916
Benefit payments, including refunds of employee contributions	(24,596,971)	(24,596,971)	
Net changes	<u>28,967,560</u>	<u>(28,851,554)</u>	<u>57,819,114</u>
Balance at June 30, 2022	<u>\$478,495,542</u>	<u>\$287,255,164</u>	<u>\$191,240,378</u>
Combined Total	<u>\$1,367,486,347</u>	<u>\$857,392,620</u>	<u>\$510,093,727</u>

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

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

	Miscellaneous	Safety-Fire	Safety-Police
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$259,256,942	\$175,267,836	\$257,118,529
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$189,239,923	\$129,613,426	\$191,240,378
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$131,383,893	\$92,050,331	\$137,546,383

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

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

13. PENSION PLANS (Continued)

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

For the year ended June 30, 2023, the City recognized pension expense of \$19,803,476 for the Miscellaneous Plan, \$11,689,447 for the Safety Plan – Fire and \$22,954,316 for the Safety Plan – Police. At June 30, 2023, 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	\$17,251,303	
Differences between actual and expected experience	770,930	(\$466,976)
Changes of assumptions	9,376,263	
Net differences between projected and actual earnings on plan investments	17,801,927	
Total	<u>\$45,200,423</u>	<u>(\$466,976)</u>

Safety Plan - Fire:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$12,364,514	
Differences between actual and expected experience	1,546,750	(\$7,094,701)
Changes of assumptions	8,090,043	
Net differences between projected and actual earnings on plan investments	10,906,496	
Total	<u>\$32,907,803</u>	<u>(\$7,094,701)</u>

Safety Plan - Police:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$17,688,292	
Differences between actual and expected experience	2,317,626	(\$1,867,281)
Changes of assumptions	11,522,305	
Net differences between projected and actual earnings on plan investments	14,342,167	
Total	<u>\$45,870,390</u>	<u>(\$1,867,281)</u>
Combined total	<u>\$123,978,616</u>	<u>(\$9,428,958)</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

13. PENSION PLANS (Continued)

\$47,304,109 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
2024	\$8,693,904
2025	6,320,814
2026	1,202,370
2027	11,265,056
Total	<u>\$27,482,144</u>

Safety Plan - Fire:

Year Ended June 30	Annual Amortization
2024	\$2,541,561
2025	2,332,244
2026	1,123,611
2027	7,451,172
Total	<u>\$13,448,588</u>

Safety Plan - Police:

Year Ended June 30	Annual Amortization
2024	\$8,113,090
2025	6,862,099
2026	2,206,356
2027	9,133,272
Total	<u>\$26,314,817</u>

All Plans (Misc., Fire and Police)

Year Ended June 30	Amortization Amount
2024	\$19,348,555
2025	15,515,157
2026	4,532,337
2027	27,849,500
Total	<u>\$67,245,549</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023, total contributions of \$19,663 were made based on a total amount of covered compensation of \$524,358.

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 \$149 to \$151 per month in lieu of contributions to the CalPERS plan.

Employees Covered

Membership in the plan consisted of the following at June 30, 2021 (latest actuarial valuation date):

Active employees	806
Inactive employees or beneficiaries currently receiving benefit payments	712
Inactive employees entitled to but not yet receiving benefit payments	179
Total	1,697

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was rolled forward to determine the total OPEB liability, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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 2015
Pre-Retirement Turnover	Must retire from PERS on or after age 65 with at least 10 years of service.
Healthcare	3.90% to 5.80%

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

Asset Class	Target Allocation	1-10 Year Expected Real Rate of Return
Global Equities	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	100.0%	

Discount Rate – The discount rate used to measure the total OPEB liability was 6.1%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2021 (Measurement Date)	\$87,016,620	\$17,212,809	\$69,803,811
Changes Recognized for the Measurement Period:			
Service Cost	2,049,624		2,049,624
Interest on the total OPEB liability	5,283,927		5,283,927
Differences between expected and actual experience			
Changes of assumptions			
Investment Experience		(4,130,540)	4,130,540
Contributions from the employer		9,179,251	(9,179,251)
Contributions from the employee		377,606	(377,606)
Net investment income		1,192,186	(1,192,186)
Administrative expenses		(5,439)	5,439
Benefit payments	(4,888,972)	(4,888,972)	
Net changes	2,444,579	1,724,092	720,487
Balance at June 30, 2022 (Measurement Date)	\$89,461,199	\$18,936,901	\$70,524,298

Sensitivity of the Net OPEB Liability

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

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
5.10%	6.10%	7.10%
\$81,708,903	\$70,524,298	\$61,219,605

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

Net OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
4.80%	5.80%	6.80%
\$61,939,004	\$70,524,298	\$81,444,076

CITY OF HAYWARD, CALIFORNIA
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For the Year Ended June 30, 2023

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, 2023, the City recognized OPEB expense of (\$1,556,570). At June 30, 2023, 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	\$8,450,190	
Changes of assumptions	5,880,113	(\$18,362,289)
Difference between Expected and Actual Experience	1,002,277	(1,995,130)
Net difference between projected and actual earnings on investments	1,674,073	
Total	\$17,006,653	(\$20,357,419)

\$8,450,190 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, 2024. 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
2024	(\$5,584,618)
2025	(5,298,535)
2026	(2,288,948)
2027	1,066,790
2028	304,355
Total	(\$11,800,956)

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023

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	
			2023	2022
Balance, beginning of year	\$7,461,479	\$13,789,580	\$21,251,059	\$20,584,495
Current year claims and changes in estimates	3,868,199	5,411,985	9,280,184	4,913,198
Claims paid	<u>(2,422,838)</u>	<u>(3,612,163)</u>	<u>(6,035,001)</u>	<u>(4,246,634)</u>
Balance, end of year	<u>\$8,906,840</u>	<u>\$15,589,402</u>	<u>\$24,496,242</u>	<u>\$21,251,059</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, 2023 is \$24,496,242. 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, 2023

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 2023 amounted to \$887,800 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 \$9,445,110 at June 30, 2022, the latest date for which financial information is available.

The investment in East Bay Dischargers Authority is valued as of June 30, 2022, the latest date for which financial information is available.

Summary financial information as of and for the year ended June 30, 2022 (the most recent audited financial information available) for EBDA's common use operations was as follows:

Assets		
Current		\$4,478,870
Noncurrent		24,846,291
Total Assets		29,325,161
Deferred outflow of resources		883,223
Total		\$30,208,384
Liabilities		\$1,238,289
Deferred inflow of resources		634,764
Net Position		28,335,331
Total		\$30,208,384
Revenues		\$5,060,722
Expenses		(4,226,628)
Non-operating revenues		1,036,759
Non-operating expenses		(1,364,436)
Prior period adjustment		(420,000)
Change in Net Position		\$86,417

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023

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 \$2,290,628 during fiscal year 2023, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2024 is estimated to be \$2,445,576.

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, 2023 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, 2023

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, 2023

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, 2023 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, 2023

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, 2023.

	School Project	Cannery Park	Cinema Place	Retail Attraction	Total
Balance at June 30, 2022	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337
Less: Loan Payments					
Balance at June 30, 2023	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337

Leases Receivable

The Successor Agency from 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, 2023, 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, 2023	Lease Receivable Balance at June 30, 2023	Deferred Inflow of Resources at June 30, 2023
<i>Private Purpose Trust Fund</i>					
Cinema Place Hayward, LLC	5/1/2007	4/30/2057	\$59,957	\$1,282,083	\$1,273,006

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets not being depreciated:			
Land	\$4,430,516		\$4,430,516
Total capital asset not being depreciated	4,430,516		4,430,516
Capital assets being depreciated:			
Buildings and improvements	14,135,897		14,135,897
Machinery and equipment	9,575		9,575
Total capital asset being depreciated	14,145,472		14,145,472
Less accumulated depreciation for:			
Buildings and improvements	4,962,560	\$314,130	5,276,691
Machinery and equipment	9,575		9,575
Total accumulated depreciation	4,972,135	314,130	5,286,266
Net depreciable assets	9,173,337	(314,130)	8,859,206
Private purpose trust fund assets, net	\$13,603,853	(\$314,130)	\$13,289,722

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023 was \$6,739,979 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. The loans were as follows:

	Advances to Private Purpose Trust Fund	Advances From City
General Fund	\$2,836,442	
Housing Authority Special Revenue Fund	3,876,516	
Internal Service Funds	27,021	
Successor Agency Private Purpose Trust Fund		\$6,739,979
Total	\$6,739,979	\$6,739,979

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

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

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2022	Retirements	Balance at June 30, 2023	Current Portion
Tax Allocation Bonds, 2016 Refunding Redevelopment Agency due 3/1/2036, interest at 2.0%-5.0%	\$35,270,000	\$24,155,000	\$2,070,000	\$22,085,000	\$2,180,000
Add: Original Issue Premium		2,576,117	184,008	2,392,109	
Total	<u>\$35,270,000</u>	<u>\$26,731,117</u>	<u>\$2,254,008</u>	<u>\$24,477,109</u>	<u>\$2,180,000</u>

At June 30, 2023, future debt service requirement for the Successor Agency were as follows:

Year Ending June 30	Successor Agency	
	Principal	Interest
2024	\$2,180,000	\$1,154,375
2025	2,290,000	1,049,625
2026	2,405,000	939,375
2027	2,415,000	823,625
2028	2,625,000	702,125
2029 - 2033	6,195,000	1,644,125
2034 - 2036	3,975,000	298,450
Totals	22,085,000	<u>\$6,611,700</u>
Plus unamortized premium	2,392,109	
Total Long-term debt principal, net	<u>\$24,477,109</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, 2023

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 2023, total tax increment calculated and available for distribution by the County Auditor-Controller was \$4,563,650, and the total received by the Successor Agency was \$4,051,193. The taxes available for distribution covered 142% of the \$3,224,375 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.

21. SUBSEQUENT EVENTS

On November 28, 2023, the City issued 2023 Refunding Certificates of Participation in the amount of \$37,030,000. The proceeds of the Bonds were used to refund the 2015 Certificates of Participation. The Bonds are payable in annual installments commencing on November 1, 2024 until maturity on November 1, 2034. Interest is paid semiannually on May 1 and November 1, commencing May 1, 2024, with a rate of 5% per annum.

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
Total Pension Liability			
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)
Net change in total pension liability	14,599,007	3,551,977	11,763,139
Total pension liability - beginning	375,357,954	389,956,961	393,508,938
Total pension liability - ending (a)	<u>\$389,956,961</u>	<u>\$393,508,938</u>	<u>\$405,272,077</u>
Plan fiduciary net position			
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)			
Net change in plan fiduciary net position	33,566,303	(3,573,070)	(7,762,729)
Plan fiduciary net position - beginning	247,040,337	280,606,640	277,033,570
Plan fiduciary net position - ending (b)	<u>\$280,606,640</u>	<u>\$277,033,570</u>	<u>\$269,270,841</u>
Net pension liability - ending (a)-(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.

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

Source: CalPERS Accounting Valuation - GASB 68

<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
\$7,504,688	\$7,869,869	\$8,124,065	\$8,254,476	\$8,338,579	\$9,264,461
30,173,942	31,188,964	32,708,864	33,774,340	34,724,511	35,732,803
444,821	2,372,377	6,313,847	(481,002)	(2,023,562)	1,252,761
23,917,327	(2,819,842)				15,236,428
<u>(22,746,836)</u>	<u>(23,688,392)</u>	<u>(24,796,470)</u>	<u>(26,234,280)</u>	<u>(27,282,114)</u>	<u>(28,329,956)</u>
39,293,942	14,922,976	22,350,306	15,313,534	13,757,414	33,156,497
405,272,077	444,566,019	459,488,995	481,839,301	497,152,835	510,910,249
<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>
\$11,093,282	\$10,774,004	\$12,008,441	\$12,993,586	\$14,566,265	\$16,196,634
3,799,837	4,511,187	4,682,650	5,503,016	5,540,369	6,156,612
29,788,614	24,576,008	19,998,965	15,793,925	73,248,533	(29,606,807)
(22,746,836)	(23,688,392)	(24,796,470)	(26,234,280)	(27,282,114)	(28,329,956)
(46,705)	(711)				
(397,560)	(453,086)	(218,097)	(447,310)	(324,560)	(243,354)
	(860,419)	711			
<u>21,490,632</u>	<u>14,858,591</u>	<u>11,676,200</u>	<u>7,608,937</u>	<u>65,748,493</u>	<u>(35,826,871)</u>
<u>269,270,841</u>	<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>\$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>\$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>
65.40%	66.51%	65.85%	65.35%	76.46%	65.22%
\$39,325,308	\$43,553,412	\$42,884,033	\$49,210,706	\$50,091,731	\$53,975,164
391.11%	353.29%	383.69%	350.02%	240.07%	350.61%

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

Fiscal Year Ended June 30	2015	2016	2017
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.
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 6.80% for 2023 net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, and 2021, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For 2023, pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

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

2018	2019	2020	2021	2022	2023
\$10,776,908	\$12,013,423	\$12,996,103	\$14,580,046	\$16,119,682	\$17,251,303
<u>10,776,908</u>	<u>12,013,423</u>	<u>12,996,103</u>	<u>14,580,046</u>	<u>16,119,682</u>	<u>17,251,303</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
24.74%	28.01%	26.41%	29.11%	29.86%	30.41%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

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
Total Pension Liability			
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)
Net change in total pension liability	9,303,033	4,998,406	14,776,983
Total pension liability - beginning	234,941,316	244,244,349	249,242,755
Total pension liability - ending (a)	\$244,244,349	\$249,242,755	\$264,019,738
Plan fiduciary net position			
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)			
Net change in plan fiduciary net position	20,766,732	(2,316,432)	(4,959,619)
Plan fiduciary net position - beginning	153,701,396	174,468,128	172,151,696
Plan fiduciary net position - ending (b)	\$174,468,128	\$172,151,696	\$167,192,077
 Net pension liability - ending (a)-(b)	 \$69,776,221	 \$77,091,059	 \$96,827,661
 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.

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

Source: CalPERS Accounting Valuation - GASB 68

<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
\$5,098,972	\$4,895,549	\$5,286,457	\$5,558,671	\$5,407,873	\$5,827,305
19,657,506	20,408,514	21,091,439	22,013,653	22,482,175	22,663,052
(324,662)	2,612,499	270,193	3,298,871	(3,440,760)	(6,319,906)
16,122,983	(1,401,429)				10,219,002
<u>(14,874,772)</u>	<u>(15,849,714)</u>	<u>(16,586,918)</u>	<u>(17,242,575)</u>	<u>(17,764,280)</u>	<u>(18,205,377)</u>
25,680,027	10,665,419	10,061,171	13,628,620	6,685,008	14,184,076
<u>264,019,738</u>	<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>\$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>
\$6,378,762	\$6,646,548	\$8,015,957	\$9,191,715	\$10,135,787	\$11,490,694
2,544,269	2,516,137	3,093,507	2,851,797	2,828,307	2,983,463
18,488,612	15,036,869	12,184,975	9,590,927	44,584,546	(18,111,315)
(14,874,772)	(15,849,714)	(16,586,918)	(17,242,575)	(17,764,280)	(18,205,377)
	(437)				
(246,848)	(279,683)	(133,462)	(272,922)	(197,504)	(147,824)
	(531,122)	437			
<u>12,290,023</u>	<u>7,538,598</u>	<u>6,574,496</u>	<u>4,118,942</u>	<u>39,586,856</u>	<u>(21,990,359)</u>
<u>167,192,077</u>	<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>\$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>\$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>
61.95%	62.26%	62.36%	61.01%	71.75%	62.42%
\$16,579,674	\$17,977,548	\$19,202,305	\$18,986,921	\$18,899,737	\$19,620,173
664.78%	630.48%	608.42%	665.41%	494.39%	660.61%

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

Fiscal Year Ended June 30	2015	2016	2017
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)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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.
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 6.80% for 2023, 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, 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. For 2023, pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

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

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

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
Total Pension Liability			
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)
Net change in total pension liability	14,287,468	6,581,647	18,866,464
Total pension liability - beginning	306,952,014	321,239,482	327,821,129
Total pension liability - ending (a)	<u>\$321,239,482</u>	<u>\$327,821,129</u>	<u>\$346,687,593</u>
Plan fiduciary net position			
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)			
Net change in plan fiduciary net position	26,971,389	(1,312,746)	(4,507,097)
Plan fiduciary net position - beginning	189,244,302	216,215,691	214,902,945
Plan fiduciary net position - ending (b)	<u>\$216,215,691</u>	<u>\$214,902,945</u>	<u>\$210,395,848</u>
Net pension liability - ending (a)-(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.

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

Source: CalPERS Accounting Valuation - GASB 68

<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
\$8,055,656	\$8,436,727	\$7,716,531	\$8,079,098	\$7,685,977	\$8,300,617
25,738,287	26,651,517	28,039,320	29,217,195	30,543,429	31,411,054
(3,900,767)	(1,105,506)	4,860,684	2,096,406	4,592,527	(2,679,143)
21,956,739	(1,587,612)				16,532,003
<u>(17,590,706)</u>	<u>(19,447,095)</u>	<u>(20,910,933)</u>	<u>(22,208,581)</u>	<u>(24,078,504)</u>	<u>(24,596,971)</u>
34,259,209	12,948,031	19,705,602	17,184,118	18,743,429	28,967,560
<u>346,687,593</u>	<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>\$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>
\$10,508,222	\$10,740,724	\$12,243,071	\$13,842,327	\$14,979,477	\$16,166,620
3,782,992	3,754,299	3,750,089	3,749,712	3,687,755	3,803,625
23,301,215	19,562,389	16,002,505	12,710,839	59,475,902	(24,027,912)
(17,590,706)	(19,447,095)	(20,910,933)	(22,208,581)	(24,078,504)	(24,596,971)
(310,635)	(358,539)	(173,879)	(358,879)	(262,026)	(196,916)
	(567)	567			
	(680,871)				
<u>19,691,088</u>	<u>13,570,340</u>	<u>10,911,420</u>	<u>7,735,418</u>	<u>53,802,604</u>	<u>(28,851,554)</u>
<u>210,395,848</u>	<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>\$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>\$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>
60.40%	61.86%	61.55%	60.89%	70.32%	60.03%
\$22,884,077	\$24,345,421	\$24,912,360	\$24,853,675	\$24,906,152	\$25,146,543
659.24%	617.11%	638.36%	677.89%	535.70%	760.50%

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

Fiscal Year Ended June 30	2015	2016	2017
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	14 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.30%
Salary increases	2.75% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50% for 2015 to 2018, 7.15% for 2019 to 2021, 7.00% for 2022, and 6.80% for 2023, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

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

2018	2019	2020	2021	2022	2023
\$10,740,724	\$12,240,356	\$13,839,941	\$14,979,710	\$16,160,318	\$17,688,292
10,740,724	12,240,356	13,839,941	14,979,710	16,160,318	17,688,292
\$0	\$0	\$0	\$0	\$0	\$0
\$24,345,421	\$24,912,360	\$24,853,675	\$24,906,152	\$25,146,543	\$25,721,568
44.12%	49.13%	55.69%	60.14%	64.26%	68.77%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

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
Total OPEB Liability						
Service cost	\$4,646,537	\$4,054,275	\$4,121,478	\$2,213,810	\$1,773,630	\$2,049,624
Interest	3,528,286	4,015,577	4,186,619	5,048,226	5,405,045	5,283,927
Changes in benefit terms						
Differences between expected and actual experience			2,686,781		(2,914,546)	
Changes of assumptions	(11,390,281)	(1,014,291)	(32,786,613)	(10,988,323)	8,589,843	
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)	(4,795,404)	(4,888,972)
Net change in total OPEB liability	(7,478,529)	2,864,889	(26,135,923)	(8,609,089)	8,058,568	2,444,579
Total OPEB liability - beginning	118,316,704	110,838,175	113,703,064	87,567,141	78,958,052	87,016,620
Total OPEB liability - ending (a)	\$110,838,175	\$113,703,064	\$87,567,141	\$78,958,052	\$87,016,620	\$89,461,199
Plan fiduciary net position						
Contributions - employer	\$4,263,071	\$5,190,672	\$6,344,188	\$7,455,802	\$6,795,404	\$9,179,251
Contributions - employee			377,793	(374,055)	368,000	377,606
Net investment income	396,755	318,308	455,417	1,012,025	3,350,575	(2,938,354)
Administrative expense	(2,014)	(2,234)	(1,348)	(4,528)	(4,628)	(5,439)
Other expense		(5,491)				
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)	(4,795,404)	(4,888,972)
Net change in plan fiduciary net position	394,741	1,310,583	2,831,862	3,206,442	5,713,947	1,724,092
Plan fiduciary net position - beginning	3,755,234	4,149,975	5,460,558	8,292,420	11,498,862	17,212,809
Plan fiduciary net position - ending (b)	\$4,149,975	\$5,460,558	\$8,292,420	\$11,498,862	\$17,212,809	\$18,936,901
Net OPEB liability - ending (a)-(b)	\$106,688,200	\$108,242,506	\$79,274,721	\$67,459,190	\$69,803,811	\$70,524,298
Plan fiduciary net position as a percentage of the total OPEB liability	3.74%	4.80%	9.47%	14.56%	19.78%	21.17%
Covered-employee payroll	\$97,007,987	\$100,785,694	\$104,434,054	\$105,982,182	\$110,872,748	\$114,198,930
Net OPEB liability as a percentage of covered-employee payroll	109.98%	107.40%	75.91%	63.65%	62.96%	61.76%

Notes to schedule:

* Fiscal year 2018 was the first year of implementation.

Source: GASB 75 Valuation Report

CITY OF HAYWARD
SCHEDULE OF CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS
AGENT MULTIPLE EMPLOYER PLAN
 Last 10 fiscal years*

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

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
Actuarial Assumptions:						
Discount Rate	3.56%	3.62%	6.90%	6.90%	6.10%	6.10%
Inflation	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%
Payroll Growth	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%
Investment Rate of Return	7.28%	6.90%	6.90%	6.90%	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.			

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%

* 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, 2023

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis*	Variance with Adjusted Budget
	<u>Adopted *</u>	<u>Adjusted *</u>		Positive (Negative)
REVENUES:				
Property taxes	\$62,669,763	\$64,269,763	\$68,458,487	\$4,188,724
Sales taxes	66,110,300	66,110,300	66,932,441	822,141
Utility users tax	18,000,000	19,000,000	25,944,798	6,944,798
Other taxes	37,546,000	37,546,000	34,588,602	(2,957,398)
Licenses and permits	8,401,960	8,401,960	7,959,299	(442,661)
Fines and forfeitures	2,384,609	2,384,609	2,504,635	120,026
Investment income	299,880	299,880	616,954	317,074
Rental income	350,000	350,000	75	(349,925)
Intergovernmental	7,968,954	8,001,750	6,275,056	(1,726,694)
Fees and charges for services	4,232,100	4,082,600	4,506,412	423,812
Other revenue	209,513	239,013	859,439	620,426
Total Revenues	<u>208,173,079</u>	<u>210,685,875</u>	<u>218,646,198</u>	<u>7,960,323</u>
EXPENDITURES:				
Current:				
General government	16,402,452	19,385,249	17,482,117	1,903,132
Public safety	137,678,091	142,156,602	144,085,111	(1,928,509)
Public works and transportation	4,048,704	4,600,525	3,403,009	1,197,516
Library and community services	9,891,927	10,703,022	9,889,336	813,686
Planning and building	9,471,347	10,508,528	9,442,396	1,066,132
Maintenance services	7,916,195	11,259,442	11,548,283	(288,841)
Total Expenditures	<u>185,408,716</u>	<u>198,613,368</u>	<u>195,850,252</u>	<u>2,763,116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>22,764,363</u>	<u>12,072,507</u>	<u>22,795,946</u>	<u>10,723,439</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	11,571,046	17,473,418	15,850,418	(1,623,000)
Transfers (out)	<u>(37,546,688)</u>	<u>(45,378,345)</u>	<u>(37,607,485)</u>	<u>7,770,860</u>
Total Other Financing Sources (Uses)	<u>(25,975,642)</u>	<u>(27,904,927)</u>	<u>(21,757,067)</u>	<u>6,147,860</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$3,211,279)</u></u>	<u><u>(\$15,832,420)</u></u>	1,038,879	<u><u>\$16,871,299</u></u>
BEGINNING FUND BALANCE			<u>57,891,432</u>	
ENDING FUND BALANCE			<u><u>\$58,930,311</u></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, 2023

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income			\$28,611	\$28,611
Intergovernmental	\$409,024	\$748,781	731,760	(17,021)
Other revenue			522,219	522,219
	<u>409,024</u>	<u>748,781</u>	<u>1,282,590</u>	<u>533,809</u>
EXPENDITURES:				
Current:				
Public safety		484,409	173,803	310,606
Library and community services	51,733	511,687	168,201	343,486
Economic development	382,728	1,214,980	597,428	617,552
	<u>434,461</u>	<u>2,211,076</u>	<u>939,432</u>	<u>1,271,644</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(25,437)</u>	<u>(1,462,295)</u>	<u>343,158</u>	<u>1,805,453</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(5,731)</u>	<u>(6,707)</u>	<u>(6,707)</u>	
Total Other Financing Sources (Uses)	<u>(5,731)</u>	<u>(6,707)</u>	<u>(6,707)</u>	
NET CHANGE IN FUND BALANCE	<u><u>(\$25,437)</u></u>	<u><u>(\$1,462,295)</u></u>	<u>336,451</u>	<u><u>\$1,798,746</u></u>
BEGINNING FUND BALANCE			<u>15,449,250</u>	
ENDING FUND BALANCE			<u><u>\$15,785,701</u></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, 2023

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income			\$240,792	\$240,792
Intergovernmental	\$19,232,997	\$19,232,997	12,509,208	(6,723,789)
Total Revenues	19,232,997	19,232,997	12,750,000	(6,482,997)
EXPENDITURES:				
Current:				
General government	5,755,000	11,969,649	4,268,073	7,701,576
Public safety			386	(386)
Public works and transportation	2,981,000	3,308,942	771,446	2,537,496
Maintenance services	450,000	1,234,275	460,095	774,180
Total Expenditures	9,186,000	16,512,866	5,500,000	11,012,866
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,046,997	2,720,131	7,250,000	4,529,869
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(7,250,000)	(7,250,000)	(7,250,000)	
Total Other Financing Sources (Uses)	(7,250,000)	(7,250,000)	(7,250,000)	
NET CHANGE IN FUND BALANCE	\$2,796,997	(\$4,529,869)		\$4,529,869
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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income	\$80,000	\$80,000	\$76,971	(\$3,029)
Fees and charges for services			218	218
Other revenue	<u>120,000</u>	<u>120,000</u>	<u>(19,809)</u>	<u>(139,809)</u>
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>57,380</u>	<u>(142,620)</u>
EXPENDITURES:				
Current:				
Economic development	<u>168,640</u>	<u>966,739</u>	<u>199,977</u>	<u>766,762</u>
Total Expenditures	<u>168,640</u>	<u>966,739</u>	<u>199,977</u>	<u>766,762</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>31,360</u>	<u>(766,739)</u>	<u>(142,597)</u>	<u>(624,142)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(10,730)</u>	<u>(11,384)</u>	<u>(11,384)</u>	
Total Other Financing Sources (Uses)	<u>(10,730)</u>	<u>(11,384)</u>	<u>(11,384)</u>	
NET CHANGE IN FUND BALANCE	<u>\$20,630</u>	<u>(\$766,739)</u>	<u>(153,981)</u>	<u>\$612,758</u>
BEGINNING FUND BALANCE			<u>22,678,595</u>	
ENDING FUND BALANCE			<u>\$22,524,614</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, 2023

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Other taxes	\$1,049,000	\$1,049,000	\$1,763,211	\$714,211
Investment income			399,766	399,766
Intergovernmental			5,449,154	5,449,154
Other revenue	200,000	217,774	7,607,879	7,390,105
	1,249,000	1,266,774	15,220,010	13,953,236
Total Revenues				
EXPENDITURES:				
Current:				
Public works and transportation		7,685		7,685
Capital outlay	\$21,452,409	73,355,969	26,574,459	46,781,510
Debt service:				
Principal			355,029	(355,029)
Interest and fiscal charges			17,464	(17,464)
	21,452,409	73,363,654	26,946,952	46,416,702
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,203,409)	(72,096,880)	(11,726,942)	60,369,938
OTHER FINANCING SOURCES (USES):				
Transfers in	12,139,000	19,628,325	19,628,325	
	12,139,000	19,628,325	19,628,325	
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCE	(\$8,064,409)	(\$52,468,555)	7,901,383	\$60,369,938
BEGINNING FUND BALANCE			10,507,228	
ENDING FUND BALANCE			\$18,408,611	

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COMBINING GENERAL FUND SCHEDULES

CITY OF HAYWARD
GENERAL FUND
COMBINING BALANCE SHEETS
JUNE 30, 2023

	General Fund		
	General Purpose	Measure C District Sales Tax	Total
ASSETS:			
Cash, cash equivalents, and investments	\$50,311,949	\$12,108,479	\$62,420,428
Accounts receivable, net	1,586,857		1,586,857
Due from other governments	8,762,702	4,970,208	13,732,910
Due from other funds	1,838,041		1,838,041
Long-term loans to the Private Purpose Trust Fund	2,836,442		2,836,442
Deposits, parts, supplies and other	9,006		9,006
	<u>\$65,344,997</u>	<u>\$17,078,687</u>	<u>\$82,423,684</u>
LIABILITIES:			
Accounts payable	\$5,844,274	\$287,417	\$6,131,691
Accrued liabilities	8,627,546	158,739	8,786,285
Long-term interfund payables	2,898,197		2,898,197
Refundable deposits	5,677,200		5,677,200
	<u>23,047,217</u>	<u>446,156</u>	<u>23,493,373</u>
FUND BALANCES:			
Nonspendable	2,845,448		2,845,448
Assigned		16,632,531	16,632,531
Unassigned	39,452,332		39,452,332
	<u>42,297,780</u>	<u>16,632,531</u>	<u>58,930,311</u>
	<u>\$65,344,997</u>	<u>\$17,078,687</u>	<u>\$82,423,684</u>
Total Liabilities and Fund Balances	<u>\$65,344,997</u>	<u>\$17,078,687</u>	<u>\$82,423,684</u>

CITY OF HAYWARD
GENERAL FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund		Total
	General Fund	Measure C District Sales Tax	
REVENUES:			
Property taxes	\$68,458,487		\$68,458,487
Sales taxes	44,051,047	\$22,881,394	66,932,441
Utility users tax	25,944,798		25,944,798
Other taxes	34,588,602		34,588,602
Licenses and permits	7,959,299		7,959,299
Fines and forfeitures	2,504,635		2,504,635
Investment income	463,235	153,719	616,954
Rental income	75		75
Intergovernmental	6,275,056		6,275,056
Fees and charges for services	4,506,412		4,506,412
Other revenue	859,439		859,439
Total Revenues	195,611,085	23,035,113	218,646,198
EXPENDITURES:			
Current:			
General government	17,482,117		17,482,117
Public safety	144,085,111		144,085,111
Public works and transportation	3,403,009		3,403,009
Library and community services	9,889,336		9,889,336
Planning and building	9,442,396		9,442,396
Maintenance services	6,374,752	5,173,531	11,548,283
Total Expenditures	190,676,721	5,173,531	195,850,252
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,934,364	17,861,582	22,795,946
OTHER FINANCING SOURCES (USES):			
Transfers in	15,850,418		15,850,418
Transfers (out)	(16,353,095)	(21,254,390)	(37,607,485)
Total Other Financing Sources (Uses)	(502,677)	(21,254,390)	(21,757,067)
CHANGE IN FUND BALANCES	4,431,687	(3,392,808)	1,038,879
BEGINNING FUND BALANCES	37,866,093	20,025,339	57,891,432
ENDING FUND BALANCES	<u>\$42,297,780</u>	<u>\$16,632,531</u>	<u>\$58,930,311</u>

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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.

DEBT SERVICE FUNDS

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

CAPITAL PROJECTS FUNDS

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

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

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

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CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant Program	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
ASSETS:				
Cash, cash equivalents, and investments	\$2,676,615	\$226,043	\$244,412	\$18,727,857
Accounts receivable, net				
Due from other governments	733,198			
Interest receivable				
Loans receivable		4,866,630	148,188	
Land held for resale				
	\$3,409,813	\$5,092,673	\$392,600	\$18,727,857
LIABILITIES:				
Accounts payable	\$501,222	\$253,521	\$874	
Accrued liabilities		12,892	4,555	
Due to other funds				
Unearned revenue				
Refundable deposits				
	501,222	266,413	5,429	
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue				
	Total Deferred Inflows of Resources			
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	2,908,591			
Planning and building				\$18,727,857
Economic development		4,826,260	387,171	
Debt service				
	2,908,591	4,826,260	387,171	18,727,857
Total Fund Balances	2,908,591	4,826,260	387,171	18,727,857
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,409,813	\$5,092,673	\$392,600	\$18,727,857

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
\$46,577 935	\$1,015,514	\$9,348,670	\$588,446	\$4,405,365	\$2,401,773
		74,374 80,501		5,978	
<u>\$47,512</u>	<u>\$1,015,514</u>	<u>\$9,503,545</u>	<u>\$588,446</u>	<u>\$4,411,343</u>	<u>\$2,401,773</u>
	\$16,534 352	\$25,631 19,289		\$105,048 164	\$925,056
		26,870	\$52,058		
	16,886	71,790	52,058	105,212	925,056
\$936					
936					
46,576	998,628	9,431,755	536,388	4,306,131	1,476,717
<u>46,576</u>	<u>998,628</u>	<u>9,431,755</u>	<u>536,388</u>	<u>4,306,131</u>	<u>1,476,717</u>
<u>\$47,512</u>	<u>\$1,015,514</u>	<u>\$9,503,545</u>	<u>\$588,446</u>	<u>\$4,411,343</u>	<u>\$2,401,773</u>

(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
ASSETS:				
Cash, cash equivalents, and investments	\$1,018,850	\$280,927	\$16,833,851	\$561,713
Accounts receivable, net				
Due from other governments			1,608,505	135,110
Interest receivable				
Loans receivable				
Land held for resale				
Total Assets	\$1,018,850	\$280,927	\$18,442,356	\$696,823
LIABILITIES:				
Accounts payable	\$103,877	\$150,155	\$1,335,727	\$600
Accrued liabilities		12,007		
Due to other funds				
Unearned revenue				
Refundable deposits				
Total Liabilities	103,877	162,162	1,335,727	600
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	914,973	118,765	17,106,629	696,223
Planning and building				
Economic development				
Debt service				
Total Fund Balances	914,973	118,765	17,106,629	696,223
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,018,850	\$280,927	\$18,442,356	\$696,823

SPECIAL REVENUE FUNDS

Local Grants	RRAA (SB1)	Rental Housing Program	Affordable Housing	Local Housing Trust Program	Traffic Impact Fee Loan
\$23,057	\$3,726,599	\$143,089	\$5,356,558	\$673,526	
131,913	328,405	469,415			\$13,900
			7,444,811	537,000	
<u>\$154,970</u>	<u>\$4,055,004</u>	<u>\$612,504</u>	<u>\$12,801,369</u>	<u>\$1,210,526</u>	<u>\$13,900</u>
\$29,891		\$18,595			
5,245		20,535	\$15,188		
		469,415			\$13,900
<u>35,136</u>		<u>508,545</u>	<u>15,188</u>		<u>13,900</u>
119,834	\$4,055,004				
		103,959	12,786,181	\$1,210,526	
<u>119,834</u>	<u>4,055,004</u>	<u>103,959</u>	<u>12,786,181</u>	<u>1,210,526</u>	
<u>\$154,970</u>	<u>\$4,055,004</u>	<u>\$612,504</u>	<u>\$12,801,369</u>	<u>\$1,210,526</u>	<u>\$13,900</u>

(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2023

	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	
	Certificates of Participation	Route 238 Corridor Improvement	Traffic Signal Construction
ASSETS:			
Cash, cash equivalents, and investments	\$7,259,953		\$1,095,316
Accounts receivable, net		\$86,712	
Due from other governments			
Interest receivable			
Loans receivable			
Land held for resale		6,131,113	
Total Assets	<u>\$7,259,953</u>	<u>\$6,217,825</u>	<u>\$1,095,316</u>
LIABILITIES:			
Accounts payable		\$36,985	\$258,025
Accrued liabilities			
Due to other funds		1,838,041	
Unearned revenue			
Refundable deposits		31,885	
Total Liabilities		<u>1,906,911</u>	<u>258,025</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue		86,712	
Total Deferred Inflows of Resources		<u>86,712</u>	
FUND BALANCES:			
Restricted:			
Public safety			
Public works and transportation		4,224,202	837,291
Planning and building			
Economic development			
Debt service	\$7,259,953		
Total Fund Balances	<u>7,259,953</u>	<u>4,224,202</u>	<u>837,291</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$7,259,953</u>	<u>\$6,217,825</u>	<u>\$1,095,316</u>

CAPITAL
PROJECTS
FUNDS

Performance Deposits	Total Nonmajor Governmental Funds
\$337,918	\$76,992,629
	570,962
	2,943,109
	74,374
	13,077,130
	6,131,113
<u>\$337,918</u>	<u>\$99,789,317</u>
	\$3,761,741
\$2,572	92,799
	1,838,041
	562,243
306,249	338,134
<u>308,821</u>	<u>6,592,958</u>
	87,648
	87,648
	536,388
29,097	41,919,081
	24,079,192
	19,314,097
	7,259,953
<u>29,097</u>	<u>93,108,711</u>
<u>\$337,918</u>	<u>\$99,789,317</u>

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	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	\$23,538	(\$322)	\$3,124	\$1,634
Rental income				
Intergovernmental	4,088,769	1,550,817		
Fines and forfeitures				
Fees and charges for services				
Other revenue	191,140	91,805	141,287	1,261,575
Total Revenues	<u>4,303,447</u>	<u>1,642,300</u>	<u>144,411</u>	<u>1,263,209</u>
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation	943,982	1,258,974		
Library and community services		909		
Economic development		44,781	146,393	
Maintenance services	133,501			
Capital outlay	1,338,338			
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	<u>2,415,821</u>	<u>1,304,664</u>	<u>146,393</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,887,626</u>	<u>337,636</u>	<u>(1,982)</u>	<u>1,263,209</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	365,226			
Transfers (out)	<u>(990,000)</u>	<u>(11,898)</u>	<u>(27,083)</u>	
Total Other Financing Sources (Uses)	<u>(624,774)</u>	<u>(11,898)</u>	<u>(27,083)</u>	
NET CHANGE IN FUND BALANCES	1,262,852	325,738	(29,065)	1,263,209
BEGINNING FUND BALANCES	<u>1,645,739</u>	<u>4,500,522</u>	<u>416,236</u>	<u>17,464,648</u>
ENDING FUND BALANCES	<u><u>\$2,908,591</u></u>	<u><u>\$4,826,260</u></u>	<u><u>\$387,171</u></u>	<u><u>\$18,727,857</u></u>

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
		\$635,333			
\$673	\$9,281	55,216	\$5,141	\$1,547,811 43,380	\$38,921
		6,534,383	175,858		
	473,844				
673	483,125	7,224,932	180,999	1,591,191	38,921
	144,895 101,654	1,030,827 1,879,698			
	5,192			1,092,233	4,605,160
	251,741	2,910,525		1,092,233	4,605,160
673	231,384	4,314,407	180,999	498,958	(4,566,239)
	29,007	(116,073)			
	29,007	(116,073)			
673	260,391	4,198,334	180,999	498,958	(4,566,239)
45,903	738,237	5,233,421	355,389	3,807,173	6,042,956
\$46,576	\$998,628	\$9,431,755	\$536,388	\$4,306,131	\$1,476,717

(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$12,412	\$11,028	\$95,111	\$5,697
Rental income				
Intergovernmental			9,071,177	774,274
Fines and forfeitures				
Fees and charges for services				
Other revenue				
Total Revenues	12,412	11,028	9,166,288	779,971
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation			1,351,421	662,894
Library and community services		1,009,938		
Economic development				
Maintenance services				
Capital outlay	202,857		2,988,478	270,120
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	202,857	1,009,938	4,339,899	933,014
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(190,445)	(998,910)	4,826,389	(153,043)
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)		(72,429)	(350,226)	
Total Other Financing Sources (Uses)		(72,429)	(350,226)	
NET CHANGE IN FUND BALANCES	(190,445)	(1,071,339)	4,476,163	(153,043)
BEGINNING FUND BALANCES	1,105,418	1,190,104	12,630,466	849,266
ENDING FUND BALANCES	\$914,973	\$118,765	\$17,106,629	\$696,223

SPECIAL REVENUE FUNDS

Local Grants	RRAA (SB1)	Rental Housing Program	Affordable Housing	Local Housing Trust Program	Traffic Impact Fee Loan
\$546	\$17,201	\$3,393	\$100,001	\$537,000	
441,576	3,620,573	591,052		1,210,526	
15,000			6,195,318		
457,122	3,637,774	594,445	6,295,319	1,747,526	
411,162	1,140,792				
		679,872	6,499,607	537,000	
411,162	1,140,792	679,872	6,499,607	537,000	
45,960	2,496,982	(85,427)	(204,288)	1,210,526	
		(16,582)	(6,635)		
		(16,582)	(6,635)		
45,960	2,496,982	(102,009)	(210,923)	1,210,526	
73,874	1,558,022	205,968	12,997,104		
\$119,834	\$4,055,004	\$103,959	\$12,786,181	\$1,210,526	

(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	
	Certificates of Participation	Route 238 Corridor Improvement	Traffic Signal Construction
REVENUES:			
Other taxes			
Special assessments			
Investment income	\$59,388	\$83,771	\$12,052
Rental income		53,933	
Intergovernmental			
Fines and forfeitures			
Fees and charges for services			
Other revenue		1,439,952	
Total Revenues	<u>59,388</u>	<u>1,577,656</u>	<u>12,052</u>
EXPENDITURES:			
Current:			
Public safety			
Public works and transportation			
Library and community services			
Economic development			
Maintenance services			
Capital outlay		1,883,264	658,104
Debt service:			
Principal	5,766,622		
Interest and fiscal charges	2,358,176		
Total Expenditures	<u>8,124,798</u>	<u>1,883,264</u>	<u>658,104</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,065,410)</u>	<u>(305,608)</u>	<u>(646,052)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	8,131,003		500,000
Transfers (out)			
Total Other Financing Sources (Uses)	<u>8,131,003</u>		<u>500,000</u>
NET CHANGE IN FUND BALANCES	65,593	(305,608)	(146,052)
BEGINNING FUND BALANCES	<u>7,194,360</u>	<u>4,529,810</u>	<u>983,343</u>
ENDING FUND BALANCES	<u><u>\$7,259,953</u></u>	<u><u>\$4,224,202</u></u>	<u><u>\$837,291</u></u>

Performance Deposits	Total Nonmajor Governmental Funds
	\$635,333
	1,547,811
\$3,614	1,121,800
	644,985
	27,292,095
	175,858
	9,809,921
3,614	41,227,803
	556,057
	6,490,544
	2,890,545
	7,907,653
	1,225,734
	11,951,513
	5,766,622
	2,358,176
	39,146,844
3,614	2,080,959
	9,025,236
	(1,590,926)
	7,434,310
3,614	9,515,269
25,483	83,593,442
\$29,097	\$93,108,711

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, 2023

	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		\$23,538	\$23,538		(\$322)	(\$322)
Rental income						
Intergovernmental		4,088,769	4,088,769	\$1,541,746	1,550,817	9,071
Fees and charges for services						
Other revenue		191,140	191,140	693,458	91,805	(601,653)
Total Revenues		4,303,447	4,303,447	2,235,204	1,642,300	(592,904)
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation	\$1,250,000	943,982	306,018	3,606,769	1,258,974	2,347,795
Library and community services				128,539	909	127,630
Economic development					44,781	(44,781)
Maintenance services	49,816	133,501	(83,685)			
Capital outlay	3,717,186	1,338,338	2,378,848			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	5,017,002	2,415,821	2,601,181	3,735,308	1,304,664	2,430,644
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,017,002)	1,887,626	6,904,628	(1,500,104)	337,636	1,837,740
OTHER FINANCING SOURCES (USES)						
Transfers in	548,226	365,226	(183,000)			
Transfers (out)	(990,000)	(990,000)		(11,898)	(11,898)	
Total Other Financing Sources (Uses)	(441,774)	(624,774)	(183,000)	(11,898)	(11,898)	
NET CHANGE IN FUND BALANCES	(5,458,776)	1,262,852	\$6,721,628	(1,512,002)	325,738	\$1,837,740
BEGINNING FUND BALANCES		1,645,739			4,500,522	
ENDING FUND BALANCES		\$2,908,591			\$4,826,260	

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	\$3,124	(\$2,376)		\$1,634	\$1,634		\$673	\$673
150,000	141,287	(8,713)	\$2,235,906	1,261,575	(974,331)			
155,500	144,411	(11,089)	2,235,906	1,263,209	(972,697)		673	673
180,583	146,393	34,190	2,638,816		2,638,816			
180,583	146,393	34,190	2,638,816		2,638,816			
(25,083)	(1,982)	23,101	(402,910)	1,263,209	1,666,119		673	673
(27,083)	(27,083)							
(27,083)	(27,083)							
<u>(\$52,166)</u>	<u>(29,065)</u>	<u>\$23,101</u>	<u>(\$402,910)</u>	1,263,209	<u>\$1,666,119</u>		673	<u>\$673</u>
	<u>416,236</u>			<u>17,464,648</u>			<u>45,903</u>	
	<u>\$387,171</u>			<u>\$18,727,857</u>			<u>\$46,576</u>	

(Continued)

CITY OF HAYWARD
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS					
	Donation			Recycling		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes				\$516,270	\$635,333	\$119,063
Special assessments						
Investment income		\$9,281	\$9,281	4,000	55,216	51,216
Rental income						
Intergovernmental				1,220,889	6,534,383	5,313,494
Fees and charges for services						
Other revenue	\$337,825	473,844	136,019	2,500		(2,500)
Total Revenues	<u>337,825</u>	<u>483,125</u>	<u>145,300</u>	<u>1,743,659</u>	<u>7,224,932</u>	<u>5,481,273</u>
EXPENDITURES:						
Current:						
Public safety	424,938	144,895	280,043			
Public works and transportation	456,060	101,654	354,406	2,144,095	1,030,827	1,113,268
Library and community services				4,114,832	1,879,698	2,235,134
Economic development						
Maintenance services						
Capital outlay		5,192	(5,192)			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>880,998</u>	<u>251,741</u>	<u>629,257</u>	<u>6,258,927</u>	<u>2,910,525</u>	<u>3,348,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(543,173)</u>	<u>231,384</u>	<u>774,557</u>	<u>(4,515,268)</u>	<u>4,314,407</u>	<u>8,829,675</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	29,007	29,007				
Transfers (out)				(116,073)	(116,073)	
Total Other Financing Sources (Uses)	<u>29,007</u>	<u>29,007</u>		<u>(116,073)</u>	<u>(116,073)</u>	
NET CHANGE IN FUND BALANCES	<u>(\$514,166)</u>	<u>260,391</u>	<u>\$774,557</u>	<u>(\$4,631,341)</u>	<u>4,198,334</u>	<u>\$8,829,675</u>
BEGINNING FUND BALANCES		<u>738,237</u>			<u>5,233,421</u>	
ENDING FUND BALANCES		<u>\$998,628</u>			<u>\$9,431,755</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)
	\$5,141	\$5,141	\$1,553,652	\$1,547,811	(\$5,841)		\$38,921	\$38,921
	175,858	175,858		43,380	43,380			
	180,999	180,999	1,553,652	1,591,191	37,539		38,921	38,921
			1,869,253	1,092,233	777,020	\$6,067,312	4,605,160	1,462,152
			1,869,253	1,092,233	777,020	6,067,312	4,605,160	1,462,152
	180,999	180,999	(315,601)	498,958	814,559	(6,067,312)	(4,566,239)	1,501,073
	180,999	\$180,999	(\$315,601)	498,958	\$814,559	(\$6,067,312)	(4,566,239)	\$1,501,073
	355,389			3,807,173			6,042,956	
	\$536,388			\$4,306,131			\$1,476,717	

(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, 2023

	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		\$12,412	\$12,412		\$11,028	\$11,028
Rental income						
Intergovernmental						
Fees and charges for services						
Other revenue						
Total Revenues		12,412	12,412		11,028	11,028
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services				\$1,502,005	1,009,938	492,067
Economic development						
Maintenance services						
Capital outlay	\$989,698	202,857	786,841			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	989,698	202,857	786,841	1,502,005	1,009,938	492,067
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(989,698)	(190,445)	799,253	(1,502,005)	(998,910)	503,095
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(72,429)	(72,429)	
Total Other Financing Sources (Uses)				(72,429)	(72,429)	
NET CHANGE IN FUND BALANCES	(989,698)	(190,445)	\$799,253	(\$1,574,434)	(1,071,339)	\$503,095
BEGINNING FUND BALANCES		1,105,418			1,190,104	
ENDING FUND BALANCES		\$914,973			\$118,765	

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)
	\$95,111	\$95,111		\$5,697	\$5,697		\$546	\$546
\$3,755,935	9,071,177	5,315,242		774,274	774,274	\$196,865	441,576	244,711
							15,000	15,000
<u>3,755,935</u>	<u>9,166,288</u>	<u>5,410,353</u>		<u>779,971</u>	<u>779,971</u>	<u>196,865</u>	<u>457,122</u>	<u>260,257</u>
						647,911	411,162	236,749
3,816,992	1,351,421	2,465,571	\$687,928	662,894	25,034			
11,528,800	2,988,478	8,540,322	1,000,000	270,120	729,880			
<u>15,345,792</u>	<u>4,339,899</u>	<u>11,005,893</u>	<u>1,687,928</u>	<u>933,014</u>	<u>754,914</u>	<u>647,911</u>	<u>411,162</u>	<u>236,749</u>
<u>(11,589,857)</u>	<u>4,826,389</u>	<u>(6,763,468)</u>	<u>(1,687,928)</u>	<u>(153,043)</u>	<u>1,534,885</u>	<u>(451,046)</u>	<u>45,960</u>	<u>497,006</u>
<u>(1,100,226)</u>	<u>(350,226)</u>	<u>750,000</u>						
<u>(1,100,226)</u>	<u>(350,226)</u>	<u>750,000</u>						
<u>(\$12,690,083)</u>	<u>4,476,163</u>	<u>\$17,166,246</u>	<u>(\$1,687,928)</u>	<u>(153,043)</u>	<u>\$1,534,885</u>	<u>(\$451,046)</u>	<u>45,960</u>	<u>\$497,006</u>
	<u>12,630,466</u>			<u>849,266</u>			<u>73,874</u>	
	<u>\$17,106,629</u>			<u>\$696,223</u>			<u>\$119,834</u>	

(Continued)

CITY OF HAYWARD
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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		\$17,201	\$17,201		\$3,393	\$3,393
Rental income				\$550,000	591,052	41,052
Intergovernmental		3,620,573	3,620,573			
Fees and charges for services						
Other revenue						
Total Revenues		<u>3,637,774</u>	<u>3,637,774</u>	<u>550,000</u>	<u>594,445</u>	<u>44,445</u>
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation	\$1,140,792	1,140,792				
Library and community services						
Economic development				691,077	679,872	11,205
Maintenance services						
Capital outlay	3,350,000		3,350,000			
Debt Service						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>4,490,792</u>	<u>1,140,792</u>	<u>3,350,000</u>	<u>691,077</u>	<u>679,872</u>	<u>11,205</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,490,792)</u>	<u>2,496,982</u>	<u>6,987,774</u>	<u>(141,077)</u>	<u>(85,427)</u>	<u>55,650</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				16,582	(16,582)	(33,164)
Total Other Financing Sources (Uses)				<u>16,582</u>	<u>(16,582)</u>	<u>(33,164)</u>
NET CHANGE IN FUND BALANCES	<u>(\$4,490,792)</u>	<u>2,496,982</u>	<u>\$6,987,774</u>	<u>(\$124,495)</u>	<u>(102,009)</u>	<u>\$22,486</u>
BEGINNING FUND BALANCES		<u>1,558,022</u>			<u>205,968</u>	
ENDING FUND BALANCES		<u>\$4,055,004</u>			<u>\$103,959</u>	

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	\$100,001	\$76,001		\$537,000	\$537,000			
			\$3,994,906	1,210,526	(2,784,380)			
1,000,000	6,195,318	5,195,318						
1,024,000	6,295,319	5,271,319	3,994,906	1,747,526	(2,247,380)			
8,853,211	6,499,607	2,353,604	3,994,906	537,000	3,457,906			
8,853,211	6,499,607	2,353,604	3,994,906	537,000	3,457,906			
(7,829,211)	(204,288)	7,624,923		1,210,526	1,210,526			
(6,635)	(6,635)							
(6,635)	(6,635)							
<u>(\$7,835,846)</u>	(210,923)	<u>\$7,624,923</u>		1,210,526	<u>\$1,210,526</u>			
	12,997,104							
	<u>\$12,786,181</u>			<u>\$1,210,526</u>				

(Continued)

CITY OF HAYWARD
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS		
	Certificates of Participation			Route 238 Corridor Improvement		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income	\$3,000	\$59,388	\$56,388		\$83,771	\$83,771
Rental income					53,933	53,933
Intergovernmental						
Fees and charges for services						
Other revenue					1,439,952	1,439,952
Total Revenues	<u>3,000</u>	<u>59,388</u>	<u>56,388</u>		<u>1,577,656</u>	<u>1,577,656</u>
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services						
Economic development						
Maintenance services						
Capital outlay				\$25,823,583	1,883,264	23,940,319
Debt Service						
Principal	5,766,623	5,766,622	1			
Interest and fiscal charges	2,364,680	2,358,176	6,504			
Total Expenditures	<u>8,131,303</u>	<u>8,124,798</u>	<u>6,505</u>	<u>25,823,583</u>	<u>1,883,264</u>	<u>23,940,319</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,128,303)</u>	<u>(8,065,410)</u>	<u>62,893</u>	<u>(25,823,583)</u>	<u>(305,608)</u>	<u>25,517,975</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	8,136,340	8,131,003	(5,337)			
Transfers (out)						
Total Other Financing Sources (Uses)	<u>8,136,340</u>	<u>8,131,003</u>	<u>(5,337)</u>			
NET CHANGE IN FUND BALANCES	<u>\$8,037</u>	<u>65,593</u>	<u>\$57,556</u>	<u>(\$25,823,583)</u>	<u>(305,608)</u>	<u>\$25,517,975</u>
BEGINNING FUND BALANCES		<u>7,194,360</u>			<u>4,529,810</u>	
ENDING FUND BALANCES		<u>\$7,259,953</u>			<u>\$4,224,202</u>	

CAPITAL PROJECTS FUNDS

Traffic Signal Construction

Adjusted Budget	Actual	Variance Positive (Negative)
	\$12,052	\$12,052
	12,052	12,052
\$2,107,492	658,104	1,449,388
2,107,492	658,104	1,449,388
(2,107,492)	(646,052)	1,461,440
500,000	500,000	
500,000	500,000	
(\$1,607,492)	(146,052)	\$1,461,440
	983,343	
	\$837,291	

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NON-MAJOR ENTERPRISE FUNDS

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

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, 2023

	<u>Stormwater</u>	<u>Recycling</u>	<u>Totals</u>
Current Assets:			
Cash and investments	\$6,763,029		\$6,763,029
Accounts receivable, net	1,685,399	\$46,390	1,731,789
Due from other governments	10,656		10,656
Total Current Assets	8,459,084	46,390	8,505,474
Noncurrent Assets:			
Capital assets			
Depreciable capital assets, net	254		254
Total Noncurrent Assets	254		254
Total Assets	8,459,338	46,390	8,505,728
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	583,085	36,160	619,245
Related to OPEB	220,124	13,171	233,295
Total Deferred Outflows of Resources	803,209	49,331	852,540
LIABILITIES:			
Current Liabilities:			
Accounts payable	21,643	1,920	23,563
Accrued liabilities	79,763	4,790	84,553
Due to other funds		232,283	232,283
Compensated absences, due within one year	86,609		86,609
Total Current Liabilities	188,015	238,993	427,008
Noncurrent Liabilities:			
Compensated absences, due in more than one year	26,583		26,583
Net pension liabilities, due in more than one year	2,441,197	151,391	2,592,588
Net OPEB liabilities, due in more than one year	912,826	54,618	967,444
Total Noncurrent Liabilities	3,380,606	206,009	3,586,615
Total Liabilities	3,568,621	445,002	4,013,623
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	6,024	374	6,398
Related to OPEB	263,495	15,766	279,261
Total Deferred Inflows of Resources	269,519	16,140	285,659
NET POSITION:			
Net investments in capital assets	254		254
Unrestricted	5,424,153	(365,421)	5,058,732
Total Net Position	\$5,424,407	(\$365,421)	\$5,058,986

CITY OF HAYWARD
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Stormwater	Recycling	Total
OPERATING REVENUES:			
Charges for services	\$2,840,995	\$449,850	\$3,290,845
Miscellaneous	14,614		14,614
Total Operating Revenues	2,855,609	449,850	3,305,459
OPERATING EXPENSES:			
Salaries and related expenses	1,739,384	(26,175)	1,713,209
Materials, supplies and services	840,401	25,488	865,889
Repairs and maintenance	20,883		20,883
Depreciation	164		164
Total Operating Expenses	2,600,832	(687)	2,600,145
Operating Income (Loss)	254,777	450,537	705,314
NONOPERATING REVENUES:			
Net investment income	74,418	(72)	74,346
Net Nonoperating Revenues	74,418	(72)	74,346
Income (Loss) Before Contributions and Transfers	329,195	450,465	779,660
TRANSFERS			
Transfers in		610,000	610,000
Transfers (out)	(440,645)	(797,925)	(1,238,570)
Net Transfers	(440,645)	(187,925)	(628,570)
CHANGE IN NET POSITION	(111,450)	262,540	151,090
BEGINNING NET POSITION	5,535,857	(627,961)	4,907,896
ENDING NET POSITION	\$5,424,407	(\$365,421)	\$5,058,986

NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Stormwater</u>	<u>Recycling</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$2,932,896	\$449,850	\$3,382,746
Payments to suppliers	(854,892)	(23,356)	(878,248)
Payments to employees	(2,180,518)	(140,967)	(2,321,485)
Net Cash Flows From Operating Activities	<u>(102,514)</u>	<u>285,527</u>	<u>183,013</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Interfund receipts		(97,530)	(97,530)
Transfers in		610,000	610,000
Transfers (out)	(440,645)	(797,925)	(1,238,570)
Net Cash Flows From Noncapital and Related Financing Activities	<u>(440,645)</u>	<u>(285,455)</u>	<u>(726,100)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	74,418	(72)	74,346
Net Cash Flows From Investing Activities	<u>74,418</u>	<u>(72)</u>	<u>74,346</u>
NET CASH FLOWS	(468,741)		(468,741)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	<u>7,231,770</u>		<u>7,231,770</u>
CASH AND EQUIVALENTS AT END OF PERIOD	<u>\$6,763,029</u>		<u>\$6,763,029</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$254,777	\$450,537	\$705,314
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	164		164
Change in assets and liabilities:			
Receivables, net	77,382	(18,000)	59,382
Due from other governments	(95)		(95)
Accounts payable and other accrued expenses	6,392	2,132	8,524
Due to retirement system	(186,869)	(86,810)	(273,679)
Due to OPEB	(255,099)	(62,332)	(317,431)
Compensated absences	834		834
Net Cash Flows From Operating Activities	<u>(\$102,514)</u>	<u>\$285,527</u>	<u>\$183,013</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

CITY OF HAYWARD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2023

	Workers' Compensation Insurance*	General Liability	Facilities Management
ASSETS:			
Current Assets:			
Cash and investments	\$32,527,194	\$3,648,239	\$1,747,594
Accounts receivable, net	220,615	1,694	10,242
Deposits, parts, supplies and other	208,738		
Due from other governments			
Total Current Assets	32,956,547	3,649,933	1,757,836
Noncurrent Assets:			
Long-term loans to the Private Purpose Trust Fund		27,021	
Land			372,748
Construction in progress			454,638
Depreciable capital assets, net			2,786,170
Total Noncurrent Assets		27,021	3,613,556
Total Assets	32,956,547	3,676,954	5,371,392
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	221,482	162,722	524,325
Related to OPEB	80,298	61,619	198,051
Total Deferred Outflows of Resources	301,780	224,341	722,376
LIABILITIES:			
Current Liabilities:			
Accounts payable	61,757	98,829	534,971
Accrued interest			
Accrued liabilities*	15,631,935	8,945,816	81,349
Unearned revenue	3,800		9,107
Refundable deposits			9,237
Compensated absences, due within one year	35,505	32,114	118,362
Long-term debt, due within one year			
Subscription liabilities, due within one year			
Total Current Liabilities	15,732,997	9,076,759	753,026
Noncurrent Liabilities:			
Compensated absences, due in more than one year	8,224	7,439	27,418
Net pension liabilities, due in more than one year	927,275	681,263	2,195,183
Net OPEB liabilities, due in more than one year	332,987	255,524	821,292
Long-term debt, due in more than one year			
Subscription liabilities, due in more than one year			
Total Noncurrent Liabilities	1,268,486	944,226	3,043,893
Total Liabilities	17,001,483	10,020,985	3,796,919
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	2,289	1,681	5,417
Related to OPEB	96,120	73,759	237,072
Total Deferred Inflows of Resources	98,409	75,440	242,489
NET POSITION:			
Net investments in capital assets			3,613,556
Unrestricted	16,158,435	(6,195,130)	(1,559,196)
Total Net Position	\$16,158,435	(\$6,195,130)	\$2,054,360

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

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$9,315,389	\$5,612,839	\$4,790,305	\$57,641,560
143,516	89,230		465,297
	198		208,936
82,471			82,471
<u>9,541,376</u>	<u>5,702,267</u>	<u>4,790,305</u>	<u>58,398,264</u>
			27,021
			372,748
44,341	12,921		511,900
<u>14,779,397</u>	<u>3,802,000</u>		<u>21,367,567</u>
<u>14,823,738</u>	<u>3,814,921</u>		<u>22,279,236</u>
<u>24,365,114</u>	<u>9,517,188</u>	<u>4,790,305</u>	<u>80,677,500</u>
			2,504,103
619,246	976,328		1,002,000
294,873	367,159		
<u>914,119</u>	<u>1,343,487</u>		<u>3,506,103</u>
			1,792,016
560,265	528,921	7,273	7,223
2,023	5,200		24,904,782
82,220	163,462		52,420
7,071	32,442		9,237
90,462	308,894		585,337
234,365			234,365
	170,025		170,025
<u>976,406</u>	<u>1,208,944</u>	<u>7,273</u>	<u>27,755,405</u>
			135,589
20,955	71,553		10,483,893
2,592,585	4,087,587		4,155,163
1,222,800	1,522,560		144,423
144,423			198,909
	198,909		
<u>3,980,763</u>	<u>5,880,609</u>		<u>15,117,977</u>
<u>4,957,169</u>	<u>7,089,553</u>	<u>7,273</u>	<u>42,873,382</u>
			25,869
6,398	10,084		1,199,422
352,971	439,500		
<u>359,369</u>	<u>449,584</u>		<u>1,225,291</u>
			21,504,493
14,444,950	3,445,987		18,580,437
5,517,745	(124,449)	4,783,032	
<u>\$19,962,695</u>	<u>\$3,321,538</u>	<u>\$4,783,032</u>	<u>\$40,084,930</u>

CITY OF HAYWARD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Workers' Compensation Insurance	General Liability	Facilities Management
OPERATING REVENUES			
Charges for services	\$10,907,397		\$4,829,578
Other		\$109,337	211,371
Total Operating Revenues	10,907,397	109,337	5,040,949
OPERATING EXPENSES			
Salaries and related expenses	780,597	769,713	1,265,445
Materials, supplies and services	684,490	6,229,753	2,003,381
Repairs and maintenance			1,457,764
Self-funded insurance expense	5,411,985	2,422,838	
Depreciation			120,449
Total Operating Expenses	6,877,072	9,422,304	4,847,039
Operating Income (Loss)	4,030,325	(9,312,967)	193,910
NONOPERATING REVENUES (EXPENSES)			
Investment income	319,593	35,231	17,899
Interest (expense)			
(Loss) on disposal of capital assets			
Total Nonoperating Revenues (Expenses)	319,593	35,231	17,899
Income (Loss) Before Transfers	4,349,918	(9,277,736)	211,809
CONTRIBUTIONS AND TRANSFERS			
Transfers in		7,379,962	980,467
Transfers (out)	(7,102,583)	(15,613)	(111,252)
Net Contributions and Transfers	(7,102,583)	7,364,349	869,215
CHANGE IN NET POSITION	(2,752,665)	(1,913,387)	1,081,024
BEGINNING NET POSITION (DEFICIT)	18,911,100	(4,281,743)	973,336
ENDING NET POSITION (DEFICIT)	\$16,158,435	(\$6,195,130)	\$2,054,360

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$8,041,629	\$7,649,136	\$3,647,671	\$35,075,411
	878,805	5,464	1,204,977
<u>8,041,629</u>	<u>8,527,941</u>	<u>3,653,135</u>	<u>36,280,388</u>
2,093,522	4,179,846		9,089,123
1,151,586	3,463,303	749,648	14,282,161
1,547,365	1,893,373		4,898,502
	888	6,202,737	14,038,448
<u>2,481,781</u>	<u>613,142</u>		<u>3,215,372</u>
<u>7,274,254</u>	<u>10,150,552</u>	<u>6,952,385</u>	<u>45,523,606</u>
<u>767,375</u>	<u>(1,622,611)</u>	<u>(3,299,250)</u>	<u>(9,243,218)</u>
107,523	219,307	45,498	745,051
(14,660)			(14,660)
<u>(258,014)</u>	<u>(19,551)</u>		<u>(277,565)</u>
<u>(165,151)</u>	<u>199,756</u>	<u>45,498</u>	<u>452,826</u>
<u>602,224</u>	<u>(1,422,855)</u>	<u>(3,253,752)</u>	<u>(8,790,392)</u>
908,719	1,177,260	3,545,659	13,992,067
<u>(174,324)</u>	<u>(225,516)</u>		<u>(7,629,288)</u>
<u>734,395</u>	<u>951,744</u>	<u>3,545,659</u>	<u>6,362,779</u>
1,336,619	(471,111)	291,907	(2,427,613)
<u>18,626,076</u>	<u>3,792,649</u>	<u>4,491,125</u>	<u>42,512,543</u>
<u>\$19,962,695</u>	<u>\$3,321,538</u>	<u>\$4,783,032</u>	<u>\$40,084,930</u>

CITY OF HAYWARD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

	Workers' Compensation Insurance	General Liability	Facilities Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$10,867,254	\$109,337	\$5,061,620
Payments to suppliers	(4,258,020)	(7,958,883)	(3,385,499)
Payments to employees	(849,344)	(903,576)	(2,090,384)
Cash Flows from Operating Activities	<u>5,759,890</u>	<u>(8,753,122)</u>	<u>(414,263)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in		7,379,962	980,467
Transfers out	(7,102,583)	(15,613)	(111,252)
Cash Flows from Noncapital Financing Activities	<u>(7,102,583)</u>	<u>7,364,349</u>	<u>869,215</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets			(524,638)
Principal payments on capital debt			
Interest paid on capital debt			
Cash Flows from Capital and Related Financing Activities			<u>(524,638)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	319,593	35,231	17,899
Cash Flows from Investing Activities	<u>319,593</u>	<u>35,231</u>	<u>17,899</u>
Net increase (decrease) in cash and cash equivalents	(1,023,100)	(1,353,542)	(51,787)
Cash and cash equivalents at beginning of period	<u>33,550,294</u>	<u>5,001,781</u>	<u>1,799,381</u>
Cash and cash equivalents at end of period	<u>\$32,527,194</u>	<u>\$3,648,239</u>	<u>\$1,747,594</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$4,030,325	(\$9,312,967)	\$193,910
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation			120,449
Change in assets and liabilities:			
Receivables, net	(31,405)		12,471
Deposits, parts, supplies and other	(8,738)		
Due from other governments			
Accounts payable and other accrued expenses	1,838,455	693,708	75,646
Due to retirement system	(10,319)	(53,282)	(440,147)
Due to OPEB	(75,469)	(71,040)	(389,619)
Compensated absences	17,041	(9,541)	4,827
Unearned revenue			8,200
Cash Flows from Operating Activities	<u>\$5,759,890</u>	<u>(\$8,753,122)</u>	<u>(\$414,263)</u>
NON-CASH TRANSACTIONS:			
Retirement of capital assets			

Fleet Management	Technology Services	Employee Benefits	Total
\$8,168,406	\$8,533,189	\$3,653,135	\$36,392,941
(2,659,844)	(5,428,188)	(6,952,385)	(30,642,819)
(1,923,924)	(4,306,084)		(10,073,312)
<u>3,584,638</u>	<u>(1,201,083)</u>	<u>(3,299,250)</u>	<u>(4,323,190)</u>
908,719	1,177,260	3,545,659	13,992,067
(174,324)	(225,516)		(7,629,288)
<u>734,395</u>	<u>951,744</u>	<u>3,545,659</u>	<u>6,362,779</u>
(1,870,749)	(156,347)		(2,551,734)
(227,551)	(171,976)		(399,527)
(16,268)			(16,268)
<u>(2,114,568)</u>	<u>(328,323)</u>		<u>(2,967,529)</u>
107,523	224,507	45,498	750,251
<u>107,523</u>	<u>224,507</u>	<u>45,498</u>	<u>750,251</u>
2,311,988	(353,155)	291,907	(177,689)
<u>7,003,401</u>	<u>5,965,994</u>	<u>4,498,398</u>	<u>57,819,249</u>
<u>\$9,315,389</u>	<u>\$5,612,839</u>	<u>\$4,790,305</u>	<u>\$57,641,560</u>
\$767,375	(\$1,622,611)	(\$3,299,250)	(\$9,243,218)
2,481,781	613,142		3,215,372
127,839	(14,578)		94,327
76,855	(198)		67,919
(77,917)			(77,917)
39,107	(70,624)		2,576,292
31,958	74,021		(397,769)
130,564	(204,806)		(610,370)
7,076	4,547		23,950
	20,024		28,224
<u>\$3,584,638</u>	<u>(\$1,201,083)</u>	<u>(\$3,299,250)</u>	<u>(\$4,323,190)</u>
<u>(\$258,014)</u>	<u>(\$19,551)</u>		<u>(\$277,565)</u>

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CUSTODIAL FUNDS

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

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

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

Other Agency Funds – Accounts for activities of Hayward Coalition for Youth, 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, 2023

	Custodial Funds			Total
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Other Custodial Funds	
ASSETS:				
Cash and investments	\$3,816,790	\$1,036,425	\$210,692	\$5,063,907
Cash and investments with fiscal agents	363,434			363,434
Accounts receivable, net	3,053	844		3,897
Due from other governments	57,796		1,541	59,337
Deposits, parts, supplies and other	201,524			201,524
Total Assets	4,442,597	1,037,269	212,233	5,692,099
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	31	2,846	152,048	154,925
Deferred revenue	54,987	844		55,831
Refundable deposits	213,128		11,393	224,521
Total Liabilities	268,146	3,690	163,441	435,277
NET POSITION				
Restricted for:				
Organizations and other governments		1,033,579	48,792	1,082,371
Bondholders	4,174,451			4,174,451
Total Net Position	\$4,174,451	\$1,033,579	\$48,792	\$5,256,822

CITY OF HAYWARD
 COMBINING STATEMENT OF CHANGES IN CUSTODIAL FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds			Total
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Other Custodial Funds	
ADDITIONS				
Property tax	\$1,097,551			\$1,097,551
Special assessment			\$178,364	178,364
Other revenue		\$1,163,504	(14,262)	1,149,242
Investment income	50,300	12,305	267	62,872
Total additions	1,147,851	1,175,809	164,369	2,488,029
DEDUCTIONS				
Maintenance services	495,034	11,769	16,509	523,312
Contractual services		992,171	296,833	1,289,004
Payments to bondholders	376,712			376,712
Interest and fiscal charges	186,355			186,355
Total deductions	1,058,101	1,003,940	313,342	2,375,383
Net change in position	89,750	171,869	(148,973)	112,646
Net position - beginning	4,084,701	861,710	197,765	5,144,176
Net position - ending	<u>\$4,174,451</u>	<u>\$1,033,579</u>	<u>\$48,792</u>	<u>\$5,256,822</u>

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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:

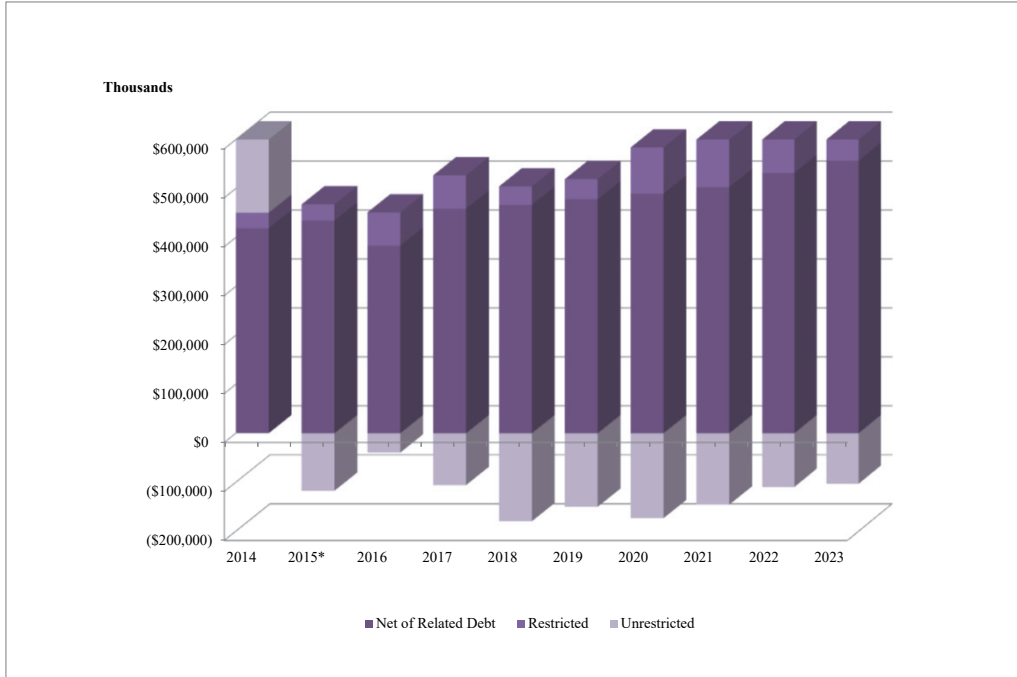
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

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.

	2014	2015*	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$290,077,936	\$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
Restricted	31,382,199	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
Unrestricted	43,176,179	(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)
Total governmental activities net position	\$364,636,314	\$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
Business-type activities										
Net investment in capital assets	\$128,869,837	\$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
Restricted							284,001	2	2	1
Unrestricted	143,368,162	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
Total business-type activities net position	\$272,237,999	\$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
Primary government										
Net investment in capital assets	\$418,947,773	\$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
Restricted	31,382,199	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
Unrestricted	186,544,341	(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)
Total primary government net position	\$636,874,313	\$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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses					
Governmental Activities:					
General Government	\$11,989,512	\$16,245,827	\$14,192,819	\$16,158,933	\$36,743,529
Public Safety	102,494,680	106,541,527	118,423,530	128,069,028	136,621,829
Public Works and Transportation	8,851,489	12,295,579	14,414,107	25,599,837	24,077,319
Library and Community Services	8,073,175	5,150,554	9,047,644	7,056,242	10,673,935
Economic Development	1,432,514	835,342	1,762,937	152,175	1,480,505
Planning and Building	6,293,037	6,831,521	7,281,726	8,628,739	11,093,298
Maintenance Services	4,790,594	5,798,009	6,156,886	8,288,824	11,482,643
Community Development					
Culture and Leisure					
Nondepartmental					
Interest on Long Term Debt	1,131,490	1,400,778	1,490,140	3,078,848	3,238,555
Total Governmental Activities Expenses	<u>145,056,491</u>	<u>155,099,137</u>	<u>172,769,788</u>	<u>197,032,626</u>	<u>235,411,613</u>
Business-Type Activities:					
Sewer	17,443,979	19,967,350	23,757,316	22,755,149	19,762,825
Water	38,252,368	36,953,171	38,253,454	46,225,355	52,084,024
Airport	3,443,655	3,489,917	3,976,602	6,348,333	4,236,680
Centennial Hall Maintenance and Operation					
Stormwater	2,419,567	2,373,574	3,042,678	2,450,088	2,817,649
Recycling					
Total Business-Type Activities Expenses	<u>61,559,569</u>	<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>\$206,616,060</u>	<u>\$217,883,149</u>	<u>\$241,799,838</u>	<u>\$274,811,551</u>	<u>\$314,312,791</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$3,348,209	\$3,404,484	\$3,513,507	\$2,627,359	\$3,920,063
Public Safety	3,332,950	3,311,997	3,585,912	4,638,881	4,859,695
Public Works and Transportation	4,121,654	4,966,061	5,620,367	7,009,479	6,019,771
Library and Community Services	85,256	116,787	1,312,128	2,537,062	317,596
Economic Development	2,749,344	1,292,172			
Planning and Building	5,026,469	4,536,430	6,060,654	6,926,489	6,294,675
Maintenance Services	1,243,660	1,504,197	1,088,664	1,488,851	1,555,141
Community Development					
Culture and Leisure					
Nondepartmental					
Operating Grants and Contributions	7,634,799	10,587,001	13,611,989	11,984,727	10,626,753
Capital Grants and Contributions	9,066,354	5,807,599	31,255,350	1,463,593	2,472,715
Total Government Activities Program Revenues	<u>36,608,695</u>	<u>35,526,728</u>	<u>66,048,571</u>	<u>38,676,441</u>	<u>36,066,409</u>

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

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Business-Type Activities:					
Charges for Services:					
Sewer	25,527,904	28,389,311	33,557,099	27,000,318	26,374,872
Water	47,045,822	44,704,910	46,264,199	53,565,672	59,385,204
Airport	3,365,514	2,995,362	3,239,400	4,161,002	3,426,086
Centennial Hall Maintenance & Operation					
Stormwater	2,777,228	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>78,716,468</u>	<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>\$115,325,163</u>	<u>\$114,449,014</u>	<u>\$152,004,070</u>	<u>\$127,631,898</u>	<u>\$128,418,417</u>
Net (Expense)/Revenue					
Governmental Activities	(\$108,447,796)	(\$119,572,409)	(\$106,721,218)	(\$158,356,185)	(\$199,345,204)
Business-Type Activities	17,156,899	16,138,274	16,925,449	11,176,532	13,450,830
Total Primary Government Net Expense	<u>(\$91,290,897)</u>	<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>(\$91,290,897)</u>	<u>(\$103,434,135)</u>	<u>(\$89,795,769)</u>	<u>(\$147,179,653)</u>	<u>(\$185,894,374)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	\$39,456,863	\$42,740,159	\$44,750,688	\$48,768,731	\$52,136,552
Incremental Property Tax					
Special Assessments					
Sales Taxes	31,019,079	39,148,631	46,495,377	48,848,674	48,550,524
Utility Users Tax	15,761,544	15,680,721	22,040,616	20,753,813	17,487,828
Real Property Transfer Tax	4,878,857	5,710,272	7,849,464	8,349,727	9,168,329
Franchise Tax	9,488,631	10,127,647	10,139,140	9,646,261	9,647,904
Business Tax	2,649,279	2,634,539	2,603,305	3,664,550	4,550,835
Excise Tax	1,694,229	2,142,691	3,782,330	2,226,200	2,261,598
Other Taxes	6,748,616	6,314,878	5,774,001	5,607,637	6,924,304
Motor Vehicle in-lieu, Unrestricted	64,954	62,743	61,688	71,223	84,769
Investment Earnings	424,910	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	3,473,568	2,996,956	5,505,290	5,130,121	5,514,057
Transfers (refer to CAFR Footnote 4)	2,458,989	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>118,119,519</u>	<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	650,066	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)	(2,458,989)	(2,618,309)	(2,801,309)	(2,861,623)	(2,621,785)
Total Business-Type Activities General Revenues and Transfers	<u>(1,808,923)</u>	<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>\$116,310,596</u>	<u>\$128,089,074</u>	<u>\$151,426,683</u>	<u>\$156,580,485</u>	<u>\$158,691,622</u>
Change in Net Position					
Governmental Activities	\$9,671,723	\$10,601,453	\$46,487,604	(\$834,996)	(\$39,093,174)
Business-Type Activities	15,347,976	14,053,486	15,143,310	10,235,828	11,890,422
Total Primary Government	<u>\$25,019,699</u>	<u>\$24,654,939</u>	<u>\$61,630,914</u>	<u>\$9,400,832</u>	<u>(\$27,202,752)</u>

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
37,064,893	30,078,797	30,144,384	31,457,157	35,253,101
61,614,956	61,951,757	61,842,042	61,480,757	58,569,056
3,611,746	3,616,344	3,610,821	3,900,365	3,906,588
3,328,818	5,019,351	3,633,200	3,618,896	2,855,609
	119,683	42,546	104,027	449,850
<u>105,620,413</u>	<u>100,785,932</u>	<u>99,272,993</u>	<u>100,561,202</u>	<u>101,034,204</u>
<u>\$151,353,759</u>	<u>\$143,079,506</u>	<u>\$157,593,790</u>	<u>\$162,779,906</u>	<u>\$177,184,926</u>
(\$175,093,564)	(\$177,877,548)	(\$172,174,972)	(\$147,183,696)	(\$188,278,814)
29,887,799	26,366,603	21,769,844	21,421,588	13,031,008
<u>(\$145,205,765)</u>	<u>(\$151,510,945)</u>	<u>(\$150,405,128)</u>	<u>(\$125,762,108)</u>	<u>(\$175,247,806)</u>
<u>(\$145,205,765)</u>	<u>(\$151,510,945)</u>	<u>(\$150,405,128)</u>	<u>(\$125,762,108)</u>	<u>(\$175,247,806)</u>
\$55,970,615	\$58,939,316	\$62,227,460	\$64,950,195	\$70,287,589
52,917,415	56,566,457	58,652,032	64,666,358	66,932,441
16,935,327	16,065,943	17,267,592	17,308,117	25,944,798
12,256,155	12,150,286	17,120,032	21,226,290	12,356,957
9,730,173	10,581,960	10,624,234	10,515,952	11,906,945
4,415,292	4,057,795	4,365,441	3,996,798	4,098,698
2,329,766	2,383,998	2,070,754	1,958,345	2,205,810
8,637,556	8,505,009	8,497,353	9,879,685	11,064,218
77,775	126,184	117,578	182,633	168,068
3,277,620	3,272,624	1,124,743	(3,912,851)	3,613,671
10,982,198		3,390,000		
		82,854	37,265	
				(277,565)
7,837,732	15,167,508	18,633,107	9,449,880	5,096,781
3,665,266	3,054,013	3,185,444	4,112,715	
				4,400,256
<u>189,032,890</u>	<u>190,871,093</u>	<u>207,358,624</u>	<u>204,371,382</u>	<u>217,798,667</u>
4,305,963	5,088,464	1,081,381	(4,862,077)	3,171,037
(111,379)			(965,799)	
<u>(3,665,266)</u>	<u>(3,054,013)</u>	<u>(3,185,444)</u>	<u>(4,112,715)</u>	<u>(4,400,256)</u>
529,318	2,034,451	(2,104,063)	(9,940,591)	(1,229,219)
<u>\$189,562,208</u>	<u>\$192,905,544</u>	<u>\$205,254,561</u>	<u>\$194,430,791</u>	<u>\$216,569,448</u>
\$13,939,326	\$12,993,545	\$35,183,652	\$57,187,686	\$29,519,853
30,417,117	28,401,054	19,665,781	11,480,997	11,801,789
<u>\$44,356,443</u>	<u>\$41,394,599</u>	<u>\$54,849,433</u>	<u>\$68,668,683</u>	<u>\$41,321,642</u>

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



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

(a) The change in total fund balance for the General Fund and All Other Governmental Funds is explained in Management's Discussion and Analysis. The detail of Fund balance is explained in Note 10 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)

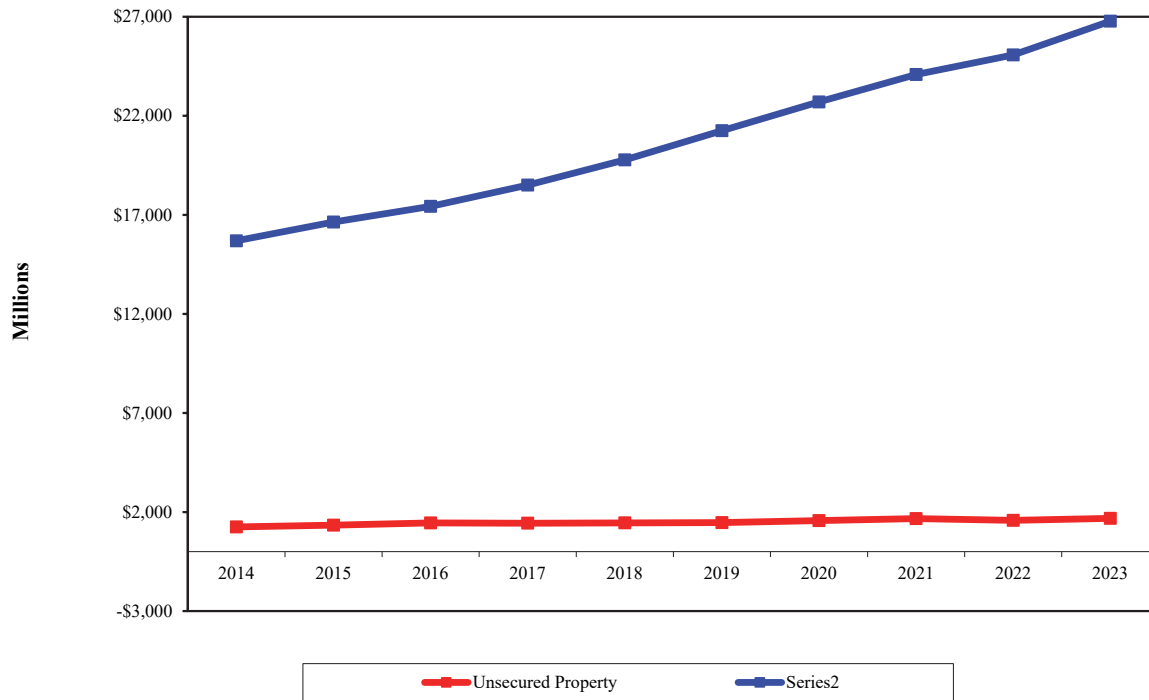
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Property Taxes	\$38,971,067	\$42,128,306	\$44,159,430	\$47,195,566	\$51,235,946
Property Tax Increment					
Sales Taxes	31,019,079	39,148,631	46,495,377	48,848,674	48,550,524
Utility Users Taxes	15,761,544	15,680,721	22,040,616	20,753,813	17,487,828
Other Taxes	21,310,770	23,424,572	26,554,046	27,518,428	28,116,819
Licenses and permits	4,078,392	5,031,300	6,316,823	7,766,510	7,091,074
Fines and forfeitures	2,285,486	2,549,034	2,341,565	2,499,964	2,487,183
Special Assessments	972,339	980,329	1,166,399	1,026,071	1,003,388
Use of money and property	635,092	357,388	561,895	1,746,291	1,644,775
Intergovernmental revenues	33,839,482	22,647,381	37,101,458	28,403,369	23,151,743
Fees and charges for services	8,172,604	7,639,834	9,885,890	5,889,181	7,360,450
Reimbursement from Developer	252,910				
Gain on Sale					
Other	2,402,380	5,002,806	7,909,582	11,082,590	6,084,935
Total Revenues	<u>159,701,145</u>	<u>164,590,302</u>	<u>204,533,081</u>	<u>202,730,457</u>	<u>194,214,665</u>
Expenditures					
Current:					
General government	10,551,378	13,702,855	12,675,974	13,182,512	14,309,144
Public safety	91,851,849	96,719,824	105,164,624	110,461,347	110,621,648
Public works and transportation	3,764,567	6,623,943	3,850,989	4,001,258	3,772,501
Library and community services	7,004,537	6,748,325	8,371,078	6,678,908	7,638,673
Economic development	2,017,787	763,285	1,984,194	56,797	81,274
Planning and building	5,981,108	6,495,171	7,382,233	8,497,395	8,372,228
Maintenance services	4,591,395	5,581,077	6,279,365	7,711,268	7,720,401
Nondepartmental					
Capital outlay	22,587,661	30,819,943	39,864,835	48,972,280	47,870,707
Debt service:					
Principal	2,216,033	2,156,489	2,397,381	2,561,048	2,676,156
Interest and fiscal charges	1,093,538	1,158,708	1,055,901	3,303,835	3,321,225
Bond issuance cost			1,054,619	2,972	
Pass-through payments					
Total Expenditures	<u>151,659,853</u>	<u>170,769,620</u>	<u>190,081,193</u>	<u>205,429,620</u>	<u>206,383,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,041,292</u>	<u>(6,179,318)</u>	<u>14,451,888</u>	<u>(2,699,163)</u>	<u>(12,169,292)</u>
Other Financing Sources (Uses)					
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)	2,488,880	5,500,000			
Proceeds from capital lease					
Gain on land held for resale					
Transfers in (refer to ACFR Footnote 4)	16,346,295	9,012,179	25,098,265	40,553,431	13,461,040
Transfers out (refer to ACFR Footnote 4)	(22,375,934)	(12,188,316)	(27,899,357)	(44,118,007)	(17,962,337)
Total other financing sources (uses)	<u>(3,540,759)</u>	<u>2,323,863</u>	<u>70,657,487</u>	<u>(3,564,576)</u>	<u>(4,501,297)</u>
Extraordinary Item (Refer to ACFR Footnote 19)					
Net Change in fund balances	<u>\$4,500,533</u>	<u>(\$3,855,455)</u>	<u>\$85,109,375</u>	<u>(\$6,263,739)</u>	<u>(\$16,670,589)</u>
Debt service as a percentage of noncapital expenditures	2.6%	2.4%	2.4%	3.8%	3.5%
Non-capitalized capital outlay					17,768,968

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

Fiscal Years Ended June 30,

2019	2020	2021	2022	2023
\$54,467,978	\$58,431,804	\$61,196,409	\$63,524,226	\$68,458,487
52,917,415	56,566,457	58,652,032	64,666,358	66,932,441
16,935,327	16,065,943	17,267,592	17,308,117	25,944,798
32,658,149	31,774,255	36,672,642	42,293,995	36,987,146
7,814,026	6,435,587	5,439,030	7,040,991	7,959,299
2,670,298	2,210,385	2,194,569	2,908,314	2,680,493
1,059,378	1,297,894	1,408,903	1,427,107	1,547,811
3,473,471	3,901,043	1,729,716	(2,085,572)	3,129,954
28,991,082	28,937,153	38,526,058	42,581,105	52,257,273
7,373,160	5,585,549	9,712,963	8,305,207	4,506,630
10,982,198				
10,689,323	18,289,406	24,378,704	17,150,080	18,779,649
230,031,805	229,495,476	257,178,618	265,119,928	289,183,981
15,335,579	14,607,161	13,971,584	19,264,532	21,750,190
118,169,989	123,148,622	129,477,772	135,547,462	144,815,357
8,850,429	6,849,771	8,198,266	9,841,151	10,664,999
7,722,543	8,707,212	9,123,989	10,597,268	12,948,082
1,512,567	1,576,741	2,350,344	6,674,218	8,705,058
9,229,204	8,618,787	8,712,707	9,576,414	9,442,396
9,973,511	9,840,025	10,752,525	12,017,944	13,234,112
45,601,421	34,471,404	40,657,890	53,296,125	38,525,972
5,013,353	5,207,513	5,416,028	6,257,552	6,121,651
3,190,198	3,007,504	2,795,772	2,615,974	2,375,640
224,598,794	216,034,740	231,456,877	265,688,640	268,583,457
5,433,011	13,460,736	25,721,741	(568,712)	20,600,524
			1,063,021	
40,742,247	15,104,770	3,390,000	42,742,446	44,503,979
(48,967,406)	(18,967,012)	12,292,089	(51,427,705)	(46,466,502)
(8,225,159)	(3,862,242)	(17,809,505)	(7,622,238)	(1,962,523)
(\$2,792,148)	\$9,598,494	\$23,594,325	(\$8,190,950)	\$18,638,001
4.2%	4.2%	4.1%	3.9%	3.5%
14,789,030	13,167,567	16,025,372	14,564,462	12,224,749

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



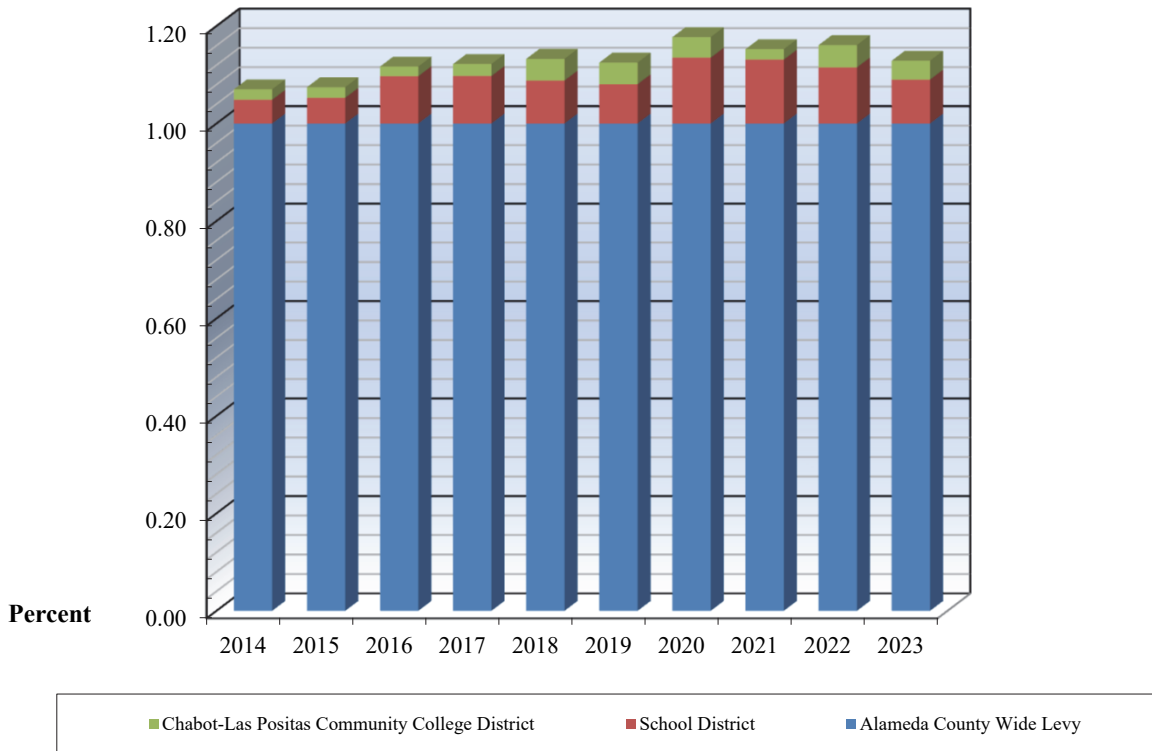
Fiscal Year	Total Secured Property	Total Unsecured Property	Total Assessed (c)	Estimated Full Market (a)	Direct Tax Rate (b)
2014	\$15,692,946,952	\$1,249,273,320	\$16,942,220,272	\$16,942,220,272	1%
2015	16,639,488,990	1,340,155,668	17,979,644,658	17,979,644,658	1%
2016	17,432,403,170	1,452,793,040	18,885,196,210	18,885,196,210	1%
2017	18,505,587,803	1,439,106,697	19,944,694,500	19,944,694,500	1%
2018	19,779,304,369	1,454,651,151	21,233,955,520	21,233,955,520	1%
2019	21,249,763,958	1,469,205,980	22,718,969,938	22,718,969,938	1%
2020	22,702,279,301	1,570,761,064	24,273,040,365	24,273,040,365	1%
2021	24,086,121,795	1,669,659,173	25,755,780,968	25,755,780,968	1%
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%

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
2014	1.0000	0.0018	0.0000	0.0486	0.0214	0.0075		0.0078	1.0871
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

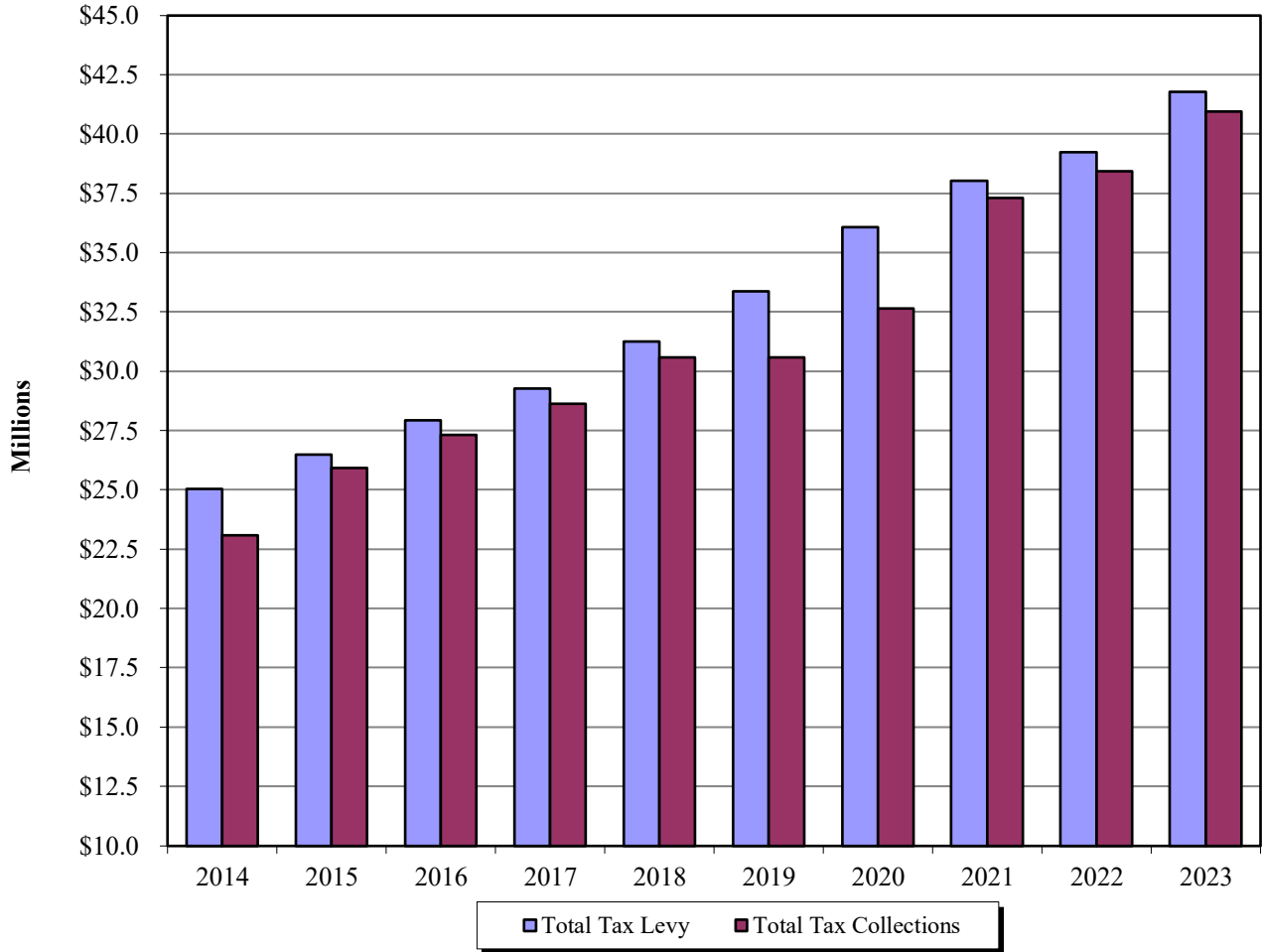
**City of Hayward
Principal Property Tax Payers
Current Year and Ten Years Ago**

Employer	FY 2023			FY 2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PSB Northern Calif Industrial Portfolio LLC						
Russell City Energy Company, LLC	\$ 254,500,000	1	0.008941574	\$ 665,830,000	1	
Southland Mall LP	256,029,619	2	0.008995316	150,564,034	3	0.90%
PSB Northern Calif Industrial Portfolio LLC	229,550,133	3	0.008064989			
Lincoln Landing Property Owner Llc	193,027,656	4	0.006781812			
Hayward 544 Llc	176,945,440	7	0.006216781			
Gi Ets Hayward Llc	158,100,000	5	0.005554668			0.60%
California Community Housing Agency	106,819,923	6	0.003752999			0.60%
Hayward Point Eden I Limited Partnership	114,808,487	8	0.004033668	96,984,966	6	
Centerpoint Properties Trust	109,366,332	9	0.003842464			
Hayward Industrial Park Associates	106,998,292	10	0.003759266	92,211,890	7	
Bottling Group LLC				121,965,004	4	0.80%
SCI Limited Partnership				86,946,227	8	0.60%
Northern Cal Industrial Portfolio				196,975,878	2	1.20%
Berkeley Farm Inc.				104,387,441	5	0.70%
Guardian KW Hayward LLC				88,231,084	9	0.40%
Impax Laboratories Inc.				75,169,784	10	0.50%
Essex Wimbledon Woods Apartments, LLC						0.40%
Subtotal	\$ 1,706,145,882		5.99%	\$ 1,679,266,308		9.91%

Total Assessed Valuation:
Fiscal Year 2022/2023 \$28,462,549,078
Fiscal Year 2013/2014 16,942,220,272

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls

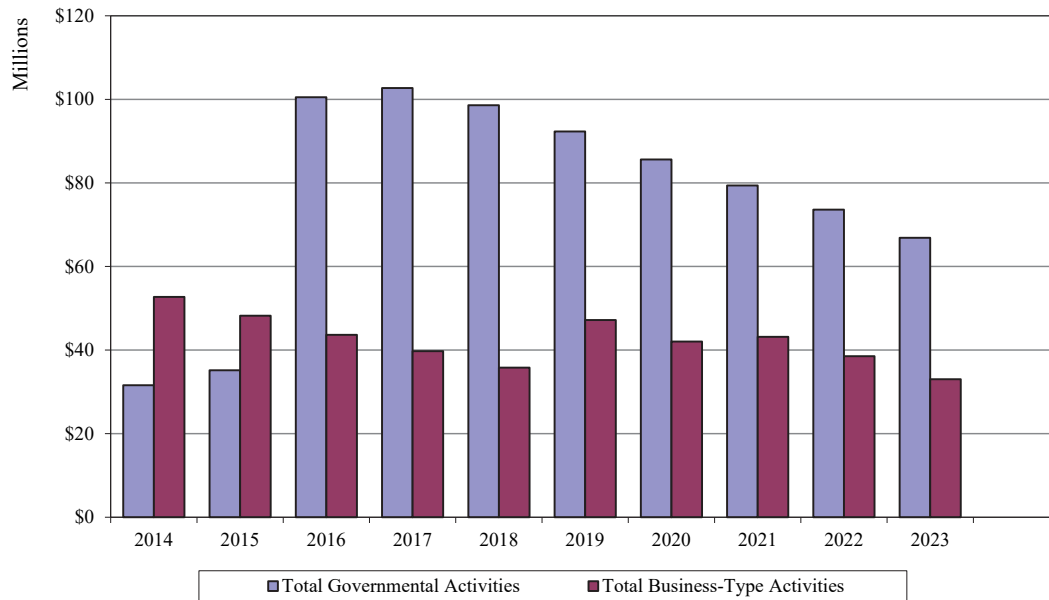
**CITY OF HAYWARD
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



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
2014	\$25,027,044	\$24,356,397	97.32%	\$399,535	\$23,088,930	92.26%
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%

Source: Alameda County Assessor Office

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



Fiscal Year	Governmental Activities				Total
	Tax Allocation Bonds	Certificates of Participation	Revenue Bonds	Capital Lease Obligations	
2014	0 (a)	22,895,000	\$3,003,880	\$5,699,806	\$31,598,686
2015	0 (a)	21,195,000	2,695,717	11,279,313	35,170,031
2016	0 (a)	87,348,775	2,371,338	10,787,079	100,507,193
2017	0 (a)	91,613,001	2,044,350	9,050,057	102,707,408
2018	0 (a)	89,212,869	1,709,786	7,661,734	98,584,389
2019	0 (a)	84,487,311	1,372,620	6,444,597	92,304,528
2020	0 (a)	79,584,001	1,028,478	5,001,566	85,614,045
2021	0 (a)	74,484,994	681,218	4,225,876	79,392,088
2022	0 (a)	69,185,304	766,118	3,646,076	73,597,498
2023	0 (a)	63,681,521	138,252	3,049,398	66,869,171

Fiscal Year	Business-Type Activities			Total Government	Government Debt Per Capita (b)
	Water Revenue Bonds	Sewer Revenue Bonds	Total		
2014	\$6,570,000	\$46,137,248	\$52,707,248	\$84,305,934	\$558
2015	6,055,000	42,151,592	48,206,592	83,376,623	545.34
2016	5,525,000	38,116,304	43,641,304	144,148,497	906.68
2017	4,980,000	34,755,949	39,735,949	142,443,357	884.52
2018	4,420,000	31,370,520	35,790,520	134,374,909	829.32
2019	3,840,000	43,337,073	47,177,073	139,481,601	874.86
2020	3,245,000	38,786,145	42,031,145	127,645,190	796.23
2021	2,630,000	40,524,958	43,154,958	116,752,456	738.52
2022	2,000,000	36,523,498	38,523,498	112,120,996	709.23
2023	0	33,020,237	33,020,237	99,889,408	625.09

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**

2022-23 Assessed Valuation:	\$ 27,963,145,708
Redevelopment Incremental Valuation:	<u>(3,569,460,554)</u>
Adjusted Assessed Valuation:	\$ 24,393,685,154

	Total Debt 6/30/2023	% Applicable (1)	City's Share of Debt 6/30/2023	
<u>DIRECT DEBT:</u>				
City of Hayward General Fund Obligations	\$ 66,869,171	100.000%	<u>\$ 66,869,171</u>	\$ 66,869,171
Total Direct Debt				\$ 66,869,171

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>				
Alameda County	\$515,890,000	7.46%	\$38,490,553	
Bay Area Rapid Transit District	2,484,285,000	2.936	72,938,608	
Chabot-Las Positas Community College District	756,200,000	17.994	136,070,628	
Castro Valley Unified School District	139,880,000	0.113	158,064	
Hayward Unified School District	748,650,496	86.112	644,677,915	
New Haven Unified School District	245,035,312	13.382	32,790,625	
Pleasanton Unified School District	287,550,000	0.033	94,892	
San Lorenzo Unified School District	214,585,000	15.089	32,378,731	
Washington Township Healthcare District	340,195,000	1.705	5,800,325	
Hayward Area Recreation and Park District	186,590,000	55.613	103,768,297	
East Bay Regional Park District	175,955,000	4.648	8,178,388	
City of Hayward Community Facilities District No. 1	4,236,302	100	4,236,302	
City of Hayward 1915 Act Bonds	55,000	100	55,000	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				\$ 1,079,638,328

Ratios to 2022-23 Assessed Valuation:
Subtotal Overlapping Tax and Assessment Debt 4.43%

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>				
Alameda County General Fund Obligations	\$706,903,500	7.46%	\$52,742,070	
Alameda-Contra Costa Transit District Certificates of Participation	11,220,000	8.807	988,145	
Hayward Unified School District General Fund Obligations	81,561,875	86.112	70,234,562	
Pleasanton Unified School District General Fund Obligations	30,000,000	0.033	9,900	
San Lorenzo Unified School District General Fund Obligations	8,130,000	15.089	1,226,736	
Castro Valley Unified School District Certificates of Participation	4,245,000	0.113	4,797	
Eden Township Healthcare District General Fund Obligations	13,235,000	40.323	5,336,749	
				\$ 130,542,959

<u>OVERLAPPING TAX INCREMENT DEBT(Successor Agencies):</u>	\$43,410,000	7.626 & 100. %	\$23,711,245	<u>\$ 23,711,245</u>
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Total Overlapping Debt				\$ 1,233,892,532
Grand Total Direct and Overlapping Debt				\$ 1,300,761,703 (2)
Combined Total Direct and Overlapping Debt				\$ 1,300,761,703 (2)

Ratio to 2022-23 Assessed Valuation:
Combined Total Direct and Overlapping Tax and Assessment Debt 5.33%

- 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	\$28,462,549,078
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BONDED DEBT LIMIT (15.% OF ASSESSED VALUE)	\$4,269,382,362
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AMOUNT OF DEBT SUBJECT TO LIMIT:

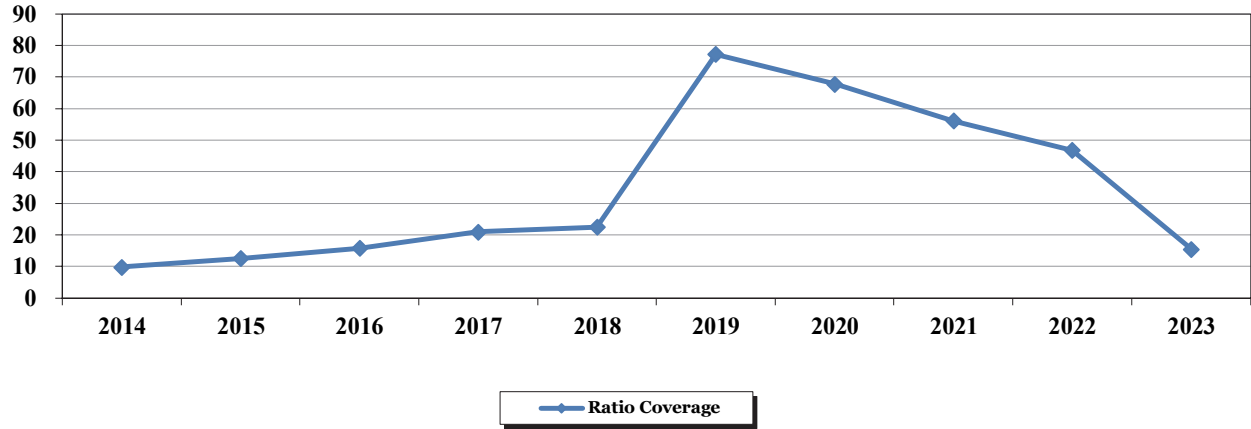
Total Bonded Debt	\$66,869,172
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	66,869,172

Amount of debt subject to limit	0
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LEGAL BONDED DEBT MARGIN	\$4,269,382,362
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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
2014	\$2,541,333,041	0	\$2,541,333,041	0.00%
2015	2,696,946,699	0	2,696,946,699	0.00%
2016	2,832,779,432	0	2,832,779,432	0.00%
2017	2,991,704,175	0	2,991,704,175	0.00%
2018	3,185,093,328	0	3,185,093,328	0.00%
2019	3,407,845,491	0	3,407,845,491	0.00%
2020	3,640,956,055	0	3,640,956,055	0.00%
2021	3,863,367,145	0	3,863,367,145	0.00%
2022	3,998,351,732	0	3,998,351,732	0.00%
2023	4,269,382,362	0	4,269,382,362	0.00%

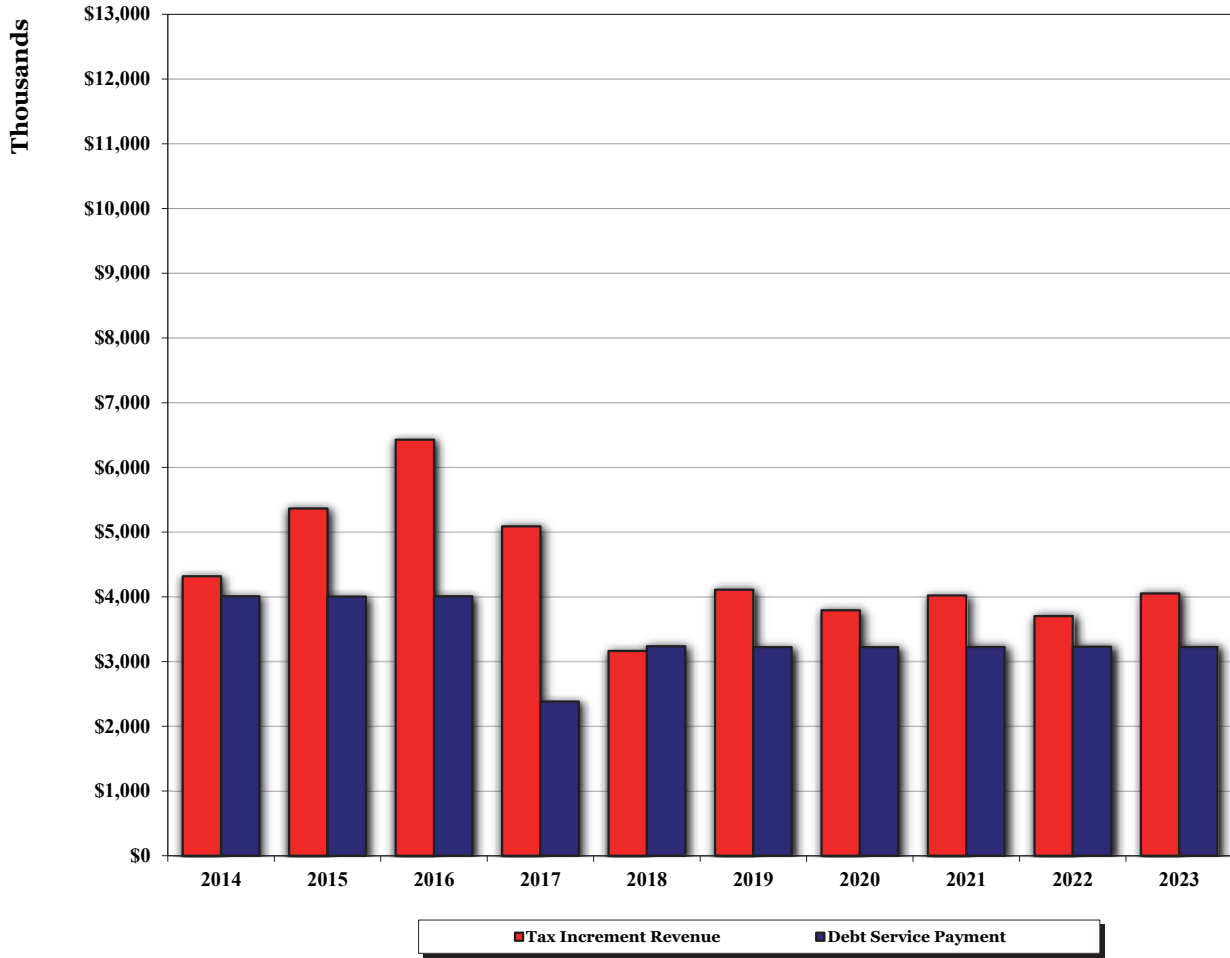
**CITY OF HAYWARD
REVENUE BOND COVERAGE
WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio Coverage
				Principal	Interest	Total	
2014	\$73,136,288	\$47,380,860	\$25,755,428	\$2,160,000	\$459,280	\$2,619,280	9.83
2015	73,564,675	49,566,818	23,997,857	1,615,000	302,938	1,917,938	12.51
2016	80,748,945	52,915,644	27,833,301	1,555,498	205,533	1,761,031	15.81
2017	82,325,821	60,602,745	21,723,076	886,781	151,341	1,038,122	20.93
2018	86,614,724	63,289,309	23,325,415	919,040	121,929	1,040,969	22.41
2019	102,636,863	60,860,754	41,776,109	450,133	90,738	540,871	77.24
2020	96,734,751	60,046,086	36,688,665	462,357	78,514	540,871	67.83
2021	93,001,615	62,364,681	30,636,934	479,467	66,069	545,536	56.16
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

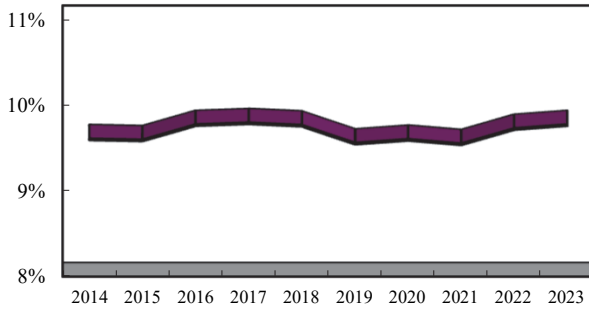
Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
(2) Includes all Wastewater Operating Expenses less Depreciation and Interest

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

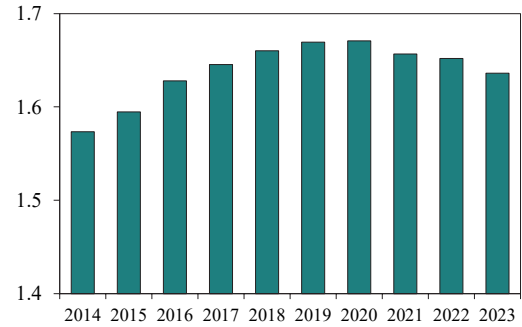


Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	\$4,317,292	\$1,680,000	\$2,328,657	\$4,008,657	1.08
2015	5,365,287	1,750,000	2,253,588	4,003,588	1.34
2016	6,427,560	1,835,000	2,173,931	4,008,931	1.60
2017	5,089,716	2,035,000	347,642	2,382,642	2.14
2018	3,163,863	1,685,000	1,550,975	3,235,975	0.98
2019	4,109,694	1,735,000	1,487,550	3,222,550	1.28
2020	3,791,673	1,805,000	1,417,450	3,222,450	1.18
2021	4,020,771	1,880,000	1,344,550	3,224,550	1.25
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

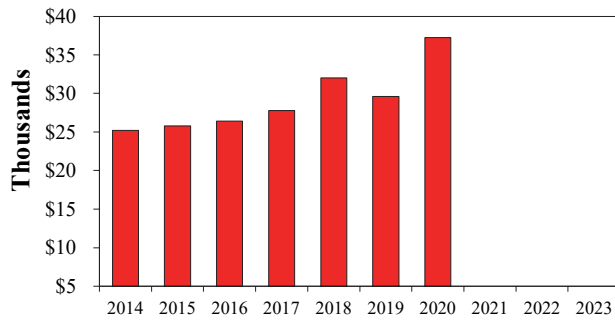
**CITY OF HAYWARD
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**



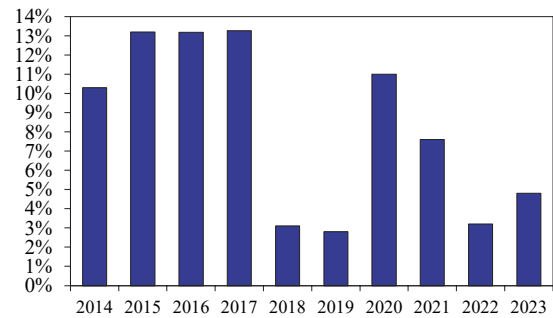
■ City Population as a % of County Population



■ Alameda Co. Population



■ Per Capita Income



■ Unemployment Rate (%)

Fiscal Year	City Population	Per Capita Income	City Unemployment Rate	Alameda Co. Population	City Population % of County
2014	151,037	\$25,208	10.3%	1,573,254	9.60%
2015	152,889	\$25,770	13.2%	1,594,569	9.59%
2016	158,985	\$26,405	13.2%	1,627,865	9.77%
2017	161,040	\$27,774	13.3%	1,645,359	9.79%
2018	162,030	\$32,021	3.1%	1,660,202	9.76%
2019	159,433	\$29,583	2.8%	1,669,301	9.55%
2020	160,311	\$37,243	11.0%	1,670,834	9.59%
2021	158,089		7.6%	1,656,591	9.54%
2022	160,591		3.2%	1,651,979	9.72%
2023	159,800		4.8%	1,636,194	9.77%

Note: As of FY21, data no longer 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**

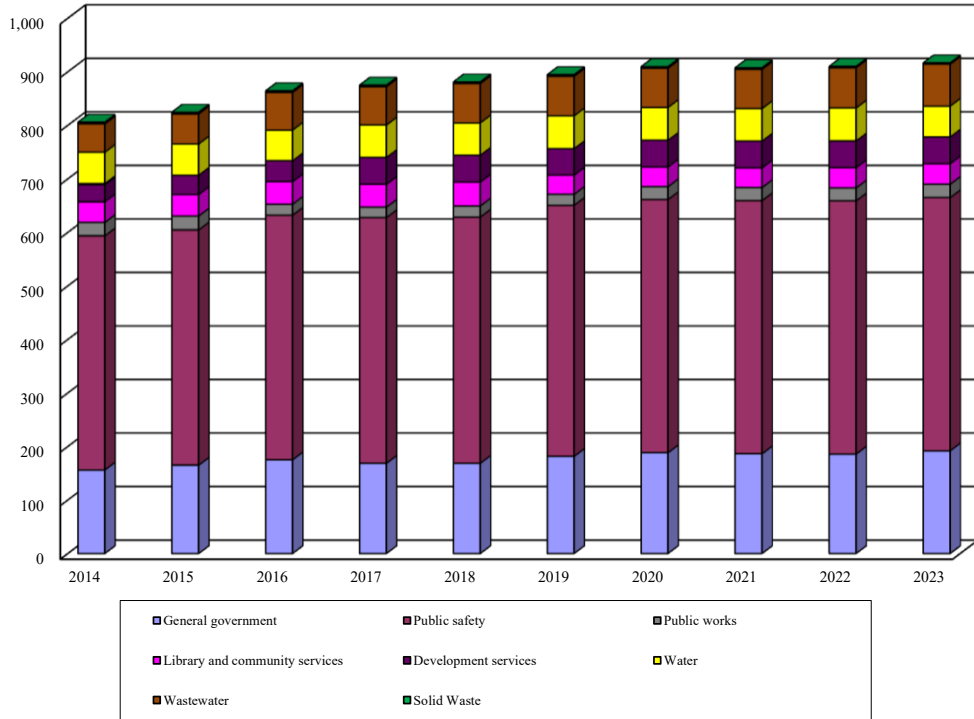
<u>Employer</u>	<u>FY 2023</u>	<u>FY 2014</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alameda County Sheriff's Department	*			
Baxter Bio Pharma	*			
California State University East Bay	*	1,447	2	1.0%
Chabot Community College	*	600	8	0.4%
Fremont Bank Operations Center	*			
Hayward Unified School District	*	2,500	1	1.7%
Illumina	*			
Impax Laboratories, Inc.	*			
Pentagon Technologies	*			
Plastikon Industries, Inc.	*			
Siemens Building Tech	*			
St. Rose Hospital	*	842	5	0.6%
Gillig Corporation		700	6	0.5%
Kaiser Permanente Medical Center		1,200	3	0.8%
City of Hayward		845	4	0.6%
Bay Cities Auto Auction		500	9	0.3%
IMPAX Laboratories Inc		700	7	0.5%
Marelich Mechanical		500	10	0.3%
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 FY23

Note: FY23 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



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General government	156.00	165.00	175.00	168.50	168.50	181.50	188.25	186.25	185.75	191.85
Public safety	437.50	439.50	457.00	459.00	460.00	469.00	473.00	473.00	473.00	473.00
Public works	25.00	26.00	20.50	19.56	20.71	20.56	24.00	24.45	24.15	24.95
Library and community services	38.55	40.20	42.20	42.80	44.80	35.80	36.80	36.80	37.80	38.30
Development services	32.00	36.00	39.00	50.00	50.00	49.50	50.00	50.00	50.00	50.00
Water	58.50	58.50	57.30	60.61	60.46	61.41	61.26	60.71	61.61	57.61
Wastewater	53.00	56.00	70.40	71.58	73.58	73.78	73.24	73.34	75.24	78.44
Solid Waste	3.00	3.00	2.80	2.75	2.75	2.75	2.75	2.75	2.25	2.15
Total	803.55	824.20	864.20	874.80	880.80	894.30	909.30	907.30	909.80	916.30

Source: City of Hayward Adopted Operating Budget

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

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

Function/Program	2019	2020	2021	2022	2023
Public safety:					
Fire alarms	18,823	18,860	18,414	20,361	23,379
Police: (Uniform Crime Reporting Statistics)					
Property crime calls	4,749	5,462	4,682	4,918	8,134
Violent crime calls (a)	604	568	520	511	1,652
Arson calls	28	20	19	28	18
Public works					
Pavement Condition Index (PCI)*	70	69	70	69	71
*Industry measure of street condition with 100 ideal score					
Annual pavement improvement projects	10	10	10	10	9
Airport operations count/flights	106,447	90,048	126,219	132,096	128,954
Airport reported based aircraft	461	461	461	461	447
Community Services					
Social Services Projects Funded	18	18	26	19	18
Facilities Projects Funded	2	1	1	4	4
Economic Development Projects Funded	3	2	6	5	2
New Housing/Rehab Projects Funded	2	2	2	2	3
Public Services Projects Funded	5	5	18	7	6
Measure B Projects Funded	8	8	4	6	5
Measure BB Projects Funded	0	0	1	1	1
ARPA Projects Funded					3
Planning					
Active Subdivisions	41	40	48	38	29
Active Parcel Maps	7	11	12	13	17
Building Permits	5,107	4,501	4,291	4,517	5,150
Residential Rental Inspections	977	943	334	142	699
Development Services					
Affordable Housing Development Units Funded		0	0 #	182	76
Library and neighborhood services					
Library Materials in Collection	164,396	204,416	154,535	158,258	162,172
Library Circulation (Items checked out)	159,806	395,758	144,108	370,628	455,913
Community Preservation Cases	2,917	2,522	2,518	2,159	1,734
Water					
Water service connections	37,526	38,236	38,532	37,764	38,073
Water main breaks	21	17	19	9	16
Average daily consumption (thousands of gallons or gallons)	14,046	13,962	14,405,184	13,901,276	12,886,593
Wastewater					
Sewer service connections	34,728	35,256	35,256	35,497	35,950
Average daily treatment (thousands of gallons)	11,574	10,717	10,355	10,605	12,379
Solid Waste					
Landfilled waste recycled and diversion rate*	66%	66%	73%	74%	74%
*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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function/Program					
Public safety:					
Fire stations (a)	9	9	9	9	9
Number of firefighters and officers (b)	127	118	118	114	129
Police stations	1	1	1	1	1
Number of police officers (c)	199	177	186	194	176
Public works					
Miles of streets	266	266	283	283	283
Street lights	8,161	8,178	8,273	8,288	8,238
Traffic Signals	135	134	134	136	143
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	150,000	155,000	160,500
Average daily consumption (gallons)	15,200,000	13,600,000	12,255,000	12,870,000	14,650,000
Miles of water mains	380	385	385	385	385
Storage capacity (gallons)	29,350,000	29,350,000	29,350,000	30,550,000	30,550,000
Wastewater					
Miles of sewers	325	325	325	325	325
Number of treatment plants	1	1	1	1	1
Treatment capacity (gallons)	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000

(a) Includes Fairview Fire District Station under contract

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

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

Sources: City of Hayward

Fiscal Year Ended June 30,

2019	2020	2021	2022	2023
9	9	9	9	9
124	122	121	125	128
1	1	1	1	1
178	181	169	161	154
283	283	283	283	283
8,327	8,327	8,327	8,377	8,383
146	146	146	146	146
1	1	1	1	1
2	2	2	2	2
159,500	159,203	162,954	159,827	163,782
14,046,000	13,962,000	14,405,184	13,901,276	12,886,593
391	391	391	391	391
25,350,000	31,250,000	25,000,000	25,000,000	25,000,000
321	321	321	321	321
1	1	1	1	1
18,400,000	18,500,000	18,500,000	18,500,000	18,500,000

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