

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020





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Prepared by the Finance Department

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Letter of Transmittal



Finance Department

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December 18, 2020

To the Honorable Mayor, Members of the City Council and Citizens of the City of Fremont, California

Various financing covenants and rules associated with restricted funding sources require the City of Fremont, California (City) to publish a complete set of audited financial statements presented in conformance with generally accepted accounting principles (GAAP). This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Macias Gini & O’Connell LLP, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the City’s financial statements for the fiscal year ended June 30, 2020. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Fremont, incorporated in 1956, is located at the southeast end of the San Francisco Bay. With a population of over 234,000, Fremont is the fourth largest city in the Bay Area, the 16th largest in California, and the 96th most populous city in the nation. The City of Fremont is approximately 92 square miles in size. In addition to a large cluster of high tech companies, Fremont has attracted many biotechnology and clean technology companies and serves as a center for advanced manufacturing in the region.

Letter of Transmittal

The City of Fremont has operated under the council-manager form of government since its incorporation in 1956. Until the election held in November 2018, policy-making and legislative authority were vested in a five-member governing council consisting of the Mayor and four Councilmembers. On June 13, 2017, the City Council adopted an ordinance establishing six council districts and a by-district election process for six Councilmembers, with the Mayor continuing to be separately elected to a four-year term by a citywide vote. At-large Councilmembers will continue in office until the expiration of the full term to which they were elected. At the end of the term of each Councilmember, that Councilmember's successor will be elected on a by-district basis.

The election held in November 2018 included District 1 (Northwest portion of the City), District 2 (Central north portion), District 3 (Central portion), and District 4 (Eastern portion), with a two-year term for the Councilmember elected to Council District 1. In the November 2020 election, voters in District 1, District 5 (South portion) and District 6 (Central south portion) each elected a City Councilmember, and all voters voted for Mayor. The City Council is elected on a non-partisan basis, and the Mayor and Councilmembers are subject to a two-term limit.

The City Council is responsible for, among other things, passing ordinances, adopting the budget, approving the Mayor's nominees to commissions, and hiring both the City's manager and its attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City of Fremont provides a broad range of services, including police and fire protection, construction and maintenance of streets, parks, storm drains and other infrastructure, building inspections, licenses and permits, recreational and cultural activities, and human services programs. The City also manages franchises for solid waste, cable television, and energy.

The City of Fremont is a general law city and, as such, does not operate under the provisions of a voter-approved charter. As with other California cities, Fremont has limited ability to set tax rates. The State Constitution establishes a maximum rate for property tax and limits the growth of assessed value. The property tax collected by Alameda County is allocated among the taxing jurisdictions in the County based on criteria established by the State Legislature. The rate and tax base of the City's other major general tax, sales tax, are also controlled by the State Legislature or the Constitution, rather than the City Council.

Increases of existing local taxes and any new taxes require voter approval. Taxes used for general purposes are subject to approval by a simple majority of voters, while taxes levied for specific purposes require a two-thirds majority of voters, as do property tax levies used to pay for debt issued to acquire real property and build capital assets.

Assessments have varying requirements for voter approval, ranging from approval through Council action unless challenged by a majority protest, to two-thirds voter approval, with voting rights apportioned based on the amount of the assessment. In addition, fees for facilities and services are subject to requirements that they be set at levels that do not exceed the reasonable costs of providing those services. As a result, fund balances generated by differences between fee revenue and related expenses are restricted or committed for services and facilities that benefit fee payers.

The City of Fremont budget policies are subject to California State law, GAAP, and actions of the City Council. The City's annual operating budget is adopted by the City Council by July 1 each year. The annual budget sets appropriations by fund, with further allocation by department or program. At the fund level, expenditures may not legally exceed appropriations. The City Manager is authorized to transfer budgeted amounts between departments or programs within any fund. The annual budget resolution authorizes the City Manager to increase appropriations for operating expenditures due to increases in grant or activity-based revenues in an amount not to exceed the increased grant or activity-based revenues. It additionally authorizes the City Manager to appropriate and transfer unencumbered ending fund balance to the Risk Management Fund in the amounts necessary to maintain adequate funding of the workers' compensation and general liability reserves. All other revisions or transfers that alter the total appropriations of other funds must be approved by the City Council, which also may adopt supplemental appropriations at any time during the year.

Local Economy

Fremont is the fourth largest city in Silicon Valley, with a vibrant and diversified globally connected economy with important assets such as a centralized Bay Area location, access to the Bay Area Rapid Transit (BART) commuter rail system, and a world class workforce. Fremont is also one of the most ethnically and culturally diverse cities in the Bay Area, with highly educated residents and high-paying jobs in a variety of business sectors. The median household income is \$133,076, and 54% of Fremont's residents have bachelor's, graduate, or professional degrees. Fremont was recently ranked the least stressed city and ranked 3rd as the best city in America to raise a family by WalletHub. For these reasons and many others, Fremont is home to dozens of innovative firms including Tesla Motors, Lam Research, Seagate Technology, Boehringer Ingelheim, ThermoFisher Scientific, Delta Products and more.

Considered the advanced manufacturing hub of Silicon Valley, approximately one in every four jobs in Fremont are in manufacturing. An August 2017 survey from the San Francisco Business Times shows that of the top 10 cities in the Bay Area, Fremont is home to almost half of the manufacturing jobs. Fremont's advanced manufacturing sector has continued to experience major growth with new companies like Bionova Scientific, Biogenex, Enovix, Abcam, and Bloom Energy locating new operations in Fremont and companies like Tesla, Boehringer Ingelheim, and Seagate undergoing major expansions.

Two of Fremont's most prominent sectors are clean technology and biomedical, both of which rely on Fremont's production capacity and the right ecosystem to scale operations as companies expand. Growing industries and employment sectors include:

- Advanced Manufacturing
- Electric and Autonomous Vehicles
- High-tech and Information Technology
- Clean Technology
- Biomedical Devices and Equipment
- Logistics, and Goods Movement

Letter of Transmittal

- Medical and Health Care
- Robotics, Automation, and IoT (Internet of Things)

According to a report completed by San Francisco-based SizeUp.com, Fremont is ranked No. 1 in the country for technology start-up business per capita, with 21 for every 100,000 residents. Fremont was voted the 2nd Most Inventive City in America for number of patents in 2010 by *The Daily Beast/Newsweek* and ranks 4th in Silicon Valley for number of patents obtained in the past decade. Corporate expansion has long been a major source of Fremont's growth, and Fremont continues to benefit from a large influx of new corporate tenants including Raxium, Zoon, Zollner Electronics, Bionova, Marposs, and many more. In 2019, Facebook also began building out a new eastern Silicon Valley campus in Fremont's Ardenwood district, which will eventually accommodate thousands of employees across more than 20 buildings.

To meet continued demand, significant new Research and Development and Advanced Manufacturing space has been proposed. Construction of the 2.7 million-square-foot "Pacific Commons South" industrial "spec" project is nearing completion. And in the Ardenwood district north of Highway 84, new higher intensity zoning recently approved has spurred land acquisition and development activity to accommodate Silicon Valley technology companies migrating east. Several new development projects and expansions are planned and underway in the district, suggesting a strong source of growth for the City going forward.

Like many communities throughout the country, COVID-19 has had a noticeable impact on Fremont's economy, particularly the small business community. For most of 2020, consumer spending in the East Bay was down by double digits, leaving many smaller retailers and restaurants struggling to remain in operation during a period of health order restrictions that limited certain activities. For its part, the City of Fremont has worked diligently to mitigate the impacts of COVID-19 on Fremont's businesses, including starting up an emergency business hotline, launching a small business working group, passing a commercial eviction moratorium, waiving late penalties and interest for business taxes, creating an online map of open businesses, capping fees for food delivery apps, partnering with Facebook to provide free marketing and grants for Fremont businesses, hosting informational webinars, starting up a Pop Up Patio program for restaurants, creating an online gift card marketplace for Fremont businesses, and providing hundreds of thousands of dollars in grants to impacted small businesses.

While most of the impacts of COVID-19 have been negative, the pandemic also provided an opportunity for several of Fremont's life sciences companies to lead in the response effort. This includes companies like Evolve Manufacturing and Biogenex, who pivoted their operations to manufacturing respirators, face masks, or testing kits. The City's economic development team helped to promote these efforts in local and national media including the New York Times and Reuters, collectively generating over 55 articles and 300 million unique views. These stories demonstrate the essential nature of Fremont's advanced manufacturing sector and showcase the strength and resiliency of the City's economy.

Long-Term Financial Planning and Major Initiatives

The City maintains a multi-year forecasting model for operating revenues and expenditures, and also produces a five-year capital plan that includes debt service. The multi-year forecast is regularly updated to reflect current revenue and expenditure assumptions and is presented to the City Council at mid-year and during the budget process for the next fiscal year. The City's five-year capital plan is updated every two years.

The City Council has continued to focus attention on the long-term benefits of transportation infrastructure improvements, recruitment of consumer retail uses to balance the City's business-to-business sales tax base, development of a pedestrian-oriented urban center in the City's Downtown area, and development opportunities for employment-based advanced manufacturing businesses and their partners in the City's Warm Springs Innovation District.

The Warm Springs Innovation District is centered around the Warm Springs BART Station and is anchored by companies including Tesla Motors, ThermoFisher Scientific, Lam Research, Seagate and Western Digital. The transformation of the 850-acre Warm Springs Innovation District is taking shape. Major construction projects that are under construction, approved or in design include:

- *Under Construction:* Lennar's master-planned mixed-use project, which includes 2,200 residential units (of which 290 units are affordable rental units) and 1.4 million square feet of industrial/commercial Class A office space.
- *Under Construction:* Toll Brothers' master-planned 1,001-unit residential project which includes 132 affordable rental units east of the BART station.
- *Under Construction:* Valley Oak Partners' master-planned mixed-use project, including 785 additional residential units (of which 102 units are affordable rental units), 330,000 square feet of commercial/Class A office space, a hotel, incubator/accelerator space, and live/work units.
- *Under Construction:* Construction of the Warm Springs West Access Bridge and adjacent plaza is nearly complete, which will connect the existing and proposed workforce to the new BART station. The project is funded in part by \$25 million in Measure BB funds administered by the Alameda County Transportation Commission (ACTC).
- *Under Construction:* A new Hilton Garden Inn is finishing construction on Warm Springs, utilizing new modular construction technologies.
- *Under Review:* Scannell Properties has proposed an approximately 150,000 square foot advanced manufacturing building on Warm Springs.
- *Completed:* Washington Hospital partnered with UCSF to develop an outpatient center and research lab across from the Warm Springs BART Station.
- *Approved:* Sobrato has an approved master plan to develop a 700,000-square-foot commercial tech center on their 21.5-acre property.
- *In Design:* A new bike/pedestrian bridge over Interstate 880, connecting Warm Springs to the Bayside employment district, is in preliminary design.

Letter of Transmittal

Downtown Fremont has made equally impressive strides in becoming a vibrant urban mixed use district within the City Center that will serve as a destination for the City and region. Specific accomplishments include:

- Downtown is becoming a sustainable, walkable urban environment. The multimodal improvements of the new main street, Capitol Avenue, were completed in late 2016. Electric vehicle charging stations for up to 30 cars have been activated along Capitol Avenue. The last segment of connectivity enhancements between the Fremont BART station and Downtown was completed in 2019. These enhancements continue the multimodal improvements as seen on Capitol Avenue, which include wider sidewalks, pedestrian-scaled lighting, improved bike lanes, and additional landscaping.
- Construction is well underway for Phase 1 of the Civic Center project, a sustainable and catalytic multi-purpose community hall and plaza. Construction is anticipated to be completed by spring 2021.
- A five-story 275-unit mixed-use apartment project by Fore Property is under construction at Walnut and Liberty Avenues and expected to be completed in July 2021.
- Fremont Bank has received entitlements on its new 6-story headquarters and is currently in building plan review.
- Capitol Square, the retail portion of the Locale @ State Street project developed by TMG Partners, has executed its first lease with a regional restaurant group and is in discussions with several prospective tenants.
- MIG Real Estate, an Opportunity Zone investor, has purchased a 240-unit site entitled by Bay Rock and plans to break ground in 2021.

All of these changes in the Downtown have spurred interest from adjacent property owners, with major redevelopments or renovations being planned or contemplated.

The FY 2020/21 budget as adopted by the City Council balanced an anticipated pandemic-related revenue drop of over \$12 million in the General Fund through expenditure reductions in virtually all City departments, drawing down fund balances in internal service funds, temporarily defunding General Fund transfers to the Capital Improvement Fund, and freezing non-essential positions. Despite these budget balancing measures, the adopted budget continues to incorporate the City Council's and community's long-standing priorities by maintaining funding for some of the most pressing issues facing our community: public safety, traffic safety and congestion, and homelessness.

Relevant Financial Policies

The City of Fremont has adopted a comprehensive set of financial policies. These policies address topics like cash management, risk management, reserves and stabilization accounts, and debt capacity, issuance and management. The policies are included with the annual operating budget and are reviewed each year in conjunction with the adoption of the annual operating budget.

Awards and Acknowledgements

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 Fremont for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 36th consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for FY 2019/20. This was the 23rd consecutive year the City received this prestigious award. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report. Credit and thanks are also due to the City Manager, and the Mayor and City Councilmembers, for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Fremont's finances.

Respectfully submitted,



David Persselin
Finance Director/Treasurer

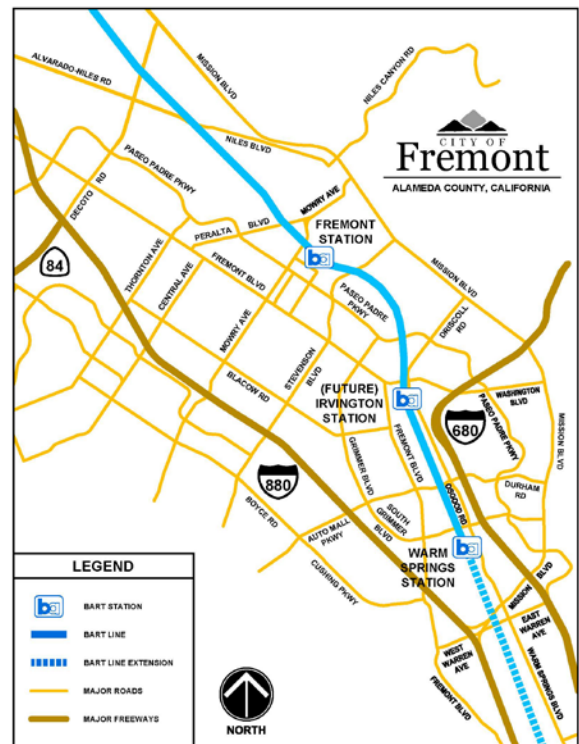
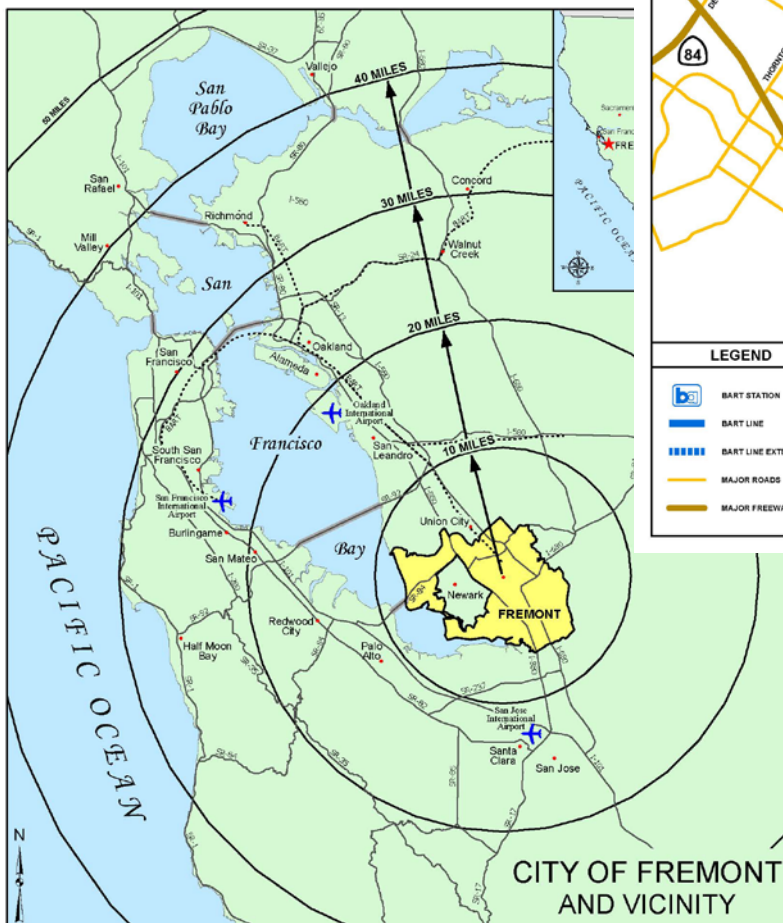
Location Map



Located on the southeast side of the San Francisco Bay, Fremont is a city of 234,220 people with an area of 92 square miles, making it the fourth largest city in the San Francisco Bay Area and ranks 96th among the most populous cities in the nation according to the U.S. Census Bureau. With its moderate climate and its proximity to major universities, shopping areas, recreational and cultural activities, employment centers, major airports, and the Bay Area Rapid Transit system, Fremont captures metropolitan living at its best.

Spanish. In the mid-1840s, John C. Fremont mapped a trail through Mission Pass to provide access for American settlers into the southeastern San Francisco Bay Area. In 1853, Washington Township was established, taking in the communities of Mission San Jose, Centerville, Niles, Irvington, and Warm Springs. On January 23, 1956, these communities joined together to form the City of Fremont.

The Fremont area was first settled with the establishment of Mission San Jose by the





City Council

Lily Mei, Mayor
Rick Jones, Vice Mayor, District 2
Vinnie Bacon, Councilmember At-large
Raj Salwan, Councilmember At-large
Teresa Keng, Councilmember, District 1
Jenny Kassan, Councilmember, District 3
Yang Shao, Councilmember, District 4

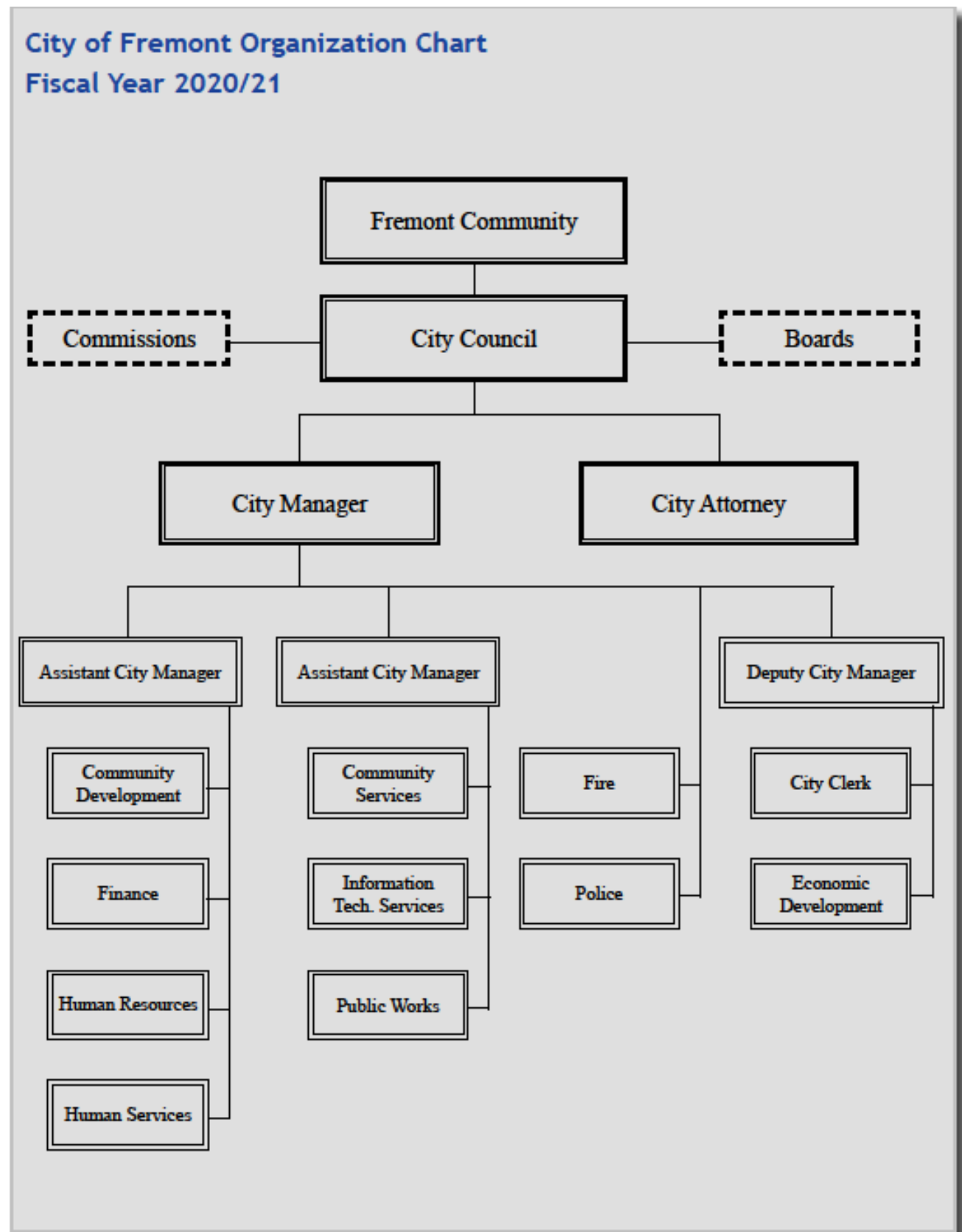
City Executive Staff

Mark Danaj, City Manager
Harvey Levine, City Attorney
Karena Shackelford, Assistant City Manager
Brian Stott, Assistant City Manager
Christina Briggs, Deputy City Manager/Economic Development Director
Allen DeMers, Human Resources Director
Susan Gauthier, City Clerk
Curtis Jacobson, Fire Chief
Hans Larsen, Public Works Director
David Persselin, Finance Director
Kimberly Petersen, Police Chief
Dan Schoenholz, Community Development Director
Suzanne Shenfil, Human Services Director
Sanford Taylor, Chief Technology Officer/IT Director
Suzanne Wolf, Community Services Director

CAFR Team

Hein Hein Myat, Accounting Division Manager
Tricia Fan, Senior Accountant
Tish Saini, Senior Accountant
Anita Chang, Accountant
Ellen Zhou, Accountant
Elisa Chang, Administrative Analyst/Graphic Artist

Organization Chart



Certification of Achievement for Excellence in Financial Reporting



The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fremont for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 36th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and legal requirements. A Certificate of Achievement is valid for one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Fremont
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

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Certified
Public
Accountants

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Fremont, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fremont, California (City), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditors' Report

Other Matters

Prior-Year Comparative Information

We have previously audited the City's financial statements as of and for the fiscal year ended June 30, 2019, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the modified approach for the City's infrastructure information, the schedules of changes in the net pension liability and related ratios, the schedules of pension plan contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB plan contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules designated as supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 18, 2020

Introduction

As management of the City of Fremont (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages 1-7 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$821.0 million (net position). Excluding the \$390.3 million net pension liability and \$82.7 million net OPEB liability, \$206.4 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.
- The City's net position increased by \$39.0 million from the prior year.
- As of June 30, 2020, the City's governmental funds reported combined fund balances of \$412.0 million, an increase of \$35.0 million from the prior year.
- As of June 30, 2020, unassigned fund balance in the General Fund was \$44.5 million, or approximately 20.6% of total General Fund expenditures and transfers out. Of this amount, \$36.7 million was set aside by City Council policy to address severe unforeseen events (contingencies), and \$5.5 million was set aside by City Council policy to offset uncertainty in the multi-year budget forecast. The Contingency Reserve was maintained at 16.7% of budgeted expenditures and transfers out. For more information, please refer to the note titled *Minimum Fund Balance Policies* (Note 1.I.14.) in the Notes to the Basic Financial Statements.
- The City's total outstanding long-term debt decreased by \$8.2 million during the fiscal year ended June 30, 2020.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. 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 presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time,

Management's Discussion and Analysis

increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City'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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation and other compensated leave).

All of the City's activities are considered to be governmental in nature and, as a result, the City does not report business-type activities in these statements. Governmental activities are those that are principally supported by taxes, fees, and other revenues. For the City, governmental activities include general government administration, police services, fire services, human services, capital assets maintenance and operations, recreation and leisure services, and community development and environmental services.

The City is the primary government in this report. There are no discretely presented component units. However, these financial statements include two other entities that, although legally separate, are important because the City is financially accountable for them. These component units are the Fremont Public Financing Authority (Financing Authority) and the Fremont Social Services Joint Powers Authority (Social Services JPA). The financial activities of the Financing Authority and the Social Services JPA are integrally related to those of the City and are "blended" with those of the City.

The government-wide financial statements can be found on pages 29-34 of this report.

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. The fund financial statements either reinforce information in the government-wide financial statements or provide additional information.

Governmental funds. 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 assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental 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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds

statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 31 individual governmental funds. Information is presented in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the following individual funds that are considered to be major funds:

- General Fund
- Development Impact Fees
- Development Cost Center
- Recreation Services
- Capital Improvement
- Human Services
- Federal Capital Grants
- Inclusionary Housing In-Lieu
- Fremont Public Financing Authority
- ACTC, MTC, Measures B, BB and F Grants, Streets, Bike and Pedestrian

Data for the other twenty-one 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 and schedules in the supplementary information section of this report.

The City adopts an annual appropriated budget for its General Fund, Development Cost Center, Recreation Services, Human Services, and Inclusionary Housing In-Lieu funds. Budgetary comparison schedules are provided in the required supplementary information section of this report to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 35-42 of this report.

Proprietary funds. The only proprietary funds the City has are internal service funds, which 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 risk management and information technology services provided to City departments on a cost-reimbursement basis, as well as funds accumulated for vehicle replacement, employee benefits, and Fire Department capital replacement. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The 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 and schedules in the supplementary information section of this report.

The basic proprietary funds financial statements can be found on pages 43-46 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City's fiduciary funds are comprised of agency funds, which report resources held

Management's Discussion and Analysis

by the City in a custodial capacity for individuals, private organizations, and other governments. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 47-48 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 49-102 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. This information includes budgetary comparison schedules for its General Fund and major special revenue funds, as well as more detailed information about the City's use of the modified approach for certain of its infrastructure assets. Also included are schedules of changes in the net pension liability and related ratios, schedules of pension contributions, and similar schedules showing changes in the net OPEB liability and related ratios, and OPEB contributions. Required supplementary information can be found on pages 103-122 of this report.

The combining statements and schedules referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 123-176 of this report.

Government-Wide Financial Analysis

As noted earlier, changes in net position over time may serve as a useful indicator of the City's financial health. At the close of FY 2019/20, net position stood at \$821.0 million — a 5.0% increase from the prior year. Information about net position is presented in the summary schedule below:

**CITY OF FREMONT'S CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2020 AND 2019**

(dollars in thousands)

	2020	2019	Percentage Change
Current and other assets	\$ 485,715	\$ 442,120	9.9%
Capital assets	933,771	923,267	1.1%
Assets	1,419,486	1,365,387	4.0%
Deferred outflows related to pensions and OPEB	89,524	90,363	(0.9%)
Deferred Outflows of Resources	89,524	90,363	(0.9%)
Current liabilities	46,964	44,859	4.7%
Noncurrent liabilities	628,828	612,967	2.6%
Liabilities	675,792	657,826	2.7%
Deferred inflows related to pensions and OPEB	12,190	15,903	(23.3%)
Deferred Inflows of Resources	12,190	15,903	(23.3%)
Net position:			
Net investment in capital assets	790,400	771,862	(4.1%)
Restricted	297,227	246,167	20.7%
Unrestricted*	(266,599)	(236,009)	13.0%
Net position	821,028	782,020	5.0%

* Unrestricted net position for June 30, 2020 includes the City's \$390.3 million net pension liability and \$82.7 million net OPEB liability which are not claims on current financial assets.

At June 30, 2020, the City reported positive balances in all categories of net position, except for unrestricted net position due to the impact of the inclusion of the net pension and net OPEB liabilities.

The largest portion of the City's net position, \$790.4 million, reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related debt used to acquire those assets. 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 this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents \$297.2 million of restricted resources that are subject to external restrictions on how they may be used. Excluding the \$390.3 million net pension liability and \$82.7 million net OPEB liability, \$206.4 million of unrestricted net position is

Management's Discussion and Analysis

available to meet the City's ongoing obligations to residents and creditors. Information about changes in net position is presented in the summary schedule, below:

CITY OF FREMONT'S CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

(dollars in thousands)

	<u>2020</u>	<u>2019</u>	<u>Percentage Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 72,065	\$ 64,449	11.8%
Operating grants and contributions	22,361	21,880	2.2%
Capital grants and contributions	78,394	51,031	53.6%
General revenues:			
Property tax	109,644	102,304	7.2%
Sales tax	52,067	64,831	(19.7%)
Business tax	11,677	11,566	1.0%
Transient occupancy tax	5,915	8,292	(28.7%)
Property transfer tax	1,844	1,900	(2.9%)
Franchise fees	10,777	10,488	2.8%
Investment earnings	13,196	12,550	5.1%
Gain on sale of capital assets	1,991	492	304.7%
Miscellaneous	9,250	5,767	60.4%
Total revenues	389,181	355,550	9.5%
Program expenses:			
General government	22,009	16,948	29.9%
Police services	100,456	87,014	15.4%
Fire services	61,020	53,953	13.1%
Human services	16,438	13,229	24.3%
Capital assets maintenance and operations	91,467	76,091	20.2%
Recreation and leisure services	10,599	10,431	1.6%
Community development/environmental services	43,570	45,926	(5.1%)
Interest on debt	4,614	4,093	12.7%
Total program expenses	350,173	307,685	13.8%
Increase in net position	39,008	47,865	(18.5%)
Net position, beginning of year	782,020	734,155	6.5%
Net position, end of year	821,028	782,020	5.0%

Major changes in government-wide revenues include the following:

- Charges for services increased by \$7.6 million from the prior year primarily due to higher receipts of housing in-lieu fees partially offset by a pandemic-related drop in recreation fees.
- Capital grants and contributions increased by \$27.4 million from the prior year, due to a \$14.8 million increase in development impact fees from large project permits issued in FY 2019/20, \$8.0 million more in Measure B grant contributions for the Warm Springs Bridge Development project, \$1.4 million more for the Homeless Navigation Center project, and \$4.0 million more in federal grant funds received mainly for the Pavement Maintenance and Niles Bridge Replacement projects.
- Sales tax decreased \$12.8 million from the prior year primarily due to reduced economic activity and decline in sales from the COVID-19 pandemic and shelter-in-place restrictions.
- Transient occupancy tax decreased by \$2.4 million due to the temporary closure of hotels during the shelter-in-place order and decrease in hotel room nights after reopening during the COVID-19 pandemic.
- Gain on sale of capital assets increased by \$1.5 million due to the sale of surplus property.

Major changes in government-wide expenses include the following:

- Police services expenses increased by \$13.4 million primarily due to higher personnel costs.
- Fire services expenses increased by \$7.1 million primarily due to higher personnel costs.
- Capital assets maintenance operations expenses increased by \$15.4 million due to the construction in progress cost of \$6.7 million for the Warm Springs BART Plaza and \$7.7 million for the Downtown Event Center.
- Community development and environmental services expenses decreased by \$2.4 million primarily as a result of reduced affordable housing loan activity during the year.

Financial Analysis of The City's Major Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing 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 fiscal year.

As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$412.0 million, an increase of \$35.0 million from the prior year. Of this amount, 72.3% (\$298.0 million) is legally restricted for specific purposes by enabling legislation or external funding source providers, 2.4% (\$9.8 million) is committed for specific purposes by the City Council, and 16.4% (\$67.7 million) is assigned for specific purposes by the City. The remaining 8.9% (\$36.5 million) is unassigned fund balance available for spending at the City's discretion but is also subject to Council-established policies for future contingencies.

Management's Discussion and Analysis

The following are the major funds that either qualified under the reporting criteria or were considered to be important to financial statement users:

General Fund – The General Fund is the City's chief operating fund. As of June 30, 2020, total fund balance was \$44.5 million, all of which was unassigned. The primary components of this amount are: \$36.7 million (16.7% of budgeted expenditures and transfers out) set aside by City Council policy for use for costs associated with unforeseen events (contingencies); \$5.5 million set aside by Council policy to offset uncertainty in the multi-year budget forecast; and \$2.3 million of unallocated fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to General Fund expenditures and transfers out. Total fund balance represents approximately 20.6% of General Fund expenditures and transfers out.

The fund balance of the City's General Fund decreased by \$7.0 million during the 2019/20 fiscal year, compared to an increase of \$1.6 million in the prior year. Revenues, proceeds from sale of capital assets, and transfers in of \$208.9 million were 6.2% (\$6.6 million) lower than in FY 2018/19 driven largely by pandemic-related drops in sales tax (\$12.7 million) and hotel tax (\$2.4 million) offset by an increase in property tax (\$7.0 million). Expenditures and transfers out of \$215.9 million were 1.5% (\$3.1 million) higher than in FY 2018/19.

Development Impact Fees – This fund represents the aggregate total of park land, park facilities, fire, traffic, and capital facility impact fees. These fees are levied on all new development in the City to pay for the construction and improvement of public facilities needed to serve new development. Revenues in FY 2019/20 totaled \$48.9 million, a 48.5% increase from the FY 2018/19 total of \$32.9 million. The large revenue increase is attributable to permits for several large projects being issued in FY 2019/20. During FY 2019/20, 54.4% of this fund's expenditures (\$4.8 million) were for park-related projects and 45.6% (\$4.0 million) were for mitigating traffic-related impacts. In addition, \$1.0 million was transferred to pay debt service related to capital facilities and \$0.9 million is shown as a transfer to reflect the reclassification during the year of a subsidiary fund as a capital improvement fund. As of June 30, 2020, the fund balance totaled \$146.6 million, up from \$108.4 million in the prior year.

Development Cost Center – This fund was established to account for engineering, planning, and building and construction inspection activities related to the City's land use planning and construction regulatory responsibilities. Its customers are not only the development community, but also the City itself for its own capital projects. User fees collected in this cost center recover the City's costs of administering development- and construction-related regulatory programs. As of June 30, 2020, the fund balance totaled \$17.6 million, down from \$21.4 million in the prior year, due to large transfers out made to establish several capital projects in another fund. This fund balance is restricted for uses related to ensuring continuity of critical community development services.

Recreation Services – This fund was established to account for the transactions and activities related to delivery of recreation services. Fees collected for recreation services are used for the development of programs and facilities benefiting fee payers. Total revenues in the amount of \$6.3 million were 26.5% lower in FY 2019/20 than in the prior year (\$8.6 million). Expenditures decreased 7.8% (from \$9.9 million to \$9.3 million). As of June 30, 2020, the fund balance was

\$6.5 million, a decrease of \$1.6 million from the prior year. This committed fund balance will be used to develop or maintain recreation facilities and preserve the continuity of recreation services during economic downturns.

Capital Improvement – This fund is used to account for capital improvements for the City, including public safety improvements, infrastructure, and other public works projects. Amounts in this fund are received as transfers from the General Fund, interest earned on invested cash balances, proceeds from the sale of certain parcels of land, or as proceeds of debt. As of June 30, 2020, the fund balance was \$67.9 million. During FY 2019/20, fund balance decreased by \$2.6 million due to expenditures for the Downtown Event Center project of over \$7.5 million and Pavement Maintenance project expenditures of over \$3.6 million.

Human Services – This fund represents the activities for City's social service infrastructure to promote a healthy and safe environment for families, the elderly and youth. Services and programs include self-sufficiency, counseling, and housing assistance to support a vibrant community. As of June 30, 2020, the fund balance was \$10.0 million, an increase of \$1.3 million from the prior year, due to the developer's contribution for operating costs at the Warm Springs Age Well Center.

Federal Capital Grants – This capital projects fund is used to account for various federal grants such as, but not limited to, the Highway Safety Improvement Program (FAST), Transportation Improvement Program (TIP), and One Bay Area Grants (OBAG). These funds are used for transportation projects, and funds are applied for on a project-by-project basis. At June 30, 2020, the Federal Capital Grants fund had a negative fund balance of \$67.4 thousand, representing expenditures which were not reimbursed within the City's revenue availability period.

Inclusionary Housing In-Lieu – This fund is used to account for the affordable housing fees collected from developers. The developer can either build affordable housing units or pay an "affordable housing fee" (based on the type of construction, timeline, etc.) upon applying for new housing construction permits. This fund is used to account for loans disbursed to developers for affordable housing projects and the associated legal and consulting fees. As of June 30, 2020, the fund balance was \$62.1 million, an increase of \$10.3 million from the prior year, reflecting the relatively high level of new residential development activity during FY 2019/20 compared with the slower pace of loan disbursements.

ACTC, MTC, Measures B, BB and F Grants, Streets, Bike and Pedestrian – This fund accounts for the portion of monies from County Measures B, BB and F to be used to fund transportation-related capital projects. Under Measure B, the City receives the proceeds of an additional half-cent sales tax for use on transportation-related expenditures. In November 2014, voters approved Measure BB which augments and extends the existing Alameda County Measure B half-cent transportation sales tax by a half-cent to April 1, 2045. In November 2010, voters of Alameda County approved Measure F, the Vehicle Registration Fee (VRF) program. The City receives proceeds from a fee on each annual motor vehicle registration or renewal in Alameda County. As of June 30, 2020, the fund had a negative fund balance of \$3.9 million, representing expenditures which were not reimbursed within the City's revenue availability period.

Fremont Public Financing Authority – This fund reports activity in the debt service accounts held by trustee banks for the benefit of investors in the City's lease revenue bonds and certificates of participation. In November 2019, the City sold \$73.4 million of lease revenue bonds and

Management's Discussion and Analysis

additionally received \$13.4 million of original issue premium to refinance a portion of outstanding Financing Authority debt obligations. As of June 30, 2020, the fund balance was \$137, a decrease of \$3,090 from the prior year.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. The final budget fund balance and appropriations include prior-year encumbrances of \$1.8 million as authorized by the Council-adopted budget resolution. In October 2019, as part of the FY 2018/19 Year-End Update, the City Council increased expenditure and transfer appropriations by \$3.1 million to reflect approved labor agreements and reduced the sales tax estimate by \$0.9 million.

Final Budget Compared to Actual Results. The General Fund budget is prepared in accordance with generally accepted accounting principles. A summary of the budgetary comparison schedule for the General Fund, located in the required supplementary information after the notes to the financial statements, follows.

SUMMARY OF GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2020 (dollars in thousands)

	Original Budget	Final Budget	Actual Results	Favorable (Unfavorable) Variance from Final Budget
Beginning fund balance	\$ 47,640	\$ 51,242	\$ 51,460	\$ 218
Resources:				
Revenues	214,305	213,376	202,194	(11,182)
Transfers in	7,346	7,346	6,724	(622)
Total resources	221,651	220,722	208,918	(11,804)
Charges to appropriations:				
Expenditures	206,508	211,051	202,351	8,700
Transfers out	13,442	13,768	13,530	238
Total charges	219,950	224,819	215,881	8,938
Net change in fund balance	1,701	(4,097)	(6,963)	(2,866)
Ending fund balance	\$ 49,341	\$ 47,145	\$ 44,497	\$ (2,648)

The actual beginning fund balance was \$0.2 million higher than the final budget amount due to the year-end adjustment for unrealized fair value gain on investments which is not considered available for budgetary purposes. Total revenues and transfers in during FY 2019/20 were \$11.8 million less than the final budget estimate. Actual expenditures and transfers out were \$8.9 million less than the final budget. The net result of these variances was an actual ending fund balance \$2.6 million lower than the final budget estimate.

The most significant differences between estimated revenues and actual revenues were as follows (dollars in thousands):

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>	<u>Percent</u>
Other	\$ 208	\$ 1,325	\$ 1,117	537.0%
Investment Earnings	1,175	2,081	906	77.1%
Sales tax	63,004	52,066	(10,938)	(17.4%)
Other taxes	10,825	7,760	(3,065)	(28.3%)
Transfers In	7,346	6,724	(622)	(8.5%)

- The positive variance in the other revenue category resulted from the sale of surplus real property (former Fire Station No. 6).
- The positive variance in investment earnings consists primarily of the year-end fair value adjustment.
- The negative variance in sales tax revenue is attributable to reduced economic activity and decline in sales from COVID-19 pandemic and shelter-in-place restrictions.
- The negative variance in other tax revenue resulted from the pandemic-related decline in hotel occupancy.
- The transfers in budget included overhead reimbursements from internal service funds which were recognized in the financial statements as reductions to expenditures.

Capital Assets and Long-term Debt

Capital Assets. The City’s investment in capital assets as of June 30, 2020, amounts to \$933.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, and highways. The increase in capital assets for the current fiscal year was 1.1%. Following is a summary of the City’s capital assets (net of depreciation) at June 30, 2020 and 2019:

**CITY OF FREMONT’S CAPITAL ASSETS
JUNE 30, 2020 AND 2019**
(dollars in thousands)

	<u>2020</u>	<u>2019</u>	<u>Percentage Change</u>
Land	\$ 218,344	\$ 220,008	(0.8%)
Land improvements	5,448	5,448	0.0%
Infrastructure	512,818	513,495	(0.1%)
Buildings and improvements	134,821	138,900	(2.9%)
Equipment	9,657	9,846	(1.9%)
Vehicles	20,480	19,830	3.3%
Construction in progress	32,203	15,740	104.6%
Total capital assets	<u>\$ 933,771</u>	<u>\$ 923,267</u>	1.1%

Management’s Discussion and Analysis

Major capital asset events during the current fiscal year included the following:

- The purchase of various vehicles at a cost of \$1.4 million.
- Construction in progress cost of \$6.7 million for the Warm Springs BART Plaza and \$7.7 million for the Downtown Event Center.

Additional information about the City’s capital assets can be found in Note 1.I.3., and Note 4, following the basic financial statements.

Long-term Debt. As of June 30, 2020, the City had \$143.4 million in long-term debt outstanding. Of this amount, \$34.6 million was for general obligation bonds, \$92.2 million was related to General Fund lease obligations or loans, and \$16.6 million was for unamortized bond premium. Following is a summary schedule of outstanding debt:

CITY OF FREMONT’S LONG-TERM DEBT

JUNE 30, 2020

(dollars in thousands)

	<u>Balance July 1, 2019</u>	<u>Incurred or Issued</u>	<u>Satisfied or Matured</u>	<u>Balance June 30, 2020</u>
General Obligation Bonds:				
2012 Fire Safety Bonds	\$ 6,095	\$ -	\$ 355	\$ 5,740
2013 Fire Safety Bonds	18,210	-	850	17,360
2017 Fire Safety Bonds	11,845	-	380	11,465
Subtotal	36,150	-	1,585	34,565
General Fund Lease/Loan Obligations:				
2012A Certificates of Participation	7,155	-	7,155	-
2016 Energy Efficiency Financing	6,525	-	6,525	-
2017A Lease Revenue Bonds	77,815	-	77,815	-
2017B Lease Revenue Bonds	19,160	-	595	18,565
2019 Lease Revenue Bonds	-	73,365	-	73,365
2017 PG&E On-Bill Financing	545	-	273	272
Subtotal	111,200	73,365	92,363	92,202
Unamortized Bond Premium	4,268	13,447	1,111	16,604
Total	\$ 151,618	\$ 86,812	\$ 95,059	\$ 143,371

The City maintains Standard & Poor’s ratings of AA+ (stable outlook) on its general obligation bonds and AA (stable outlook) on its lease revenue bonds and certificates of participation.

State law provides for a legal debt limit of 15% of gross assessed valuation; however, this provision was enacted when assessed valuation was based upon 25% of market value. The City’s computation of the debt limit reflects a conversion of assessed valuation data from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted. The current debt limitation for the City is \$2.0 billion, which is significantly in excess of the City’s outstanding general obligation debt.

In addition to State law, the City Council adopted a debt policy in February 1996 that limits annual debt service payments in the General Fund to 7% of budgeted expenditures and transfers out. For the year ended June 30, 2020, budgeted debt service payments were approximately 4.1% of budgeted expenditures and transfers out in compliance with the policy. Additional information about the City's long-term debt can be found in Note 5, following the basic financial statements.

Use of Modified Approach to Accounting for Infrastructure

The City has elected to use the modified approach to accounting for infrastructure assets, as defined by GASB Statement No. 34, for its street network. The street network is composed of all City streets, and includes all physical features associated with the operation of motorized vehicles that exist within the limits of the City rights of way.

Pursuant to the modified approach, the City has committed to preserving and maintaining its street network at an appropriate condition level as determined by the City Council. Through June 30, 2020, the City's policy was to maintain an average pavement condition index (PCI) rating of 50 or "fair" for the entire street network. As of June 30, 2020, the City's overall street network was rated at a computed PCI index of 72.

In addition to performing periodic condition assessments, governments that use the modified approach must also estimate at the start of each reporting period the amount of spending needed that period to maintain and preserve infrastructure at the government's selected condition level. For the year ended June 30, 2020, the maintenance estimate was \$24.0 million, but the amount actually spent was \$15.4 million. Under the City's expanded pavement preservation program, the majority of street areas were treated using a combination of base repairs and surface treatments such as cape seals and slurry seals. This approach is more economical than a pavement rehabilitation program such as overlays, enabling the available funds to cover a larger pavement area.

Currently Known Facts and Conditions Expected to have a Significant Effect on Financial Position or Results of Operations

Reimbursements for Pandemic-related Expenditures. During fiscal year 2019/20, the City incurred expenditures to establish, supply, and staff a COVID-19 testing facility and deploy staff to provide pandemic-related public safety and public health services to the community. As these emergency expenditures are eligible for reimbursement from federal funds, a portion of the costs related to unbudgeted overtime expenditures and the purchase of COVID-19 test kits, totaling \$3,516,945, has been reported in the Miscellaneous Federal Grants Fund as of June 30, 2020.

The State of California budget for fiscal year 2020/21 authorized the California Department of Finance to allocate \$1.8 billion of the state's share of federal CARES Act Coronavirus Relief Funds (CRF) to counties and cities to reimburse them for unbudgeted costs of responding to the COVID-19 pandemic. The City's CRF allocation from the state totaled \$2,891,945, and the final reimbursement payment was received by the City on October 15, 2020.

On July 14, 2020, the County of Alameda Board of Supervisors approved a memorandum of understanding with the City for COVID-19 testing and authorized a reimbursement from State and

Management's Discussion and Analysis

federal funding sources to the City of \$625,000. The reimbursement payment was received by the City on October 27, 2020.

Pandemic-related Budgetary Impact. As of the date of the auditor's report, the global COVID-19 pandemic has continued to prompt public health restrictions that are adversely impacting many of the City's primary revenue sources: sales tax, hotel tax, fees for recreation and development services, and construction permit fees. The City's fiscal year 2020/21 adopted operating budget anticipated these revenue decreases and consequently incorporated expenditure reduction measures to produce a balanced budget. To the extent those measures prove insufficient, the City may draw on its General Fund Budget Uncertainty Reserve or its contingency reserves to maintain essential services.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's financial activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Director at 3300 Capital Avenue, P. O. Box 5006, Fremont, California 94537-5006.

Government-Wide Financial Statements

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City of Fremont
Statement of Net Position
June 30, 2020
(With comparative totals for June 30, 2019)

ASSETS	Governmental Activities	
	2020	2019
Current assets:		
Cash and investments held by City	\$ 443,078,945	\$ 401,076,747
Restricted cash and investments held by fiscal agent or City	3,036,169	2,754,323
Receivables, net	33,843,940	34,425,685
Condemnation deposits	15,000	15,000
Total current assets	479,974,054	438,271,755
Noncurrent assets:		
Housing loans receivable, net	1,041,584	1,026,237
Land held for resale	2,821,430	2,821,430
Prepaid assets	1,877,628	-
Capital assets:		
Nondepreciable assets	749,429,699	734,025,461
Depreciable assets, net	184,341,764	189,241,870
Total capital assets, net	933,771,463	923,267,331
Total noncurrent assets	939,512,105	927,114,998
Total assets	1,419,486,159	1,365,386,753
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions and OPEB	89,524,368	90,362,815
LIABILITIES		
Current liabilities:		
Accounts payable	17,768,600	15,627,403
Salaries and wages payable	7,670,437	5,675,012
Claims payable	4,026,000	4,737,000
Pollution remediation obligation - due within one year	1,346,650	852,000
Interest payable	1,609,790	1,649,874
Unearned revenue	3,461,064	5,420,769
Compensated absences - due within one year	3,346,275	2,628,661
Long-term debt - due within one year	7,735,376	8,268,505
Total current liabilities	46,964,192	44,859,224
Noncurrent liabilities:		
Claims payable	9,594,000	11,093,000
Pollution remediation obligation - due in more than one year	521,571	521,571
Net other post employment benefits liability	82,735,272	83,602,614
Net pension liability	390,302,773	366,514,171
Compensated absences - due in more than one year	10,038,824	7,885,984
Long-term debt - due in more than one year	135,635,865	143,349,740
Total noncurrent liabilities	628,828,305	612,967,080
Total liabilities	675,792,497	657,826,304
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions and OPEB	12,190,050	15,903,191
NET POSITION		
Net investment in capital assets	790,400,222	771,862,033
Restricted:		
Social service programs	18,463,413	8,817,260
Debt service	2,700,339	2,559,102
Public safety	2,313,742	849,927
Street improvements	4,776,580	15,157,679
Community development	268,972,428	218,758,726
Other purposes	-	24,478
Total restricted	297,226,502	246,167,172
Unrestricted	(266,598,744)	(236,009,132)
Total net position	\$ 821,027,980	\$ 782,020,073

See accompanying Notes to Basic Financial Statements.

Government-Wide Financial Statements

City of Fremont

Statement of Activities

For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 22,009,159	\$ 3,170,312	\$ -	\$ -	\$ 3,170,312
Police services	100,456,459	3,640,700	2,174,509	-	5,815,209
Fire services	61,019,537	2,183,443	116,351	-	2,299,794
Human services	16,437,791	2,912,815	6,644,943	-	9,557,758
Capital assets maintenance and operations	91,467,361	1,766,488	9,277,504	78,394,477	89,438,469
Recreation and leisure services	10,599,255	5,722,571	-	-	5,722,571
Community development and environmental services	43,569,736	52,668,225	4,147,564	-	56,815,789
Interest on debt	4,613,636	-	-	-	-
Total	\$ 350,172,934	\$ 72,064,554	\$ 22,360,871	\$ 78,394,477	\$ 172,819,902

General revenues:

Property tax

Sales tax

Business tax

Transient occupancy tax

Property transfer tax

Total taxes

Franchise fees

Investment earnings

Gain on sale of capital assets

Miscellaneous

Total general revenues

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position	
Governmental Activities	
2020	2019
\$ (18,838,847)	\$ (13,726,763)
(94,641,250)	(82,091,218)
(58,719,743)	(51,715,498)
(6,880,033)	(4,404,214)
(2,028,892)	(14,258,131)
(4,876,684)	(2,532,828)
13,246,053	2,497,050
(4,613,636)	(4,092,950)
<u>(177,353,032)</u>	<u>(170,324,552)</u>
109,643,440	102,303,564
52,066,458	64,830,649
11,677,266	11,566,214
5,915,273	8,292,113
1,844,400	1,900,150
181,146,837	188,892,690
10,776,689	10,488,238
13,196,322	12,549,669
1,991,163	491,515
9,249,928	5,767,135
216,360,939	218,189,250
39,007,907	47,864,698
782,020,073	734,155,375
<u>\$ 821,027,980</u>	<u>\$ 782,020,073</u>

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Governmental Funds Financial Statements

Governmental Funds Financial Statements

City of Fremont Balance Sheet Governmental Funds June 30, 2020

(With comparative totals for June 30, 2019)

	Major Funds				
	General Fund	Development Impact Fees	Development Cost Center	Recreation Services	Capital Improvement
ASSETS					
Cash and investments held by City	\$ 27,416,248	\$ 148,441,304	\$ 20,321,163	\$ 6,941,279	\$ 67,778,082
Restricted cash and investments held by fiscal agent or City	-	28,032	-	-	189,763
Receivables:					
Property tax	1,251,817	-	-	-	-
Sales tax	9,045,151	-	-	-	-
Due from other governmental agencies	525,855	-	-	-	199,356
Housing loans receivable, net	25,177	-	-	-	-
Accrued interest	1,153,185	-	-	-	-
Transient occupancy tax	219,032	-	-	-	-
Franchise fees	1,104,136	-	-	-	-
Accounts receivable	1,069,996	-	1,167,162	-	850
Other	98,182	-	-	-	-
Land held for resale	-	-	-	-	2,821,430
Due from other funds	11,589,128	-	-	-	-
Total assets	\$ 53,497,907	\$ 148,469,336	\$ 21,488,325	\$ 6,941,279	\$ 70,989,481
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,535,717	\$ 1,895,280	\$ 174,156	\$ 125,707	\$ 3,137,309
Salaries and wages payable	6,295,875	-	813,767	145,287	-
Due to other funds	-	-	-	-	-
Unearned revenue	143,834	-	2,932,021	215,554	-
Total liabilities	8,975,426	1,895,280	3,919,944	486,548	3,137,309
Deferred inflows of resources-unavailable revenue	25,177	-	-	-	-
Fund Balances:					
Restricted for:					
Social service programs	-	-	-	-	-
Debt service	-	-	-	-	-
Public safety	-	-	-	-	-
Street improvements	-	-	-	-	189,763
Community development	-	146,574,056	17,568,381	-	-
Other purposes	-	-	-	-	-
Committed for:					
Social service programs	-	-	-	-	-
Community development	-	-	-	-	-
Recreation programs	-	-	-	6,454,731	-
Assigned for:					
Social service programs	-	-	-	-	-
Capital projects	-	-	-	-	67,662,409
Unassigned	44,497,304	-	-	-	-
Total fund balances	44,497,304	146,574,056	17,568,381	6,454,731	67,852,172
Total liabilities, deferred inflows of resources, and fund balances	\$ 53,497,907	\$ 148,469,336	\$ 21,488,325	\$ 6,941,279	\$ 70,989,481

See accompanying Notes to Basic Financial Statements.

Governmental Funds Financial Statements

Major Funds						Total Governmental Funds	
Human Services	Federal Capital Grants	Inclusionary Housing In Lieu	ACTC, MTC, Measures B, BB & F Grants, Streets, Bike & Pedestrian	Fremont Public Financing Authority	Non-major Funds	2020	2019
\$ 10,631,596	\$ -	\$ 62,085,986	\$ 1,931,167	\$ -	\$ 63,576,208	\$ 409,123,033	\$ 367,714,835
-	139,071	-	-	137	2,679,166	3,036,169	2,754,323
-	-	-	-	-	29,385	1,281,202	994,327
-	-	-	-	-	-	9,045,151	9,446,236
3,039,797	562,941	-	8,297,670	-	4,527,592	17,153,211	17,768,460
1,016,407	-	-	-	-	-	1,041,584	1,026,237
-	-	-	-	-	-	1,153,185	907,257
-	-	-	-	-	-	219,032	864,463
-	-	-	-	-	-	1,104,136	1,521,814
31,045	-	-	-	-	1,054,095	3,323,148	2,337,527
-	-	-	-	-	-	98,182	131,532
-	-	-	-	-	-	2,821,430	2,821,430
-	-	-	-	-	-	11,589,128	9,130,813
<u>\$ 14,718,845</u>	<u>\$ 702,012</u>	<u>\$ 62,085,986</u>	<u>\$ 10,228,837</u>	<u>\$ 137</u>	<u>\$ 71,866,446</u>	<u>\$ 460,988,591</u>	<u>\$ 417,419,254</u>
\$ 845,379	\$ 141,552	\$ -	\$ 3,736,170	\$ -	\$ 4,653,445	\$ 17,244,715	\$ 13,943,437
174,605	-	-	-	-	103,714	7,533,248	5,580,281
1,472,524	560,460	-	4,213,871	-	5,342,273	11,589,128	9,130,813
-	-	-	-	-	169,655	3,461,064	5,420,769
<u>2,492,508</u>	<u>702,012</u>	<u>-</u>	<u>7,950,041</u>	<u>-</u>	<u>10,269,087</u>	<u>39,828,155</u>	<u>34,075,300</u>
<u>2,241,802</u>	<u>67,409</u>	<u>-</u>	<u>6,180,291</u>	<u>-</u>	<u>659,658</u>	<u>9,174,337</u>	<u>6,406,789</u>
6,580,631	-	-	-	-	6,056,373	12,637,004	6,875,003
-	-	-	-	137	2,700,202	2,700,339	2,562,329
-	-	-	-	-	2,313,742	2,313,742	1,059,647
-	-	-	-	-	11,189,833	11,379,596	13,293,629
-	-	62,085,986	-	-	42,729,005	268,957,428	218,743,726
-	-	-	-	-	-	-	24,478
3,403,904	-	-	-	-	-	3,403,904	1,812,170
-	-	-	-	-	-	-	2,950,000
-	-	-	-	-	-	6,454,731	8,057,530
-	-	-	-	-	-	-	2,376,420
-	-	-	-	-	-	67,662,409	70,297,269
-	(67,409)	-	(3,901,495)	-	(4,051,454)	36,476,946	48,884,964
<u>9,984,535</u>	<u>(67,409)</u>	<u>62,085,986</u>	<u>(3,901,495)</u>	<u>137</u>	<u>60,937,701</u>	<u>411,986,099</u>	<u>376,937,165</u>
<u>\$ 14,718,845</u>	<u>\$ 702,012</u>	<u>\$ 62,085,986</u>	<u>\$ 10,228,837</u>	<u>\$ 137</u>	<u>\$ 71,866,446</u>	<u>\$ 460,988,591</u>	<u>\$ 417,419,254</u>

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City of Fremont
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020

(With comparative totals for June 30, 2019)

	2020	2019
Total Fund Balances - Total Governmental Funds	\$ 411,986,099	\$ 376,937,165
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet, net of Internal Service Funds capital assets of \$14,490,344 and \$14,694,895 at June 30, 2020 and 2019, respectively.	919,281,119	908,572,436
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	(1,609,790)	(1,649,874)
Condemnation deposits are reported as current assets; however, such deposits are reported as expenditures in Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances.	15,000	15,000
Internal Service Funds are used to charge the costs of insurance, information technology, vehicle replacements, employee benefits, and fire equipment replacement to individual funds. The assets, liabilities, and deferred outflows/inflows of the Internal Service Funds are included in governmental activities in the Government-Wide Statement of Net Position.	30,057,630	24,751,566
Deferred inflows of resources recorded in governmental funds financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements.	9,174,337	6,406,789
Accruals for compensated absences are long-term liabilities and are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	(13,385,099)	(10,514,645)
Pollution remediation obligations are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.	(1,868,221)	(1,373,571)
Deferred outflows of resources resulting from changes in the net pension and net OPEB liabilities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	88,200,731	88,823,601
Deferred inflows of resources resulting from changes in the net pension and net OPEB liabilities are not due and payable and therefore are not reported in the Governmental Funds Balance Sheet.	(11,300,557)	(15,293,035)
Net pension liability on Government-Wide Statement of Net Position is not due and payable and therefore is not reported in the Governmental Funds Balance Sheet.	(383,416,756)	(359,434,500)
Net OPEB liability on Government-Wide Statement of Net Position is not due and payable and therefore is not reported in the Governmental Funds Balance Sheet.	(82,735,272)	(83,602,614)
Long-term debt is not due and payable in the current period and therefore is not reported in the Governmental Funds Balance Sheet.	(143,371,241)	(151,618,245)
Net Position of Governmental Activities	\$ 821,027,980	\$ 782,020,073

See accompanying Notes to Basic Financial Statements.

Governmental Funds Financial Statements

City of Fremont Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	Major Funds				
	General Fund	Development Impact Fees	Development Cost Center	Recreation Services	Capital Improvement
REVENUES					
Property tax	\$ 106,563,446	\$ -	\$ -	\$ -	\$ -
Sales tax	52,066,458	-	-	-	-
Intergovernmental	610,490	-	-	380,571	343,032
Business tax	11,677,266	-	-	-	-
Other taxes	7,759,673	-	-	-	-
Impact fees	-	44,393,895	-	-	-
Franchise fees	10,421,207	-	-	-	-
Charges for services	9,688,825	-	19,128,742	5,714,937	40,688
Investment earnings	2,081,454	4,461,518	663,580	224,851	802,534
Other	90,476	44	-	28,485	52,768
Total revenues	200,959,295	48,855,457	19,792,322	6,348,844	1,239,022
EXPENDITURES					
Current:					
General government	17,420,037	-	-	-	-
Police services	88,979,325	-	-	-	-
Fire services	53,743,301	-	-	-	-
Human services	4,827,498	-	-	-	-
Capital assets maintenance and operations	25,934,406	8,747,132	3,171,857	-	6,387,006
Recreation and leisure services	-	-	-	9,150,394	-
Community development and environmental services	1,928,759	-	13,692,093	-	14,312
Capital outlay	452,397	-	28,425	120,667	10,192,270
Debt service:					
Principal	5,575,674	-	-	-	-
Interest and fiscal charges	3,490,203	-	-	-	-
Total expenditures	202,351,600	8,747,132	16,892,375	9,271,061	16,593,588
REVENUES OVER (UNDER) EXPENDITURES	(1,392,305)	40,108,325	2,899,947	(2,922,217)	(15,354,566)
OTHER FINANCING SOURCES (USES)					
Debt issuance	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-
Proceeds from sale of capital assets	1,235,000	-	-	-	-
Transfers in	6,723,739	-	2,352,269	2,724,314	12,809,750
Transfers out	(13,529,626)	(1,924,000)	(9,094,477)	(1,404,896)	(110,000)
Total other financing sources (uses)	(5,570,887)	(1,924,000)	(6,742,208)	1,319,418	12,699,750
Net change in fund balances	(6,963,192)	38,184,325	(3,842,261)	(1,602,799)	(2,654,816)
FUND BALANCES					
Beginning of year	51,460,496	108,389,731	21,410,642	8,057,530	70,506,988
End of year	\$ 44,497,304	\$ 146,574,056	\$ 17,568,381	\$ 6,454,731	\$ 67,852,172

See accompanying Notes to Basic Financial Statements.

Governmental Funds Financial Statements

Major Funds						Total Governmental Funds	
Human Services	Federal Capital Grants	Inclusionary Housing In Lieu	ACTC, MTC, Measures B, BB & F Grants, Streets, Bike & Pedestrian	Fremont Public Financing Authority	Non-major Funds	2020	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,079,994	\$ 109,643,440	\$ 102,303,564
-	-	-	-	-	-	52,066,458	64,830,649
7,803,163	5,664,602	-	23,589,351	-	17,548,470	55,939,679	43,236,949
-	-	-	-	-	-	11,677,266	11,566,214
-	-	-	-	-	-	7,759,673	10,192,263
-	-	-	-	-	-	44,393,895	29,617,113
-	-	-	-	-	355,482	10,776,689	10,488,238
1,747,181	-	21,036,547	-	-	11,940,086	69,297,006	61,086,919
291,682	-	1,940,179	80,797	4,250	1,673,438	12,224,283	11,479,202
3,026,231	-	-	-	-	5,859,980	9,057,984	5,639,201
<u>12,868,257</u>	<u>5,664,602</u>	<u>22,976,726</u>	<u>23,670,148</u>	<u>4,250</u>	<u>40,457,450</u>	<u>382,836,373</u>	<u>350,440,312</u>
-	-	-	-	-	3,527,081	20,947,118	16,545,558
-	-	-	-	-	325,565	89,304,890	81,481,658
-	-	-	-	-	10,815	53,754,116	49,593,209
9,659,281	-	-	-	-	1,434,955	15,921,734	13,097,740
-	3,588,187	-	27,471,604	-	12,494,006	87,794,198	82,086,624
-	-	-	-	-	-	9,150,394	9,947,436
1,601,518	-	12,662,848	-	-	12,166,515	42,066,045	46,110,068
-	-	-	4,528,305	-	2,542,844	17,864,908	4,507,967
640,000	-	-	-	86,147,096	1,585,000	93,947,770	7,752,376
194,919	-	-	-	671,995	1,407,588	5,764,705	4,406,484
<u>12,095,718</u>	<u>3,588,187</u>	<u>12,662,848</u>	<u>31,999,909</u>	<u>86,819,091</u>	<u>35,494,369</u>	<u>436,515,878</u>	<u>315,529,120</u>
772,539	2,076,415	10,313,878	(8,329,761)	(86,814,841)	4,963,081	(53,679,505)	34,911,192
-	-	-	-	73,365,000	-	73,365,000	-
-	-	-	-	13,446,751	-	13,446,751	-
-	-	-	-	-	681,688	1,916,688	1,214,219
1,292,634	-	-	-	-	2,141,314	28,044,020	34,623,582
(750,246)	-	-	-	-	(1,230,775)	(28,044,020)	(34,623,582)
<u>542,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,811,751</u>	<u>1,592,227</u>	<u>88,728,439</u>	<u>1,214,219</u>
<u>1,314,927</u>	<u>2,076,415</u>	<u>10,313,878</u>	<u>(8,329,761)</u>	<u>(3,090)</u>	<u>6,555,308</u>	<u>35,048,934</u>	<u>36,125,411</u>
8,669,608	(2,143,824)	51,772,107	4,428,266	3,227	54,382,393	376,937,164	340,811,753
<u>\$ 9,984,535</u>	<u>\$ (67,409)</u>	<u>\$ 62,085,986</u>	<u>\$ (3,901,495)</u>	<u>\$ 137</u>	<u>\$ 60,937,701</u>	<u>\$ 411,986,099</u>	<u>\$ 376,937,165</u>

Governmental Funds Financial Statements

City of Fremont

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	2020	2019
Net Change in Fund Balances - Total Governmental Funds	\$ 35,048,934	\$ 36,125,411
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets additions recorded in the current period along with the condemnation deposit increase/decrease due to land acquired and legal expenses paid during the year.	17,479,803	13,133,296
Contributions of capital assets from developers not reported as revenue in governmental funds.	605,813	176,378
Pension contribution made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the government-wide financial statements.	45,085,985	38,485,955
Pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(67,501,466)	(49,444,737)
OPEB contribution made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the government-wide financial statements.	10,708,000	8,495,000
OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(8,037,825)	(7,847,240)
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation, net of \$1,809,613 and \$1,697,367, for the years ended June 30, 2020 and 2019, respectively, from the Internal Service Funds is not reported as an expenditure in governmental funds.	(7,376,933)	(6,274,255)
Disposals of capital assets are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, these activities are not reported as expenditures in governmental funds.	-	(742,648)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position.	(86,811,751)	-
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.	93,947,770	7,752,376
Revenues earned but not available are deferred in the governmental funds but are recognized as revenues in the government-wide financial statements. Also, revenues recognized in the governmental funds during the current year that were earned and recognized in previous years in the government-wide financial statements are reported as beginning net position in the statement of activities.	2,767,548	3,362,734
The net change in interest payable on long-term debt is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources.	40,084	27,448
Unamortized long-term premium is deferred and amortized in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, the amortization of long-term premium is not reported as an expenditure in governmental funds.	1,110,985	286,086
Internal Service Funds are used to charge the costs of insurance, information technology, vehicle replacements, employee benefits, and fire equipment replacement to individual funds. The change in net position of the Internal Service Funds is reported with governmental activities.	5,306,064	4,155,741
Pollution remediation obligations are not due and payable in the current period and therefore the changes are not reported in the governmental funds.	(494,650)	378,599
Long-term compensated absences are not due and payable in the current period and therefore the changes are not reported in the governmental funds.	(2,870,454)	(205,447)
Change in Net Position of Governmental Activities	\$ 39,007,907	\$ 47,864,698

See accompanying Notes to Basic Financial Statements.

Proprietary Funds Financial Statements

Proprietary Funds Financial Statements

City of Fremont Statement of Net Position Proprietary Funds June 30, 2020

(With comparative totals for June 30, 2019)

	Internal Service	
	2020	2019
ASSETS		
Current assets:		
Cash and investments held by City	\$ 33,955,912	\$ 33,361,912
Other receivables	466,694	454,069
Total current assets	<u>34,422,606</u>	<u>33,815,981</u>
Noncurrent assets:		
Prepaid assets	1,877,628	-
Depreciable assets	32,814,065	32,244,292
Less accumulated depreciation	<u>(18,323,721)</u>	<u>(17,549,397)</u>
Total noncurrent assets	<u>16,367,972</u>	<u>14,694,895</u>
Total assets	<u>50,790,578</u>	<u>48,510,876</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	<u>1,323,636</u>	<u>1,539,214</u>
LIABILITIES		
Current liabilities:		
Accounts payable	523,885	1,683,966
Salaries and wages payable	137,189	94,731
Claims payable	4,026,000	4,737,000
Total current liabilities	<u>4,687,074</u>	<u>6,515,697</u>
Noncurrent liabilities:		
Claims payable	9,594,000	11,093,000
Net pension liability	6,886,017	7,079,671
Total noncurrent liabilities	<u>16,480,017</u>	<u>18,172,671</u>
Total liabilities	<u>21,167,091</u>	<u>24,688,368</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	<u>889,493</u>	<u>610,156</u>
NET POSITION		
Net investment in capital assets	14,490,344	14,694,895
Unrestricted	15,567,286	10,056,671
Total net position	<u>\$ 30,057,630</u>	<u>\$ 24,751,566</u>

See accompanying Notes to Basic Financial Statements.

City of Fremont
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2020
 (With comparative totals for the fiscal year ended June 30, 2019)

	Internal Service	
	2020	2019
OPERATING REVENUES		
Charges for services	\$ 31,767,456	\$ 28,276,861
Other	7,907	8,770
Total operating revenues	31,775,363	28,285,631
OPERATING EXPENSES		
Salaries and wages	16,918,586	13,985,166
Insurance premiums	2,452,981	3,174,855
Provision for claim losses	2,185,971	2,382,084
Claims administration	233,558	263,222
Materials and supplies	3,856,996	3,662,090
Depreciation	1,809,613	1,697,367
Other	58,108	55,517
Total operating expenses	27,515,813	25,220,301
OPERATING INCOME	4,259,550	3,065,330
NONOPERATING REVENUES		
Investment income	972,039	1,070,467
Gain on disposal of capital assets	74,475	19,944
CHANGE IN NET POSITION	5,306,064	4,155,741
Net position - beginning of year	24,751,566	20,595,825
Net position - ending	\$ 30,057,630	\$ 24,751,566

See accompanying Notes to Basic Financial Statements.

Proprietary Funds Financial Statements

City of Fremont Statement of Cash Flows Proprietary Funds For the fiscal year ended June 30, 2020 (With comparative totals for the fiscal year ended June 30, 2019)

	Internal Service	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from users	\$ 29,758,760	\$ 26,810,750
Other revenue	7,907	8,770
Less: Payments to suppliers	(18,306,534)	(14,305,608)
Payments for employee services	(5,853,506)	(5,392,775)
Payments for claims paid	(4,395,971)	(3,506,084)
Payments to others	(58,108)	(55,517)
Net cash provided by operating activities	1,152,548	3,559,536
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(1,605,062)	(3,382,039)
Proceeds from sale of capital assets	74,475	206,325
Net cash used in capital and related financing activities	(1,530,587)	(3,175,714)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Elimination of prior year overdraft	-	(620,485)
Net cash provided by non-capital financing activities	-	(620,485)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash and investments	972,039	1,070,467
Net change in cash and cash equivalents	594,000	833,804
CASH AND CASH EQUIVALENTS		
Beginning of year	33,361,912	32,528,108
End of year	\$ 33,955,912	\$ 33,361,912
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 4,259,550	\$ 3,065,330
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,809,613	1,697,367
Changes in operating assets, liabilities, and deferred items:		
Other receivables	(12,625)	300,089
Prepaid assets	(1,877,628)	-
Accounts payable	(1,160,081)	1,301,990
Salaries and wages payable	42,458	3,821
Repay amounts due to other funds	-	(1,766,200)
Claims payable	(2,210,000)	(1,124,000)
Deferred outflow resources - pension plan	215,578	543,564
Deferred inflow resources - pension plan	279,337	378,849
Net pension liability	(193,654)	(841,274)
Net cash provided by operating activities	\$ 1,152,548	\$ 3,559,536
Noncash capital financing activities		
Carrying value of disposed assets	\$ 74,475	\$ 19,944
Conversion of prepaid assets to capital assets	-	2,633,408

See accompanying Notes to Basic Financial Statements.

Agency Funds Financial Statements

Agency Funds Financial Statements

City of Fremont Statement of Fiduciary Net Position Agency Funds June 30, 2020 (With comparative totals for June 30, 2019)

	Agency Funds	
	2020	2019
ASSETS		
Cash and investments held by City	\$ 18,453,444	\$ 17,242,935
Restricted cash and investments held by fiscal agent or City	24,921,632	6,801,966
Land held for resale	678,979	678,979
Accounts receivable	35,267	18,440
Property tax receivable	1,792	-
Total assets	44,091,114	24,742,320
LIABILITIES		
Accounts payable	\$ 114,447	\$ 133,152
Due to other governmental agencies	678,979	678,979
Deposits	43,297,688	23,930,189
Total liabilities	44,091,114	24,742,320
NET POSITION	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Fremont, California (City) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Description of the Government-Wide Financial Statements

The government-wide financial statements (the Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Data from the governmental funds and internal service funds financial statements are summarized as governmental activities in the government-wide financial statements. All fiduciary activities are reported only in the fund financial statements.

B. Financial Reporting Entity

The City was incorporated in January 1956. The City has a council-manager form of government and provides a wide range of municipal services. These basic financial statements present the City and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The following is a brief overview of the component units included in the accompanying basic financial statements of the City. Financial information for these component units can be obtained from the City's Finance Department.

Fremont Public Financing Authority (Financing Authority) – A joint powers authority formed by the City and the former Redevelopment Agency of the City of Fremont (RDA), organized for the purpose of financing certain capital projects for the City or the Agency. Separate financial statements are not issued for the Financing Authority. After the RDA was dissolved in January 2012, the Successor Agency to the RDA assumed its role as a party to the joint powers authority agreement until it was terminated in May 2015. On June 13, 2017, the Fremont Industrial Development Authority became an additional party to the Financing Authority joint powers agreement.

Fremont Social Services Joint Powers Authority (Social Services JPA) – A joint powers authority formed by the City and the RDA, organized for the purpose of facilitating the activities of the Family Resource Center. In 1998, the Social Services JPA entered into a 40-year lease with the City for the two buildings that house the Family Resource Center. The Social Services JPA has committed to subleasing this space to CDBG-eligible tenants at below-market rents over the 40-year lease term. Rents collected from

Notes to Basic Financial Statements

CDBG-eligible tenants are used to make payments on the debt service obligations incurred in connection with the purchase of the buildings. Separate financial statements are not issued for the Social Services JPA. Although the RDA ceased to exist after January 31, 2012, that occurrence had no effect on the existence of the Social Services JPA.

The City Council serves in separate session as the governing body of the Financing Authority and the Social Services JPA and a financial benefit/burden relationship exists between the City and these entities. As a result, the financial activities of the Financing Authority and the Social Services JPA are integrally related to those of the City and are “blended” with those of the City.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The City reports the following governmental activities:

General Government – These services are those that are associated with the general administration of the government. These services are primarily provided by the following departments: City Council, City Manager, City Attorney, City Clerk, Finance, and Human Resources. These departments provide services that support external as well as other internal government functions of the City.

Public Safety - Police Services – The Police Department is responsible for the safeguarding of citizens’ lives and property, the preservation of constitutional rights, and neighborhood problem solving. These services also include the animal shelter and jail bookings.

Public Safety - Fire Services – The Fire Department is responsible for providing fire and life safety emergency services, including emergency response, paramedic services, public education, emergency-preparedness training and hazardous materials management services.

Human Services – The Human Services Department offers a range of services to the community including a senior center, paratransit services, counseling, and support for seniors, families and youth.

Capital Assets Maintenance and Operations – These services are provided by the Public Works Department and the Community Services Department and include maintenance of the City’s capital assets and infrastructure such as public buildings, parks, streets and vehicles.

Recreation and Leisure Services – Services provided by the Community Services Department include performing and visual arts, youth and adult sports, youth and early childhood enrichment programs, park visitor services, and management of the community centers, special facilities, and historic sites.

Community Development and Environmental Services – These services are provided by the Community Development Department and the Environmental Services Division of the Community Services Department and include community planning, engineering, code enforcement, building permit and inspection services, and environmental services that enhance and preserve a high quality living environment within the City.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables; however, interfund services provided and used are not eliminated in the process of consolidation.

D. Basis of Presentation – Fund Financial Statements

The accounts of the City are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows of resources, deferred inflows of resources, fund balance/net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. Accompanying statements are presented to reconcile and explain the differences in fund balances and change in fund balances as presented in these statements to the net position and change in net position presented in the government-wide financial statements. The fund types presented in the fund financial statements include the General Fund, special revenue funds, debt service funds, and capital projects funds. The City has presented all major funds that meet the criteria prescribed in GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund – This fund is the City’s primary operating fund. It accounts for all financial resources and outlays of the general government. The General Fund receives the City’s discretionary funding sources (e.g., property tax, sales tax, charges for services, etc.) and uses its resources for the general operations of the City (e.g., police, fire, general government) not accounted for in other funds.

Development Impact Fees – This is a capital projects fund that accounts for impact fees levied under California Government Code Sections 66000 et seq., “Fees for Development Projects” (commonly referred to as AB1600) and Section 66477 (commonly referred to as the Quimby Act). The City assesses fees for fire, capital facilities, traffic, park dedication in lieu, and park facilities. These fees are used to

Notes to Basic Financial Statements

defray all or a portion of the cost of additional public facilities needed to provide service to new development.

Development Cost Center – This is a special revenue fund that accounts for user fees and costs of services related to planning, engineering and inspection of public and private development construction projects.

Recreation Services – This is a special revenue fund that accounts for all of the City’s recreation programs and services, including Central Park and activities of the community centers. User fees are generated from the various classes and programs offered to the public.

Capital Improvement – By Council resolution, this capital projects fund can be used only to finance capital improvements for the City, including the acquisition, construction, and initial equipping of parks, recreation areas, public safety facilities, or other public works projects. Amounts in this fund are primarily received as transfers from the General Fund, as interest earned on invested cash balances, as proceeds from the sale of certain parcels of land, or as proceeds of debt.

Human Services – This special revenue fund accounts for services provided to the community that include: a senior center; paratransit services; counseling; support for seniors, families and youth; and housing related services.

Federal Capital Grants – This capital projects fund is used to account for various federal grants such as, but not limited to, the Highway Safety Improvement Program (FAST), Transportation Improvement Program (TIP), and One Bay Area Grants (OBAG). These funds are used for transportation projects, and funds are applied for on a project-by-project basis.

Inclusionary Housing In Lieu – This special revenue fund accounts for inclusionary housing in-lieu fee payments received from developers. The Inclusionary Housing Program requires a minimum amount of affordable housing to be created in conjunction with market rate residential development.

ACTC, MTC, Measure B, BB & F Grants, Streets, Bikes and Pedestrian – This fund accounts for the portion of monies from County Measures B, BB and F to be used to fund transportation-related capital projects. Under Measure B, the City receives the proceeds of an additional half-cent sales tax for use on transportation-related expenditures. In November 2014 voters approved Measure BB which augments and extends the existing Alameda County Measure B half-cent transportation sales tax by a half-cent to April 1, 2045. In November 2010, voters of Alameda County approved Measure F, the Vehicle Registration Fee (VRF) program. The City receives proceeds from a fee on each annual motor vehicle registration or renewal in Alameda County.

Fremont Public Financing Authority Debt Service – This fund reports activity in the debt service and reserve accounts held by trustee banks for the benefit of investors in the City’s lease revenue bonds and certificates of participation. Principal and interest expenditures are budgeted and reported in the General Fund, with the portion of the

2019 Lease Revenue Bonds expenditures related to the Fremont Family Resource Center reported in the Human Services Fund.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds.

The City reports the following proprietary fund type:

Internal Service – This fund type accounts for the Risk Management and Information Technology services provided to other City departments on a cost-reimbursement basis, as well as funds accumulated for Vehicle Replacement, Employee Benefits, and Fire Capital Replacement.

Internal service fund balances and activities have been incorporated into governmental activities in the government-wide financial statements.

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position. The City's fiduciary funds consist of four agency funds. The City's agency funds are custodial in nature and do not involve measurement of results of operations.

The City reports the following agency funds:

Local Improvement Districts – This fund accounts for the accumulation of facilities and services special tax revenue for the City's three Community Facilities Districts (CFDs), payment of principal and interest for outstanding CFD No. 1 (Pacific Commons) special tax bonds, payment for maintenance of the public improvements in CFD No. 1 financed with special tax bonds, payment of principal and interest for outstanding CFD No. 2 (Warm Springs Public Facilities) special tax bonds, and payments for maintenance of enhanced streetscape in CFD No. 3 (Warm Springs Public Services).

Narcotics Assets Seizure – This fund accounts for assets confiscated by the Southern Alameda County Major Crimes Task Force (SACMCTF), which consists of police officers from the cities of Fremont, Newark and Union City. These assets may only be used by SACMCTF for future narcotics investigations.

Performance Bonds, Deposits and Confiscated Assets – This fund accounts for bonds and deposits received in conjunction with construction activity within the City, assets confiscated by the police, and other deposits held by the City in a fiduciary capacity.

Southern Alameda County GIS – This fund accounts for monies collected from agencies participating in a joint powers authority (JPA) for the administration of the Southern Alameda County Geographic Information System (GIS). The City is the administrator of the GIS, which serves the participating agencies. The parties to the JPA are the City of Fremont, City of Newark, Union Sanitary District, and Alameda County Water District.

Notes to Basic Financial Statements

During the year, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds are eliminated. Similarly, activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. However, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds are eliminated.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues not meeting the availability criteria are considered deferred inflows of resources. Property tax revenues are recognized in the current year if they are collected within 60 days of year-end. All other revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 90 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are property tax, sales tax, intergovernmental revenues, other taxes, investment earnings, and certain charges for services. Fines, forfeitures, licenses, and permits are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which the liability is incurred. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position.

The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

F. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of revenues and expenses. Actual results could differ from these estimates and assumptions.

G. Comparative Data

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's fiscal year 2018/19 basic financial statements, from which the summarized information was derived. Comparative total data for the prior year have been presented to provide an understanding of the overall changes in the financial position and operations of the City. Certain fiscal year 2018/19 amounts presented as summarized comparative financial information in the basic financial statements have been reclassified for comparative purposes to conform to the presentation in the fiscal year 2019/20 basic financial statements.

H. Effects of New Pronouncements

The City implemented the following GASB Statement during the year:

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary object of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for period beginning after June 15, 2018, and later. Implementation of this Statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2020.

Notes to Basic Financial Statements

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2021.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2022.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2022.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2021.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2023.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2022.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2022.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2023.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2023.

Notes to Basic Financial Statements

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the City’s fiscal year ending June 30, 2022.

I. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Investments

The City pools cash resources from all funds in order to facilitate and maximize the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other fixed income investments with varying terms.

In addition, Note 2 provides information about the City’s deposits and investments, interest sensitive investments, the credit quality of the investments held at year-end, and fair value measurement. Investments are presented at fair value except as noted below. Fair value is 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. Money market investments (such as short-term, highly liquid debt instruments including bankers’ acceptances) and securities (notes, bills, and obligations of the U.S. government and its agencies), and participating interest-earning investment contracts (such as negotiable certificates of deposit and repurchase agreements) that have a remaining maturity at the time of purchase of one year or less, are reported at amortized cost, which approximates fair value. Interest earned on investments is allocated monthly to all funds on the basis of daily cash and investment balances.

The City participates in two investment pools, the first managed by the State of California, the Local Agency Investment Fund (LAIF) and the second managed by PFM Asset Management LLC, the California Asset Management Program (CAMP). LAIF has invested a portion of the pool funds in structured notes and asset-backed securities, which are subject to interest rate risk. The fair value of participants’ positions in the external investment pools is the same as the value of the investment pool’s shares and

investment income, which includes changes in fair value (i.e., realized and unrealized gains or losses).

Cash and cash equivalents are considered to be cash on hand, amounts in demand deposits and short-term investments with original maturities of three months or less from the date acquired by the City.

2. Restricted Cash and Investments

Restricted cash and investments are held by a fiscal agent or the City for the redemption of bonded debt and for acquisition and construction of certain capital projects.

3. Capital Assets

Capital assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are stated at their acquisition value. City policy has set the capitalization threshold for reporting infrastructure capital assets at \$25,000 and for all other capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets, as follows:

Infrastructure	15 – 100 years
Buildings	50 years
Building Improvements	20 years
Vehicles	5 – 27 years
Machinery and Equipment	5 – 25 years

The City defines infrastructure as the basic physical assets that allow the City to function. These assets include the street network, park and recreation lands and improvements network, storm water collection network, and site amenities associated with buildings, such as parking and landscaped areas, used by the City in the conduct of its business. All of the City’s infrastructure networks are depreciated over their estimated useful lives, with the exception of the street network for which the City has elected to use the modified approach as defined by GASB Statement No. 34.

Pursuant to the modified approach to accounting for infrastructure assets, the City has committed to preserving and maintaining its street network at an appropriate condition level as determined by the City Council. Consequently, no depreciation expense is reported for the capital assets comprising the street network, nor are amounts capitalized in connection with improvements that lengthen the lives of those capital assets, unless those improvements also increase their service capacity. The City maintains an inventory of its street network infrastructure assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. Additionally, the City makes annual estimates of the amount that must be expended to preserve and maintain the street network at the predetermined condition level.

4. Compensated Absences

Notes to Basic Financial Statements

In accordance with negotiated labor agreements, employees accumulate earned but unused vacation and other compensated leave, and sick pay benefits. There is no liability for unpaid accumulated sick leave because the City does not pay any amounts when employees separate from service with the City. All vacation and other compensated leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds when due and payable only if it is expected to be settled with current financial resources.

5. Claims Payable

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes incurred but not reported (IBNR) claims and loss adjustment expenses. There is no fixed payment schedule to pay any of these liabilities.

6. Unearned Revenue

Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant monies are received before all eligibility requirements imposed by the grantor have been met (i.e. before incurring qualifying expenditures or performing related services). In subsequent periods, when the City has met all eligibility requirements, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

7. Interfund Transactions

During the normal course of operations, the City has numerous transactions among funds. The significant interfund transactions that occurred during the year can be classified into two types:

Transfers – Transactions to allocate resources or the occurrence of specific expenditures to the receiving fund. These transactions are recorded as transfers in and out in the year in which they are approved.

Loans Between Funds – Transactions to loan resources from one fund to another. Short-term loans are recorded as “due from other funds” in the disbursing fund and “due to other funds” in the receiving fund.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental-type funds recognize bond premiums and discounts during the period they occur. The face amount of debt issued is reported as

other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Pensions

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 City of Fremont's California Public Employees' Retirement System (CalPERS) plans (the "Plans") and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Post-Employment Benefits

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

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the year ended June 30, 2020, the City is reporting deferred outflows of resources related to pensions and OPEB.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the year ended June 30, 2020, the City has two types of items to report in this category: the first, unavailable revenue which arises only under the modified accrual basis of accounting, is reported only in the governmental funds balance sheet; the second, pension and OPEB items, is reported in the government-wide and proprietary funds statement of net position. The unavailable revenues in the governmental funds will be recognized as an inflow of resources during the period that the amounts become available.

12. Net Position and Fund Balance

In the government-wide financial statements, net position is reported in one of three categories:

Net Investment in Capital Assets – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance of this category.

Restricted Net Position – represents the difference between non-capital assets whose use is restricted and related liabilities and deferred inflows of resources (excluding capital-related borrowings).

Unrestricted Net Position – represents net position of the City that are not restricted for any project or purpose.

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balances for governmental funds are reported in the following categories:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance or resolution (either action is equally binding as the other), commit fund balances. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – comprises amounts intended to be used by the City for specific purposes through budgetary actions or delegation of authority by the City Council. Intent is expressed by the City Council or an official to whom the City Council has delegated the authority (generally, the City Manager) to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. The amount also includes negative fund balances for other governmental funds.

At June 30, 2020, the City’s Federal Capital Grants major capital projects fund had a deficit fund balance of \$67,409, the ACTC, MTC, Measure B, BB and F Grants, Streets, Bikes and Pedestrian major capital projects fund had a deficit balance of \$3,901,495, the Justice Assistance Grant non-major special revenue fund had a deficit fund balance of \$4,354, the Miscellaneous State Grants Capital non-major capital project fund had a deficit fund balance of \$448,926, and the Traffic System Management non-major capital project fund had a deficit fund balance of \$103,654. These deficits are due to the timing of receipt of revenues to fund capital expenditures. The deficits are expected to be funded by future intergovernmental revenues.

13. Use of Restricted/Unrestricted Net Position and Fund Balances

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City’s policy is to apply restricted net position first.

With respect to fund balance, the City considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. Additionally, the City considers committed amounts to have been spent first, assigned amounts to have been spent second, and unassigned amounts to have been spent last when an expenditure is incurred for purposes for which committed, assigned, and unassigned fund balance is available.

14. Minimum Fund Balance Policies

As part of the FY 2019/20 adopted operating budget, the City Council consolidated the City’s three previous General Fund reserves into a single General Fund Contingency Reserve equal to 16.7% of budgeted expenditures and transfers out, or \$36.7 million -- an increase from the prior 15.0% level. The City Council also increased the General Fund Budget Uncertainty Reserve from \$3.7 million to \$8.3 million. These increases were prompted by the City Council’s desire to avoid immediate service reductions in the event of an economic slowdown. The resulting net addition to the existing reserves totaled \$10.5 million.

Contingency Reserve – helps mitigate the effects of unanticipated situations such as natural disasters and severe, unforeseen events as well as serving as backup liquidity to the Risk Management Fund if this need were to arise. Contingency Reserve funds are also available to provide a source of working capital for new programs or undertakings that have the potential for receiving significant funding from outside sources, and organizational retooling, process improvement, and strategic entrepreneurial opportunities.

The Contingency Reserve is funded each year at 16.7% of budgeted operating expenditures and transfers out. All uses of the Contingency

Reserve must be approved by City Council. Any such uses are to be repaid to the Contingency Reserve over a period to be determined by the City Council at the time of approval, with a target repayment period of no more than three years. This reserve balance is reported as unassigned fund balance in the General Fund because it does not meet the requirements of a “stabilization arrangement,” as defined in GASB Statement No. 54. At June 30, 2020, the Contingency Reserve was approximately \$36.7 million.

Budget Uncertainty Reserve – is intended to offset revenue shortfalls resulting from future economic downturns and unanticipated cost increases (including increases in fuel and utility prices and increases to pension contribution requirements resulting from changes in actuarial assumptions, poor investment performance, or updated demographic data).

The funding level for this reserve is determined by measuring the level of financial risk associated with revenue and expenditure uncertainty over the three-year forecast period, with the goal of providing sufficient resources to maintain service levels while giving the City an opportunity to respond appropriately to its budgetary challenges. All uses of this reserve must be approved by the City Council. This reserve is reported as unassigned fund balance in the General Fund because it does not meet the requirements of a “stabilization arrangement,” as defined in GASB Statement No. 54. The Budget Uncertainty Reserve was funded in the adopted operating budget at \$8.3 million but absorbed \$2.8 million of the pandemic-related revenue shortfall, so at June 30, 2020, the balance was approximately \$5.5 million.

J. Revenues, Expenditures/Expenses

1. Program Revenues

The types of transactions reported as program revenues for the City are reported in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Allocation of Indirect Expense to Functions in the Government-Wide Statement of Activities

The City charges funds and departments for certain centralized risk management and information technology services provided to other City departments on a cost-reimbursement basis, as well as for funds accumulated for vehicle replacement, employee benefits, and fire capital replacement, each of which include an administrative overhead component. As a result, those indirect expenses are included along with the direct expenses shown for each of the governmental activities in the government-wide statement of activities.

3. Property Tax

Under California law, property taxes are assessed and collected by the counties at a rate of up to 1% of assessed value, plus other increases approved by the voters. Property taxes go into a pool and are then allocated to cities based on complex formulas. Property taxes are collected by the Auditor-Controller of the County of Alameda (County) and are remitted upon collection to the various taxing entities, including the City. Accordingly, the City accrues only those taxes that are received from the County within sixty days after year-end for governmental funds.

For assessment and collection purposes, property is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and real property having a tax lien that is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Unsecured property comprises all taxable property not attached to land, such as personal property or business property. Every tax levied by a county that becomes a lien on secured property has priority over all present and future private liens arising pursuant to State law on the secured property, regardless of the time of the creation of the other liens. A tax levied on unsecured property does not become a lien against the taxed unsecured property but may become a lien on other property owned by the taxpayer.

Valuation of secured property and establishment of a statutory tax lien occur as of January 1 prior to the tax year (the tax year is the July 1 – June 30 fiscal year of the State) of the related tax levy, and the secured and unsecured tax rolls are certified on or before July 31 of the tax year by the County Assessor.

The County assesses property values, levies bills, and collects taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien Dates	January 1	January 1
Levy Dates	January 1	January 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent after	December 10 (for November) April 10 (for February)	August 31

The City does not have the ability to control the levy rate or the amount of property taxes remitted by the County because these are governed by State law.

4. Operating and Nonoperating Revenues and Expenses in the Proprietary Funds

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating

Notes to Basic Financial Statements

revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

5. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2020, the Urban Runoff, Miscellaneous Federal Grants, and Miscellaneous Special Revenue non-major special revenue funds had an excess of expenditures over appropriations which were expected to be covered with existing fund balance or reimbursements from the federal government.

2. CASH AND INVESTMENTS

The City maintains an internal cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled and are reported as cash with fiscal agent. Investment income earned on pooled cash and investments is allocated monthly to the various funds based on average daily cash balances. Investment income from cash and investments with fiscal agent is credited directly to the related funds.

A. Authorized Investments

The City's investment policy is adopted annually by the City Council in accordance with California Government Code Section 53601, and has as its objectives the following (in order of priority):

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in the portfolio's composition.
- **Liquidity:** The portfolio shall remain sufficiently liquid to meet all operating requirements that can be reasonably anticipated. Liquidity refers to the ability to sell an investment at any given moment with a minimal chance of losing some portion of principal or interest.
- **Yield:** The portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Under provisions of the City's investment policy, the City may invest in the following types of investments:

- Bonds and notes issued by the City.
- U.S. Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- Registered state warrants or treasury notes or bonds issued by the State of California in the third highest rating category or better by a nationally recognized statistical rating organization (NRSRO).
- Registered treasury notes or bonds of any of the other 49 states in addition to California in the third highest rating category or better by a NRSRO.
- Bonds, notes, warrants, or other evidence of debt issued by a local agency within the State of California in the third highest rating category or better by a NRSRO.
- The Local Agency Investment Fund (LAIF) maintained by the State of California.

Notes to Basic Financial Statements

- Obligations issued by agencies or instrumentalities of the U.S. Government.
- Bankers' acceptances with a term not to exceed 180 days in the highest short-term rating category by a NRSRO.
- Prime commercial paper with a term not to exceed 270 days and the highest rating issued by Moody's Investors Service or Standard & Poor's Corporation on the date of purchase. Eligible paper shall be issued by corporations that are organized and operating within the United States, having total assets in excess of \$500,000,000, rated A-1, and if the issuer has issued long-term debt, it must be rated in the third highest rating category or better by a NRSRO.
- Negotiable certificates of deposit issued by federally chartered or state-chartered banks or associations or by a state-licensed branch of a foreign bank in the third highest rating category or better by a NRSRO.
- Repurchase agreements that comply with statutory requirements, are documented by a written agreement, are fully collateralized by delivery to an independent third-party custodian or the counterparty's bank's trust department or safekeeping department, and are for a term of one year or less.
- Medium-term notes issued by corporations organized and operating in the United States and rated in the third highest rating category or better by a NRSRO.
- Shares of beneficial interest issued by diversified management companies investing in authorized securities and obligations categorized as money market mutual funds with the highest rating by a NRSRO (e.g., money market mutual funds).
- Shares of beneficial interest issued by a joint powers authority organized pursuant to section 6509.7 of the California Government Code that invests in the securities and obligations authorized in subdivisions (a) and (o), inclusive of Section 53601 of the California Government Code.
- Insured or collateralized time deposits or savings accounts secured in accordance with the provisions of Sections 53651 and 53652 of the California Government Code.
- Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds rated in the second highest rating category or better by a NRSRO and have a maximum remaining maturity of five years or less.
- Senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, rated in the second highest rating category or better by a NRSRO.

No more than a five-year maximum maturity for each investment is allowed, unless an extension of maturity is granted by the City Council.

In accordance with Section 53651 of the California Government Code, the City cannot invest in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity. The limitation does not apply to investments in shares of beneficial interest issued under the Investment Company Act of 1940 that are authorized investments under Section 53601 of the California Government Code. Additionally, pursuant to City Council policy, the City shall not invest any funds in securities issued by firms whose general business activities are classified as “Energy – Oil, Gas & Coal” according to Bloomberg Industry Classification System.

The City’s investment policy specifies that the provisions of the related bond indentures or resolutions shall govern investments of bond proceeds.

The following is a summary of pooled cash and investments, including cash and investments with fiscal agent, at June 30, 2020:

	Governmental Activities	Fiduciary Funds	Totals
Cash and investments held by the City	\$ 443,078,945	\$ 18,453,444	\$ 461,532,389
Restricted cash and investments held by fiscal agent or City	3,036,169	24,921,632	27,957,801
Total cash and investments	446,115,114	43,375,076	489,490,190
Less: cash and deposits not meeting the definition of investments	(17,508,648)	(33,791)	(17,542,439)
Total investments	\$ 428,606,466	\$ 43,341,285	\$ 471,947,751

B. Risk Disclosures - Deposits

At June 30, 2020, the carrying and bank amounts of the City’s cash and deposits were \$17,542,439 and \$20,221,078, respectively. Of the bank balance, \$307,210 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$19,913,868 was collateralized. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City’s deposits by pledging first trust deed mortgage notes having a value of 150% of secured public deposits.

C. Risk Disclosures - Investments

In the governmental funds, restricted cash and investments held by the City in the Fire General Obligation Bonds Debt Service Fund are related to general obligation bonds. Restricted cash and investments held by fiscal agent in the Fremont Public Financing

Notes to Basic Financial Statements

Authority Debt Service Fund are restricted for the payment of principal and interest on lease obligations. In the fiduciary funds, restricted cash and investments relate to special tax bonds, the pollution mitigation escrow for the Centerville Unified Site, and construction retention escrows.

Interest Rate Risk. At June 30, 2020, the City did not hold investments that are “highly sensitive to interest rate fluctuations,” as defined by GASB Statement No. 40. As a means of limiting exposure to fair value losses arising from rising interest rates, the City’s investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. The weighted-average maturity of the portfolio was 491 days.

Credit Risk. It is the City’s policy that commercial paper must have a credit rating of A1 by Standard & Poor’s or P-1 by Moody’s Investors Service at time of purchase. Corporate bonds and medium-term notes must have a rating of A or better by a nationally recognized statistical rating organization (NRSRO) at time of purchase. Mutual funds must have the highest rating issued by a NRSRO. The Local Agency Investment Fund (LAIF), administered by the State of California, has a separate investment policy, governed by Government Code Sections 16480-16481.2, that provides credit standards for its investments.

As of June 30, 2020, the City’s investments consisted of the following:

Investment Type	Lowest Rating Category*	Fair Value	Investment Maturities				
			1 Year or Less	1-2 Years	2-3 Years	3-4 Years	4-5 Years
Pooled investments held by the City:							
U.S. Treasuries	AA	\$ 66,709,868	\$ -	\$ 6,624,130	\$ 37,508,932	\$ 14,520,088	\$ 8,056,719
U.S. Agencies:							
Federal Home Loan Bank (FHLB)	AA	11,497,276	-	5,730,110	-	2,854,996	2,912,170
Federal National Mortg. Assn. (FNMA)	AA	22,696,217	-	1,770,960	3,855,643	6,251,317	10,818,297
Medium-Term Corporate Notes	AAA/Aaa	1,843,923	-	877,952	-	965,971	-
Medium-Term Corporate Notes	AA/Aa	5,493,465	765,775	1,931,731	1,822,313	-	973,645
Medium-Term Corporate Notes	A	40,542,953	3,525,671	9,238,843	9,367,820	9,785,521	8,625,097
Medium-Term Corporate Notes	BBB	3,574,336	863,848	-	-	2,710,488	-
Municipal Bonds	AAA/Aaa	2,088,144	-	-	-	1,203,473	884,672
Municipal Bonds	AA/Aa	5,352,838	896,430	-	-	2,389,569	2,066,839
Municipal Bonds	A	340,692	-	-	-	-	340,692
Asset-Backed Securities	AAA/Aaa	9,560,700	-	179,022	3,319,282	1,077,694	4,984,702
Collateralized Mortgage Obligations	AA	5,147,016	-	648,360	2,987,363	1,511,292	-
Money Market Mutual Funds	AAA	49,973,526	49,973,526	-	-	-	-
Negotiable Certificates of Deposit	A-1/P-1	7,022,776	7,022,776	-	-	-	-
Negotiable Certificates of Deposit	A	3,803,650	-	1,881,613	1,922,037	-	-
Negotiable Certificates of Deposit	AA/Aa	3,390,564	-	-	3,390,564	-	-
Supranational Notes	AAA/Aaa	2,001,703	-	-	2,001,703	-	-
LAIF**	Not Rated	75,368,460	75,368,460	-	-	-	-
CAMP**	AAA	130,252,662	130,252,662	-	-	-	-
Total pooled investments held by the City		446,660,768	268,669,147	28,882,721	66,175,658	43,270,409	39,662,833
Investments held by fiscal agent:							
Money market mutual funds**	AAA/Aaa	25,286,983	25,286,983	-	-	-	-
Total investments		\$ 471,947,751	\$ 293,956,131	\$ 28,882,721	\$ 66,175,658	\$ 43,270,409	\$ 39,662,833

* Rating categories are shown for Standard and Poor’s (AAA, AA, A, BBB) and Moody’s (Aaa, Aa, A) and are shown without modifications (+, -, 1, 2, or 3).

** Weighted average maturity.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All securities, with the exception of the money market mutual funds, time deposits, LAIF, and

CAMP, are held by a third-party custodian, Bank of New York Mellon (BNYM). BNYM is a registered member of the Federal Reserve Bank. The securities held by BNYM are in street name, and a customer number assigned to the City identifies ownership.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's holdings in a single issuer. The City diversifies its portfolio by limiting the percentage of the portfolio that can be invested in any one issuer's name to 5%. Investments in U.S. Treasury securities, Federal Agency securities, mutual funds and investment pools (LAIF, CAMP) are not subject to the City's 5% limit on credit concentration. At June 30, 2020, no investments that are subject to the 5% limit accounted for more than 5% of total pooled investments held by the City.

D. Fair Value Adjustment

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*, require that the City's investments be carried at fair value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included in income for that fiscal year. The total amount of the unrealized fair value gain as of June 30, 2020 was \$7,780,091. At June 30, 2019, the total unrealized fair value gain was \$2,459,151. The change in value between the two periods amounted to an unrealized gain of \$5,320,940 for fiscal year 2019/20.

E. External Investment Pools

Local Agency Investment Fund – The City voluntarily invests in the California Local Agency Investment Fund (LAIF), a State of California external investment pool. LAIF is part of the Pooled Money Investment Account (PMIA). PMIA oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. PMIB members are the State Treasurer, State Director of Finance, and State Controller. The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by statute. The Chairman is the State Treasurer or his designated representative. Two members are qualified by training and experience in the field of investment or finance, and the State Treasurer appoints two members who are treasurers, finance or fiscal officers, or business managers employed by any county, city or local district or municipal corporation of the state.

The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the City's pool share. The City measures the value of its LAIF investment by multiplying its account balance by the ratio of the portfolio fair value to amortized cost (a factor of 1.004912795). The balance available for withdrawal is based on the accounting records maintained by the State, which are recorded on an amortized cost basis. As of June 30, 2020, the City had \$75,000,000 invested in LAIF, and the fair value of the City's investment in LAIF was \$75,368,460.

Notes to Basic Financial Statements

At June 30, 2020, PMIA had a total portfolio of approximately \$101.0 billion and of that amount, 96.63% was invested in non-derivative financial products and 3.37% was invested in structured notes and asset-backed securities. These investments include the following:

- Structured notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-backed securities entitle the purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (e.g., CMOs), small business loans, or credit card receivables.

California Asset Management Program – The City voluntarily invests in the California Asset Management Program (CAMP), a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

CAMP determines fair value on its investment portfolio based on amortized cost. The City measures the value of its CAMP investment at the fair value amount provided by CAMP. As of June 30, 2020, the fair value of the City's investment in CAMP was \$130,252,662.

At June 30, 2020, CAMP had a total portfolio of approximately \$6.5 billion of which all was invested in non-derivative financial products.

F. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City does not measure any of its investments using level 3 inputs.

The following is a summary of the fair value and net asset value measurements of the City as of June 30, 2020:

Notes to Basic Financial Statements

Investments	Balance at 6/30/2020	Fair Value Measurements Using	
		Level 1 Inputs	Level 2 Inputs
Investments by fair value level:			
U.S. Treasuries	\$ 66,709,868	\$ 66,709,868	\$ -
U.S. Agencies	34,193,493	-	34,193,493
Medium-Term Corporate Notes	51,454,676	-	51,454,676
Municipal Bonds	7,781,674	-	7,781,674
Asset-Backed Securities	9,560,700	-	9,560,700
Collateralized Mortgage Obligations	5,147,016	-	5,147,016
Negotiable Certificates of Deposit	14,216,990	-	14,216,990
Supranational Notes	2,001,703	-	2,001,703
Total investments by fair value level	191,066,120	\$ 66,709,868	\$ 124,356,252
Investments measured at the net asset value (NAV):			
LAIF	75,368,460		
CAMP	130,252,662		
Money Market Mutual Funds	75,260,509		
Total investments measured at the NAV	280,881,631		
Total investments measured at fair value	\$ 471,947,751		

U.S. Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using prices determined using matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

3. HOUSING LOANS RECEIVABLE

The City purchased ten rehabilitation loans from the former Successor Agency to the Redevelopment Agency of the City of Fremont (SARA) on June 30, 2013 for the discounted net present value of \$364,442. The SARA assigned to the City all the SARA's rights, title, and interest in and to the loan documents, including, without limitation, the rights to receive and enforce payment of the loan repayments. The balance due on these loans at June 30, 2020 is \$98,221 in the General Fund. The City has recorded an allowance in anticipation of the amount to be forgiven for these loans in the amount of \$73,044, resulting in a receivable balance of \$25,177. Because these loans do not meet the City's availability criteria for revenue recognition, the City has deferred the inflow of resources in the governmental funds financial statements.

At June 30, 2020, the City was owed \$1,016,407 in its Human Services special revenue fund for various housing assistance loans to homeowners made by the City. The terms of repayment are for 20 years at 5% interest per annum. Because the notes do not meet the City's availability criteria for revenue recognition, the City has deferred the inflow of resources in the governmental funds financial statements.

The City has issued various other housing loans that are expected to be forgiven in future years. As a result, the City has recorded an allowance in anticipation of the amount to be forgiven for loans receivable in the same amount as the outstanding principal on those loans, resulting in a zero balance in the basic financial statements. Accrued interest on the loans is recorded as

Notes to Basic Financial Statements

interest receivable with an offsetting allowance for uncollectible amounts in anticipation of the amount to be forgiven together with the loan principal. The cumulative principal amount of these housing loans receivable as of June 30, 2020 is \$132,770,692, and the accumulated interest receivable is \$28,507,435.

4. CAPITAL ASSETS

Capital assets activities of the governmental activities of the primary government for the year ended June 30, 2020, consist of the following:

	Balance 7/1/2019	Increase	Decrease	Transfers	Balance 6/30/2020
Nondepreciable Assets:					
Land	\$ 220,008,327	\$ 18,687	\$ (1,683,018)	\$ -	\$ 218,343,996
Land improvements	5,448,471	-	-	-	5,448,471
Infrastructure	492,828,307	605,813	-	-	493,434,120
Construction in progress	15,740,356	16,462,756	-	-	32,203,112
Total nondepreciable assets	<u>734,025,461</u>	<u>17,087,256</u>	<u>(1,683,018)</u>	<u>-</u>	<u>749,429,699</u>
Depreciable Assets:					
Building and improvements	220,561,344	-	-	-	220,561,344
Equipment	25,188,715	651,846	(1,279,090)	-	24,561,471
Vehicles	40,360,855	3,637,233	(455,926)	-	43,542,162
Infrastructure	338,126,342	-	-	-	338,126,342
Total depreciable assets	<u>624,237,257</u>	<u>4,289,079</u>	<u>(1,735,016)</u>	<u>-</u>	<u>626,791,320</u>
Less Accumulated Depreciation For:					
Building and improvements	(81,661,285)	(4,097,897)	18,644	-	(85,740,538)
Equipment	(15,342,741)	(1,022,575)	1,460,918	-	(14,904,398)
Vehicles	(20,531,406)	(2,986,946)	455,926	-	(23,062,426)
Infrastructure	(317,459,955)	(1,289,482)	7,243	-	(318,742,194)
Total accumulated depreciation	<u>(434,995,387)</u>	<u>(9,396,900)</u>	<u>1,942,731</u>	<u>-</u>	<u>(442,449,556)</u>
Total depreciable assets, net	<u>189,241,870</u>	<u>(5,107,821)</u>	<u>207,715</u>	<u>-</u>	<u>184,341,764</u>
Total capital assets, net	\$ 923,267,331	\$ 11,979,435	\$ (1,475,303)	\$ -	\$ 933,771,463

In FY 2019/20, adjustments were made in the land, equipment, and vehicles asset categories, as well as in each category of accumulated depreciation, to conform the financial statements with the capital assets and accumulated depreciation recorded in the City's financial management system.

The following conforming adjustments are included along with the amounts that would otherwise have been reported in the increase and decrease columns. Land decreased by \$1,548,850, equipment increased by \$189,828, vehicles increased by \$1,246,671, and accumulated depreciation decreased by \$2,639, for a net decrease in total capital assets of \$114,989 due to conforming adjustments. The \$9,396,900 increase in total accumulated depreciation shown in the table above includes \$210,354 of adjustment increases, so the actual depreciation expense for the year is \$9,186,546.

Depreciation expense was charged to functions and programs of the primary government, as follows:

Governmental Activities:	
General government	\$ 330,890
Police services	1,340,429
Fire services	2,342,863
Human services	28,370
Capital assets maintenance and operations	2,601,133
Recreation services	435,494
Community development and environmental services	297,754
Amount reported in the internal service funds	<u>1,809,613</u>
Total depreciation expense, governmental activities	<u>\$ 9,186,546</u>

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Position. The City elected to use the modified approach, as defined by GASB Statement No. 34, for infrastructure reporting for its roads and street network. As a result, no accumulated depreciation expense has been recorded for this system. A more detailed discussion of the modified approach is presented in the Required Supplementary Information section of this report. All other capital assets, including other infrastructure systems, are reported using the basic approach whereby accumulated depreciation and depreciation expense have been recorded.

Notes to Basic Financial Statements

5. LONG-TERM OBLIGATIONS

A summary of changes in governmental activities long-term debt for the year ended June 30, 2020, is as follows:

	Interest Rates	Amounts Outstanding 6/30/2019	Incurred or Issued	Satisfied or Matured and Net Decreases	Amounts Outstanding 06/30/2020	Amounts Due Within One Year	Amounts Due in More than One Year
General Obligation Bonds							
2012 Fire Safety Bonds Maturity - 08/01/2032	3.00-3.25%	\$ 6,095,000	\$ -	\$ (355,000)	\$ 5,740,000	\$ 365,000	\$ 5,375,000
2013 Fire Safety Bonds Maturity - 08/01/2034	4.00-4.50%	18,210,000	-	(850,000)	17,360,000	885,000	16,475,000
2017 Fire Safety Bonds Maturity - 08/01/2038	3.00-5.00%	11,845,000	-	(380,000)	11,465,000	400,000	11,065,000
Total General Obligation Bonds		36,150,000	-	(1,585,000)	34,565,000	1,650,000	32,915,000
General Fund Lease/Loan Obligations							
Publicly-Offered							
2012A Certificates of Participation Maturity - 08/01/2025	3.00-4.00%	7,155,000	-	(7,155,000)	-	-	-
2017B Lease Revenue Bonds Maturity - 10/01/2038	3.00-5.00%	19,160,000	-	(595,000)	18,565,000	625,000	17,940,000
2019 Lease Revenue Bonds Maturity - 10/01/2038	4.00-5.00%	-	73,365,000	-	73,365,000	4,265,000	69,100,000
Direct Placement/Borrowing							
2016 Energy Efficiency Financing Maturity - 02/01/2027	2.01%	6,525,043	-	(6,525,043)	-	-	-
2017A Lease Revenue Bonds Maturity - 08/01/2038	Variable	77,815,000	-	(77,815,000)	-	-	-
2017 PG&E On-Bill Financing Program Maturity - 06/01/2021	0.00%	545,454	-	(272,727)	272,727	272,727	-
Total General Fund Lease/Loan Obligations		111,200,497	73,365,000	(92,362,770)	92,202,727	5,162,727	87,040,000
Total long-term debt		147,350,497	73,365,000	(93,947,770)	126,767,727	6,812,727	119,955,000
Unamortized long-term bond premium		4,267,747	13,446,751	(1,110,985)	16,603,514	922,649	15,680,865
Total long-term debt with unamortized bond premium		\$ 151,618,244	\$ 86,811,751	\$ (95,058,755)	\$ 143,371,241	\$ 7,735,376	\$ 135,635,865

Amounts of long-term debt payable in the government-wide financial statements are generally payable from amounts available in the General Fund and related debt service funds, and from annual property tax and certain other revenues collected for the purpose of retiring the respective debt obligations.

The annual principal and interest requirements of long-term debt are as follows:

Year Ending June 30	General Obligation Bonds		General Fund Lease Obligations/Loans			
	Principal	Interest	(Publicly-Offered)		(Direct Placement/Borrowing)	
			Principal	Interest	Principal	Interest
2021	\$ 1,650,000	\$ 1,338,100	\$ 4,890,000	\$ 4,027,763	\$ 272,727	\$ -
2022	1,710,000	1,266,013	5,310,000	3,772,763	-	-
2023	1,780,000	1,193,463	5,575,000	3,500,638	-	-
2024	1,840,000	1,120,588	5,875,000	3,214,388	-	-
2025	1,910,000	1,045,063	6,185,000	2,912,888	-	-
2026 - 2030	10,680,000	3,983,031	27,355,000	10,175,688	-	-
2031 - 2035	11,800,000	1,612,381	19,580,000	4,942,013	-	-
2036 - 2040	3,195,000	195,675	17,160,000	1,325,056	-	-
Total	<u>\$ 34,565,000</u>	<u>\$ 11,754,313</u>	<u>\$ 91,930,000</u>	<u>\$ 33,871,194</u>	<u>\$ 272,727</u>	<u>\$ -</u>

Lease payments for the following City assets constitute the principal and interest payments for the related lease obligations:

2017B Lease Revenue Bonds

Fire Stations 1, 4, 10, and 11

2019 Lease Revenue Bonds

Main Library

Police Administration Facility

Police Detention and Property Evidence Storage Facility

Animal Shelter

Fire Station 8

Notes to Basic Financial Statements

A. Debt Issuance

Lease Revenue Bonds Issuance

On October 8, 2019, the City Council adopted a resolution authorizing the issuance of Fremont Public Financing Authority Lease Revenue Bonds, Series 2019 (2019 Lease Refinancing Project) (the “2019 Bonds”). The \$73,365,000 2019 Bonds were sold on a competitive basis to Morgan Stanley on October 29, 2019 and the sale closed on November 19, 2019.

The proceeds of the 2019 Bonds, including \$13,446,751 of original issue premium, were used to fully refund the following Fremont Public Financing Authority issues (the “Refunded Bonds”) on a current basis:

Series 2017A Lease Revenue Bonds	\$73,765,000
Series 2012A Certificates of Participation	6,235,000
2016 Energy Efficiency Lease Financing	6,147,096

The leased assets consist of the Main Library, the Police Administration Facility, the Police Detention and Property Storage Facility, the Animal Shelter, and Fire Station 8, and the lease payments are payable from general revenues of the City.

2019 Bonds net proceeds, cash remaining in the debt service funds of the Refunded Bonds, and cash from the General Fund and the Fremont Family Resource Center Fund were used to prepay and redeem the Refunded Bonds on the date of issuance of the 2019 Bonds. The redemption amount provided for the outstanding principal, call premium, and accrued interest on the Refunded Bonds. The Refunded Bonds have been removed from the City’s basic financial statements.

This refunding generated approximately \$4,924,000 of aggregate debt service savings (net of available funds) and \$4,461,000 of net economic gain, representing 5.2% of the refunded debt. The 2019 Bonds bear interest at fixed rates ranging from 4.00% to 5.00% and have a final maturity date of October 1, 2038. As of June 30, 2020, \$73,365,000 of 2019 Bonds remained outstanding.

B. Direct Borrowings and Direct Placements of Debt

2017 PG&E On-Bill Financing

The Financing Loan Agreement contains a provision that the entire outstanding loan balance will become immediately due and payable if: (i) the account is closed or terminated for any reason; (ii) City defaults under the Agreement; (iii) City sells or transfers ownership of the financed equipment to any third party (including as part of a sale or a lease of premises or transfer of business or otherwise); or (iv) City becomes insolvent.

C. Pledged Revenues for Bonds

The City, through the Fremont Public Financing Authority, has issued lease revenue bonds to finance and refinance City facilities and equipment. These financings are secured by a pledge of lease revenues payable by the City, pursuant to the Lease Agreements between the City and the Financing Authority.

The City has covenanted that as long as the leased properties are available for its use, the City will take such action as may be necessary to include all lease payments in its annual budgets and to make the necessary annual appropriations. The total debt service requirement remaining on the lease revenue bonds is \$125,801,194, payable through October 1, 2038. For the year ended June 30, 2020, the total lease payments made by the City and total debt service payments paid by the Financing Authority and the City totaled \$9,450,710.

At the City's municipal general election held on November 5, 2002, voters approved Measure R authorizing the issuance of Fire Safety Project General Obligation Bonds in the not-to-exceed amount of \$51,000,000 and an override property tax to pay debt service on the bonds. Measure R specified that the Fire Safety Project General Obligation Bonds proceeds be used to replace three older fire stations with new modern stations, to construct public safety training facilities, and to remodel and to upgrade seven existing fire stations to meet current earthquake standards. Three bond series totaling \$51,000,000 were issued to fund the authorized capital projects. Subsequently, each of those three series has been refinanced with the issuance of three series of refunding bonds.

The City's General Obligation bonds are payable from pledged ad valorem property taxes until August 1, 2038, the final maturity date of the bonds. The total principal and interest remaining on these bonds is \$46,319,313. For the fiscal year ended June 30, 2020, the City collected \$3,079,994 in ad valorem property taxes and made total debt service payments in the amount of \$2,990,313.

D. Community Facilities District Special Tax Bonds (No City Commitment)

Community Facilities District No. 1 (Pacific Commons)

CFD No. 1 was formed by the City Council in 1996 pursuant to the Mello-Roos Community Facilities Act of 1982 for the construction of infrastructure improvements to be acquired and maintained by the City of Fremont within CFD No. 1. CFD No. 1 is a business park with commercial and industrial facilities.

On June 12, 2001, the City Council approved the issuance of \$30,000,000 of Community Facilities District No. 1, Special Tax, Series 2001 (Pacific Commons) bonds (the Series 2001 Bonds). These bonds were issued on June 27, 2001. The proceeds of the Series 2001 Bonds were utilized to finance the acquisition of specified public capital improvements for the development of CFD No. 1.

On June 26, 2005, the City Council approved the issuance of \$38,000,000 of Community Facilities District No. 1, Special Tax, Series B (Pacific Commons) bonds (the Series 2005

Notes to Basic Financial Statements

Bonds). These bonds were issued on July 21, 2005. The net proceeds of the Series 2005 Bonds were used to reimburse the developers for the costs of specified public improvements conveyed to public agencies in conjunction with the development of Pacific Commons.

On August 25, 2015, the City issued \$79,700,000 of Community Facilities District No. 1 (Pacific Commons) Special Tax Bonds, Series 2015 (the Series 2015 Bonds). A portion of the Series 2015 Bonds was issued to fully refund the Series 2001 Bonds and the Series 2005 Bonds. Additionally, a portion of the Series 2015 Bonds was issued to reimburse the developer for the cost of certain public facilities and improvements previously completed and accepted by the City.

The property owners are obligated to pay the interest and principal on the Series 2015 Bonds through an annual levy pursuant to the Rate and Method of Apportionment approved by the City Council and the qualified electors of CFD No. 1. The Series 2015 Bonds are not a general debt liability of the City and are solely payable from the annual facilities special tax levy and the reserve fund. As of June 30, 2020, the Series 2015 Bond indebtedness was \$77,940,000.

Community Facilities District No. 2 (Warm Springs Public Facilities)

CFD No. 2 was formed by the City Council in 2017 pursuant to the Mello-Roos Community Facilities Act of 1982 for the construction of infrastructure improvements to be acquired and maintained by the City of Fremont within CFD No. 2. CFD No. 2 is a residential community.

On June 18, 2019, the City Council approved the issuance of \$16,575,000 of City of Fremont Community Facilities District No. 2 (Warm Springs Public Facilities) Special Tax Bonds, Series 2019 (the Series 2019 Bonds). These bonds were issued on July 18, 2019. The proceeds of the Series 2019 Bonds will be used to reimburse the developers for a portion of their cost of constructing specified public facilities within CFD No. 2.

The property owners are obligated to pay the interest and principal on the Series 2019 Bonds through an annual levy pursuant to the Rate and Method of Apportionment approved by the City Council and the qualified electors of CFD No. 2. The Series 2019 Bonds are not a general debt liability of the City and are solely payable from the annual facilities special tax levy and the reserve fund. As of June 30, 2020, the Series 2019 Bond indebtedness was \$16,575,000.

E. Compensated Absences

The City records a liability to recognize the financial effect of unused vacation and other compensated leaves. During FY 2019/20, employees earned \$9,519,039 of compensated absences and used \$6,648,585. As of June 30, 2020, the total liability for vacation and other compensated leaves is \$13,385,099. Of that balance, \$3,346,275 is expected to be used within one year, with the remaining \$10,038,824 to be used in subsequent years. The City typically uses the General Fund to liquidate the majority of its compensated absences.

6. POLLUTION REMEDIATION OBLIGATIONS

The properties for which the City bears pollution remediation responsibilities are described in the following paragraphs. At June 30, 2020, the City estimated that \$1,346,650, or 72% of the total obligation of \$1,868,221, is due and payable (due within one year) with the remaining portion due in more than one year.

A. Police Outdoor Firing Range

In November 2010, the City entered into a ten-year Amendment to a Lease Agreement with the Alameda County Water District (ACWD) for the use of a portion of its property as a police outdoor firing range. Under the terms of the Amendment, the City is obligated to remove the lead contamination from the ACWD property at the termination of the lease. The Amendment also provides for a reassessment of the remediation costs every two years, and if the reassessment exceeds the current estimate by 10% the City is to increase the amount of funds held in the Capital Improvement Program (CIP) to cover the costs. The estimated remaining obligation was \$521,571 at June 30, 2020.

B. Former Union Pacific Railroad Corridor

Under an Operations and Maintenance Plan (the “Plan”), the City is responsible for annual monitoring of the former Union Pacific Railroad (UPRR) corridor located between Paseo Padre Parkway and Washington Boulevard. Under the Plan, the City monitors to ensure the encapsulated contamination has not been exposed and remediates any damage to the cap before any exposure could occur. Except for the staff time required for the annual monitoring, no significant pollution remediation obligation is expected as of June 30, 2020.

C. Centerville Unified Site

The City is currently in the process of completing environmental remediation work for the approximately 6-acre site known as the “Centerville Unified Site” with the principal address of 37070 Fremont Boulevard (“property”) that was previously owned by the former Redevelopment Agency (“RDA”) of the City. As a result of a former dry cleaning operation and automobile-related uses on the property, the former RDA retained an environmental consultant, TRC Solutions, Inc., to prepare environmental remediation work plans to: 1) remove an old utility corridor, remnant foundation, and surface oil spill; and 2) remediate subsurface chlorinated solvents—perchloroethylene (“PCE”) in the form of soil vapors—discovered at the property and a neighboring property to the northwest, 37000 Fremont Boulevard (presently Carl’s Jr.), by active remediation with implementation of a soil-vapor extraction (“SVE”) system. The first phase of the work (removal of the old utility corridor, remnant foundation, and surface oil spill) was completed in October 2014. The second phase of the work (installing the Full Scale SVE system) was completed in October 2016. The last phase of remediation work (removal of subsurface chlorinated solvents and site closure) started in October 2016. \$328,000 of the remaining obligation was spent in FY 2019/20. The estimated remaining obligation is \$669,000 as of June 30, 2020.

D. Dusterberry Park Development

Demolition of the former automobile dealership on the future site of the Dusterberry Neighborhood Park is planned for fall 2020. Environmental hazards to be remediated include asbestos, lead, and underground soil pollution. After the anticipated completion of demolition and remediation, there will be no future obligations associated with pollution remediation. The estimated obligation is \$643,150 as of June 30, 2020.

E. Fremont Family Resource Center (FRC) Roof Replacement

The FRC roof replacement project, planned for fall 2020, includes abatement of a small amount of asbestos at the pipe jacks on the existing roof. Once this is complete, there will be no future obligations associated with pollution remediation. The estimated obligation is \$34,500 as of June 30, 2020.

7. RISK MANAGEMENT

The City is exposed to various risks related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

A. Risk Management Program

The City established the Risk Management Internal Service Fund to account for and finance its uninsured risks of loss. Under the City's risk management program, the City retains risk for up to \$500,000 for each workers' compensation claim, up to \$500,000 and in excess of \$40,000,000 for each general liability claim, and up to \$100,000 for each property claim. The liability for general liability claims and workers' compensation claims in excess of \$500,000 is discussed below. There have been no significant reductions in any insurance coverages, nor have there been any insurance-related settlements that exceeded insurance coverage during the past three fiscal years.

The City records estimated liabilities for claims filed or expected to be filed up to the amounts for which it retains risk in the Risk Management Internal Service Fund. Charges to the General Fund and other funds are based on a percentage of payroll costs for general liability and a three-year moving average cost of claims for workers' compensation. They are recorded in the funds as expenditures or expenses and revenues of the Risk Management Internal Service Fund.

The City retained an independent actuary in 2020 to perform an analysis of the City's potential liability for its retained risk portions of the general liability and workers' compensation programs. The amount recorded as a liability consists of the specific reserves (self-insured retention) for individual known claims or lawsuits and estimates for incurred but not reported claims. The present value of estimated outstanding losses is calculated using a 2.50% discount rate to reflect anticipated future investment earnings.

Changes in the balances of claim liabilities (shown as claims payable in the accompanying basic financial statements) during the past two fiscal years ended June 30, 2020 and 2019, are as follows:

	2020	2019
Balance, beginning of year	\$ 15,830,000	\$ 16,954,000
Provision for claims losses	2,185,971	2,382,084
Claims payments	(4,395,971)	(3,506,084)
Balance, end of year	<u>\$ 13,620,000</u>	<u>\$ 15,830,000</u>
Due in one year	\$ 4,026,000	\$ 4,737,000
Due in more than one year	9,594,000	11,093,000
Total claim liabilities	<u>\$ 13,620,000</u>	<u>\$ 15,830,000</u>

B. Participation in Public Entity Risk Pools

In February 1986, the City joined with other municipalities and regional municipal joint powers authorities to form the California Joint Powers Risk Management Authority (CJPRMA), a public entity risk pool currently operating as a general liability risk management and insurance program for 21 member entities. The purpose of the CJPRMA is to spread the adverse effects of losses among the member agencies. General liability claims in excess of \$500,000 and up to \$5,000,000 per occurrence are paid from a pooled layer of funds contributed by the member entities. Claims in excess of \$5,000,000 and up to \$40,000,000 per occurrence are covered by reinsurance purchased by CJPRMA.

Summary financial information for CJPRMA for the year ended June 30, 2019 (latest available date), is as follows:

Current assets	\$ 55,082,746
Noncurrent assets	2,981,675
Total assets	<u>58,064,421</u>
Deferred outflows of resources	638,415
Total assets and deferred outflows	<u>\$ 58,702,836</u>
Total liabilities	\$ 54,471,325
Deferred inflows of resources	171,555
Net position	4,059,956
Total liabilities, deferred inflows, and net position	<u>\$ 58,702,836</u>
Operating revenues	\$ 16,265,747
Loss provisions and claims and premiums paid	(36,674,548)
General and administrative expenses	(2,021,053)
Net operating loss	<u>(22,429,854)</u>
Net investment and (losses)	4,437,245
Net income before refunds to members	<u>(17,992,609)</u>
Refunds to members	-
Change in net position	<u>\$ (17,992,609)</u>

Notes to Basic Financial Statements

Over the last several years CJPRMA has experienced a precipitous drop in net position resulting from an increase in the severity and frequency of claims. In December 2020, the CJPRMA Board approved a plan to improve the financial position of the program by changing the funding methodology and substantially increasing premiums.

The CJPRMA governing board consists of a representative from each member entity. All members have a single vote for policy and charter changes. An executive committee of seven is elected to handle administration. Complete financial statements for the CJPRMA can be obtained from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, CA 94551.

In June 2006, the City joined the CSAC Excess Insurance Authority, now known as Public Risk Innovation, Solutions, and Management (PRISM). PRISM membership includes 55 California counties and 295 public entities (cities, school districts, special districts and other JPAs). Workers' compensation claims in excess of \$500,000 are covered by PRISM through reinsurance up to a limit of \$250,000,000.

Summary financial information for PRISM for the year ended June 30, 2019 (latest available date), is as follows:

Current assets	\$ 290,175,714
Noncurrent assets	675,593,331
Total assets	<u>965,769,045</u>
Deferred outflows of resources	1,227,362
Total assets and deferred outflows	<u>\$ 966,996,407</u>
Total liabilities	\$ 766,369,209
Deferred inflows of resources	595,345
Net position	<u>200,031,853</u>
Total liabilities, deferred inflows, and net position	<u>\$ 966,996,407</u>
Operating revenues	\$ 989,103,091
Loss provisions and claims and premiums paid	(917,406,033)
General and administrative expenses	<u>(30,386,883)</u>
Net operating income	41,310,175
Net investment and other income	<u>38,338,550</u>
Net income before refunds to members	79,648,725
Refunds to members	<u>(2,187,466)</u>
Change in net position	<u>\$ 77,461,259</u>

Complete financial statements for PRISM can be obtained from PRISM, 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

8. INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

Interfund receivables and payables represent short-term loans owed by the ACTC, MTC, Measures B, BB, and F Grants, Streets, Bike and Pedestrian Fund, the Federal Capital Grants Fund, the Human Services Fund, and non-major governmental funds to the General Fund for purposes of covering short-term negative cash positions. These interfund transactions are routine year-end adjustments. At June 30, 2020, the General Fund was due \$4,213,871 from the ACTC, MTC, Measures B, BB, and F Grants, Streets, Bike and Pedestrian Fund, \$560,460 from the Federal Capital Grants Fund, \$1,472,524 from the Human Services Fund, and \$5,342,273 from the non-major governmental funds.

B. Interfund Transfers

The General Fund transfers resources to other funds to support activities that cannot be supported through fees, grants, or charges for service. These activities include capital projects, debt service, and certain cost center operations. There are also a variety of similar transfers between and among other funds and the General Fund.

Interfund transfers for the year ended June 30, 2020, were as follows:

		<u>Transfers Out</u>							
		General Fund	Development Impact Fees	Development Cost Center	Recreation Services	Capital Improvement	Human Services	Non-Major Governmental Funds	Total
<u>Transfers In</u>	General Fund	\$ -	\$ 1,000,000	\$ 2,967,025	\$ 1,404,896	\$ 110,000	\$ 750,246	\$ 491,572	\$ 6,723,739
	Development Cost Center	2,352,269	-	-	-	-	-	-	2,352,269
	Recreation Services	2,724,314	-	-	-	-	-	-	2,724,314
	Capital Improvement	5,500,000	924,000	6,127,452	-	-	-	258,298	12,809,750
	Human Services	1,292,634	-	-	-	-	-	-	1,292,634
	Non-Major Funds	1,660,409	-	-	-	-	-	480,905	2,141,314
	Total	\$ 13,529,626	\$ 1,924,000	\$ 9,094,477	\$ 1,404,896	\$ 110,000	\$ 750,246	\$ 1,230,775	\$ 28,044,020

9. RETIREMENT BENEFITS

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s separate City of Fremont Safety (police and fire) and City of Fremont 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.

Benefits Provided – All regular City employees classified as full-time, as well as part-time regular employees and temporary City workers who work 1,000 or more hours per year, are required to participate in CalPERS. The City’s pension plans provide retirement and disability benefits, annual cost-of-living adjustments (COLA), and death benefits to plan members and beneficiaries through CalPERS. Benefits are based on years of credited service, equal to one year of full time employment, and vest after five years of service. These benefit provisions and all other requirements are established by State statute and City ordinance.

City employees are entitled to an annual retirement benefit, payable monthly for life, the amount of which is based on a formula which varies depending on the employee’s retirement plan, date of hire, and participation in a public retirement plan prior to City employment. As of December 31, 2012, the City had established two tiers of retirement benefits: a “Tier 1” benefit applicable to employees hired prior to April 8, 2012; and a “Tier 2” benefit applicable to employees hired on or after April 8, 2012. On January 1, 2013, the Public Employees’ Pension Reform Act of 2013 (PEPRA) took effect. PEPRA distinguishes between so-called "classic" employees, who were in a public retirement plan (not necessarily CalPERS) prior to January 1, 2013, and "new" employees, who first became a member of a public retirement plan on or after January 1, 2013. Classic employees hired by the City on or after April 8, 2012, are eligible for the City’s Tier 2 benefit, while new employees are eligible for the retirement benefits established by PEPRA.

A summary of the City’s benefit formulas is provided below:

	Tier 1		Tier 2		PEPRA	
	Safety	Misc	Safety	Misc	Safety	Misc
Retirement Age	50	55	55	60	57	62
Benefit Formula	3.0%	2.5%	3.0%	2.0%	2.7%	2.0%
Average Final Compensation Period	12 months	12 months	36 months	36 months	36 months	36 months
Maximum % of Final Compensation	90%	No Max	90%	No Max	No Max	No Max
COLA	2.0%	3.0%	2.0%	2.0%	2.0%	2.0%

Covered Employees – At June 30, 2019, the most recent information available, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	853	544
Inactive employees entitled to but not yet receiving benefits	550	101
Active employees	603	307
Total	<u>3,006</u>	<u>952</u>

Contribution Requirements – Section 20814(c) of the California Public 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 City 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 (the normal cost), billed as a percentage of projected payroll, with an additional amount to finance any unfunded accrued liability, billed as a specified dollar amount. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The required Miscellaneous Plan employer contribution rate for fiscal year 2018/19 was 9.818% of covered payroll for the normal cost plus \$10,393,979 for the unfunded liability. The required Miscellaneous Plan contributions, plus an additional voluntary contribution of \$462,221, resulted in \$15,887,992 being recognized by CalPERS as employer contributions. The required Safety Plan employer contribution rate was 17.370% of covered payroll for the normal cost plus \$15,170,663 for the unfunded liability. The required Safety Plan contributions, plus an additional voluntary contribution of \$2,094,244, resulted in \$23,577,795 being recognized by CalPERS as employer contributions.

Pension Plan Financial Reports – The City’s pension plans do not issue stand-alone financial reports; however, CalPERS issues a variety of reports and publications, including its audited financial statements, which are available at the following link: <https://www.calpers.ca.gov>.

B. Net Pension Liability

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 total pension liability of each of the plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, based on the actuarial methods and assumptions described below.

Notes to Basic Financial Statements

Assumptions and Other Inputs – A summary of significant assumptions and other inputs used to measure the total pension liability is shown below.

Assumptions and Other Inputs Used to Measure the Total Pension Liability

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15% net of pension plan investment expenses, includes inflation
Inflation	2.50%
Salary Increases	Varies by entry age and service
Mortality Rate Table	The mortality rate table was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details of this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter.

Change in Assumptions – None in 2019.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members 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, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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

single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1–10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	100.0%		

(a) An expected inflation rate of 2.00% used for this period.

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

Fiduciary Net Position – The City’s pension plans do not issue stand-alone financial reports, so information about the elements of the pension plans’ basic financial statements is not directly available. However, the City’s plans constitute a portion of the CalPERS PERF A Pension Trust Fund, for which a Statement of Fiduciary Net Position – Fiduciary Funds is included in the CalPERS Comprehensive Annual Financial Report located at the following link: <https://www.calpers.ca.gov/docs/forms-publications/cafr-2019.pdf>. The accompanying Notes to the Basic Financial Statements disclose information related to the basis of accounting, including the policies with respect to benefit payments and the valuation of pension plan investments.

Notes to Basic Financial Statements

C. Changes in the Net Pension Liability

A schedule of changes in the Net Pension Liability for the measurement period ended June 30, 2019, is presented below for each City pension plan.

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Balance as of June 30, 2018	\$503,980,930	\$374,797,630	\$129,183,300
Changes during the year			
Service cost	9,440,689	-	9,440,689
Interest on the total pension liability	35,920,595	-	35,920,595
Differences between expected and actual experience	5,798,697	-	5,798,697
Contributions from the employer	-	15,887,992	(15,887,992)
Contributions from employees	-	4,150,533	(4,150,533)
Pension plan net investment income	-	24,717,180	(24,717,180)
Benefit payments, including refunds of employee contributions	(24,228,054)	(24,228,054)	-
Administrative expense	-	(267,464)	267,464
Other income/(expense)	-	870	(870)
Net changes	26,931,927	20,261,057	6,670,870
Balance as of June 30, 2019	\$530,912,857	\$395,058,687	\$135,854,170

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Balance as of June 30, 2018	\$687,769,869	\$450,438,998	\$237,330,871
Changes during the year			
Service cost	12,323,865	-	12,323,865
Interest on the total pension liability	49,238,694	-	49,238,694
Differences between expected and actual experience	14,142,550	-	14,142,550
Contributions from the employer	-	23,577,795	(23,577,795)
Contributions from employees	-	5,378,985	(5,378,985)
Pension plan net investment income	-	29,950,990	(29,950,990)
Benefit payments, including refunds of employee contributions	(38,842,561)	(38,842,561)	-
Administrative expense	-	(321,443)	321,443
Other income/(expense)	-	1,050	(1,050)
Net changes	36,862,548	19,744,816	17,117,732
Balance as of June 30, 2019	\$724,632,417	\$470,183,814	\$254,448,603

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

	<u>Miscellaneous</u>	<u>Safety</u>
Discount rate 1% lower	6.15%	6.15%
Net Pension Liability	\$205,952,321	\$346,264,812
Current discount rate	7.15%	7.15%
Net Pension Liability	\$135,854,170	\$254,448,603
Discount rate 1% higher	8.15%	8.15%
Net Pension Liability	\$77,878,402	\$178,266,599

Pension Expense – For the year ended June 30, 2020 (measurement period ending June 30, 2019), the City recognized pension expense of \$23,720,508 for the Miscellaneous Plan and \$45,085,268 for the Safety Plan; a total expense of \$68,805,776.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$19,173,440	\$ -	\$26,915,595	\$ -	\$46,089,035	\$ -
Changes in assumptions	-	4,982,300	9,474,350	1,491,880	9,474,350	6,474,180
Differences between expected and actual experience	4,710,885	-	15,622,968	531,233	20,333,853	531,233
Net difference between projected and actual earnings on pension plan investments	-	2,201,661	-	2,787,053	-	4,988,714
Total	<u>\$23,884,325</u>	<u>\$7,183,961</u>	<u>\$52,012,913</u>	<u>\$4,810,166</u>	<u>\$75,897,238</u>	<u>\$11,994,127</u>

Notes to Basic Financial Statements

\$46,089,035 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 year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Miscellaneous	Safety	Total
2021	\$ (1,035,334)	\$ 14,897,874	\$ 13,862,540
2022	(1,363,293)	1,976,831	613,538
2023	(444,361)	3,038,453	2,594,092
2024	369,912	373,994	743,906
Total	\$ (2,473,076)	\$ 20,287,152	\$ 17,814,076

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description – The City has established a retiree healthcare plan (the OPEB plan), and participates in an agent multiple-employer defined benefit plan, administered through the California Employers’ Retiree Benefit Trust (CERBT) by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Employees who retire directly from the City under CalPERS at the minimum age of 50 with at least 5 years of CalPERS service or disability are eligible to participate in the OPEB plan. CalPERS issues a publicly available financial report, which includes information about the CERBT, that can be obtained at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2019.pdf>.

Benefits Provided – The City reimburses all or part of premium payments for medical insurance. The reimbursement amount is subject to a negotiation process and varies by bargaining unit and retirement date. The benefit is paid monthly to the retiree subject to proof of coverage and attestation of premium payment. The benefit generally ceases upon death of the retiree. Detailed information about retiree medical reimbursement benefits for each bargaining unit can be found in the City’s Benefits Summary at https://www.fremont.gov/DocumentCenter/View/43747/Benefits-Matrix---01012020_FINAL.

Employees Covered – As of the June 30, 2019 measurement date, the following employees were covered by the benefit terms of the OPEB plan:

	Plan Members
Inactive employees or beneficiaries currently receiving benefits	724
Inactive employees entitled to but not yet receiving benefits	94
Active employees	727
Total	1,545

Contribution Requirements – The OPEB plan and its contribution requirements are established by Memoranda of Understanding (MOUs) with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution amount. Under the current MOUs, the City is responsible for all OPEB Plan contributions. For the fiscal year ended June 30, 2020, the City’s contributions totaled to \$10,708,000.

Notes to Basic Financial Statements

B. Net OPEB Liability

The City's net OPEB liability is measured as the total OPEB liability less the OPEB plan's fiduciary net position. The net OPEB liability is measured as of June 30, 2019, using an actuarial valuation as of June 30, 2018.

Assumptions and Other Inputs – A summary of significant assumptions and other inputs used to measure the total OPEB liability is shown below.

Assumptions and Other Inputs Used to Measure the Total OPEB Liability

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation	2.75%
Payroll Growth	3.00%
Discount Rate/Investment Rate of Return	6.50% net of OPEB plan investment expenses, includes inflation
Healthcare Cost Trend	Non-Medicare: 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076. Medicare: 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076.
Mortality Rate Table	Probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Post-retirement mortality projected fully generational with Scale MP-2017.

Change in Assumptions – None in 2019.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.50 percent. 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 benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan assets was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return on Plan Assets – The long-term expected rate of return on OPEB plan assets 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 long-term expected real rates of return are presented as geometric means.

The City has selected the CERBT "Strategy 1" target allocation for its OPEB plan investments. The table below summarizes the target asset allocation of the City's OPEB

plan portfolio and the long-term expected real rate of return by asset class. These rates of return are net of administrative expenses.

Asset Class	Current Target Allocation	Expected Real Rate of Return
Global Equity	59.0%	4.82%
Fixed Income	25.0%	1.47%
Treasury Inflation-Protected Securities (TIPS)	5.0%	1.29%
Real Estate Investment Trusts (REITs)	8.0%	3.76%
Commodities	3.0%	0.84%
Total	100.0%	
	Assumed long-term rate of inflation	2.75%
	Expected long-term net rate of return, rounded (55th percentile)	6.50%

C. Changes in the Net OPEB Liability

A schedule of changes in the Net OPEB Liability for the measurement period ending June 30, 2019, is presented below.

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance as of June 30, 2018	\$ 96,995,504	\$ 13,392,890	\$ 83,602,614
Changes during the year			
Service cost	2,472,654	-	2,472,654
Interest on the total OPEB liability	6,299,097	-	6,299,097
Contributions from the employer	-	8,495,000	(8,495,000)
OPEB plan net investment income	-	1,148,445	(1,148,445)
Benefit payments	(5,117,958)	(5,117,958)	-
Administrative expense	-	(4,352)	4,352
Net changes	3,653,793	4,521,135	(867,342)
Balance as of June 30, 2019	\$ 100,649,297	\$ 17,914,025	\$ 82,735,272

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Trend Rate – The following table presents the net OPEB liability of the City, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher. Similarly, the net OPEB liability is presented calculated using the current healthcare trend rate as well as rates that are one percentage-point lower or one percentage-point higher.

Notes to Basic Financial Statements

	Discount Rate	Healthcare Trend Rate (Non-Medicare/Medicare)
Rate 1% lower	5.50%	6.5% to 3.0% 5.5% to 3.0%
Net OPEB Liability	\$95,166,506	\$75,758,334
Current rate	6.50%	7.5% to 4.0% 6.5% to 4.0%
Net OPEB Liability	\$82,735,272	\$82,735,272
Rate 1% higher	7.50%	8.5% to 5.0% 7.5% to 5.0%
Net OPEB Liability	\$72,376,912	\$90,599,455

OPEB Plan Fiduciary Net Position – The City’s OPEB plan does not issue a stand-alone financial report. However, the City’s plan constitutes a portion of the CalPERS CERBT for which a Schedule of Changes in Fiduciary Net Position by Employer is located at the following link: <https://www.calpers.ca.gov/docs/forms-publications/gasb-75-schedule-changes-fiduciary-net-position-2019.pdf>. The accompanying Notes disclose information related to the description of the CERBT and a summary of significant accounting and reporting policies.

OPEB Expense – For the year ended June 30, 2020 (measurement period ending June 30, 2019), the City recognized OPEB expense of \$8,037,825.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to its OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 270,050	\$ -
Changes in assumptions	2,649,080	-
Net difference between projected and actual earnings on OPEB plan investments	-	195,923
OPEB contributions subsequent to measurement date	10,708,000	-
Total	\$ 13,627,130	\$ 195,923

\$10,708,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Deferred Outflows/Inflows of Resources
2021	\$ 578,972
2022	578,972
2023	648,973
2024	712,628
2025	203,662
Thereafter	-
Total	\$ 2,723,207

11. COMMITMENTS AND CONTINGENCIES

Litigation - The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grant Adjustments - Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Outstanding Construction and Affordable Housing Commitments

At June 30, 2020, the City had outstanding construction commitments of over \$500,000 for the following projects:

Project	Unpaid Commitment
Downtown Event Center	\$12,452,624
Warm Springs BART West Access Bridge	4,554,645
I-680 Bike/Pedestrian Trails – Blacow - Sabercat	4,454,540
Bike/Pedestrian Bridge over I-880	3,685,824
Cape and Slurry Seal	2,856,159
Curb and Gutter Repairs Citywide	2,630,320
Nursery Avenue Agreement with Union Pacific	1,170,871
Elevator Modernization	1,126,341
Pavement Rehabilitation	589,989
Total	\$33,521,313

Notes to Basic Financial Statements

At June 30, 2020, the City had outstanding affordable housing project commitments for the following projects:

<u>Project</u>	<u>Unpaid Commitment</u>
Stevenson Place Family Apartments	\$ 4,950,502
Warm Springs Senior Center	2,950,000
Irvington Affordable Senior Apartments	2,939,092
34320 Fremont Blvd Affordable Housing	1,957,601
City Center Apartments	1,401,531
Total	\$14,198,726

Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as part of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. At June 30, 2020, encumbrances of the governmental funds are as follows:

<u>Fund</u>	<u>Encumbrance</u>
General Fund	\$ 1,489,910
Development Impact Fees	4,829,673
Development Cost Center	378,449
Recreation Services	112,764
Capital Improvement	16,781,758
Human Services	32,343
Non-major governmental funds	6,933,904
Total	\$30,558,801

As of June 30, 2020, the City has also entered into commitments for the purchase of vehicles (\$380,358), fire apparatus and safety equipment (\$13,977), and technology equipment (\$627,108) in its internal service funds.

In addition to the encumbrances and commitments identified above, the City has entered into commitments for construction or other services to be paid on a reimbursement basis. At June 30, 2020, such commitments totaled \$9,805,149 in the Alameda County Transportation Commission Capital Grants Fund, \$53,495 in the Intermodal Surface Transportation Efficiency Act Fund, and \$6,138,661 in the non-major governmental funds.

Former Successor Agency Property Held for Resale - In June 2014, two Successor Agency properties were transferred to the City under the terms of the Long-Range Property Management Plan (LRPMP). The Centerville Unified Site was sold on October 30, 2015 at its MAI (Member Appraisal Institute) appraised market value of \$6,795,000. \$4,782,000 of the net proceeds was remitted to the County for distribution to the taxing agencies. \$13,000 of the proceeds was used to pay for closing costs plus reimbursement of "Allowed City Costs" pursuant to the Compensation Agreement by and between the City, Successor Agency and each

of the affected taxing entities in Alameda County. The remaining \$2,000,000 of the proceeds is being held in an escrow as a contingency as the full cost of environmental remediation is not known until a “no further action” letter is granted by the environmental regulatory oversight agency, the Alameda County Water District. The cost of the environmental remediation has exceeded the initial estimate, so funds are being drawn from the escrow to pay for the work. As of June 30, 2020, a balance of \$1,306,999 remains in the escrow.

The remaining property, the Union Pacific Site in the Niles district, remains with the City and is reported as \$678,979 land held for resale in the City’s Agency Fund. Upon sale, the proceeds will be remitted to the County for distribution to the taxing agencies.

COVID-19 Pandemic - In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, customers, economies, and financial markets globally, leading to an economic downturn. It has also disrupted the normal operations of many government agencies, including the City. This outbreak and the related public-health protective measures will decrease the types of economic activity that generate City revenue and reduce our ability to provide services to residents and businesses. It is not possible for us to predict the duration or magnitude of these impacts at this time.

12. SUBSEQUENT EVENTS

A. Reimbursement for Pandemic-related Expenditures

During fiscal year 2019/20 the City incurred expenditures to establish, supply, and staff a COVID-19 testing facility and deploy staff to provide pandemic-related public safety and public health services to the community. The reimbursements and revenue, however, will be reported in fiscal year 2020/21.

As these emergency expenditures are eligible for reimbursement from federal funds, a portion of the costs related to unbudgeted overtime expenditures and the purchase of COVID-19 test kits, totaling \$3,516,945, has been reported in the Miscellaneous Federal Grants Fund as of June 30, 2020.

Reimbursement for these expenditures from the State of California and the County of Alameda are detailed below.

State of California

The State of California budget for fiscal year 2020/21 authorized the California Department of Finance to allocate \$1.8 billion of the state’s share of federal CARES Act Coronavirus Relief Funds (CRF) to counties and cities to reimburse them for unbudgeted costs of responding to the COVID-19 pandemic. The City’s CRF allocation from the State totaled \$2,891,945, and the final reimbursement payment was received by the City on October 15, 2020.

Notes to Basic Financial Statements

County of Alameda

On July 14, 2020, the County of Alameda Board of Supervisors approved a memorandum of understanding with the City for COVID-19 testing and authorized a reimbursement from State and federal funding sources to the City of \$625,000. The reimbursement payment was received by the City on October 27, 2020.

Required Supplementary Information

1. BUDGETARY INFORMATION

A. Budgetary Basis of Accounting

Budgets are adopted annually on a budgetary basis consistent with GAAP for the general fund, special revenue funds, the fire general obligation bonds debt service fund, and internal service funds. Fremont Public Financing Authority debt service is budgeted in the general fund and the human services fund. Project-length budgets are adopted biennially for all capital projects funds.

The annual budget sets appropriations by fund or with further allocation by department or program. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Manager is authorized to transfer budgeted amounts between departments or programs within any fund. The City Council may adopt supplemental appropriations during the year.

The annual budget resolution authorizes the City Manager to increase appropriations for operating expenditures for the Development Services and Recreation Services cost centers when estimated fee revenue in those funds exceeds the amount identified in the budget because of increased activity. It also authorizes the City Manager to increase appropriations for operating expenditures due to increases in grant or activity-based revenues in an amount not to exceed the increased grant or activity-based revenues. It additionally authorizes the City Manager to appropriate and transfer unencumbered ending fund balance to the Risk Management Fund in the amounts necessary to maintain adequate funding of the workers' compensation and general liability reserves. All other revisions or transfers that alter the total appropriations of other funds must be approved by the City Council.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as restricted, committed, assigned or unassigned fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Unexpended annual appropriations lapse at the end of the fiscal year; encumbered appropriations are re-budgeted in the next fiscal year. Unexpended capital improvement appropriations are carried forward until the improvements or programs are complete.

Required Supplementary Information

1. BUDGETARY INFORMATION (continued)

C. Budgetary Comparison Schedules

Following are the budgetary comparison schedules for the General Fund and each major special revenue fund with a legally adopted annual budget (Development Cost Center, Recreation Services, Human Services, and Inclusionary Housing In-Lieu).

General Fund – Budgetary Comparison Schedule (For the Fiscal Year Ended June 30, 2020)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund Balance - Beginning of year	\$ 47,640,276	\$ 51,242,214	\$ 51,460,496	\$ 218,282
Resources (inflows):				
Property tax	106,016,474	106,016,474	106,563,449	546,975
Sales tax	63,932,525	63,004,287	52,066,458	(10,937,829)
Intergovernmental	234,022	234,022	610,490	376,468
Business tax	11,699,987	11,699,987	11,677,266	(22,721)
Other taxes	10,824,868	10,824,868	7,759,673	(3,065,195)
Franchises	10,394,175	10,394,175	10,421,207	27,032
Charges for services	9,819,299	9,819,299	9,688,825	(130,474)
Investment Earnings	1,175,015	1,175,015	2,081,454	906,439
Other	207,825	207,825	1,325,476	1,117,651
Transfers in	7,346,322	7,346,322	6,723,739	(622,583)
Total resources	<u>221,650,512</u>	<u>220,722,274</u>	<u>208,918,037</u>	<u>(11,804,237)</u>
Charges to appropriations (outflows):				
General government	17,541,830	18,082,843	16,398,735	1,684,108
Police services	92,612,782	95,364,527	88,979,325	6,385,202
Fire services	55,847,365	56,883,789	53,743,301	3,140,488
Human services	4,158,198	4,894,806	4,827,498	67,308
Capital assets maintenance and operations	28,690,873	28,988,674	25,934,406	3,054,268
Community development and environmental services	2,012,853	2,133,578	1,928,759	204,819
Capital outlay	452,397	452,397	452,397	-
Non-Departmental	3,239,032	2,298,812	1,021,302	1,277,510
Citywide Savings	(7,000,000)	(7,000,000)	-	(7,000,000)
Debt service:				
Interest and Fiscal Charges	8,952,182	8,952,182	9,065,877	(113,695)
Transfers out	13,442,419	13,767,626	13,529,626	238,000
Total charges to appropriations	<u>219,949,931</u>	<u>224,819,233</u>	<u>215,881,226</u>	<u>8,938,007</u>
Net change in fund balance	<u>1,700,581</u>	<u>(4,096,959)</u>	<u>(6,963,189)</u>	<u>(2,866,230)</u>
Fund Balance - End of year	<u>\$ 49,340,857</u>	<u>\$ 47,145,255</u>	<u>\$ 44,497,307</u>	<u>\$ (2,647,948)</u>

Note:

Actual beginning fund balance includes the year-end adjustment for unrealized fair value gain or loss on investments.

The significant negative variance in sales tax and other taxes revenue reflects the adverse impact of pandemic-related public health restrictions on economic activity. The positive variance in the other revenue category is due to a sale of surplus real property.

1. BUDGETARY INFORMATION (continued)

C. Budgetary Comparison Schedules (continued)

The significant positive variance in police, fire, and capital assets maintenance and operations is primarily attributable to vacancy savings. The small negative variance in interest and fiscal charges is related to the issuance of the 2019 Lease Revenue Bonds which refinanced the majority of the City’s outstanding General Fund debt.

Development Cost Center Fund – Budgetary Comparison Schedule
(For the Fiscal Year Ended June 30, 2020)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund Balance - Beginning of year	\$ 20,446,382	\$ 21,266,785	\$ 21,410,642	\$ 143,857
Resources (inflows):				
Charges for services	29,718,000	21,320,212	19,128,742	(2,191,470)
Investment Earnings	176,836	176,836	663,580	486,744
Other	1,318,000	-	-	-
Transfers in	2,096,587	2,352,269	2,352,269	-
Total resources	<u>33,309,423</u>	<u>23,849,317</u>	<u>22,144,591</u>	<u>(1,704,726)</u>
Charges to appropriations (outflows):				
Capital assets maintenance and operations	15,235,000	5,836,551	3,171,857	2,664,694
Community development and environmental services	15,107,000	15,641,120	13,692,093	1,949,027
Capital outlay	-	33,216	28,425	4,791
Transfers out	6,017,000	9,094,477	9,094,477	-
Total charges to appropriations	<u>36,359,000</u>	<u>30,605,364</u>	<u>25,986,851</u>	<u>4,618,513</u>
Resources over (under) charges to appropriations	<u>(3,049,577)</u>	<u>(6,756,047)</u>	<u>(3,842,261)</u>	<u>2,913,786</u>
Fund Balance - End of year	<u>\$ 17,396,805</u>	<u>\$ 14,510,738</u>	<u>\$ 17,568,381</u>	<u>\$ 3,057,643</u>

Notes:

Actual beginning fund balance includes the year-end adjustment for unrealized fair value gain or loss on investments.

Final budget inflows and outflows have been reduced to reflect activity budgeted and expended in the capital improvement funds.

The negative variance in charges for services reflects a lower than anticipated volume of development activity. The significant variances in capital assets maintenance and operations and community development and environmental services charges is attributable to vacancies and contract services costs being lower than anticipated.

Required Supplementary Information

1. BUDGETARY INFORMATION (continued)

C. Budgetary Comparison Schedules (continued)

Recreation Services Fund – Budgetary Comparison Schedule (For the Fiscal Year Ended June 30, 2020)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund Balance - Beginning of year	\$ 7,885,638	\$ 7,997,573	\$ 8,057,530	\$ 59,957
Resources (inflows):				
Intergovernmental	340,500	340,500	380,571	40,071
Charges for services	9,128,467	9,128,467	5,714,937	(3,413,530)
Investment Earnings	65,000	65,000	224,851	159,851
Other	157,056	157,056	28,485	(128,571)
Transfers in	2,673,433	2,724,314	2,724,314	-
Total resources	12,364,456	12,415,337	9,073,158	(3,342,179)
Charges to appropriations (outflows):				
Recreation and leisure services	11,259,673	11,311,067	9,150,394	2,160,673
Capital outlay	152,700	154,618	120,667	33,951
Transfers out	1,404,896	1,404,896	1,404,896	-
Total charges to appropriations	12,817,269	12,870,581	10,675,957	2,194,624
Resources over (under) charges to appropriations	(452,813)	(455,244)	(1,602,799)	(1,147,555)
Fund Balance - End of year	\$ 7,432,825	\$ 7,542,329	\$ 6,454,731	\$ (1,087,598)

Note:

Actual beginning fund balance includes the year-end adjustment for unrealized fair value gain or loss on investments.

The significant negative variance in charges for services reflects the adverse impact of pandemic-related public health restrictions on recreation class registrations and facility rentals. The significant positive variance in recreation and leisure services charges is attributable to vacancies and lower supplies and services costs associated with the reduced activity level.

1. BUDGETARY INFORMATION (continued)

C. Budgetary Comparison Schedules (continued)

Human Services Fund – Budgetary Comparison Schedule
(For the Fiscal Year Ended June 30, 2020)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Fund Balance - Beginning of year	\$ 6,985,000	\$ 8,621,067	\$ 8,669,608	\$ 48,541
Resources (inflows):				
Intergovernmental	8,505,000	8,623,616	7,803,163	(820,453)
Charges for services	607,000	1,756,012	1,747,181	(8,831)
Investment Earnings	75,000	75,000	291,682	216,682
Other	2,392,000	1,382,818	3,026,231	1,643,413
Transfers in	1,273,991	1,292,635	1,292,634	(1)
Total resources	12,852,991	13,130,081	14,160,891	1,030,809
Charges to appropriations (outflows):				
Human services	10,465,000	12,104,386	9,659,281	2,445,105
Community development and environmental services	1,540,000	2,198,800	1,601,518	597,282
Debt Service	572,310	572,310	834,919	(262,609)
Transfers out	749,117	749,117	750,246	(1,129)
Total charges to appropriations	13,326,427	15,624,613	12,845,964	2,778,649
Resources over (under) charges to appropriations	(473,436)	(2,494,532)	1,314,927	3,809,459
Fund Balance - End of year	\$ 6,511,564	\$ 6,126,535	\$ 9,984,535	\$ 3,858,000

Note:

Actual beginning fund balance includes the year-end adjustment for unrealized fair value gain or loss on investments.

The negative variance in intergovernmental resources is attributable to less than anticipated grant funding. The positive variance in other resources is attributable to an unanticipated contribution from the developer for the new senior center in Warm Springs.

The positive variance in human services charges is attributable to lower than anticipated funding and vacancies. The positive variance in community development and environmental services charges is attributable to a decrease in community development block grant (CDBG) spending for outside services. The negative variance in debt service is related to the issuance of the 2019 Lease Revenue Bonds which refinanced all of the outstanding debt related to the Fremont Family Resource Center.

Required Supplementary Information

1. BUDGETARY INFORMATION (continued)

C. Budgetary Comparison Schedules (continued)

Inclusionary Housing In Lieu Fund **(For the Fiscal Year Ended June 30, 2020)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund Balance - Beginning of year	\$ 48,055,767	\$ 51,467,693	\$ 51,772,107	\$ 304,414
Resources (inflows):				
Impact Fees	17,600,000	17,600,000	21,036,547	3,436,547
Investment Earnings	410,000	410,000	1,940,179	1,530,179
Total resources	18,010,000	18,010,000	22,976,726	4,966,726
Charges to appropriations (outflows):				
Community development and environmental services	4,817,589	21,187,500	12,662,848	8,524,652
Total charges to appropriations	4,817,589	21,187,500	12,662,848	8,524,652
Resources over (under) charges to appropriations	13,192,411	(3,177,500)	10,313,878	13,491,378
Fund Balance - End of year	\$ 61,248,178	\$ 48,290,193	\$ 62,085,985	\$ 13,795,792

Note:

Actual beginning fund balance includes the year-end adjustment for unrealized fair value gain or loss on investments.

The significant positive variance in impact fees revenue is due to a greater than anticipated level of new housing development. The positive variance in community development and environmental services reflects the appropriation of funds for loans which had not yet been disbursed.

2. MODIFIED APPROACH FOR THE CITY'S INFRASTRUCTURE

The City has elected to use the modified approach to accounting for infrastructure assets, as defined by GASB Statement No. 34, for its street network. The street network is composed of all City streets, and includes all physical features associated with the operation of motorized vehicles that exist within the limits of the City rights of way. The City street network is constructed primarily of asphalt pavement. Further, based on land use, access and traffic utilization, the street network is subdivided into the following three classifications: arterial/major, collector, and residential/local.

In conjunction with the Metropolitan Transportation Commission, the City maintains a Pavement Management System (PMS) database that contains all the pavement information for the street network. The PMS contains a complete inventory of all street segments including the length, width, area, classification, maintenance and rehabilitation history and the records of all inspections of the pavement condition. Also, the PMS contains the inspection-based Pavement Condition Index (PCI) for each street segment and has the functionality to compute the overall City area-weighted PCI.

A. Condition Assessment Data

Pursuant to GASB Statement No. 34, a government that wishes to use the modified approach must assess the condition of the network for which that approach is used at least once every three years. Consequently, the City hires external consultants to conduct condition assessments every two to three years for arterial and collector streets, and every five years for residential streets. In 2018, the entire City street network of arterial, collector and residential streets was inspected and assessed.

For the pavement condition assessment, the street segment is inspected, and the physical condition is recorded based on a system of sampling and measuring eight defined pavement distress types. The PCI, a nationally recognized index, is calculated based on the inspection data. The PCI is expressed as a rating from 0 to 100, where 0 is the least acceptable condition and 100 is the rating for a street in excellent condition or a new street. The following condition categories with their corresponding PCI rating ranges are defined:

Condition	PCI Rating
Very Good/Excellent	80-100
Good	70-79
Fair	50-69
Poor	25-49
Very Poor	<25

2. MODIFIED APPROACH FOR THE CITY’S INFRASTRUCTURE (continued)

A. Condition Assessment Data (continued)

The PCI for each street segment is entered into the database at the time of the latest periodic inspection. Between the inspections, the PMS computes “real time” PCI values based on standardized deterioration curves for pavement materials.

Through June 30, 2020, the City’s policy was to maintain an average PCI rating of 50 or above for the entire street network. Falling below the PCI rating of 50 means that more pavement distresses ranging from surface defects such as cracking and raveling to more serious load related distresses, such as “alligator” cracking and rutting will become noticeable to drivers traveling at the posted speeds. As of June 30, 2020, the City’s overall street network was rated at a computed PCI index of 72, with percentages by area in each condition category and comparisons with prior years shown below:

Condition	PCI Rating	% of Street Pavement Area			
		6/30/17	6/30/18	6/30/19	6/30/20
Good to Excellent	70-100	66	70	67	67
Fair	50-69	19	18	22	23
Poor to Very Poor	0-49	15	12	11	10

As shown in the table above, in fiscal year 2019/20, 67% of the City’s streets were rated equal to or above PCI 70, the lower limit for streets in good condition. This is unchanged from the prior year. During the same fiscal year, 10% of the City’s streets were rated as equal to or below PCI 49, the upper limit for streets in poor condition. This reflects a steady decrease in this condition category over the years. The pavement preservation program continues to maintain streets rated in good condition to keep them in the good condition category, while also improving streets in fair or poor condition so that they are raised into a higher condition category.

B. Estimated Maintenance and Preservation Costs

In addition to performing periodic condition assessments, governments that use the modified approach must also estimate at the start of each reporting period the amount of spending needed that period to maintain and preserve infrastructure at the government’s selected condition level.

2. MODIFIED APPROACH FOR THE CITY’S INFRASTRUCTURE *(continued)*

B. Estimated Maintenance and Preservation Costs *(continued)*

The table below compares estimated annual amounts required to maintain the City street network at the prior-year-ending PCI level with the actual expenditures for street maintenance and actual PCI levels computed at the close of the fiscal year:

Fiscal Year	Maintenance Estimate	Actual Expenditure	Computed Overall City PCI Rating (Condition Assessments)
2015/16	\$ 19,000,000	\$ 4,504,282	72
2016/17	19,000,000	10,086,448	71
2017/18	19,000,000	9,256,048	72
2018/19	24,000,000	9,738,422	72
2019/20	24,000,000	15,429,031	72

The actual expenditures over the years have remained below the estimated levels, but the overall City PCI has remained relatively stable with some recent improvement. Under the City’s pavement preservation program, the majority of street areas were treated using a combination of base repairs and surface treatments such as cape seals and slurry seals. This approach is more economical than relying solely on pavement rehabilitation work such as asphalt overlays and allows available funds to cover a larger portion of the City’s pavement network.

Required Supplementary Information

3. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

(For the Measurement Periods Ended June 30)

A. Miscellaneous Plan

	2019	2018	2017	2016
Total Pension Liability				
Service Cost	\$ 9,440,689	\$ 9,366,703	\$ 9,137,675	\$ 7,790,208
Interest on the Total Pension Liability	35,920,595	34,074,717	33,486,855	32,676,179
Changes of Assumptions	-	(14,946,900)	27,992,306	-
Difference between Expected and Actual Experience	5,798,697	2,348,203	(7,378,205)	(1,799,221)
Benefit Payments, including Refunds of Employee Contributions	(24,228,054)	(22,693,197)	(21,143,831)	(19,948,526)
Net Change in Total Pension Liability	26,931,927	8,149,526	42,094,800	18,718,640
Total Pension Liability - Beginning	503,980,930	495,831,404	453,736,604	435,017,964
Total Pension Liability - Ending (a)	\$ 530,912,857	\$ 503,980,930	\$ 495,831,404	\$ 453,736,604
Plan Fiduciary Net Position				
Contributions from the Employer	\$ 15,887,992	\$ 13,914,442	\$ 13,885,280	\$ 12,253,772
Contributions from Employees	4,150,533	4,065,575	4,049,729	3,716,987
Net Investment Income	24,717,180	29,800,673	35,589,139	1,668,179
Benefit Payments, including Refunds of Employee Contributions	(24,228,054)	(22,693,197)	(21,143,831)	(19,948,526)
Plan to Plan Resource Movement	-	(870)	-	-
Administrative Expense	(267,464)	(547,419)	(471,557)	(196,178)
Other Miscellaneous Income/(Expense) ¹	870	(1,039,558)		
Net Change in Plan Fiduciary Net Position	20,261,057	23,499,646	31,908,760	(2,505,766)
Plan Fiduciary Net Position - Beginning²	374,797,630	351,297,984	319,389,224	321,894,990
Plan Fiduciary Net Position - Ending (b)	\$ 395,058,687	\$ 374,797,630	\$ 351,297,984	\$ 319,389,224
Plan Net Pension Liability - Ending (a) - (b)	\$ 135,854,170	\$ 129,183,300	\$ 144,533,420	\$ 134,347,380
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.41%	74.37%	70.85%	70.39%
Covered Payroll ³	\$ 54,394,382	\$ 52,820,747	\$ 49,979,076	\$ 46,428,322
Plan Net Pension Liability as a Percentage of Covered Payroll	249.76%	244.57%	289.19%	289.37%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

* Historical information is required only for measurement periods for which GASB Statement 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

2015	2014
\$ 7,507,286	\$ 7,924,529
31,320,840	30,270,566
(7,685,566)	-
(5,745,910)	-
(18,958,554)	(18,521,044)
6,438,096	19,674,051
428,579,868	408,905,817
\$ 435,017,964	\$ 428,579,868
\$ 10,615,278	\$ 10,225,328
3,603,542	3,714,276
7,088,364	47,792,502
(18,958,554)	(18,521,044)
11,897	-
(362,448)	-
1,998,079	43,211,062
319,896,911	276,685,849
\$ 321,894,990	\$ 319,896,911
\$ 113,122,974	\$ 108,682,957
74.00%	74.64%
\$ 43,728,370	\$ 43,467,334
258.69%	250.03%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of the Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Required Supplementary Information

3. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (continued)

Last Ten Fiscal Years*

(For the Measurement Periods Ended June 30)

B. Safety Plan

	2019	2018	2017	2016
Total Pension Liability				
Service Cost	\$ 12,323,865	\$ 11,652,686	\$ 11,313,858	\$ 10,018,091
Interest on the Total Pension Liability	49,238,694	46,711,253	44,697,929	43,600,023
Changes of Assumptions	-	(2,848,136)	35,313,488	-
Difference between Expected and Actual Experience	14,142,550	9,576,106	(1,980,053)	6,056,024
Benefit Payments, including Refunds of Employee Contributions	(38,842,561)	(36,143,908)	(33,357,752)	(31,419,219)
Net Change in Total Pension Liability	36,862,548	28,948,001	55,987,470	28,254,919
Total Pension Liability - Beginning	687,769,869	658,821,868	602,834,398	574,579,479
Total Pension Liability - Ending (a)	\$ 724,632,417	\$ 687,769,869	\$ 658,821,868	\$ 602,834,398
Plan Fiduciary Net Position				
Contributions from the Employer	\$ 23,577,795	\$ 21,715,821	\$ 18,933,463	\$ 17,528,095
Contributions from Employees	5,378,985	5,295,358	5,044,137	4,317,323
Net Investment Income	29,950,990	35,962,343	43,427,897	2,138,128
Benefit Payments, including Refunds of Employee Contributions	(38,842,561)	(36,143,908)	(33,357,752)	(31,419,219)
Plan to Plan Resource Movement	-	(1,050)	-	-
Administrative Expense	(321,443)	(663,097)	(578,856)	(243,623)
Other Miscellaneous Income/(Expense) ¹	1,050	(1,259,233)	-	-
Net Change in Plan Fiduciary Net Position	19,744,816	24,906,234	33,468,889	(7,679,296)
Plan Fiduciary Net Position - Beginning²	450,438,998	425,532,764	392,063,875	399,743,171
Plan Fiduciary Net Position - Ending (b)	\$ 470,183,814	\$ 450,438,998	\$ 425,532,764	\$ 392,063,875
Plan Net Pension Liability - Ending (a) - (b)	\$ 254,448,603	\$ 237,330,871	\$ 233,289,104	\$ 210,770,523
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.89%	65.49%	64.59%	65.04%
Covered Payroll ³	\$ 44,867,896	\$ 42,290,361	\$ 40,323,111	\$ 39,414,922
Plan Net Pension Liability as a Percentage of Covered Payroll	567.11%	561.19%	578.55%	534.75%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

* Historical information is required only for measurement periods for which GASB Statement 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

2015	2014
\$ 9,445,690	\$ 9,428,558
41,504,625	39,695,994
(9,630,020)	-
1,432,189	-
(28,384,236)	(26,957,919)
14,368,248	22,166,633
560,211,231	538,044,598
\$ 574,579,479	\$ 560,211,231
\$ 15,067,536	\$ 13,719,650
4,310,000	3,757,435
8,918,712	60,180,612
(28,384,236)	(26,957,919)
-	-
(449,882)	-
-	-
(537,870)	50,699,778
400,281,041	349,581,263
\$ 399,743,171	\$ 400,281,041
\$ 174,836,308	\$ 159,930,190
69.57%	71.45%
\$ 36,612,618	\$ 34,812,281
477.53%	459.41%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of the Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Required Supplementary Information

4. SCHEDULE OF PENSION PLAN CONTRIBUTIONS

*Last Ten Fiscal Years**

(For the Fiscal Years Ended June 30)

A. Miscellaneous Plan

	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 18,399,465	\$ 15,425,771	\$ 13,914,442	\$ 13,885,280
Contributions in Relation to the Actuarially Determined Contribution	(19,173,440)	(15,887,992)	(13,914,442)	(13,885,280)
Contribution Deficiency (Excess)	<u>\$ (773,975)</u>	<u>\$ (462,221)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ¹	\$ 57,833,334	\$ 54,394,382	\$ 52,820,747	\$ 49,979,076
Contributions as a Percentage of Covered Payroll	33.15%	29.21%	26.34%	27.78%

¹ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

* Historical information is required only for measurement periods for which GASB Statement 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

Notes to Schedule:

Methods and Assumptions Used to Calculate the Actuarially Determined Contribution for the Fiscal Year Ended June 30, 2020

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll
Asset Valuation Method	Market value
Inflation	2.625%
Salary Increases	0.40% to 8.50% depending on age and service
Payroll Growth	2.875%
Discount Rate/Investment Rate of Return	7.25% net of pension plan investment and administrative expenses; includes inflation.
Retirement Age	Probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	Probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Required Supplementary Information

2016	2015	2014
\$ 12,253,772	\$ 10,615,278	\$ 10,225,328
(12,253,772)	(10,615,278)	(10,225,328)
\$ -	\$ -	\$ -
\$ 46,428,322	\$ 43,728,370	\$ 43,467,334
26.39%	24.28%	23.52%

Required Supplementary Information

4. SCHEDULE OF PENSION PLAN CONTRIBUTIONS (continued)

Last Ten Fiscal Years*

(For the Fiscal Years Ended June 30)

B. Safety Plan

	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 23,349,323	\$ 21,483,551	\$ 19,515,821	\$ 18,933,463
Contributions in Relation to the Actuarially Determined Contribution	(26,915,595)	(23,577,795)	(21,715,821)	(18,933,463)
Contribution Deficiency (Excess)	<u>\$ (3,566,272)</u>	<u>\$ (2,094,244)</u>	<u>\$ (2,200,000)</u>	<u>\$ -</u>
Covered Payroll ¹	\$ 45,014,103	\$ 44,867,896	\$ 42,290,361	\$ 40,323,111
Contributions as a Percentage of Covered Payroll	59.79%	52.55%	51.35%	46.95%

¹ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

* Historical information is required only for measurement periods for which GASB Statement 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

Notes to Schedule:

Methods and Assumptions Used to Calculate the Actuarially Determined Contribution for the Fiscal Year Ended June 30, 2020

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll
Asset Valuation Method	Market value
Inflation	2.625%
Salary Increases	0.97% to 17.00% depending on age, service, and type of employment
Payroll Growth	2.875%
Discount Rate/ Investment Rate of Return	7.25% net of pension plan investment and administrative expenses; includes inflation.
Retirement Age	Probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	Probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Required Supplementary Information

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 17,528,095	\$ 15,067,536	\$ 13,719,650
(17,528,095)	(15,067,536)	(13,719,650)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 39,414,922	\$ 36,612,618	\$ 34,812,281
44.47%	41.15%	39.41%

Required Supplementary Information

5. SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

*Last Ten Fiscal Years**

(For the Measurement Periods Ended June 30)

	2019	2018	2017
Total OPEB Liability			
Service Cost	\$ 2,472,654	\$ 2,286,752	\$ 2,215,000
Interest on the Total OPEB Liability	6,299,097	6,007,888	5,754,000
Actual vs. Expected Experience	-	395,654	-
Assumption Changes	-	3,881,210	-
Benefit Payments	(5,117,958)	(4,590,000)	(3,968,000)
Net Change in Total OPEB Liability	3,653,793	7,981,504	4,001,000
Total OPEB Liability - Beginning	96,995,504	89,014,000	85,013,000
Total OPEB Liability - Ending (a)	\$ 100,649,297	\$ 96,995,504	\$ 89,014,000
Plan Fiduciary Net Position			
Contributions from the Employer	\$ 8,495,000	\$ 8,487,000	\$ 7,562,000
Net Investment Income	1,148,445	1,329,770	971,000
Benefit Payments	(5,117,958)	(4,590,000)	(3,968,000)
Administrative Expense	(4,352)	(18,880)	(20,000)
Net Change in Plan Fiduciary Net Position	4,521,135	5,207,890	4,545,000
Plan Fiduciary Net Position - Beginning	13,392,890	8,185,000	3,640,000
Plan Fiduciary Net Position - Ending (b)	\$ 17,914,025	\$ 13,392,890	\$ 8,185,000
Plan Net OPEB Liability - Ending (a) - (b)	\$ 82,735,272	\$ 83,602,614	\$ 80,829,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17.80%	13.81%	9.20%
Covered Employee Payroll	\$ 120,022,031	\$ 115,466,447	\$ 112,648,039
Plan Net OPEB Liability as a Percentage of Covered Employee Payroll	68.93%	72.40%	71.75%

* Historical information is required only for measurement periods for which GASB Statement 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios

Benefit Changes: There were no benefit changes in any of the reported measurement periods.

Changes of Assumptions: None in 2019. In 2018, demographic assumptions and the inflation rate were changed in accordance with the December 2017 CalPERS 1997-2015 Experience Study and Review of Actuarial Assumptions. The discount rate was reduced from 6.75 percent to 6.50 percent based on the reduced inflation assumption, and the mortality improvements scale was updated to Scale MP-2017. The medical trend was updated based on consultation with Axene Health Partners' and the Getzen Model for short-term and long-term trends, respectively.

6. SCHEDULE OF OPEB PLAN CONTRIBUTIONS

*Last Ten Fiscal Years**

(For the Fiscal Years Ended June 30)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 10,708,000	\$ 8,495,000	\$ 8,228,000	\$ 7,562,000
Contributions in Relation to the Actuarially Determined Contribution	(10,708,000)	(8,495,000)	(8,487,000)	(7,562,000)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (259,000)</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 128,939,898	\$ 120,022,031	\$ 115,466,447	\$ 112,648,039
Contributions as a Percentage of Covered Employee Payroll	8.30%	7.08%	7.35%	6.71%

* Historical information is required only for measurement periods for which GASB Statement 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

Notes to Schedule:

Methods and Assumptions Used to Calculate the Actuarially Determined Contribution for the Fiscal Year Ended June 30, 2020

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar
Amortization Period	18 years
Asset Valuation Method	Investment gains and losses spread over five-year rolling period
Inflation	2.75%
Payroll Growth	3.00%
Discount Rate/ Investment Rate of Return	6.50% net of OPEB plan investment and administrative expenses; includes inflation
Healthcare Cost Trend	Non-Medicare: 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare: 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years
Retirement Age	Probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015
Mortality	Probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Post-retirement mortality projected fully generational with Scale MP-2017

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Non-Major Governmental Funds

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Special Revenue Funds

Special revenue funds are used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government. The individual special revenue funds are as follows:

HOME Grant – This fund accounts for monies received under the HOME Investment Partnership Act. HOME funds can be used to acquire, rehabilitate, finance, and construct affordable housing and provide tenant-based rental assistance.

Integrated Waste Management – This fund accounts for monies received by the City to comply with the provisions of AB939 for the purpose of addressing recycling, household hazardous waste and solid waste management issues. These revenues may only be spent for integrated waste management and waste reduction programs.

Urban Runoff – The Clean Water Fee special assessment funds the Urban Runoff Clean Water Program. This program is based on the Stormwater Management Plan of the Alameda Countywide Clean Water Program. The plan is required for and a part of the National Pollutant Discharge Elimination System permit. Included in the plan are tasks for municipalities to carry out, including public information, municipal maintenance activities, new development requirements, illicit discharge elimination, industrial discharge identification and control, monitoring and special studies.

Abandoned Vehicle – This fund accounts for monies received by the City under California Vehicle Code Sections 9250.7 and 22710 and used for the abatement, removal, and disposal as public nuisances of any abandoned, wrecked, dismantled, or inoperative vehicles from private or public property.

COPS AB3229 – This fund accounts for State funds distributed by the County for front-line law enforcement services, including anti-gang and community crime prevention programs.

CUPA Administration – The Certified Unified Program Agencies (CUPA) administration fund accounts for the collection of Fire CUPA fines and penalties. Assets are used for hazardous material management.

Justice Assistance Grant – This fund accounts for federal pass-through money and allows states, tribes and local government to support a broad range of activities to prevent and control crime based on local needs and conditions, such as initiatives technical assistance, training personnel, and equipment supplies.

City Funded Affordable Housing Fund – This fund accounts for the City's funding for the City general fund allocations for affordable housing, monitoring payments, and other miscellaneous revenues.

Low and Moderate Income Housing Asset – This fund accounts for the administration of housing assets and functions related to the Low and Moderate Income Housing Program.

Special Revenue Funds

Metropolitan Medical Response System (MMRS) – This fund accounts for federal grants to fund the purchase of anti-terrorism equipment, medications, and training and exercise for terrorism responses.

Miscellaneous Federal Grants – This fund accounts for federal monies received from various individual federal grants that are subject to the Single Audit.

Miscellaneous State Grants – This fund accounts for one-time miscellaneous funds received from State agencies.

Miscellaneous Special Revenue – This fund accounts for donations to various City programs.

State Gas Tax – This fund accounts for monies apportioned to the City from State-collected gasoline taxes. The annual allocation may be spent for street maintenance or construction. Funds are apportioned by the State on the basis of population.

Rent Review – This fund accounts for the administration of the Rent Review Program, which provides a formal hearing for proposed rent increases in excess of 5 percent in any 12-month period by the Rent Review Board.

Maintenance District – This fund accounts for lighting and landscape maintenance activities in new subdivisions within the City. These activities are funded by special assessments on property within the benefited area.

Debt Service Funds

Debt service funds are used to record the accumulation of resources for, and the payment of, principal, interest and fiscal charges on general long-term debt. The City's non-major debt service fund is as follows:

Fire General Obligation Bonds – This fund accounts for the accumulation of property tax revenue and payment of principal and interest for the City's general obligation bonds. In November 2002, Fremont voters approved Measure R, which authorized the City to issue \$51 million of general obligation bonds to provide funding to replace three fire stations, build a public safety training center, and make remodeling and seismic improvements to seven existing fire stations. Three bond series totaling \$51 million have been issued and subsequently refinanced. The City is obligated to annually levy ad valorem taxes upon all taxable properties within the City for the payment of the principal and interest for these bonds.

Capital Project Funds

Capital project funds are used to account for the acquisition or construction of major capital facilities and improvements. The specific capital project funds are listed below:

Transportation Development Act – This fund accounts for funds received under the Transportation Development Act (Article 3) to be used for street construction projects.

Miscellaneous State Grants Capital – This fund accounts for one-time miscellaneous funds received from State agencies.

Capital Improvement Outside Sources – This fund accounts for contributions received from other outside sources that are intended to help fund specific capital projects.

Traffic System Management – This fund receives monies from the Bay Area Quality Management District under AB434. The fund's expenditures relate to the implementation of the City's trip reduction ordinance – a State-mandated activity.

Non-Major Governmental Funds

City of Fremont Combining Balance Sheet Non-Major Governmental Funds June 30, 2020

(With comparative totals for June 30, 2019)

	Special Revenue Funds		
	HOME Grant	Integrated Waste Management	Urban Runoff
ASSETS			
Cash and investments held by City	\$ -	\$ 10,238,439	\$ 452,616
Restricted cash and investments held by fiscal agent or City	-	-	-
Receivables:			
Property tax	-	-	-
Due from other governmental agencies	146,138	1,108,545	7,550
Accounts receivable	10,379	825,929	-
Total assets	\$ 156,517	\$ 12,172,913	\$ 460,166
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 15,428	\$ 1,166,397	\$ 95,801
Salaries and wages payable	-	54,109	22,195
Due to other funds	137,404	-	-
Unearned revenue	-	-	-
Total liabilities	152,832	1,220,506	117,996
Deferred inflows of resources-unavailable revenue	-	-	-
Fund Balances (Deficits):			
Restricted for:			
Social service programs	3,685	-	-
Debt service	-	-	-
Public safety	-	-	-
Street improvements	-	-	-
Community development	-	10,952,407	342,170
Other purposes	-	-	-
Committed for:			
Community development	-	-	-
Assigned for:			
Social service programs	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	3,685	10,952,407	342,170
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 156,517	\$ 12,172,913	\$ 460,166

Non-Major Governmental Funds

Special Revenue Funds			
Abandoned Vehicle	COPS AB3229	CUPA Administration	Justice Assistance Grant
\$ -	\$ 726,003	\$ 712,984	\$ -
-	-	-	-
-	-	-	-
79,856	-	-	-
-	-	-	-
<u>\$ 79,856</u>	<u>\$ 726,003</u>	<u>\$ 712,984</u>	<u>\$ -</u>
\$ -	\$ 18,716	\$ 870	\$ -
-	-	-	-
79,856	-	-	4,354
-	-	-	-
<u>79,856</u>	<u>18,716</u>	<u>870</u>	<u>4,354</u>
-	-	-	-
-	-	-	-
-	707,287	712,114	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	(4,354)
-	707,287	712,114	(4,354)
<u>\$ 79,856</u>	<u>\$ 726,003</u>	<u>\$ 712,984</u>	<u>\$ -</u>

(Continued)

Non-Major Governmental Funds

City of Fremont Combining Balance Sheet Non-Major Governmental Funds (continued)

June 30, 2020

(With comparative totals for June 30, 2019)

	Special Revenue Funds		
	City Funded Affordable Housing Fund	Low and Moderate Income Housing Asset	Metropolitan Medical Response System
ASSETS			
Cash and investments held by City	\$ 5,764,646	\$ 8,848,805	\$ 69,658
Restricted cash and investments held by fiscal agent or City	-	-	-
Receivables:			
Property tax	-	-	-
Due from other governmental agencies	354,369	-	4,385
Accounts receivable	-	-	-
Total assets	\$ 6,119,015	\$ 8,848,805	\$ 74,043
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 398,694	\$ 6,377	\$ (20)
Salaries and wages payable	9,225	17,805	-
Due to other funds	-	-	-
Unearned revenue	-	169,655	-
Total liabilities	407,919	193,837	(20)
Deferred inflows of resources-unavailable revenue	-	-	-
Fund Balances (Deficits):			
Restricted for:			
Social service programs	5,711,096	-	-
Debt service	-	-	-
Public safety	-	-	74,063
Street improvements	-	-	-
Community development	-	8,654,968	-
Other purposes	-	-	-
Committed for:			
Community development	-	-	-
Assigned for:			
Social service programs	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	5,711,096	8,654,968	74,063
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 6,119,015	\$ 8,848,805	\$ 74,043

Non-Major Governmental Funds

Special Revenue Funds							Total
Miscellaneous Federal Grants	Miscellaneous State Grants	Miscellaneous Special Revenue	State Gas Tax	Rent Review Fund	Maintenance District	Special Revenue Funds	Non-major Special Revenue Funds
\$ -	\$ 761,622	\$ 87,968	\$ 12,778,862	\$ 296,928	\$ 547,860	\$ -	\$ 41,286,391
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	615,010	-	860	-	2,316,713
-	5,013	5,000	94,234	26,931	-	-	967,486
<u>\$ -</u>	<u>\$ 766,635</u>	<u>\$ 92,968</u>	<u>\$ 13,488,106</u>	<u>\$ 323,859</u>	<u>\$ 548,720</u>	<u>\$ -</u>	<u>\$ 44,570,590</u>
\$ -	\$ -	\$ 9,800	\$ 2,298,273	\$ 6,788	\$ 24,985	\$ -	\$ 4,042,109
-	-	380	-	-	-	-	103,714
3,494,520	-	4,624	-	-	-	-	3,720,758
-	-	-	-	-	-	-	169,655
<u>3,494,520</u>	<u>-</u>	<u>14,804</u>	<u>2,298,273</u>	<u>6,788</u>	<u>24,985</u>	<u>-</u>	<u>8,036,236</u>
-	-	-	-	-	-	-	-
-	24,521	-	-	317,071	-	-	6,056,373
-	-	-	-	-	-	-	-
-	742,114	78,164	-	-	-	-	2,313,742
-	-	-	11,189,833	-	-	-	11,189,833
-	-	-	-	-	523,735	-	20,473,280
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(3,494,520)	-	-	-	-	-	-	(3,498,874)
<u>(3,494,520)</u>	<u>766,635</u>	<u>78,164</u>	<u>11,189,833</u>	<u>317,071</u>	<u>523,735</u>	<u>-</u>	<u>36,534,354</u>
<u>\$ -</u>	<u>\$ 766,635</u>	<u>\$ 92,968</u>	<u>\$ 13,488,106</u>	<u>\$ 323,859</u>	<u>\$ 548,720</u>	<u>\$ -</u>	<u>\$ 44,570,590</u>

(Continued)

Non-Major Governmental Funds

City of Fremont Combining Balance Sheet Non-Major Governmental Funds (continued) June 30, 2020

(With comparative totals for June 30, 2019)

	Debt Service Fund	
	Fire General Obligation Bonds	Total Non-major Debt Service Fund
ASSETS		
Cash and investments held by City	\$ -	\$ -
Restricted cash and investments held by fiscal agent or City	2,670,817	2,670,817
Receivables:		
Property tax	29,385	29,385
Due from other governmental agencies	-	-
Accounts receivable	-	-
Total assets	\$ 2,700,202	\$ 2,700,202
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ -
Salaries and wages payable	-	-
Due to other funds	-	-
Unearned revenue	-	-
Total liabilities	-	-
Deferred inflows of resources-unavailable revenue	-	-
Fund Balances (Deficits):		
Restricted for:		
Social service programs	-	-
Debt service	2,700,202	2,700,202
Public safety	-	-
Street improvements	-	-
Community development	-	-
Other purposes	-	-
Committed for:		
Community development	-	-
Assigned for:		
Social service programs	-	-
Unassigned	-	-
Total fund balances (deficits)	2,700,202	2,700,202
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,700,202	\$ 2,700,202

Non-Major Governmental Funds

Capital Project Funds				
Transportation Development Act	Miscellaneous State Grants Capital	Capital Improvement - Outside Sources	Traffic System Management	Total Non-major Capital Projects Funds
\$ -	\$ -	\$ 22,289,817	\$ -	\$ 22,289,817
-	-	8,349	-	8,349
-	-	-	-	-
122,418	1,768,729	167,078	152,654	2,210,879
-	-	86,609	-	86,609
<u>\$ 122,418</u>	<u>\$ 1,768,729</u>	<u>\$ 22,551,853</u>	<u>\$ 152,654</u>	<u>\$ 24,595,654</u>
\$ -	\$ 563,472	\$ 21,972	\$ 25,892	611,336
-	-	-	-	-
122,418	1,205,257	167,078	126,762	1,621,515
-	-	-	-	-
<u>122,418</u>	<u>1,768,729</u>	<u>189,050</u>	<u>152,654</u>	<u>2,232,851</u>
<u>-</u>	<u>448,926</u>	<u>107,078</u>	<u>103,654</u>	<u>659,658</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	22,255,725	-	22,255,725
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(448,926)	-	(103,654)	(552,580)
<u>-</u>	<u>(448,926)</u>	<u>22,255,725</u>	<u>(103,654)</u>	<u>21,703,145</u>
<u>\$ 122,418</u>	<u>\$ 1,768,729</u>	<u>\$ 22,551,853</u>	<u>\$ 152,654</u>	<u>\$ 24,595,654</u>

(Continued)

Non-Major Governmental Funds

City of Fremont Combining Balance Sheet Non-Major Governmental Funds (continued) June 30, 2020

(With comparative totals for June 30, 2019)

	Total Non-major Governmental Funds	
	2020	2019
ASSETS		
Cash and investments held by City	\$ 63,576,208	\$ 52,174,790
Restricted cash and investments held by fiscal agent or City	2,679,166	2,544,603
Receivables:		
Property tax	29,385	17,726
Due from other governmental agencies	4,527,592	3,051,611
Accounts receivable	1,054,095	937,913
Total assets	\$ 71,866,446	\$ 58,726,643
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 4,653,445	\$ 1,995,837
Salaries and wages payable	103,714	87,992
Due to other funds	5,342,273	1,179,567
Unearned revenue	169,655	354,468
Total liabilities	10,269,087	3,617,864
Deferred inflows of resources-unavailable revenue	659,658	723,159
Fund Balances (Deficits):		
Restricted for:		
Social service programs	6,056,373	17,565
Debt service	2,700,202	2,562,329
Public safety	2,313,742	1,059,647
Street improvements	11,189,833	8,655,643
Community development	42,729,005	37,171,246
Other purposes	-	24,478
Committed for:		
Community development	-	2,950,000
Assigned for:		
Social service programs	-	2,376,420
Unassigned	(4,051,454)	(431,708)
Total fund balances (deficits)	60,937,701	54,385,620
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 71,866,446	\$ 58,726,643

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Non-Major Governmental Funds

City of Fremont

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	Special Revenue Funds		
	HOME Grant	Integrated Waste Management	Urban Runoff
REVENUES:			
Property tax	\$ -	\$ -	\$ -
Intergovernmental	186,615	1,816,106	-
Franchise fees	-	-	-
Charges for services	-	9,735,388	1,510,168
Investment earnings	-	288,069	10,584
Other	-	-	1,427
Total revenues	186,615	11,839,563	1,522,179
EXPENDITURES:			
Current:			
General government	-	-	-
Police services	-	-	-
Fire services	-	-	-
Human services	3,101	-	-
Capital assets maintenance and operations	-	-	-
Community development and environmental services	182,614	9,327,580	1,522,307
Capital outlay	-	295,860	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	185,715	9,623,440	1,522,307
REVENUES OVER (UNDER) EXPENDITURES	900	2,216,123	(128)
OTHER FINANCING SOURCES (USES):			
Debt proceeds	-	-	-
Premium on debt issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers in	-	44,195	-
Transfers out	(900)	(768,360)	(82,958)
Total other financing sources (uses)	(900)	(724,165)	(82,958)
Net change in fund balances	-	1,491,958	(83,086)
FUND BALANCES (DEFICITS):			
Beginning of year	3,685	9,460,449	425,256
End of year	\$ 3,685	\$ 10,952,407	\$ 342,170

Non-Major Governmental Funds

Special Revenue Funds			
Abandoned Vehicle	COPS AB3229	CUPA Administration	Justice Assistance Grant
\$ -	\$ -	\$ -	\$ -
108,957	552,606	-	39,445
-	-	-	-
-	-	-	-
-	18,680	21,327	-
-	-	30,890	-
108,957	571,286	52,217	39,445
-	-	-	-
108,957	8,562	-	11,980
-	-	4,247	-
-	-	-	-
-	-	-	-
-	128,002	-	-
-	-	-	-
-	-	-	-
108,957	136,564	4,247	11,980
-	434,722	47,970	27,465
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	434,722	47,970	27,465
-	272,565	664,144	(31,819)
\$ -	\$ 707,287	\$ 712,114	\$ (4,354)

(Continued)

Non-Major Governmental Funds

City of Fremont

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (continued)

For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	Special Revenue Funds		
	City Funded Affordable Housing Fund	Low and Moderate Income Housing Asset	Metropolitan Medical Response System
REVENUES:			
Property tax	\$ -	\$ -	\$ -
Intergovernmental	477,181	-	-
Franchise fees	-	-	-
Charges for services	-	-	-
Investment earnings	172,138	240,625	1,975
Other	675	4,549,277	33,623
Total revenues	649,994	4,789,902	35,598
EXPENDITURES:			
Current:			
General government	-	-	-
Police services	-	-	-
Fire services	-	-	4,385
Human services	1,239,382	-	-
Capital assets maintenance and operations	-	-	-
Community development and environmental services	241,410	892,604	-
Capital outlay	444,935	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	1,925,727	892,604	4,385
REVENUES OVER (UNDER) EXPENDITURES	(1,275,733)	3,897,298	31,213
OTHER FINANCING SOURCES (USES):			
Debt proceeds	-	-	-
Premium on debt issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers in	1,660,409	-	-
Transfers out	-	(37,899)	-
Total other financing sources (uses)	1,660,409	(37,899)	-
Net change in fund balances	384,676	3,859,399	31,213
FUND BALANCES (DEFICITS):			
Beginning of year	5,326,420	4,795,569	42,850
End of year	\$ 5,711,096	\$ 8,654,968	\$ 74,063

Non-Major Governmental Funds

Special Revenue Funds							Total Non-major Special Revenue Funds
Miscellaneous Federal Grants	Miscellaneous State Grants	Miscellaneous Special Revenue	State Gas Tax	Rent Review Fund	Maintenance District		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
413,401	875,000	3,871	9,277,504	-	-	-	13,750,686
-	-	-	-	-	-	-	-
-	-	-	-	478,898	215,632	-	11,940,086
129	24,752	1,807	368,224	7,450	16,020	-	1,171,780
-	-	95,902	-	-	-	-	4,711,794
<u>413,530</u>	<u>899,752</u>	<u>101,580</u>	<u>9,645,728</u>	<u>486,348</u>	<u>231,652</u>	<u>-</u>	<u>31,574,346</u>
3,516,945	-	10,136	-	-	-	-	3,527,081
122,858	7,886	65,322	-	-	-	-	325,565
2,183	-	-	-	-	-	-	10,815
-	5,244	27,546	-	159,682	-	-	1,434,955
-	-	-	7,111,538	-	228,191	-	7,339,729
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	12,166,515
290,542	-	-	-	-	-	-	1,159,339
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,932,528</u>	<u>13,130</u>	<u>103,004</u>	<u>7,111,538</u>	<u>159,682</u>	<u>228,191</u>	<u>-</u>	<u>25,963,999</u>
<u>(3,518,998)</u>	<u>886,622</u>	<u>(1,424)</u>	<u>2,534,190</u>	<u>326,666</u>	<u>3,461</u>	<u>-</u>	<u>5,610,347</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,704,604
-	-	-	-	(23,475)	(14,690)	-	(928,282)
-	-	-	-	(23,475)	(14,690)	-	776,322
<u>(3,518,998)</u>	<u>886,622</u>	<u>(1,424)</u>	<u>2,534,190</u>	<u>303,191</u>	<u>(11,229)</u>	<u>-</u>	<u>6,386,669</u>
24,478	(119,987)	79,588	8,655,643	13,880	534,964	-	30,147,685
<u>\$ (3,494,520)</u>	<u>\$ 766,635</u>	<u>\$ 78,164</u>	<u>\$ 11,189,833</u>	<u>\$ 317,071</u>	<u>\$ 523,735</u>	<u>\$ -</u>	<u>\$ 36,534,354</u>

(Continued)

Non-Major Governmental Funds

City of Fremont

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (continued)

For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	Debt Service Fund	
	Fire General Obligation Bonds	Total Non-major Debt Service Fund
REVENUES:		
Property tax	\$ 3,079,994	\$ 3,079,994
Intergovernmental	-	-
Franchise fees	-	-
Charges for services	-	-
Investment earnings	53,694	53,694
Other	-	-
Total revenues	3,133,688	3,133,688
EXPENDITURES:		
Current:		
General government	-	-
Police services	-	-
Fire services	-	-
Human services	-	-
Capital assets maintenance and operations	-	-
Community development and environmental services	-	-
Capital outlay	-	-
Debt service:		
Principal	1,585,000	1,585,000
Interest and fiscal charges	1,407,588	1,407,588
Total expenditures	2,992,588	2,992,588
REVENUES OVER (UNDER) EXPENDITURES	141,100	141,100
OTHER FINANCING SOURCES (USES):		
Debt proceeds	-	-
Premium on debt issuance	-	-
Proceeds from sale of capital assets	-	-
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	141,100	141,100
FUND BALANCES (DEFICITS):		
Beginning of year	2,559,102	2,559,102
End of year	\$ 2,700,202	\$ 2,700,202

Non-Major Governmental Funds

Capital Project Funds				Total Non-major Capital Projects Funds
Transportation Development Act	Miscellaneous State Grants Capital	Capital Improvement - Outside Sources	Traffic System Management	
\$ -	\$ -	\$ -	\$ -	\$ -
228,397	2,582,327	184,373	802,687	3,797,784
-	-	355,482	-	355,482
-	-	-	-	-
-	-	447,964	-	447,964
-	-	1,148,186	-	1,148,186
<u>228,397</u>	<u>2,582,327</u>	<u>2,136,005</u>	<u>802,687</u>	<u>5,749,416</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
86,284	1,647,748	2,651,193	769,052	5,154,277
-	-	-	-	-
-	1,383,505	-	-	1,383,505
-	-	-	-	-
-	-	-	-	-
<u>86,284</u>	<u>3,031,253</u>	<u>2,651,193</u>	<u>769,052</u>	<u>6,537,782</u>
<u>142,113</u>	<u>(448,926)</u>	<u>(515,188)</u>	<u>33,635</u>	<u>(788,366)</u>
-	-	-	-	-
-	-	-	-	-
-	-	681,688	-	681,688
-	-	436,710	-	436,710
-	-	(302,493)	-	(302,493)
-	-	815,905	-	815,905
<u>142,113</u>	<u>(448,926)</u>	<u>300,717</u>	<u>33,635</u>	<u>27,539</u>
<u>(142,113)</u>	<u>-</u>	<u>21,955,008</u>	<u>(137,289)</u>	<u>21,675,606</u>
\$ -	\$ (448,926)	\$ 22,255,725	\$ (103,654)	\$ 21,703,145

(Continued)

Non-Major Governmental Funds

City of Fremont

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (continued)

For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	Total Non-major Governmental Funds	
	2020	2019
REVENUES:		
Property tax	\$ 3,079,994	\$ 2,697,905
Intergovernmental	17,548,470	13,615,493
Franchise fees	355,482	376,570
Charges for services	11,940,086	10,286,885
Investment earnings	1,673,438	1,470,993
Other	5,859,980	3,448,745
Total revenues	40,457,450	31,896,591
EXPENDITURES:		
Current:		
General government	3,527,081	-
Police services	325,565	853,929
Fire services	10,815	143,469
Human services	1,434,955	7,368
Capital assets maintenance and operations	12,494,006	10,389,348
Community development and environmental services	12,166,515	12,327,870
Capital outlay	2,542,844	1,457,048
Debt service:		
Principal	1,585,000	1,535,000
Interest and fiscal charges	1,407,588	1,480,103
Total expenditures	35,494,369	28,194,135
REVENUES OVER (UNDER) EXPENDITURES	4,963,081	3,702,456
OTHER FINANCING SOURCES (USES):		
Debt proceeds	-	-
Premium on debt issuance	-	-
Proceeds from sale of capital assets	681,688	1,214,219
Transfers in	2,141,314	1,505,000
Transfers out	(1,230,775)	(639,212)
Total other financing sources (uses)	1,592,227	2,080,007
Net change in fund balances	6,555,308	5,782,463
FUND BALANCES (DEFICITS):		
Beginning of year	54,382,393	48,603,157
End of year	\$ 60,937,701	\$ 54,385,620

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Special Revenue and Debt Service Funds

City of Fremont Budgetary Comparison Schedule Special Revenue and Debt Service Funds For the fiscal year ended June 30, 2020

	Special Revenue Funds					
	HOME Grant			Integrated Waste Management		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	399,596	186,615	(212,981)	854,164	1,816,106	961,942
Charges for services	-	-	-	9,962,288	9,735,388	(226,900)
Investment earnings	-	-	-	100,000	288,069	188,069
Other	-	-	-	-	-	-
Total revenues	399,596	186,615	(212,981)	10,916,452	11,839,563	923,111
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Police services	-	-	-	-	-	-
Fire services	-	-	-	-	-	-
Human services	-	3,101	3,101	-	-	-
Capital assets maintenance and operations	-	-	-	-	-	-
Community development and environmental services	390,596	182,614	207,982	10,296,584	9,327,580	969,004
Capital outlay	-	-	-	142,771	295,860	(153,089)
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	9,000	-	(9,000)	-	-	-
Total expenditures	399,596	185,715	202,083	10,439,355	9,623,440	815,915
REVENUES OVER (UNDER) EXPENDITURES	-	900	900	477,097	2,216,123	1,739,026
OTHER FINANCING SOURCES (USES):						
Debt proceeds	-	-	-	-	-	-
Transfers in	-	-	-	44,195	44,195	-
Transfers out	-	(900)	(900)	(768,360)	(768,360)	-
Total other financing sources (uses)	-	(900)	(900)	(724,165)	(724,165)	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ (247,068)	1,491,958	\$ 1,739,026
FUND BALANCES:						
Beginning of year		3,685			9,460,449	
End of year		\$ 3,685			\$ 10,952,407	

Special Revenue and Debt Service Funds

Special Revenue Funds								
Urban Runoff			Abandoned Vehicle			COPS AB3229		
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,710,305	1,510,168	(200,137)	120,000	108,957	(11,043)	355,000	552,606	197,606
-	10,584	10,584	-	-	-	-	18,680	18,680
-	1,427	1,427	-	-	-	-	-	-
<u>1,710,305</u>	<u>1,522,179</u>	<u>(188,126)</u>	<u>120,000</u>	<u>108,957</u>	<u>(11,043)</u>	<u>355,000</u>	<u>571,286</u>	<u>216,286</u>
-	-	-	-	-	-	-	-	-
-	-	-	120,000	108,957	11,043	12,595	8,562	4,033
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,606,413	1,522,307	84,106	-	-	-	-	-	-
2,500	-	(2,500)	-	-	-	138,008	128,002	10,006
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,608,913</u>	<u>1,522,307</u>	<u>81,606</u>	<u>120,000</u>	<u>108,957</u>	<u>11,043</u>	<u>150,603</u>	<u>136,564</u>	<u>14,039</u>
101,392	(128)	(101,520)	-	-	-	204,397	434,722	230,325
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(82,958)	(82,958)	-	-	-	-	-	-	-
(82,958)	(82,958)	-	-	-	-	-	-	-
<u>\$ 18,434</u>	<u>(83,086)</u>	<u>\$ (101,520)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 204,397</u>	<u>434,722</u>	<u>\$ 230,325</u>
	<u>425,256</u>			<u>-</u>			<u>272,565</u>	
	<u>\$ 342,170</u>			<u>\$ -</u>			<u>\$ 707,287</u>	

(Continued)

Special Revenue and Debt Service Funds

City of Fremont Budgetary Comparison Schedule Special Revenue and Debt Service Funds (continued) For the fiscal year ended June 30, 2020

Special Revenue Funds						
	CUPA Administration			Justice Assistance Grant		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	39,093	39,445	352
Charges for services	-	-	-	-	-	-
Investment earnings	-	21,327	21,327	-	-	-
Other	50,000	30,890	(19,110)	-	-	-
Total revenues	50,000	52,217	2,217	39,093	39,445	352
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Police services	-	-	-	14,448	11,980	2,468
Fire services	112,390	4,247	108,143	-	-	-
Human services	-	-	-	-	-	-
Capital assets maintenance and operations	-	-	-	-	-	-
Community development and environmental services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	112,390	4,247	108,143	14,448	11,980	2,468
REVENUES OVER (UNDER) EXPENDITURES	(62,390)	47,970	110,360	24,645	27,465	2,820
OTHER FINANCING SOURCES (USES):						
Debt proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ (62,390)	47,970	\$ 110,360	\$ 24,645	27,465	\$ 2,820
FUND BALANCES:						
Beginning of year		664,144			(31,819)	
End of year		\$ 712,114			\$ (4,354)	

Special Revenue and Debt Service Funds

Special Revenue Fund								
City Funded Affordable Housing			Low & Moderate Income Housing Asset			Metropolitan Medical Response System		
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
470,715	477,181	6,466	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	172,138	172,138	60,000	240,625	180,625	-	1,975	1,975
-	675	675	2,472,000	4,549,277	2,077,277	32,000	33,623	33,623
<u>470,715</u>	<u>649,994</u>	<u>179,279</u>	<u>2,532,000</u>	<u>4,789,902</u>	<u>2,257,902</u>	<u>32,000</u>	<u>35,598</u>	<u>35,598</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	92,287	4,385	87,902
4,985,203	1,239,382	3,745,821	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
241,410	241,410	-	1,017,231	892,604	124,627	-	-	-
444,935	444,935	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,671,548</u>	<u>1,925,727</u>	<u>3,745,821</u>	<u>1,017,231</u>	<u>892,604</u>	<u>124,627</u>	<u>92,287</u>	<u>4,385</u>	<u>87,902</u>
<u>(5,200,833)</u>	<u>(1,275,733)</u>	<u>3,925,100</u>	<u>1,514,769</u>	<u>3,897,298</u>	<u>2,382,529</u>	<u>(60,287)</u>	<u>31,213</u>	<u>123,500</u>
-	-	-	-	-	-	-	-	-
1,660,409	1,660,409	-	-	-	-	-	-	-
-	-	-	(37,899)	(37,899)	-	-	-	-
<u>1,660,409</u>	<u>1,660,409</u>	<u>-</u>	<u>(37,899)</u>	<u>(37,899)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (3,540,424)</u>	<u>384,676</u>	<u>\$ 3,925,100</u>	<u>\$ 1,476,870</u>	<u>3,859,399</u>	<u>\$ 2,382,529</u>	<u>\$ (60,287)</u>	<u>31,213</u>	<u>\$ 123,500</u>
	<u>5,326,420</u>			<u>4,795,569</u>			<u>42,850</u>	
	<u>\$ 5,711,096</u>			<u>\$ 8,654,968</u>			<u>\$ 74,063</u>	

(Continued)

Special Revenue and Debt Service Funds

City of Fremont Budgetary Comparison Schedule Special Revenue and Debt Service Funds (continued) For the fiscal year ended June 30, 2020

Special Revenue Fund						
	Miscellaneous Federal Grants			Miscellaneous State Grants		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	488,713	413,401	(75,312)	750,000	875,000	125,000
Charges for services	-	-	-	-	-	-
Investment earnings	-	129	129	-	24,752	24,752
Other	-	-	-	-	-	-
Total revenues	488,713	413,530	(75,183)	750,000	899,752	149,752
EXPENDITURES:						
Current:						
General government	-	3,516,945	-	-	-	-
Police services	261,283	122,858	138,425	-	7,886	(7,886)
Fire services	23,961	2,183	21,778	-	-	-
Human services	-	-	-	-	5,244	(5,244)
Capital assets maintenance and operations	-	-	-	-	-	-
Community development and environmental services	-	-	-	-	-	-
Capital outlay	298,643	290,542	8,101	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	583,887	3,932,528	(3,348,641)	-	13,130	(13,130)
REVENUES OVER (UNDER) EXPENDITURES	(95,174)	(3,518,998)	(3,423,824)	750,000	886,622	136,622
OTHER FINANCING SOURCES (USES):						
Debt proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ (95,174)	(3,518,998)	\$ (3,423,824)	\$ 750,000	886,622	\$ 136,622
FUND BALANCES (DEFICITS):						
Beginning of year		24,478			(119,987)	
End of year		\$ (3,494,520)			\$ 766,635	

Special Revenue and Debt Service Funds

Special Revenue Fund								
Miscellaneous Special Revenue			State Gas Tax			Rent Review Fund		
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,871	3,871	-	9,277,504	9,277,504	-	-	-	-
-	-	-	-	-	-	703,802	478,898	(224,904)
-	1,807	1,807	368,224	368,224	-	-	7,450	7,450
25,000	95,902	70,902	-	-	-	-	-	-
<u>28,871</u>	<u>101,580</u>	<u>72,709</u>	<u>9,645,728</u>	<u>9,645,728</u>	<u>-</u>	<u>703,802</u>	<u>486,348</u>	<u>(217,454)</u>
25,000	10,136	25,000	-	-	-	-	-	-
-	65,322	65,322	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	27,546	27,546	-	-	-	682,386	159,682	(522,704)
-	-	-	7,111,538	7,111,538	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>25,000</u>	<u>103,004</u>	<u>78,004</u>	<u>7,111,538</u>	<u>7,111,538</u>	<u>-</u>	<u>682,386</u>	<u>159,682</u>	<u>522,704</u>
3,871	(1,424)	(5,295)	2,534,190	2,534,190	-	21,416	326,666	305,250
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(23,475)	(23,475)	-
-	-	-	-	-	-	(23,475)	(23,475)	-
<u>\$ 3,871</u>	<u>(1,424)</u>	<u>\$ (5,295)</u>	<u>\$ 2,534,190</u>	<u>2,534,190</u>	<u>\$ -</u>	<u>\$ (2,059)</u>	<u>303,191</u>	<u>\$ 305,250</u>
	<u>79,588</u>			<u>8,655,643</u>			<u>13,880</u>	
	<u>\$ 78,164</u>			<u>\$ 11,189,833</u>			<u>\$ 317,071</u>	

(Continued)

Special Revenue and Debt Service Funds

City of Fremont Budgetary Comparison Schedule Special Revenue and Debt Service Funds (continued) For the fiscal year ended June 30, 2020

Special Revenue Fund			
Maintenance District			
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Property tax	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	300,000	215,632	(84,368)
Investment earnings	-	16,020	16,020
Other	-	-	-
Total revenues	300,000	231,652	(68,348)
EXPENDITURES:			
Current:			
General government	-	-	-
Police services	-	-	-
Fire services	-	-	-
Human services	-	-	-
Capital assets maintenance and operations	300,000	228,191	71,809
Community development and environmental services	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	300,000	228,191	71,809
REVENUES OVER (UNDER) EXPENDITURES	-	3,461	3,461
OTHER FINANCING SOURCES (USES):			
Debt proceeds	-	-	-
Transfers in	-	-	-
Transfers out	(14,576)	(14,690)	(114)
Total other financing sources (uses)	(14,576)	(14,690)	(114)
Net change in fund balances	\$ (14,576)	(11,229)	\$ 3,347
FUND BALANCES:			
Beginning of year		534,964	
End of year		\$ 523,735	

Special Revenue and Debt Service Funds

Debt Service Fund

Fire General Obligation Bonds

Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
\$ 3,079,994	\$ 3,079,994	\$ -
-	-	-
-	-	-
-	53,694	53,694
-	-	-
<u>3,079,994</u>	<u>3,133,688</u>	<u>53,694</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,585,000	1,585,000	-
1,407,588	1,407,588	-
<u>2,992,588</u>	<u>2,992,588</u>	<u>-</u>
87,406	141,100	53,694
-	-	-
-	-	-
-	-	-
<u>\$ 87,406</u>	141,100	<u>\$ 53,694</u>
	<u>2,559,102</u>	
	<u>\$ 2,700,202</u>	

Internal Service Funds

Internal Service Funds

Internal service funds are used to report activities that provide goods or services to other funds or departments on a cost-reimbursement basis. The individual internal service funds are as follows:

Risk Management – This fund accounts for the City’s retained self-insured risks of loss from vehicle and property damage, earthquakes and floods, workers’ compensation claims, general liability claims, and unemployment claims. Administrative costs, including insurance coverage through the City’s membership in the California Joint Powers Risk Management Authority, are also accounted for in this fund. Resources for this fund are provided through allocation “charges” to the departments and special revenue fund operations that receive these services.

Information Technology Services – This fund accounts for the City’s information systems support and technology services. It funds Information Technology Services operations and equipment replacement. Resources for this fund are provided through allocation “charges” to the departments and special revenue fund operations that receive these services.

Vehicle Replacement – The City maintains a fleet of over 500 police and civilian vehicles including automobiles, vans, trucks, motorcycles, and specialized maintenance and construction equipment. This fund accumulates annual contributions from each of the City’s operating funds based on assigned vehicles, and accounts for the associated vehicle replacement purchases.

Employee Benefits – This internal service fund accumulates retiree healthcare benefit contributions from each of the City’s operating funds and accounts for the payments to the California Employers’ Retirement Benefit Trust (CERBT), benefit payments to retirees, and reimbursements from the CERBT for those benefit payments.

Fire Capital Equipment Replacement – The Fire Department maintains a fleet of fire apparatus (engines, aerial ladder trucks, and other specialized auxiliary apparatus) as well as a complement of personal protection and life-saving capital equipment (self-contained breathing apparatus, turnout (thermal protection) suits, cardiac monitors, and automated CPR devices). To facilitate timely replacement of these critical capital assets, this fund accumulates annual contributions from the General Fund and accounts for the associated capital expenditures.

Internal Service Funds

City of Fremont Combining Statement of Net Position Internal Service Funds June 30, 2020

(With comparative totals for June 30, 2019)

	Risk Management	Information Technology	Vehicle Replacement
ASSETS			
Current assets:			
Cash and investments held by City	\$ 21,053,618	\$ 7,875,847	\$ 4,533,310
Other receivables	-	86,404	-
Total current assets	21,053,618	7,962,251	4,533,310
Noncurrent assets:			
Prepaid assets	-	141,561	-
Depreciable assets	-	9,260,921	17,774,794
Less accumulated depreciation	-	(6,901,353)	(10,726,038)
Total noncurrent assets	-	2,501,129	7,048,756
Total assets	21,053,618	10,463,380	11,582,066
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	156,415	1,167,221	-
LIABILITIES			
Current liabilities:			
Accounts payable	172,489	217,647	118,398
Due to General Fund	-	-	-
Salaries and wages payable	14,529	122,430	-
Due to other funds payoff	-	-	-
Cash overdraft	-	-	-
Claims payable	4,026,000	-	-
Total current liabilities	4,213,018	340,077	118,398
Noncurrent liabilities:			
Claims payable	9,594,000	-	-
Net pension liability	934,050	5,951,967	-
Total noncurrent liabilities	10,528,050	5,951,967	-
Total liabilities	14,741,068	6,292,044	118,398
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	128,333	761,160	-
NET POSITION			
Net investment in capital assets	-	2,359,568	7,048,756
Unrestricted	6,340,632	2,217,829	4,414,912
Total net position	\$ 6,340,632	\$ 4,577,397	\$ 11,463,668

Internal Service Funds

Employee Benefits	Fire Capital Equipment Replacement	Totals	
		2020	2019
\$ 117,522	\$ 375,615	\$ 33,955,912	\$ 33,361,912
380,290	-	466,694	454,069
<u>497,812</u>	<u>375,615</u>	<u>34,422,606</u>	<u>33,815,981</u>
-	1,736,067	1,877,628	-
-	5,778,350	32,814,065	32,244,292
-	(696,330)	(18,323,721)	(17,549,397)
-	<u>6,818,087</u>	<u>16,367,972</u>	<u>14,694,895</u>
<u>497,812</u>	<u>7,193,702</u>	<u>50,790,578</u>	<u>48,510,876</u>
-	-	1,323,636	1,539,214
-	15,351	523,885	1,683,966
-	-	-	-
230	-	137,189	94,731
-	-	-	-
-	-	-	-
-	-	4,026,000	4,737,000
<u>230</u>	<u>15,351</u>	<u>4,687,074</u>	<u>6,515,697</u>
-	-	9,594,000	11,093,000
-	-	6,886,017	7,079,671
-	-	<u>16,480,017</u>	<u>18,172,671</u>
<u>230</u>	<u>15,351</u>	<u>21,167,091</u>	<u>24,688,368</u>
-	-	889,493	610,156
-	5,082,020	14,490,344	14,694,895
<u>497,582</u>	<u>2,096,331</u>	<u>15,567,286</u>	<u>10,056,671</u>
<u>\$ 497,582</u>	<u>\$ 7,178,351</u>	<u>\$ 30,057,630</u>	<u>\$ 24,751,566</u>

Internal Service Funds

City of Fremont Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds

For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	Risk Management	Information Technology	Vehicle Replacement
OPERATING REVENUES			
Charges for services	\$ 7,000,000	\$ 10,495,264	\$ 1,709,682
Other	-	7,907	-
Total operating revenues	7,000,000	10,503,171	1,709,682
OPERATING EXPENSES			
Salaries and wages	702,416	5,463,471	31,338
Insurance premiums	2,452,981	-	-
Provision for claim losses	2,185,971	-	-
Claims administration	233,558	-	-
Materials and supplies	10,655	3,738,164	108,177
Depreciation	-	281,388	1,156,324
Other	-	58,108	-
Total operating expenses	5,585,581	9,541,131	1,295,839
OPERATING INCOME/(LOSS)	1,414,419	962,040	413,843
NONOPERATING REVENUES (EXPENSES)			
Investment income	610,135	218,520	139,428
Gain on disposal of capital assets	-	-	74,475
Income (loss) before capital contributions and transfers	2,024,554	1,180,560	627,746
Contributed capital assets	-	-	-
CHANGE IN NET POSITION	2,024,554	1,180,560	627,746
Net position - beginning of year	4,316,078	3,396,837	10,835,922
Net position - ending	\$ 6,340,632	\$ 4,577,397	\$ 11,463,668

Employee Benefits	Fire Capital Equipment Replacement	Totals	
		2020	2019
\$ 10,708,000	\$ 1,854,510	\$ 31,767,456	\$ 28,276,861
-	-	7,907	8,770
<u>10,708,000</u>	<u>1,854,510</u>	<u>31,775,363</u>	<u>28,285,631</u>
10,721,361	-	16,918,586	13,985,166
-	-	2,452,981	3,174,855
-	-	2,185,971	2,382,084
-	-	233,558	263,222
-	-	3,856,996	3,662,090
-	371,901	1,809,613	1,697,367
-	-	58,108	55,517
<u>10,721,361</u>	<u>371,901</u>	<u>27,515,813</u>	<u>25,220,301</u>
(13,361)	1,482,609	4,259,550	3,065,330
2,778	1,178	972,039	1,070,467
-	-	74,475	19,944
<u>(10,583)</u>	<u>1,483,787</u>	<u>5,306,064</u>	<u>4,155,741</u>
-	-	-	-
<u>(10,583)</u>	<u>1,483,787</u>	<u>5,306,064</u>	<u>4,155,741</u>
508,165	5,694,564	24,751,566	20,595,825
<u>\$ 497,582</u>	<u>\$ 7,178,351</u>	<u>\$ 30,057,630</u>	<u>\$ 24,751,566</u>

Internal Service Funds

City of Fremont Combining Statement of Cash Flows Internal Service Funds For the fiscal year ended June 30, 2020 (With comparative totals for the fiscal year ended June 30, 2019)

	Risk Management	Information Technology	Vehicle Replacement
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from users	\$ 7,000,000	\$ 10,365,612	\$ 1,709,682
Other revenue	-	7,907	-
Less: Payments to suppliers	(3,820,187)	(3,853,054)	(45,726)
Payments for employee services	(663,553)	(5,158,615)	(31,338)
Payments for claims paid	(4,395,971)	-	-
Payments to others	-	(58,108)	-
Net cash provided/(used) by operating activities	(1,879,711)	1,303,742	1,632,618
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition of capital assets	-	(10,785)	(1,458,333)
Prepayment for acquisition of capital assets	-	-	-
Proceeds from sale of capital assets	-	-	74,475
Net cash used in capital and related financing activities	-	(10,785)	(1,383,858)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Elimination of prior year overdraft	-	-	-
Net cash provided by non-capital financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on cash and investments	610,135	218,520	139,428
Net change in cash and cash equivalents	(1,269,576)	1,511,477	388,188
CASH AND CASH EQUIVALENTS			
Beginning of year	22,323,194	6,364,370	4,145,122
End of year	\$ 21,053,618	\$ 7,875,847	\$ 4,533,310
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income/(loss)	\$ 1,414,419	\$ 962,040	\$ 413,843
Adjustments to reconcile operating income to net cash provided/(used) by operating activities:			
Depreciation	-	281,388	1,156,324
Changes in operating assets, liabilities, and deferred items:			
Other receivables	-	11,909	-
Prepaid assets	-	(141,561)	-
Accounts payable	(1,122,993)	(114,890)	62,451
Salaries and wages payable	2,674	39,784	-
Due to other funds	-	-	-
Claims payable	(2,210,000)	-	-
Deferred outflow resources - pension plan	25,896	189,682	-
Deferred inflow resources - pension plan	33,555	245,782	-
Net pension liability	(23,262)	(170,392)	-
Net cash provided/(used) by operating activities	\$ (1,879,711)	\$ 1,303,742	\$ 1,632,618
Noncash capital financing activities			
Carrying value of disposed assets	\$ -	\$ -	\$ -
Conversion of prepaid assets to capital assets	-	-	-

Internal Service Funds

Employee Benefits	Fire Capital Equipment Replacement	Totals	
		2020	2019
\$ 10,683,466	\$ -	\$ 29,758,760	\$ 26,810,750
-	-	7,907	8,770
(10,721,361)	133,794	(18,306,534)	(14,305,608)
-	-	(5,853,506)	(5,392,775)
-	-	(4,395,971)	(3,506,084)
-	-	(58,108)	(55,517)
<u>(37,895)</u>	<u>133,794</u>	<u>1,152,548</u>	<u>3,559,536</u>
-	(135,944)	(1,605,062)	(3,382,039)
-	-	-	-
-	-	74,475	206,325
-	<u>(135,944)</u>	<u>(1,530,587)</u>	<u>(3,175,714)</u>
-	-	-	(620,485)
-	-	-	(620,485)
2,778	1,178	972,039	1,070,467
<u>(35,117)</u>	<u>(972)</u>	<u>594,000</u>	<u>833,804</u>
152,639	376,586	33,361,912	32,528,108
<u>\$ 117,522</u>	<u>\$ 375,614</u>	<u>\$ 33,955,912</u>	<u>\$ 33,361,912</u>
\$ (13,361)	\$ 1,482,609	4,259,550	\$ 3,065,330
-	371,901	1,809,613	1,697,367
(24,534)	-	(12,625)	300,089
-	(1,736,067)	(1,877,628)	-
-	15,351	(1,160,081)	1,301,990
-	-	42,458	3,821
-	-	-	(1,766,200)
-	-	(2,210,000)	(1,124,000)
-	-	215,578	543,564
-	-	279,337	378,849
-	-	(193,654)	(841,274)
<u>\$ (37,895)</u>	<u>\$ 133,794</u>	<u>\$ 1,152,548</u>	<u>\$ 3,559,536</u>
\$ -	\$ -	\$ -	\$ 19,944
-	-	-	2,633,408

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Agency Funds

Agency Funds

Agency Funds

Agency funds are used to account for assets held by the City on behalf of others as their agent. Specific agency funds are as follows:

Local Improvement Districts - This fund accounts for the accumulation of facilities and services special tax revenue for the City's three Community Facilities Districts (CFDs), payment of principal and interest for outstanding CFD No. 1 (Pacific Commons) special tax bonds, payment for maintenance of the public improvements in CFD No. 1 financed with special tax bonds, payment of principal and interest for outstanding CFD No. 2 (Warm Springs Public Facilities) special tax bonds, and payments for maintenance of enhanced streetscape in CFD No. 3 (Warm Springs Public Services).

Narcotics Asset Seizure - This fund accounts for assets confiscated by the Southern Alameda County Major Crimes Task Force (SACMCTF), which consists of police officers from the cities of Fremont, Newark, and Union City. These assets may only be used by SACMCTF for future narcotics investigations.

Performance Bonds, Deposits and Confiscated Assets - This fund accounts for bonds and deposits received in conjunction with construction activity within the City, assets confiscated by the police and other deposits, held by the City in a fiduciary capacity.

Southern Alameda County GIS - This fund accounts for monies collected from participating agencies for the administration of the program. The City of Fremont is the administrator of the Geographic Information System which serves the participating agencies. The program operates under a JPA that was approved by the City of Fremont, City of Newark, Union Sanitary District and Alameda County Water District.

City of Fremont
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2020

(With comparative totals for June 30, 2019)

	Local Improvement Districts	Narcotics Asset Seizure	Performance Bonds, Deposits and Confiscated Assets	Southern Alameda County GIS	Total	
					2020	2019
All Agency Funds						
Assets:						
Cash and investments held by City	\$ 15,042,814	\$ 1,179,167	\$ 2,185,714	\$ 45,749	\$ 18,453,444	\$ 17,242,935
Restricted cash and investments held by fiscal agent	23,614,633	-	1,306,999	-	24,921,632	6,801,966
Land held for resale	-	-	678,979	-	678,979	678,979
Accounts receivable	-	-	-	35,267	35,267	18,440
Property tax receivable	1,792	-	-	-	1,792	-
Total assets	\$ 38,659,239	\$ 1,179,167	\$ 4,171,692	\$ 81,016	\$ 44,091,114	\$ 24,742,320
Liabilities:						
Accounts payable	\$ 14,224	\$ 22,010	\$ 78,213	\$ -	\$ 114,447	\$ 133,152
Due to other governments	-	-	678,979	-	678,979	678,979
Deposits	38,645,015	1,157,157	3,414,500	81,016	43,297,688	23,930,189
Total liabilities	\$ 38,659,239	\$ 1,179,167	\$ 4,171,692	\$ 81,016	\$ 44,091,114	\$ 24,742,320

Agency Funds

City of Fremont

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the fiscal year ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Local Improvement Districts				
Assets:				
Cash and investments held by City	\$ 13,822,237	\$ 7,160,935	\$ (5,940,358)	\$ 15,042,814
Restricted cash and investments held by fiscal agent	5,218,341	23,260,107	(4,863,815)	23,614,633
Property tax receivable	-	1,792	-	1,792
Total assets	\$ 19,040,578	\$ 30,422,834	\$ (10,804,173)	\$ 38,659,239
Liabilities:				
Accounts payable	\$ 13,908	\$ 4,745,351	\$ (4,745,035)	\$ 14,224
Deposits	19,026,670	26,777,716	(7,159,371)	38,645,015
Total liabilities	\$ 19,040,578	\$ 31,523,067	\$ (11,904,406)	\$ 38,659,239
Narcotics Asset Seizure				
Assets:				
Cash and investments held by City	\$ 1,081,404	\$ 358,638	\$ (260,875)	\$ 1,179,167
Total assets	\$ 1,081,404	\$ 358,638	\$ (260,875)	\$ 1,179,167
Liabilities:				
Accounts payable	\$ 18,986	\$ 91,071	\$ (88,047)	\$ 22,010
Deposits	1,062,418	306,747	(212,008)	1,157,157
Total liabilities	\$ 1,081,404	\$ 397,818	\$ (300,055)	\$ 1,179,167
Performance Bonds, Deposits and Confiscated Assets				
Assets:				
Cash and investments held by City	\$ 2,278,404	\$ 841,433	\$ (934,123)	\$ 2,185,714
Restricted cash and investments held by fiscal agent	1,583,625	713	(277,339)	1,306,999
Land held for resale	678,979	-	-	678,979
Total assets	\$ 4,541,008	\$ 842,146	\$ (1,211,462)	\$ 4,171,692
Liabilities:				
Accounts payable	\$ 100,258	\$ 655,090	\$ (677,135)	\$ 78,213
Due to other governments	678,979	-	-	678,979
Deposits	3,761,771	786,879	(1,134,150)	3,414,500
Total liabilities	\$ 4,541,008	\$ 1,441,969	\$ (1,811,285)	\$ 4,171,692
Southern Alameda County GIS				
Assets:				
Cash and investments held by City	\$ 60,890	\$ 45,436	\$ (60,577)	\$ 45,749
Accounts receivable	18,440	75,694	(58,867)	35,267
Total assets	\$ 79,330	\$ 121,130	\$ (119,444)	\$ 81,016
Liabilities:				
Deposits	\$ 79,330	\$ 123,211	\$ (121,525)	\$ 81,016
Total liabilities	\$ 79,330	\$ 123,211	\$ (121,525)	\$ 81,016
Total Agency Funds				
Assets:				
Cash and investments held by City	\$ 17,242,935	\$ 8,406,442	\$ (7,195,933)	\$ 18,453,444
Restricted cash and investments held by fiscal agent	6,801,966	23,260,820	(5,141,154)	24,921,632
Land held for resale	678,979	-	-	678,979
Accounts receivable	18,440	75,694	(58,867)	35,267
Property tax receivable	-	1,792	-	1,792
Total assets	\$ 24,742,320	\$ 31,744,748	\$ (12,395,954)	\$ 44,091,114
Liabilities:				
Accounts payable	\$ 133,152	\$ 5,491,512	\$ (5,510,217)	\$ 114,447
Due to other governments	678,979	-	-	678,979
Deposits	23,930,189	27,994,553	(8,627,054)	43,297,688
Total liabilities	\$ 24,742,320	\$ 33,486,065	\$ (14,137,271)	\$ 44,091,114

Human Services Fund

Human Services Fund

Human Services Fund

The Human Services Fund is a special revenue fund used to account for revenues from federal, state, and local sources that, by law or administrative action, are designated to sustain the City's social service infrastructure to promote a healthy and safe environment for families, the elderly, and youth. Services and programs include self-sufficiency, counseling, and housing assistance. The individual sub-funds included in the Human Services Fund are as follows:

Community Development Block Grant – This fund accounts for grants from the U.S. Department of Housing and Urban Development for the primary purpose of developing viable urban communities.

Older Americans Grant – This fund accounts for federal and local grant monies received under the Older Americans Act. Case management services are provided to enable functionally impaired older persons to age in place.

Tri-City Elders & Eden Housing – This fund accounts for the Tri-City Elders Coalition which works to identify and effectively meet the needs of seniors to enable them to remain independent in their own homes and communities, as well as the Eden Housing fund, which supports a program coordinator providing services at three senior housing complexes in Fremont.

Senior Center – This fund accounts for revenues and expenditures for programs conducted by the Senior Citizens Center.

Multipurpose Senior Services Program – This fund accounts for Federal monies received via the State Department of Aging to provide services aimed at allowing frail elders to remain in their homes.

Area Agency on Aging – This fund accounts for Federal and local monies received via the Alameda County Area Agency on Aging (AAA) to provide services aimed at allowing frail elders to remain in their homes.

Alameda Behavioral Health Care – This fund accounts for the monies received from the Alameda County Behavioral Health Care Services Department to support a multi-disciplinary team approach to family support at the Family Resource Center, as well as a Senior Mobile Mental Health team.

Family Resource Center – This fund accounts for monies received from leases and service contracts at the Family Resource Center. This revenue is used for maintenance, operating and program costs of the center, as well as the portion of the 2017A Lease Revenue Bonds principal and interest expenditures related to the Family Resource Center.

Family Resource Center Corporation – This fund accounts for the operations of a 501(c)(3) non-profit supporting organization for the Fremont Family Resource Center, organized to accept grants and donations from organizations and foundations.

Youth Service Center – This fund accounts for Youth Service Center grants received from the State Council for Criminal Justice via the Alameda County Probation Department.

Every Child Counts Grant – This fund accounts for monies allocated through Alameda County from State Proposition 10 (tobacco taxes) to support early childhood programs in Youth and Family Services.

Measure B & BB Para-Transit – Under Measure B and Measure BB, the City receives the proceeds of an additional half-cent sales tax for use on transportation-related expenditures. This fund accounts for the portion of these monies used to partially fund the City’s paratransit program.

Medi-Cal Administrative Activities – This fund accounts for Federal Medi-Cal reimbursement earned by the Human Services Department for participation in the Medi-Cal Administrative activities program, via the Alameda County Health Care Services Agency.

Targeted Case Management – This fund accounts for Federal Medi-Cal reimbursement earned by the Human Services Department for participation the Targeted Case Management program via the Alameda County Health Care Services Agency.

Community Donations – This fund accounts for donations that support Human Services Department programs, awarded to the department by private contributors.

Human Services Operating – This fund accounts for the Transfer In of General Fund support for the administrative staff and operating expenditures necessary to administer the above funds; as well as service fees from Fremont Unified School District.

Human Services Fund

City of Fremont Supplemental Information Summary of Human Services Fund Balance Sheet June 30, 2020

(With comparative totals for June 30, 2019)

	Community Development Block Grant	Older Americans Grant	Tri-City Elders & Eden Housing
ASSETS			
Cash and investments held by City	\$ -	\$ -	\$ 67,299
Receivables:			
Due from other governmental agencies	1,057,085	25,601	31,155
Housing loans receivable, net	1,016,407	-	-
Accounts receivable	-	-	-
Total assets	\$ 2,073,492	\$ 25,601	\$ 98,454
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 452,958	\$ -	\$ -
Salaries and wages payable	1,578	-	-
Due to other funds	602,549	25,601	31,155
Total liabilities	1,057,085	25,601	31,155
Deferred inflows of resources-unavailable revenue	1,828,753	-	-
Fund Balances:			
Restricted for social service programs	(812,346)	-	67,299
Committed for social service programs	-	-	-
Total fund balances	(812,346)	-	67,299
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,073,492	\$ 25,601	\$ 98,454

Human Services Fund

Senior Center	Multipurpose Senior Services Program	Area Agency on Aging	Alameda Behavioral Health Care	Family Resource Center	Family Resource Center Corporation
\$ 2,741,514	\$ -	\$ -	\$ 66,054	\$ 1,045,867	\$ 330,343
-	117,548	98,921	208,287	166,757	-
-	-	-	-	-	-
-	-	-	-	-	31,045
<u>\$ 2,741,514</u>	<u>\$ 117,548</u>	<u>\$ 98,921</u>	<u>\$ 274,341</u>	<u>\$ 1,212,624</u>	<u>\$ 361,388</u>
\$ 15,860	\$ 1,484	\$ -	\$ 9,403	\$ 12,327	\$ 17,963
16,502	-	-	-	47,059	-
-	116,064	98,921	139,405	81,133	-
<u>32,362</u>	<u>117,548</u>	<u>98,921</u>	<u>148,808</u>	<u>140,519</u>	<u>17,963</u>
-	39,040	37,014	68,482	85,222	4,131
-	(39,040)	-	57,051	986,883	339,294
2,709,152	-	(37,014)	-	-	-
<u>2,709,152</u>	<u>(39,040)</u>	<u>(37,014)</u>	<u>57,051</u>	<u>986,883</u>	<u>339,294</u>
<u>\$ 2,741,514</u>	<u>\$ 117,548</u>	<u>\$ 98,921</u>	<u>\$ 274,341</u>	<u>\$ 1,212,624</u>	<u>\$ 361,388</u>

(Continued)

Human Services Fund

City of Fremont Supplemental Information Summary of Human Services Fund Balance Sheet *(continued)* June 30, 2020

(With comparative totals for June 30, 2019)

	Youth Service Center	Every Child Counts Grant	Measure B & BB Para-Transit
ASSETS			
Cash and investments held by City	\$ -	\$ 1,125,672	\$ 2,154,582
Receivables:			
Due from other governmental agencies	277,271	146,793	573,741
Housing loans receivable, net	-	-	-
Accounts receivable	-	-	-
Total assets	\$ 277,271	\$ 1,272,465	\$ 2,728,323
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 19,155	\$ 10,230	\$ 71,583
Salaries and wages payable	-	-	-
Due to other funds	258,116	-	119,580
Total liabilities	277,271	10,230	191,163
Deferred inflows of resources-unavailable revenue	32,367	146,793	-
Fund Balances:			
Restricted for social service programs	(32,367)	1,115,442	2,537,160
Committed for social service programs	-	-	-
Total fund balances	(32,367)	1,115,442	2,537,160
Total liabilities, deferred inflows of resources, and fund balances	\$ 277,271	\$ 1,272,465	\$ 2,728,323

Human Services Fund

Medi-Cal Administrative Activities	Targeted Case Management	Community Donations	Human Services Operating	Total Summary of Human Services Fund	
				2020	2019
\$ 551,548	\$ 1,387,200	\$ 194,294	\$ 967,223	\$ 10,631,596	\$ 8,334,442
-	72,936	175,500	88,202	3,039,797	2,985,704
-	-	-	-	1,016,407	1,001,287
-	-	-	-	31,045	25,977
<u>\$ 551,548</u>	<u>\$ 1,460,136</u>	<u>\$ 369,794</u>	<u>\$ 1,055,425</u>	<u>\$ 14,718,845</u>	<u>\$ 12,347,410</u>
\$ -	\$ 11,186	\$ 7,538	\$ 215,692	\$ 845,379	\$ 554,570
-	-	1,499	107,967	174,605	138,515
-	-	-	-	1,472,524	1,042,460
-	11,186	9,037	323,659	2,492,508	1,735,545
-	-	-	-	2,241,802	1,942,257
551,548	1,448,950	360,757	-	6,580,631	6,857,438
-	-	-	731,766	3,403,904	1,812,170
<u>551,548</u>	<u>1,448,950</u>	<u>360,757</u>	<u>731,766</u>	<u>9,984,535</u>	<u>8,669,608</u>
<u>\$ 551,548</u>	<u>\$ 1,460,136</u>	<u>\$ 369,794</u>	<u>\$ 1,055,425</u>	<u>\$ 14,718,845</u>	<u>\$ 12,347,410</u>

(Concluded)

Human Services Fund

City of Fremont

Supplemental Information

Summary of Human Services Fund Revenues, Expenditures, and Changes in Fund Balance For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	Community Development Block Grant	Older Americans Grant	Tri-City Elders & Eden Housing
REVENUES:			
Intergovernmental	\$ 1,287,091	\$ 78,580	\$ -
Charges for services	-	-	-
Investment earnings	-	-	2,012
Other	26,209	-	189,635
Total revenues	1,313,300	78,580	191,647
EXPENDITURES:			
Current:			
Human services	307,444	78,580	185,866
Community development and environmental services	1,601,518	-	-
Debt service:			
Principal	200,000	-	-
Interest and fiscal charges	-	-	-
Total expenditures	2,108,962	78,580	185,866
REVENUES OVER (UNDER) EXPENDITURES	(795,662)	-	5,781
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(16,684)	-	(12,324)
Total other financing sources (uses)	(16,684)	-	(12,324)
Net change in fund balances	(812,346)	-	(6,543)
FUND BALANCES:			
Beginning of year	-	-	73,842
End of year	\$ (812,346)	\$ -	\$ 67,299

Human Services Fund

Senior Center	Multipurpose Senior Services Program	Area Agency on Aging	Alameda Behavioral Health Care	Family Resource Center	Family Resource Center Corporation
\$ -	\$ 223,414	\$ 258,054	\$ 1,176,888	\$ 174,558	\$ 2,500
144,045	-	-	45,867	1,364,435	-
85,202	-	-	2,021	22,350	9,217
1,810,283	-	345	-	135,962	523,346
<u>2,039,530</u>	<u>223,414</u>	<u>258,399</u>	<u>1,224,776</u>	<u>1,697,305</u>	<u>535,063</u>
873,150	262,454	279,514	986,432	830,975	508,753
-	-	-	-	-	-
-	-	-	-	440,000	-
-	-	-	-	194,919	-
<u>873,150</u>	<u>262,454</u>	<u>279,514</u>	<u>986,432</u>	<u>1,465,894</u>	<u>508,753</u>
<u>1,166,380</u>	<u>(39,040)</u>	<u>(21,115)</u>	<u>238,344</u>	<u>231,411</u>	<u>26,310</u>
525,707	-	-	-	-	-
-	-	-	(74,238)	(301,175)	(12,329)
<u>525,707</u>	<u>-</u>	<u>-</u>	<u>(74,238)</u>	<u>(301,175)</u>	<u>(12,329)</u>
1,692,087	(39,040)	(21,115)	164,106	(69,764)	13,981
<u>1,017,065</u>	<u>-</u>	<u>(15,899)</u>	<u>(107,055)</u>	<u>1,056,647</u>	<u>325,313</u>
<u>\$ 2,709,152</u>	<u>\$ (39,040)</u>	<u>\$ (37,014)</u>	<u>\$ 57,051</u>	<u>\$ 986,883</u>	<u>\$ 339,294</u>

(Continued)

Human Services Fund

City of Fremont

Supplemental Information *(continued)*

Summary of Human Services Fund Revenues, Expenditures, and Changes in Fund Balance For the fiscal year ended June 30, 2020

(With comparative totals for the fiscal year ended June 30, 2019)

	Youth Service Center	Every Child Counts Grant	Measure B & BB Para-Transit
REVENUES:			
Intergovernmental	\$ 467,166	\$ 1,735,190	\$ 1,865,014
Charges for services	-	-	76,989
Investment earnings	-	26,748	69,210
Other	-	-	-
Total revenues	467,166	1,761,938	2,011,213
EXPENDITURES:			
Current:			
Human services	491,389	1,195,781	1,602,485
Community development and environmental services	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	491,389	1,195,781	1,602,485
REVENUES OVER (UNDER) EXPENDITURES	(24,223)	566,157	408,728
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(8,144)	(105,134)	(150,653)
Total other financing sources (uses)	(8,144)	(105,134)	(150,653)
Net change in fund balances	(32,367)	461,023	258,075
FUND BALANCES:			
Beginning of year	-	654,419	2,279,085
End of year	\$ (32,367)	\$ 1,115,442	\$ 2,537,160

Human Services Fund

Medi-Cal Administrative Activities	Targeted Case Management	Community Donations	Human Services Operating	Fund Revenues, Expenditures, and Changes in Fund Balances	
				2020	2019
\$ (19,816)	\$ 554,524	\$ -	\$ -	\$ 7,803,163	\$ 9,431,993
-	-	-	115,845	1,747,181	1,785,393
17,553	38,273	7,606	11,490	291,682	208,296
-	-	340,451	-	3,026,231	1,832,014
<u>(2,263)</u>	<u>592,797</u>	<u>348,057</u>	<u>127,335</u>	<u>12,868,257</u>	<u>13,257,696</u>
524,442	297,256	261,260	973,500	9,659,281	9,413,624
-	-	-	-	1,601,518	2,595,271
-	-	-	-	640,000	420,000
-	-	-	-	194,919	151,642
<u>524,442</u>	<u>297,256</u>	<u>261,260</u>	<u>973,500</u>	<u>12,095,718</u>	<u>12,580,537</u>
<u>(526,705)</u>	<u>295,541</u>	<u>86,797</u>	<u>(846,165)</u>	<u>772,539</u>	<u>677,159</u>
-	-	-	766,927	1,292,634	1,256,656
<u>(38,334)</u>	<u>(25,966)</u>	<u>(5,265)</u>	<u>-</u>	<u>(750,246)</u>	<u>(680,923)</u>
<u>(38,334)</u>	<u>(25,966)</u>	<u>(5,265)</u>	<u>766,927</u>	<u>542,388</u>	<u>575,733</u>
(565,039)	269,575	81,532	(79,238)	1,314,927	1,252,892
<u>1,116,587</u>	<u>1,179,375</u>	<u>279,225</u>	<u>811,004</u>	<u>8,669,608</u>	<u>7,416,716</u>
<u>\$ 551,548</u>	<u>\$ 1,448,950</u>	<u>\$ 360,757</u>	<u>\$ 731,766</u>	<u>\$ 9,984,535</u>	<u>\$ 8,669,608</u>

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Statistical Section

This part of the City of Fremont's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	178
These schedules contain trend information to help the reader understand how the City's financial performance and fiscal well-being have changed over time.	
Revenue Capacity	186
These schedules contain information to help the reader assess the factors affecting the City's ability to generate property tax.	
Debt Capacity	190
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.	
Demographic and Economic Information	194
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	198
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Statistical Section

City of Fremont
Net Position by Component
Last Ten Fiscal Years
accrual basis of accounting
(Unaudited)

	2010/11 ⁽¹⁾	2011/12	2012/13 ⁽²⁾	2013/14
Governmental activities				
Net investment in capital assets	\$ 685,667,798	\$ 691,660,486	\$ 705,897,097	\$ 711,439,311
Restricted	204,033,227	117,039,150	127,702,933	128,637,828
Unrestricted	38,008,379	59,650,042	52,010,409	56,054,426
Total primary government net position	\$ 927,709,404	\$ 868,349,678	\$ 885,610,439	\$ 896,131,565

Notes:

- (1) All components of net position restated for prior period adjustment in FY 2010/11 to reflect allowance for uncollectible affordable housing loan interest accruals.
- (2) Unrestricted net position restated for implementation of GASB Statement No. 65 in FY 2013/14 to eliminate items previously reported as assets.
- (3) The City implemented GASB Statement No. 68 in FY 2014/15; unrestricted net position for FY 2014/15 and subsequent years includes the impact of the net pension
- (4) The City implemented GASB Statement No. 75 in FY 2017/18; unrestricted net position for FY 2017/18 and subsequent years includes the impact of the net OPEB

Schedule 1

2014/15 ⁽³⁾	2015/16	2016/17	2017/18 ⁽⁴⁾	2018/19	2019/20
\$ 727,727,677	\$ 734,700,673	\$ 750,501,959	\$ 753,492,779	\$ 771,862,033	\$ 790,400,222
137,108,141	149,630,295	185,639,661	217,455,055	246,167,172	297,226,502
(230,307,996)	(190,955,946)	(190,949,871)	(236,792,459)	(236,009,132)	(266,598,744)
\$ 634,527,822	\$ 693,375,022	\$ 745,191,749	\$ 734,155,375	\$ 782,020,073	\$ 821,027,980

Statistical Section

City of Fremont Changes in Net Position Last Ten Fiscal Years *accrual basis of accounting* (Unaudited)

Expenses				
Governmental activities:	2010/11 ⁽¹⁾	2011/12	2012/13 ⁽²⁾	2013/14
General government	\$ 11,971,463	\$ 10,747,362	\$ 12,306,781	\$ 12,963,908
Police services	54,925,765	54,904,248	56,697,425	60,187,955
Fire services	34,482,857	35,276,141	35,696,189	37,797,969
Human services	8,908,446	9,187,754	9,461,291	9,973,326
Capital assets maintenance and operations	42,075,801	56,293,833	48,651,872	55,110,254
Recreation and leisure services	6,731,068	7,240,833	7,797,737	8,428,819
Community development and environmental services	45,447,180	18,982,320	16,868,885	21,263,989
Intergovernmental	-	-	-	-
Interest on debt	6,373,866	6,101,394	5,107,813	4,839,848
Total primary government expenses	210,916,446	198,733,885	192,587,993	210,566,068
Program Revenues				
Governmental activities				
Charges for services:				
General government	1,000,218	835,913	822,395	837,196
Police services	4,200,213	4,063,168	4,291,487	4,505,971
Fire services	2,819,447	2,825,041	2,801,995	2,793,384
Human services	1,563,341	1,518,996	2,384,329	2,890,542
Capital assets maintenance and operations	2,901,266	4,632,786	2,931,189	2,290,082
Recreation and leisure services	5,540,566	5,981,911	6,253,791	6,929,386
Community development and environmental services	12,755,944	14,213,061	15,623,890	18,096,122
Operating grants and contributions	20,877,645	28,521,019	20,783,010	16,288,849
Capital grants and contributions	7,492,536	11,564,087	15,478,715	21,109,773
Total primary government program revenues	59,151,176	74,155,982	71,370,801	75,741,305
Net (Expense)/Revenue				
Total primary government net expense	(151,765,270)	(124,577,903)	(121,217,192)	(134,824,763)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property tax	100,080,165	81,383,794	77,314,901	72,130,472
Sales tax	30,089,204	33,065,829	34,404,123	38,862,070
Business taxes	6,820,327	7,495,975	7,368,022	7,828,030
Transient occupancy tax	3,475,913	4,132,665	4,871,866	6,155,212
Property transfer tax	1,031,249	861,352	1,202,361	1,494,656
Franchise fees	8,215,061	8,255,221	8,470,739	8,924,582
Investment earnings(loss)	4,296,980	2,289,171	(453,486)	1,957,784
Gain on sale of capital assets	-	-	-	-
Miscellaneous	5,318,020	5,239,731	7,813,719	7,993,083
Total primary government general revenues and other changes in net position	159,326,919	142,723,738	140,992,245	145,345,889
Extraordinary loss	-	(77,505,561)	-	-
Total primary government change in net position	\$ 7,561,649	\$ (59,359,726)	\$ 19,775,053	\$ 10,521,126

Notes:

- (1) Investment earnings restated for prior period adjustment in FY 2010/11 to reflect allowance for uncollectible affordable housing loan interest accruals.
- (2) Interest on debt expense restated for implementation of GASB Statement No. 65 in FY 2013/14 to eliminate items previously reported as assets.

Schedule 2

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
\$	13,900,314	\$ 13,604,679	\$ 15,491,087	\$ 16,671,874	\$ 16,947,783	\$ 22,009,159
	62,265,880	64,837,566	73,201,163	82,324,804	87,014,189	100,456,459
	38,969,266	42,310,730	46,108,174	51,360,238	53,953,081	61,019,537
	10,418,215	10,619,068	11,477,446	13,125,104	13,229,254	16,437,791
	57,971,103	67,776,490	66,390,001	68,126,300	76,090,791	91,467,361
	8,397,409	8,186,587	9,059,389	10,040,149	10,431,491	10,599,255
	20,092,103	23,600,633	25,368,797	39,593,450	45,925,942	43,569,736
	1,990,040	-	-	-	-	-
	3,896,781	3,828,360	4,682,803	4,823,731	4,092,950	4,613,636
	217,901,111	234,764,113	251,778,860	286,065,650	307,685,481	350,172,934
	1,152,052	1,666,658	2,098,539	3,145,550	3,221,020	3,170,312
	4,528,822	4,175,223	4,021,692	3,653,991	3,890,873	3,640,700
	2,845,539	2,804,753	2,816,131	2,888,359	2,218,582	2,183,443
	1,899,386	2,093,782	2,326,619	2,506,936	2,392,405	2,912,815
	2,325,489	2,152,983	1,801,264	1,682,698	1,712,917	1,766,488
	7,633,759	8,260,807	8,015,373	7,924,710	7,898,663	5,722,571
	24,225,397	32,185,970	56,119,438	48,653,460	43,115,193	52,668,225
	14,033,697	14,169,917	13,361,747	16,919,938	21,880,564	22,360,871
	19,065,618	27,856,531	31,754,006	31,176,013	51,030,712	78,394,477
	77,709,759	95,366,624	122,314,809	118,551,655	137,360,929	172,819,902
	(140,191,352)	(139,397,489)	(129,464,051)	(167,513,995)	(170,324,552)	(177,353,032)
	79,611,885	82,484,888	89,916,085	96,598,896	102,303,564	109,643,440
	40,743,875	48,580,024	49,535,813	58,902,744	64,830,649	52,066,458
	9,420,130	10,125,832	12,620,629	12,116,637	11,566,214	11,677,266
	7,181,438	8,086,529	8,390,862	8,620,269	8,292,113	5,915,273
	1,758,406	1,800,905	1,916,237	1,893,591	1,900,150	1,844,400
	9,298,688	9,605,547	10,320,411	10,467,485	10,488,238	10,776,689
	1,764,197	4,659,270	801,454	1,612,637	12,549,669	13,196,322
	15,985,118	22,934,023	172,005	-	491,515	1,991,163
	9,562,197	9,967,671	7,607,282	9,625,362	5,767,135	9,249,928
	175,325,934	198,244,689	181,280,778	199,837,621	218,189,248	216,360,939
	-	-	-	-	-	-
\$	35,134,582	\$ 58,847,200	\$ 51,816,727	\$ 32,323,626	\$ 47,864,696	\$ 39,007,907

Statistical Section

City of Fremont
Fund Balances of Governmental Funds
Last Ten Fiscal Years
modified accrual basis of accounting
(Unaudited)

	2010/11 ^(1,2)	2011/12	2012/13	2013/14
General Fund				
Nonspendable:				
Long term loans receivable	\$ -	\$ -	\$ -	\$ 314,556
Prepaid assets	10,827	-	-	-
Unassigned ⁽⁴⁾	28,050,777	31,002,006	31,310,309	32,155,333
Total general fund	\$ 28,061,604	\$ 31,002,006	\$ 31,310,309	\$ 32,469,889
All Other Governmental Funds				
Nonspendable:				
Prepaid assets	\$ 1,259,814	\$ -	\$ -	\$ -
Restricted For:				
Social service programs	5,678,205	6,299,201	11,707,520	9,820,703
Debt service	7,167,486	4,273,390	4,251,981	3,055,835
Public safety	13,983,749	8,475,758	4,958,094	3,275,314
Street improvements	23,021,363	29,640,961	27,807,373	28,169,721
Community development	148,381,813	69,628,179	72,719,309	79,059,198
Other purposes	488,071	566,102	544,412	498,172
Committed for:				
Social service programs	2,820,714	3,976,129	1,897,039	7,002,800
Community development				
Recreation programs	4,265,262	4,983,869	5,563,377	6,291,555
Assigned for:				
Vehicle replacement	4,240,492	3,842,513	3,702,187	3,407,645
Social service programs	-	-	-	-
Other capital projects	13,447,852	30,058,124	35,550,435	36,690,483
Unassigned	-	-	(134,557)	(42,547)
Total all other governmental funds	\$ 224,754,821	\$ 161,744,226	\$ 168,567,170	\$ 177,228,879

Notes:

- (1) Fund balance categories restated for implementation of GASB Statement No. 54 in FY 2010/11.
- (2) Fund balance reclassified and restated to conform to the presentation in FY 2011/12 and subsequent years.
- (3) In FY 2016/17 the City began reporting its vehicle replacement activities in the Vehicle Replacement internal service fund.
- (4) Assigned fund balance for encumbrances reclassified and restated as unassigned fund balance to conform to the presentation in FY 2018/19 and subsequent years.

Schedule 3

2014/15	2015/16	2016/17 ⁽³⁾	2017/18	2018/19	2019/20
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,173,335	2,193,530	-	189,552	-	-
39,074,360	36,933,083	39,651,567	49,701,777	51,460,496	44,497,304
\$ 41,247,695	\$ 39,126,613	\$ 39,651,567	\$ 49,891,329	\$ 51,460,496	\$ 44,497,304
\$ -	\$ 242,699	\$ -	\$ -	\$ -	\$ -
9,038,913	10,942,559	11,800,584	6,216,096	6,875,003	12,608,798
4,460,258	4,390,396	4,436,594	2,800,746	2,562,329	2,700,339
2,892,597	3,384,148	1,306,807	1,654,058	1,059,647	2,309,388
16,882,384	28,949,426	18,067,746	12,740,898	13,293,629	11,379,596
102,427,173	111,384,135	155,281,602	192,137,812	218,743,726	268,957,428
267,364	23,961	23,961	12,230	24,478	-
6,637,434	7,605,287	1,329,011	1,204,305	1,812,170	3,403,904
7,269,011	7,436,031	7,142,887	4,424,321	2,950,000	-
		7,848,770	8,295,300	8,057,530	6,454,731
2,708,119	2,355,508	-	-	-	-
-	-	-	-	2,376,420	-
41,638,392	67,965,564	61,382,193	62,272,050	70,297,269	67,662,409
(140,281)	(1,409,021)	(1,087,501)	(837,392)	(2,575,532)	(7,987,798)
\$ 194,081,364	\$ 243,270,693	\$ 267,532,654	\$ 290,920,424	\$ 325,476,669	\$ 367,488,795

Statistical Section

City of Fremont
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
modified accrual basis of accounting
(Unaudited)

Revenues	2010/11	2011/12	2012/13	2013/14
Taxes:				
Property tax	\$ 100,080,165	\$ 81,383,794	\$ 77,314,901	\$ 72,130,472
Sales tax	30,089,204	33,065,829	34,404,123	38,862,070
Business taxes	6,820,327	7,495,975	7,368,022	7,828,030
Transient occupancy tax	3,475,913	4,132,665	4,871,866	6,155,212
Property transfer tax	1,031,249	861,352	1,202,361	1,494,656
Total taxes	141,496,858	126,939,615	125,161,273	126,470,440
Development impact fees	6,790,105	6,193,879	7,371,151	8,262,911
Franchise fees	8,215,061	8,255,221	8,470,739	8,924,582
Charges for services	30,763,760	33,500,728	34,880,896	37,815,036
Investment earnings	4,062,605	2,056,182	(411,290)	1,795,130
Intergovernmental	22,333,769	33,418,008	28,525,586	27,054,592
Other revenues	4,259,458	4,790,435	7,670,743	7,940,974
Total revenues	217,921,616	215,154,068	211,669,098	218,263,665
Expenditures				
General government	11,626,724	10,326,841	11,705,622	12,325,158
Police services	53,438,082	53,386,351	52,983,058	56,526,938
Fire services	32,088,475	32,968,266	32,028,985	34,122,657
Human services	8,937,090	9,132,699	9,289,812	9,835,921
Capital assets maintenance and operations	37,741,086	52,839,416	44,241,372	49,542,065
Recreation and leisure services	6,509,957	6,904,449	6,984,149	7,546,990
Community development and environmental services	30,765,728	19,250,687	19,145,502	18,912,045
Intergovernmental	16,404,213	-	-	-
Capital outlay	24,358,920	11,413,444	19,490,281	9,929,862
Debt service:				
Principal	4,680,000	4,890,000	5,430,000	5,435,000
Interest and fiscal charges	6,730,327	6,672,770	4,957,514	5,054,471
Payment to refunding escrow	-	2,844,665	-	-
Total expenditures	233,280,602	210,629,588	206,256,295	209,231,107
Excess of revenues over (under) expenditures	(15,358,986)	4,524,480	5,412,803	9,032,558
Other Financing Sources (Uses)				
Debt issuance	15,000,000	53,280,000	-	22,005,000
Premium on debt issuance	-	1,272,726	-	726,480
Payment to escrow agent	-	(53,245,335)	-	(22,145,000)
Proceeds from sale of capital assets	4,372,117	60,449	218,444	1,202,251
Transfers in	48,045,240	37,006,086	36,398,411	35,667,820
Transfers out	(47,269,403)	(37,006,086)	(34,898,411)	(36,667,820)
Total other financing sources (uses)	20,147,954	1,367,840	1,718,444	788,731
Extraordinary gain (loss)	-	(64,462,513)	-	-
Net change in fund balances	\$ 4,788,968	\$ (58,570,193)	\$ 7,131,247	\$ 9,821,289
Debt service as a percentage of noncapital expenditures	5.5%	7.2%	5.6%	5.3%

Schedule 4

2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
\$ 79,611,885	\$ 82,484,888	\$ 89,916,085	\$ 96,598,896	\$ 102,303,564	\$ 109,643,440
40,743,875	48,580,024	49,535,813	58,902,744	64,830,649	52,066,458
9,420,130	10,125,832	12,620,629	12,116,637	11,566,214	11,677,266
7,181,438	8,086,529	8,390,862	8,620,269	8,292,113	5,915,273
1,758,406	1,800,905	1,916,237	1,893,591	1,900,150	1,844,400
138,715,734	151,078,178	162,379,626	178,132,137	188,892,690	181,146,837
6,966,643	11,792,744	18,628,880	17,727,292	29,617,113	44,393,895
9,298,688	9,605,547	10,320,411	10,467,485	10,488,238	10,776,689
47,547,582	55,183,568	77,974,788	70,015,046	61,086,919	69,297,006
1,625,206	4,261,090	753,237	1,297,588	11,479,202	12,224,283
26,077,980	29,557,304	26,579,029	30,284,632	43,236,949	55,939,679
9,419,190	9,863,178	7,483,894	9,488,421	5,639,201	9,057,984
239,651,023	271,341,609	304,119,865	317,412,601	350,440,312	382,836,373
13,687,288	14,534,805	15,620,852	15,776,538	16,545,558	20,947,118
60,977,009	67,907,604	71,333,981	77,086,121	81,481,658	89,304,890
37,123,963	43,597,692	44,524,281	46,977,760	49,593,209	53,754,116
10,523,242	11,388,813	11,767,260	12,626,523	13,097,740	15,921,734
54,164,969	60,687,792	64,558,439	66,515,819	82,086,624	87,794,198
7,847,547	8,318,171	8,902,312	8,951,998	9,947,436	9,150,394
19,033,162	24,997,659	26,412,682	38,895,310	46,110,068	42,066,045
1,990,040	-	-	-	-	-
17,756,829	15,742,759	19,689,002	3,945,574	4,507,967	17,864,908
6,105,000	6,290,000	6,515,000	44,857,126	7,752,376	93,947,770
4,055,742	3,941,681	4,659,251	4,983,256	4,406,484	5,764,705
-	-	1,150,000	-	-	-
233,264,791	257,406,976	275,133,060	320,616,025	315,529,120	436,515,878
6,386,232	13,934,633	28,986,805	(3,203,424)	34,911,192	(53,679,505)
-	9,100,000	85,205,000	32,940,000	-	73,365,000
-	-	-	3,410,546	-	13,446,751
-	-	(85,205,000)	-	-	-
19,244,059	24,033,614	130,001	480,410	1,214,219	1,916,688
37,855,620	37,094,464	37,422,956	24,987,780	34,623,582	28,044,020
(37,855,620)	(37,094,464)	(41,752,847)	(24,987,780)	(34,623,582)	(28,044,020)
19,244,059	33,133,614	(4,199,890)	36,830,956	1,214,219	88,728,439
-	-	-	-	-	-
\$ 25,630,291	\$ 47,068,247	\$ 24,786,915	\$ 33,627,532	\$ 36,125,411	\$ 35,048,934
4.7%	4.2%	4.8%	15.8%	4.0%	23.8%

Statistical Section

City of Fremont

Assessed Value and Actual Value of Taxable Property

Schedule 5

Last Ten Fiscal Years

in thousands of dollars

(Unaudited)

Fiscal Year	Secured	Unsecured	Less Exemptions	Public Utilities	Taxable Assessed Value⁽¹⁾	Direct Rate⁽²⁾
2011	32,096,417	2,550,780	(841,788)	3,093	33,808,502	-
2012	31,689,717	2,435,867	(835,287)	3,093	33,293,390	0.1573%
2013	32,152,556	2,461,490	(833,858)	67,380	33,847,568	0.1569%
2014	33,986,979	2,299,499	(826,210)	59,209	35,519,477	0.1527%
2015	36,409,171	2,284,533	(888,111)	52,259	37,857,852	0.1598%
2016	39,250,284	2,348,141	(849,704)	52,259	40,800,980	0.1505%
2017	43,064,886	2,215,574	(850,961)	3,444	44,432,943	0.1504%
2018	45,835,860	2,391,771	(894,592)	8,303	47,341,342	0.1500%
2019	49,513,679	2,337,687	(1,047,537)	8,303	50,812,132	0.1486%
2020	52,801,466	2,623,141	(1,129,801)	8,303	54,303,109	0.1489%

Notes:

- (1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% of the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" limited to a maximum increase of 2%. With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the property is reassessed at its purchase price. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.
- (2) The direct rate shown is the City's share of the 1% countywide rate in City of Fremont Tax Rate Area 12-001 and the City's general obligation bond rate. Comparable data is not available for fiscal years prior to 2011/12.

Sources: Alameda County Assessor; Alameda County Auditor-Controller.

City of Fremont
Direct and Overlapping Government Tax Rates
Last Ten Fiscal Years
(Unaudited)

Schedule 6

Fiscal Year Ended June 30,	City Direct Rate		Total Direct Rate	Overlapping Rates			Total Direct and Overlapping Rate
	City ⁽¹⁾	General		County	School District	Special Districts	
		Obligation Debt Service					
2011	-	0.0095%	0.0095%	1.0000%	0.0540%	0.0374%	1.1009%
2012	0.1475%	0.0098%	0.1573%	0.8525%	0.0844%	0.0375%	1.1317%
2013	0.1475%	0.0094%	0.1569%	0.8525%	0.0803%	0.0344%	1.1241%
2014	0.1475%	0.0052%	0.1527%	0.8525%	0.0706%	0.0510%	1.1268%
2015	0.1475%	0.0123%	0.1598%	0.8525%	0.1270%	0.0394%	1.1787%
2016	0.1434%	0.0071%	0.1505%	0.8566%	0.1188%	0.0481%	1.1740%
2017	0.1434%	0.0070%	0.1504%	0.8566%	0.1178%	0.0448%	1.1696%
2018	0.1434%	0.0066%	0.1500%	0.8566%	0.1145%	0.0430%	1.1641%
2019	0.1434%	0.0052%	0.1486%	0.8678%	0.1124%	0.0418%	1.1706%
2020	0.1434%	0.0055%	0.1489%	0.8674%	0.1064%	0.0472%	1.1699%

Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% of the assessed value of the property being taxed. This 1% of assessed value is shared by all taxing agencies within which whose jurisdiction the subject property resides. The City direct rate shown is the City's share of the 1% countywide rate in City of Fremont Tax Rate Area 12-001. Comparable data is not available for fiscal years prior to 2011/12.

Source: Alameda County Auditor-Controller; California Municipal Statistics, Inc.

Statistical Section

City of Fremont
Principal Property Tax Payers
Current Year and Nine Years Ago
in thousands of dollars
(Unaudited)

Schedule 7

Tax Payer	2020			2011		
	Total Assessed Value	Rank	% of Total City Taxable Assessed Value	Total Assessed Value	Rank	% of Total City Taxable Assessed Value
Tesla Motors Inc	\$ 2,786,313	1	5.11%	\$ -	-	-
LAM Research Corporation	513,462	2	0.94%	-	-	-
Hart Pacific Commons LLC	359,208	3	0.66%	-	-	-
AGNL Wafer LLC	279,455	4	0.51%	-	-	-
Seagate Technology LLC	273,490	5	0.50%	-	-	-
BRE Properties, Inc.	255,499	6	0.47%	-	-	-
John T. Arrillaga & Richard T. Peery	231,753	7	0.42%	244,198	3	0.72%
Essex Portfolio LP	213,294	8	0.39%	-	-	-
BTMU Capital Leasing and Finance, Inc.	190,358	9	0.35%	-	-	-
Toll California XX LP	183,376	10	0.34%	-	-	-
New United Motors Manufacturing, Inc.	-	-	-	1,014,085	1	3.00%
Catellus Development Corporation	-	-	-	453,137	2	1.34%
Sobrato Interests II LP	-	-	-	207,628	4	0.61%
Transcontinental Northern California Inc.	-	-	-	189,386	5	0.56%
SCI LP I	-	-	-	149,170	6	0.44%
BNP Paribas Leasing Corporation	-	-	-	74,108	7	0.22%
Hub Bayside Properties LLC	-	-	-	57,365	8	0.17%
AMB Property Limited Partnership	-	-	-	55,950	9	0.17%
Northern California Industrial Portfolio	-	-	-	55,948	10	0.17%
Total	\$ 5,286,208		9.69%	\$ 2,500,975		7.40%

Source: Alameda County Assessor.

City of Fremont
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Schedule 8

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections ⁽³⁾
		Amount Collected ⁽²⁾	Percentage of Levy	
2011	43,850,035	43,356,624	98.87%	1,633,325
2012	46,408,439	45,729,845	98.54%	1,575,887
2013	49,964,034	49,306,560	98.68%	1,529,406
2014	52,673,395	51,433,790	97.65%	558,860
2015	56,311,310	55,104,240	97.86%	961,460
2016	59,079,814	58,251,685	98.60%	771,520
2017	64,204,230	63,549,026	98.98%	670,439
2018	68,477,951	68,410,663	99.90%	722,461
2019	73,625,143	73,049,121	99.22%	651,801
2020	78,677,243	78,273,278	99.49%	731,689

Notes:

- (1) Taxes levied are based on revenue estimate provided annually by the Alameda County Auditor-Controller Agency.
- (2) Beginning January 2012, amounts collected include the City's share of Successor Agency un-obligated property tax revenue.
- (3) The City does not have access to data showing delinquent tax collections by fiscal year of delinquency. Amounts shown are total collections of delinquent property taxes during the year.

Source: Alameda County Auditor-Controller.

Statistical Section

City of Fremont
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule 9

in thousands of dollars, except per capita

(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities ⁽¹⁾			Percentage of Taxable Assessed Value ⁽²⁾	Percentage of Personal Income ⁽³⁾	Debt Per Capita ⁽⁴⁾
	General Obligation Bonds	General Fund Lease Obligations	Total Outstanding Debt			
2011	47,607	148,393	196,000	0.58%	2.43%	905
2012	47,503	142,739	190,242	0.57%	2.27%	867
2013	46,220	138,503	184,723	0.55%	1.91%	831
2014	45,497	134,257	179,754	0.51%	1.96%	796
2015	44,095	129,431	173,526	0.46%	1.74%	759
2016	42,647	133,565	176,212	0.43%	1.63%	765
2017	41,145	127,281	168,426	0.38%	1.46%	726
2018	39,885	119,772	159,657	0.34%	1.38%	688
2019	38,229	113,388	151,618	0.30%	1.12%	650
2020	36,524	106,847	143,371	0.26%	1.06%	612

Notes:

(1) Outstanding debt includes unamortized bond premium. Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

(2) Property value data is disclosed in Schedule 5.

(3) Personal income data is disclosed in Schedule 13.

(4) Population data is disclosed in Schedule 13.

City of Fremont
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 10

in thousands of dollars, except per capita

(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding ⁽¹⁾			Percentage of Taxable Assessed Value ⁽³⁾	Debt Per Capita ⁽⁴⁾
	General Obligation Bonds	Less Amounts Available in Debt Service Fund ⁽²⁾	Total		
2011	47,607	2,382	45,225	0.13%	209
2012	47,503	2,407	45,096	0.14%	205
2013	46,220	2,420	43,800	0.13%	197
2014	45,497	1,235	44,262	0.12%	196
2015	44,095	2,643	41,452	0.11%	181
2016	42,647	2,586	40,061	0.10%	174
2017	41,145	2,626	38,519	0.09%	166
2018	39,885	2,787	37,098	0.08%	158
2019	38,229	2,559	35,670	0.07%	153
2020	36,524	2,700	33,824	0.06%	144

Notes:

- (1) Outstanding debt includes unamortized bond premium. Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.
- (2) This is the amount restricted for debt service payments in the Fire General Obligation Bonds
- (3) Property value data is disclosed in Schedule 5.
- (4) Population data is disclosed in Schedule 13.

Statistical Section

City of Fremont
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020
(Unaudited)

Schedule 11

Overlapping Government Unit ⁽¹⁾	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Alameda County	\$ 218,000,000	17.581%	\$ 38,326,580
Bay Area Rapid Transit District	1,282,740,000	6.781%	86,982,599
Chabot-Las Positas Community College District	626,920,000	0.007%	43,884
Ohlone Community College District	421,165,430	82.531%	347,592,041
Fremont Unified School District	436,675,000	100.000%	436,675,000
City of Fremont Community Facilities District No. 1	77,940,000	100.000%	77,940,000
City of Fremont Community Facilities District No. 2	16,575,000	100.000%	16,575,000
Washington Township Healthcare District	329,110,000	70.441%	231,828,375
East Bay Regional Park District	155,835,000	10.812%	16,848,880
Alameda County General Fund Obligations	830,130,000	17.581%	145,945,155
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	20.859%	2,431,116
Fremont Unified School District Certificates of Participation	61,790,000	100.000%	61,790,000
Subtotal, overlapping debt			1,462,978,630
City of Fremont, direct debt⁽²⁾			143,371,241
Total direct and overlapping debt			\$ 1,606,349,871

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Fremont. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- (2) Outstanding debt includes unamortized bond premium. Changed from source to reflect the amount shown in the Notes to the Financial Statements.

Source: California Municipal Statistics, Inc.

City of Fremont
Legal Debt Margin Information
Last Ten Fiscal Years
in millions of dollars
(Unaudited)

Schedule 12

	Fiscal Year Ended June 30, 2020									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 1,268	\$ 1,249	\$ 1,269	\$ 1,332	\$ 1,420	\$ 1,530	\$ 1,666	\$ 1,775	\$ 1,905	\$ 2,036
Debt applicable to limit ⁽¹⁾	48	48	46	45	44	43	41	40	38	37
Legal debt margin	\$ 1,220	\$ 1,201	\$ 1,223	\$ 1,287	\$ 1,376	\$ 1,487	\$ 1,625	\$ 1,735	\$ 1,867	\$ 1,999
Percentage available	96.2%	96.2%	96.4%	96.6%	96.9%	97.2%	97.5%	97.7%	98.0%	98.2%

Calculation of Legal Debt Margin

Assessed value of taxable property	\$ 54,303
25% of Assessed Valuation	13,576
Debt limit (15% of assessed value)	2,036
General obligation bonds outstanding	37
Legal debt margin	\$ 1,999

Notes:

- (1) The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation; however, this provision was enacted when assessed valuation was based upon 25% of market value. The computation above reflects a conversion of assessed valuation data from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments.

Source: City of Fremont Finance Department; Alameda County Assessor.

Statistical Section

City of Fremont
Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Schedule 13

Year	Population⁽¹⁾	Per Capita Income^(2,3)	Personal Income⁽³⁾	Unemployment Rate⁽⁴⁾
2011	216,569	37,261	8,069,577,509	8.0%
2012	219,532	38,095	8,363,071,540	6.9%
2013	222,285	43,504	9,670,286,640	5.7%
2014	225,683	40,562	9,154,153,846	4.5%
2015	228,474	43,563	9,953,012,862	3.7%
2016	230,243	46,899	10,798,166,457	3.3%
2017	232,010	49,740	11,540,177,400	2.7%
2018	232,685	55,521	12,918,903,885	2.6%
2019	233,404	57,850	13,502,421,400	2.5%
2020	234,220	57,850	13,549,627,000	7.0%

Sources:

- (1) State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties, and State 2011-2020 with 2010 Benchmark*, Sacramento, California, May 2020.
- (2) U.S. Census Bureau, American Community Survey Single Year Estimates 2012-2020. Values have not been adjusted for inflation.
- (3) Per capita income is not available for 2020, so the 2019 value was used for estimating 2020 personal income.
- (4) State of California, Employment Development Department Labor Market Information Division. The 2020 value is the average for the year through October.

City of Fremont
Construction Permits and Estimated Value
Last Ten Fiscal Years
(Unaudited)

Schedule 14

Fiscal year Ended June 30,	Commercial/Industrial		Residential		Total	
	Number of Permits	Estimated Value	Number of Permits	Estimated Value	Number of Permits	Estimated Value
2011	892	110,096,205	2,927	119,479,395	3,819	229,575,600
2012	884	133,682,758	2,861	124,453,892	3,745	258,136,650
2013	884	195,336,130	2,671	126,717,982	3,555	322,054,112
2014	865	335,068,875	3,104	112,278,572	3,969	447,347,447
2015	908	307,125,365	3,188	165,878,100	4,096	473,003,465
2016	893	278,289,511	4,149	270,495,931	5,042	548,785,442
2017	962	205,841,935	3,585	481,302,774	4,547	687,144,709
2018	834	444,597,947	3,575	709,777,090	4,409	1,154,375,037
2019	608	439,059,032	3,415	279,497,651	4,023	718,556,683
2020	664	431,356,107	3,098	246,846,679	3,762	678,202,786

Source: City of Fremont Community Development Department.

Statistical Section

**City of Fremont
Principal Employers
Current Year and Nine Years Ago**
(Unaudited)

Schedule 15

Employer	2020			2011		
	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank
Tesla Motors Inc	12.12%	13,000	1	-	-	-
Fremont Unified School District	2.80%	3,000	2	3.27%	3,000	1
LAM Research	2.33%	2,500	3	1.00%	920	7
Washington Hospital	2.05%	2,200	4	1.98%	1,817	2
Kaiser Permanente Medical Group	1.58%	1,700	5	-	-	-
Synnex Corporation	1.17%	1,250	7	-	-	-
Western Digital	0.93%	1,000	6	1.20%	1,200	4
City of Fremont	0.89%	956	8	0.93%	848	8
Boston Scientific	0.75%	800	9	1.31%	1,200	3
Ohlone College	0.70%	750	10	-	-	-
Seagate Magnetics	-	-	-	1.16%	1,060	5
AXT Incorporated	-	-	-	1.06%	972	6
DMS Facility Services, Inc.	-	-	-	0.87%	800	9
Solyndra	-	-	-	0.87%	800	10

Source: City of Fremont Economic Development Department.

City of Fremont
Full-time Equivalent Employees by Function
Last Ten Fiscal Years
(Unaudited)

Schedule 16

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Public Safety</u>										
Fire	152.50	152.50	153.00	154.00	157.00	158.00	159.00	160.00	161.00	162.00
Police	287.00	287.00	282.00	287.50	296.50	303.50	306.50	311.50	314.50	317.50
Total	<u>439.50</u>	<u>439.50</u>	<u>435.00</u>	<u>441.50</u>	<u>453.50</u>	<u>461.50</u>	<u>465.50</u>	<u>471.50</u>	<u>475.50</u>	<u>479.50</u>
<u>Other Community Services</u>										
Community Development	98.34	60.75	61.00	57.30	60.30	68.05	71.05	76.05	80.25	81.25
Community Services	61.85	93.43	94.41	88.51	90.01	90.76	91.01	92.01	94.01	96.66
Economic Development	3.65	3.65	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Housing and Redevelopment	12.10	12.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Human Services	54.50	54.50	56.50	58.15	59.93	60.55	61.55	64.55	65.40	64.73
Public Works	103.23	109.24	110.24	111.61	117.61	121.53	124.35	127.35	129.65	136.00
Total	<u>333.67</u>	<u>333.67</u>	<u>326.15</u>	<u>319.57</u>	<u>331.85</u>	<u>344.89</u>	<u>351.96</u>	<u>363.96</u>	<u>373.31</u>	<u>382.64</u>
<u>Administrative Systems</u>										
City Manager's Office	6.15	6.25	6.80	8.80	9.30	9.80	10.80	10.80	12.05	13.05
City Attorney	9.42	9.42	9.67	9.92	9.92	9.92	9.92	9.92	9.92	9.92
City Clerk	4.20	4.20	4.20	4.20	4.20	3.95	3.95	3.95	3.95	3.95
Finance	21.65	21.55	21.75	22.75	22.75	24.00	24.00	24.00	24.00	24.00
Human Resources	14.00	14.00	14.00	14.00	13.50	14.25	15.25	15.25	15.00	16.00
Information Systems	19.90	19.90	22.00	22.00	22.00	23.00	23.00	23.00	23.00	27.00
Total	<u>75.32</u>	<u>75.32</u>	<u>78.42</u>	<u>81.67</u>	<u>81.67</u>	<u>84.92</u>	<u>86.92</u>	<u>86.92</u>	<u>87.92</u>	<u>93.92</u>
Citywide Total	<u>848.49</u>	<u>848.49</u>	<u>839.57</u>	<u>842.74</u>	<u>867.02</u>	<u>891.31</u>	<u>904.38</u>	<u>922.38</u>	<u>936.73</u>	<u>956.06</u>

Source: City of Fremont FY 2020/21 Adopted Operating Budget.

Statistical Section

**City of Fremont
Operating Indicators by Function
Last Ten Calendar Years**
(Unaudited)

Schedule 17

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
<u>Police</u>										
Physical arrests	4,934	4,266	3,705	3,986	3,768	3,522	4,557	3,742	1,931	1,545
Vehicle moving and parking violations	13,152	9,829	10,535	11,709	10,435	14,372	23,544	13,745	11,283	7,513
<u>Fire</u>										
Emergency responses ⁽²⁾	13,003	13,320	13,445	13,952	14,686	15,513	16,367	16,201	16,097	14,363
Fires extinguished	331	313	370	364	388	434	462	459	495	528
<u>Parks and recreation</u>										
Number of recreation classes registrants	24,905	26,329	31,521	31,900	33,187	31,886	31,925	31,000	32,000	4,800

Notes:

(1) Projected through year end based on data received through September 2020.

(2) Includes responses within the City of Fremont only; does not include mutual aid responses to Union City, Newark, etc.

Source: City of Fremont Police, Fire, and Community Services Departments.

City of Fremont
Capital Asset Statistics by Function/Program
Last Ten Calendar Years
(Unaudited)

Schedule 18

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Police</u>										
Stations	1	1	1	1	1	1	1	1	1	1
Police fleet cars and motorcycles	179	179	179	180	181	187	197	197	201	210
<u>Fire</u>										
Stations	11	11	11	11	11	11	11	11	11	11
Engines	16	16	16	16	16	16	16	16	18	16
Trucks	3	3	3	3	3	3	3	3	3	3
Patrols (Wildland units, etc.)	6	6	6	6	6	6	6	6	7	7
Specialized Apparatus (Hazmat Response, Rescue and WMD/MCI)	-	3	3	3	3	3	3	3	3	3
<u>Parks and recreation</u>										
Acreage	1,191	1,191	1,205	1,213	1,213	1,213	1,215	1,215	1,126	1,126
Playgrounds	52	52	52	52	52	52	52	52	53	53
Baseball/softball diamonds	24	24	24	24	24	24	24	24	24	24
Soccer/football fields	17	17	17	17	17	17	17	17	17	17
Community centers	5	5	5	5	5	5	5	5	5	5
Water park	1	1	1	1	1	1	1	1	1	1
Street and City Owned Trees ⁽¹⁾	-	-	-	-	-	-	-	-	-	77,018

Notes:

(1) New statistic added in 2020

Source: City of Fremont Police, Fire, and Community Services Departments.

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