



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

 **FISCAL YEAR ENDED JUNE 30, 2021**

**Keep Fremont Housed**   
Rental Assistance Program



Fremont **CONNECT** 



Paseo Padre Pkwy @ Capitol Ave  
1956-1980




Capitol Ave @ Fremont Blvd  
1980-2000



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# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2021**

**Prepared by the Finance Department**

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# Letter of Transmittal



## *Finance Department*

3300 Capitol Avenue, Building B | P.O. Box 5006, Fremont, CA 94537-5006  
510 494-4610 *ph* | 510 494-4611 *fax* | [www.fremont.gov](http://www.fremont.gov)

December 28, 2021

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, 2021.

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, 2021. 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.

The City of Fremont has operated under the council-manager form of government since its incorporation in 1956. Policy-making and legislative authority are vested in a seven-member governing council consisting of the Mayor and six Councilmembers. Councilmembers are elected on a by-district basis, with the Mayor separately elected to a four-year term by a citywide vote. The City Council is elected on a non-partisan basis, and the Mayor and Councilmembers are subject to a two-term limit.

## Letter of Transmittal

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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.

With over 900 technology companies that engineer or make physical products, Fremont has earned a reputation as the epicenter of Silicon Valley's advanced manufacturing ecosystem. This sector has continued to experience major growth with companies like Applied Materials, Sana Biotechnology, Velo3D, and Bloom Energy locating new operations in Fremont over the past twelve months and companies like Tesla, Boehringer Ingelheim, Enovix and Bionova Scientific undergoing major facility expansions.

Businesses within Fremont's advanced manufacturing sector take advantage of the thriving business ecosystem that exists here, including a vast network of suppliers, a skilled workforce, and flexibly zoned industrial space. As more businesses expand and locate within Fremont, they in turn contribute to this ecosystem, ultimately making Fremont's economy stronger and more resilient. This is exemplified in the multiple industry clusters that comprise Fremont's over 50 million square feet of industrial real estate. These include:

- Clean Technology ("cleantech")
- Medical Devices & Equipment
- Biotechnology & CDMOs
- Electric and Autonomous Vehicles
- High-tech and Information Technology
- Logistics, and Goods Movement
- Medical and Health Care
- Semiconductor Equipment
- Robotics, Automation, and IoT (Internet of Things)

A 2020 report by leading manufacturing industry software provider QAD ranks Fremont as America's Most Innovative City, with more patents issued per capita over the last 55 years than any city in the country. Growth-stage companies locating to or expanding within Fremont have long been the biggest source of Fremont's economic growth, and Fremont continues to benefit from a large influx of new technology, life sciences, and advanced manufacturing tenants including EnerVenue, Personalis, Zoox, Alexza Pharmaceuticals, and many more. In 2019, Facebook also began building out a new eastern Silicon Valley campus in Fremont's Ardenwood Technology

## Letter of Transmittal

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Park, which will eventually accommodate thousands of employees across more than 20 buildings, over half of which have been renovated and are now occupied.

To meet continued demand, significant new research and development and advanced manufacturing space has been proposed. Construction of the 2.5 million-square-foot “Pacific Commons South” speculative industrial project is over 90% leased, with the final two R&D buildings nearing completion. Additional industrial developments have been proposed in the Bayside and Warm Springs employment areas, with seven projects under City review representing nearly 1.5 million square feet of new space. In the Ardenwood Technology Park area north of Highway 84, higher intensity zoning allowances initiated by the City have 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 had a noticeable impact on Fremont’s economy, particularly the small business community. For the first half 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 most importantly, providing over \$900,000 in direct and County-matched grants to hundreds of small businesses.

However, the pandemic highlighted the importance of Fremont’s essential industry base, an assortment of manufacturing, life science, and logistics companies that have largely stayed in operation without interruption. In fact, the manufacturing and life sciences sectors in Fremont experienced significant expansion during the shelter-in-place period. The expansion and increased business activity of these essential industries helped mitigate the adverse fiscal impacts of the pandemic and allowed the City to continue providing high service levels.

The pandemic also provided an opportunity for Fremont’s life sciences companies to lead in the response effort. This includes companies like ThermoFisher, 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 media 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. 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 development and retail growth of the Downtown Fremont and Town Center areas, transportation infrastructure improvements including the expansion of BART and new pedestrian bridges, recruitment of new retail uses to provide more social and recreational opportunities for residents, and expansion of Fremont's key employment districts, namely Bayside, Ardenwood Technology Park, and the 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, and a business-class hotel.
- *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).
- *Completed:* A new Hilton Garden Inn recently finished construction on Warm Springs, utilizing new modular construction technologies.
- *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.
- *Under Review:* Scannell Properties has proposed an approximately 150,000 square foot advanced manufacturing building on Warm Springs Boulevard.
- *Under Review:* Pacific General Construction has proposed a 90,000 square foot manufacturing/R&D facility across from the BART station at 45846 Warm Springs Boulevard.
- *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

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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:

- In October 2021 Fremont celebrated the grand opening of its Downtown Event Center. The center has multiple meeting spaces available for rent to residents, community groups, and businesses, with indoor meeting space to accommodate groups of up to 300 people. The project also includes a new urban plaza that can be used for outdoor concerts and festivals and is equipped with dedicated food truck space.
- Fremont Bank has broken ground on its new 6-story headquarters that is slated for completion in early 2023.
- Capitol Square, the retail portion of the Locale @ State Street project developed by TMG Partners, has executed its first five leases, with three popular regional restaurant groups, a personal services business, and an independent bookstore.
- A five-story 275-unit mixed-use apartment project by Fore Property is nearing completion at Walnut and Liberty Avenues. The project experienced initial pandemic-related impacts and is now expected to be completed in early 2022.
- MIG Real Estate, an Opportunity Zone investor, has purchased a 240-unit site entitled by Bay Rock and plans to break ground in the first half of 2022.
- 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.
- Staff continue to engage with owners of the Fremont Hub and Gateway Plaza shopping centers that bookend the Downtown on long-term redevelopment plans for the centers to incorporate into the greater Downtown/Civic Center area.

In the face of unprecedented revenue losses, the FY 2020/21 budget was balanced through a combination of temporary expenditure reductions that allowed the City to maintain core services. Using \$20 million of American Rescue Plan Act State and Local Fiscal Recovery Funds, the FY 2021/22 adopted budget restores most of these reductions:

- Relaxation of the hiring freeze on non-essential vacant positions, elimination of delayed recruitments, and restoration of funding for police overtime, part-time and temporary staff;
- Full funding of annual contributions to the City's information technology and vehicle replacement internal service funds and reinstatement of the annual transfers to the capital improvement fund for ongoing maintenance activities; and
- Establishment of funding for the special events sponsorship program.

Despite the ongoing budgetary challenges, the adopted budget continues to incorporate the City Council's and community's highest priorities: maintaining essential services and functions,

continuing our COVID-19 response efforts for residents and businesses, addressing and preventing homelessness, and improving the City's neighborhoods and business districts.

### ***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. These policies are included in the annual operating budget document and are reviewed each year in conjunction with the adoption of the annual operating budget.

### ***Awards and Acknowledgements***

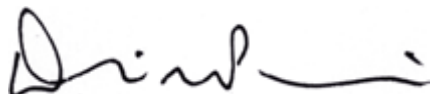
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fremont for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the 37th consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized document 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 ACFR 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 2020/21. This was the 24th 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,



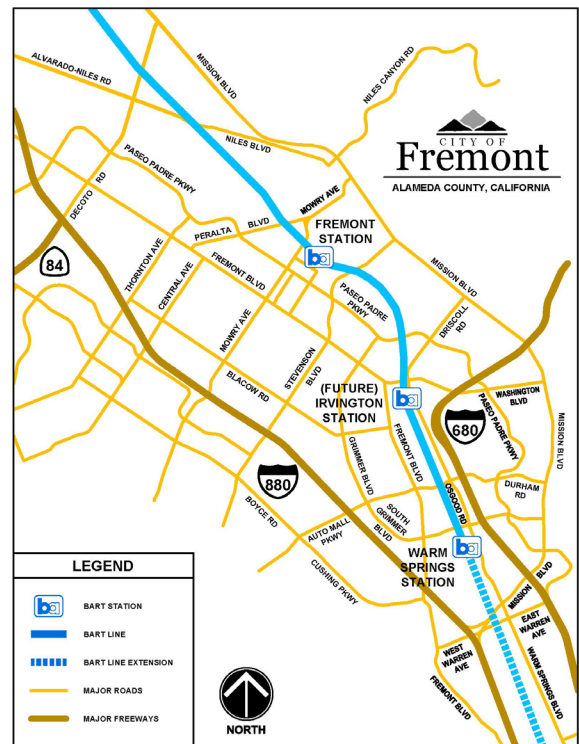
David Persselin  
Finance Director/Treasurer

## Location Map



Located on the southeast side of the San Francisco Bay, Fremont is a city of 234,239 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.

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





## City Council

Lily Mei, Mayor  
Yang Shao, Vice Mayor, District 4  
Teresa Keng, Councilmember, District 1  
Rick Jones, Councilmember, District 2  
Jenny Kassan, Councilmember, District 3  
Raj Salwan, Councilmember, District 5  
Teresa Cox, Councilmember, District 6

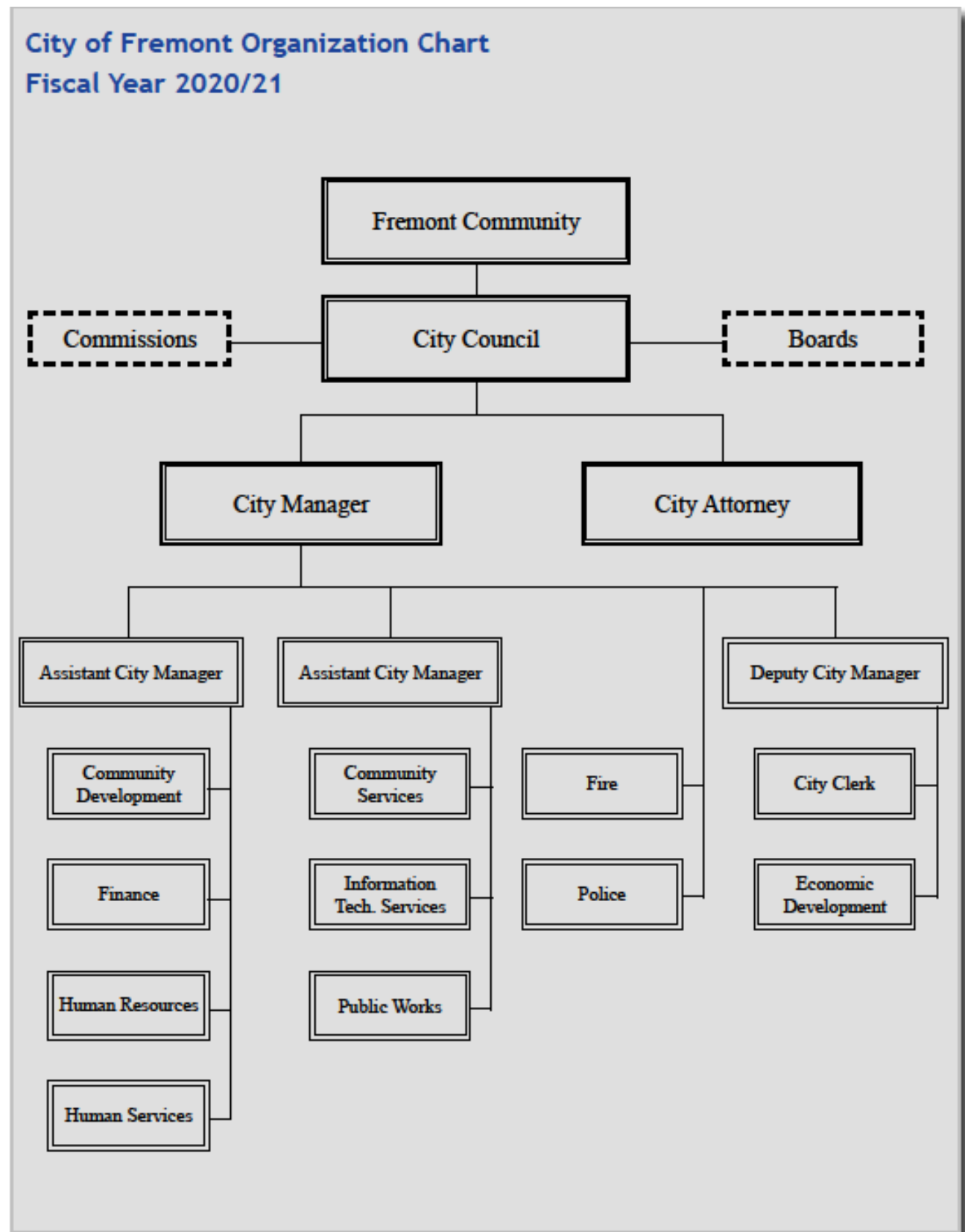
## City Executive Staff

Mark Danaj, City Manager  
Debra Margolis, Interim 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, Information Technology Director  
Suzanne Wolf, Community Services Director

## ACFR Team

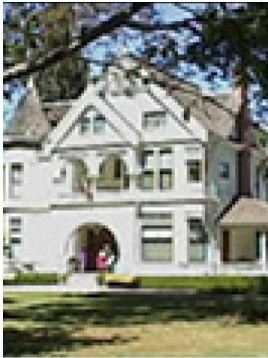
Hein Hein Myat, Accounting Division Manager  
Tricia Fan, Senior Accountant  
Tish Saini, Senior Accountant  
Anita Chang, Accountant  
Tiffany Tang, Accountant  
Ellen Zhou, Accountant  
Elisa Chang, Administrative Analyst/Graphic Artist

## 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 for the fiscal year ended June 30, 2020. This was the 37th 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 ACFR. This report satisfied both GAAP and legal requirements. A Certificate of Achievement is valid for one year only. We believe our current ACFR 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, 2020

*Christopher P. Morill*  
Executive Director/CEO

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# Financial Section



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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Independent Auditors' Report

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### *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, 2020, 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 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2020, 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 28, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Walnut Creek, California  
December 28, 2021

## ***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, 2021. 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***

- 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 City's services special tax funds for CFD No. 1 (Pacific Commons) and CFD No. 3 (Warm Springs Public Facilities), which were previously reported as agency funds, have been reclassified in accordance with Statement No. 84 as special revenue funds. Those reclassifications are reflected by including those funds in the summarized comparative financial information for fiscal year ended June 30, 2020 in the government-wide and governmental fund financial statements. For more information on implementation of GASB 84, please refer to the note titled Effects of New Pronouncements (Note 1.H.) in the Notes to the Basic Financial Statements.
- 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 \$872.1 million (net position). Excluding the \$409.1 million net pension liability and \$81.4 million net OPEB liability, \$217.5 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 \$40.2 million from the prior year after restating the prior year net position to reflect implementation of GASB 84.
- As of June 30, 2021, the City's governmental funds reported combined fund balances of \$454.1 million, an increase of \$31.2 million from the prior year.
- As of June 30, 2021, committed fund balance in the General Fund was \$20.0 million, consisting of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds which were appropriated by the City Council to balance the fiscal year 2021/22 operating budget. Unassigned fund balance was \$49.0 million, or approximately 23.0% of total General Fund expenditures and transfers out. Of this amount, \$35.6 million was set aside by City Council policy to address severe unforeseen events (contingencies). The Contingency Reserve was maintained at 16.7% of budgeted expenditures and transfers out. An additional \$5.5 million of unassigned fund balance was set aside by City Council policy to address uncertainty in the revenue and expenditure forecast. 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 \$7.7 million during the fiscal year ended June 30, 2021.

### *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, 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 34 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
- Inclusionary Housing In-Lieu
- ACTC, MTC, Measures B, BB and F Grants, Streets, Bike and Pedestrian

Data for the other twenty-six 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, Fire Department capital replacement, information technology capital replacement, and employee benefits. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

## Management's Discussion and Analysis

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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 four custodial funds which report resources held 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 funds financial statements can be found on page 47-49 of this report. Individual fund data for each of the custodial funds is provided in the form of combining statements and schedules in the supplementary information section 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 51-102 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 the 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 123-178 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 2020/21, net position stood at \$872.1 million — a 4.8% increase from the prior year after restating the prior year net position to reflect implementation of GASB 84. Information about net position is presented in the summary schedule below:

**CITY OF FREMONT'S CONDENSED STATEMENT OF NET POSITION  
JUNE 30, 2021 AND 2020**

(dollars in thousands)

	<b>2021</b>	<b>2020</b>	<b>Percentage Change</b>
Current and other assets	\$ 522,702	\$ 496,641	5.2%
Capital assets	949,003	933,772	1.6%
<b>Assets</b>	<b>1,471,705</b>	<b>1,430,413</b>	2.9%
Deferred outflows related to pensions and OPEB	90,227	89,524	0.8%
<b>Deferred Outflows of Resources</b>	<b>90,227</b>	<b>89,524</b>	0.8%
Current liabilities	47,624	46,966	1.4%
Noncurrent liabilities	639,429	628,828	1.7%
<b>Liabilities</b>	<b>687,053</b>	<b>675,794</b>	1.7%
Deferred inflows related to pensions and OPEB	2,757	12,190	(77.4%)
<b>Deferred Inflows of Resources</b>	<b>2,757</b>	<b>12,190</b>	(77.4%)
Net position:			
Net investment in capital assets	813,344	790,400	2.9%
Restricted	331,833	308,152	7.7%
Unrestricted*	(273,055)	(266,599)	2.4%
<b>Net position, as restated</b>	<b>\$ 872,122</b>	<b>\$ 831,953</b>	4.8%

\* Unrestricted net position for June 30, 2021 includes the City's \$409.1 million net pension liability and \$81.4 million net OPEB liability which are not claims on current financial assets.

At June 30, 2021, 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, \$813.3 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 \$331.8 million of restricted resources that are subject to external restrictions on how they may be used. Excluding the \$409.1 million net pension liability and \$81.4 million net OPEB liability, \$217.5 million of unrestricted net position is

## Management's Discussion and Analysis

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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, 2021 AND 2020

(dollars in thousands)

	<u>2021</u>	<u>2020</u>	<b>Percentage Change</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 55,604	\$ 73,253	(24.1%)
Operating grants and contributions	57,322	22,361	156.3%
Capital grants and contributions	44,626	78,394	(43.1%)
General revenues:			
Property tax	117,126	109,644	6.8%
Sales tax	60,430	52,067	16.1%
Business tax	10,824	11,677	(7.3%)
Transient occupancy tax	2,849	5,915	(51.8%)
Property transfer tax	2,282	1,844	23.8%
Franchise fees	11,058	10,777	2.6%
Investment earnings	1,207	13,522	(91.1%)
Gain on sale of capital assets	338	1,991	(83.0%)
Miscellaneous	6,600	9,250	(28.6%)
<b>Total revenues</b>	<b>370,266</b>	<b>390,695</b>	(5.2%)
<b>Program expenses:</b>			
General government	17,494	22,009	(20.5%)
Police services	102,512	100,456	2.0%
Fire services	62,140	61,020	1.8%
Human services	19,066	16,438	16.0%
Capital assets maintenance and operations	84,142	92,307	(8.8%)
Recreation and leisure services	6,653	10,599	(37.2%)
Community development/environmental services	33,774	43,570	(22.5%)
Interest on debt	4,316	4,614	(6.5%)
<b>Total program expenses</b>	<b>330,097</b>	<b>351,013</b>	(6.0%)
<b>Increase in net position</b>	40,169	39,682	1.2%
Net position, beginning of year, as restated	831,953	792,271	5.0%
<b>Net position, end of year</b>	<b>\$ 872,122</b>	<b>\$ 831,953</b>	4.8%

Major changes in government-wide revenues include the following:

- The positive variance in the operating grants and contributions category primarily reflects the receipt of \$22.1 million of ARPA fiscal recovery funds and \$7.2 million of federal Emergency Rental Assistance Program funds.
- Charges for services decreased by \$17.6 million from the prior year primarily due to lower receipts of housing in-lieu fees and a pandemic-related drop in recreation fees.
- Capital grants and contributions decreased by \$33.8 million primarily reflecting a \$24.0 million drop in development permit activity and prior year one-time grant revenue of \$9.8 million for construction projects.
- Sales tax increased \$8.36 million from the prior year primarily due to increased economic activity as public health restrictions were eased.
- Transient occupancy tax decreased by \$3.1 million due to the extended pandemic-related decline in travel and tourism.
- Investment earnings decreased by \$12.3 million, almost all of which relates to a large change in the year-end fair value adjustment.
- Gain on sale of capital assets decreased by \$1.7 million since there were no significant sales of surplus property as there were in the prior year.

Major changes in government-wide expenses include the following:

- Capital assets maintenance operations expenses decreased by \$8.2 million due to a lower level of construction activity.
- Community development and environmental services expenses decreased by \$9.8 million primarily as the 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, 2021, the City's governmental funds reported combined ending fund balances of \$454.1 million, an increase of \$31.2 million from the prior year. Of this amount, 72.2% (\$327.7 million) is legally restricted for specific purposes by enabling legislation or external funding source providers, 6.4% (\$28.9 million) is committed for specific purposes by the City Council, and 11.3% (\$51.2 million) is assigned for specific purposes by the City. The remaining 10.1% (\$46.2 million) is unassigned fund balance available for spending at the City's discretion but is also subject to Council-established reserve policies.

## Management's Discussion and Analysis

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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, 2021, total fund balance was \$69.0 million, of which \$20 million was committed and \$49 million was unassigned. The primary components of this amount are \$35.6 million (16.7% of budgeted expenditures and transfers out) set aside by City Council policy for use for costs associated with unforeseen events (contingencies) and \$5.5 million, also set aside by City Council policy, to address uncertainty in the revenue and expenditure forecast.

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 32.3% of General Fund expenditures and transfers out.

The fund balance of the City's General Fund increased by \$24.5 million during the 2020/21 fiscal year, compared to an increase of \$7.0 million in the prior year. Revenues, proceeds from sale of capital assets, and transfers in of \$237.9 million were 13.9% (\$29.0 million) higher than in FY 2019/20 driven largely by increases in revenue from federal fiscal recovery funds (\$20 million), property tax (\$6.2 million) and sales tax (\$8.4 million) offset by decreases in other taxes (\$2.6 million), charges for services (\$1 million) and investment earnings (\$1.2 million). Expenditures and transfers out of \$213.4 million were 1.2% (\$2.5 million) lower than in FY 2019/20.

*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 2020/21 totaled \$20.8 million, a 57.5% decrease from the FY 2019/20 total of \$48.9 million. The large revenue decrease is attributable to the Covid pandemic which started in 2020. During FY 2020/21, of this fund's expenditures, \$9.5 million were for park-related projects, \$5.7 million were for mitigating traffic-related impacts, and \$9.1 million were used to pay for the new Downtown Event Center. In addition, \$1.0 million was transferred to pay debt service related to capital facilities. As of June 30, 2021, the fund balance totaled \$141.1 million, down from \$146.6 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, 2021, the fund balance totaled \$21.7 million, up from \$17.6 million in the prior year, due primarily to the payment of building inspection fees for inspection activity to be completed in future years. 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 \$4.7 million were 26.4% lower in FY 2020/21 than in the prior year (\$6.5 million), and includes \$2.1 million of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds.

Expenditures decreased 27.2% (from \$9.3 million to \$6.7 million). The drop in both revenues and expenditures is attributable to significantly reduced recreation offerings as a result of pandemic-related public health restrictions. As of June 30, 2021, the fund balance was \$5.6 million, a decrease of \$0.8 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 part of the pandemic-related budget balancing measures, the Capital Improvement Fund did not receive any General Fund transfers for maintenance activities in FY 2020/21. Accordingly, during FY 2020/21, the fund balance decreased by \$15.9 million due to \$8.6 million of ongoing capital maintenance activities, capital project expenditures of \$2.9 million for the Maintenance Center Storage Building project and \$1.5 million for the Downtown Event Center project, and expenditures for other miscellaneous capital projects. Additionally, a negative fair value adjustment was applied in the investment earnings revenue category to offset an erroneous balance reported in the prior year. As of June 30, 2021, the fund balance was \$52.0 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, 2021, the fund balance was \$18.0 million, an increase of \$2.3 million from the prior year, mainly due to \$1.3 million of CDBG CARES Act program revenue received in FY 2020/21.

*Inclusionary Housing In-Lieu* – This fund is used to account for 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, 2021, the fund balance was \$72.6 million, an increase of \$10.5 million from the prior year, reflecting the relatively high level of new residential development activity during FY 2020/21 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, 2021, the fund had a negative fund balance of \$928,000, representing expenditures which were not reimbursed within the City's revenue availability period.

## Management's Discussion and Analysis

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### *General Fund Budgetary Highlights*

**Original Budget Compared to Final Budget.** The final budget fund balance and appropriations include prior-year encumbrances of approximately \$1.5 million as authorized by the Council-adopted budget resolution. In March 2021, as part of the FY 2020/21 Mid-Year Budget Report, the City Council increased the revenue estimate for sales tax by \$5.6 million, offset by reductions to the estimates for business tax (\$2.5 million) and hotel tax (\$3.1 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, 2021

(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Results</u>	<u>Variance from Final Budget</u>
<b>Beginning fund balance</b>	<b>\$ 36,430</b>	<b>\$ 43,860</b>	<b>\$ 44,497</b>	<b>\$ 637</b>
Resources:				
Revenues	206,606	206,664	230,843	24,179
Transfers in	7,571	7,571	7,048	(523)
<b>Total resources</b>	<b>214,177</b>	<b>214,235</b>	<b>237,891</b>	<b>23,656</b>
Charges to appropriations:				
Expenditures	205,062	206,699	205,135	1,564
Transfers out	8,347	8,347	8,242	105
<b>Total charges</b>	<b>213,409</b>	<b>215,046</b>	<b>213,377</b>	<b>1,669</b>
Net change in fund balance	768	(811)	24,514	25,325
<b>Ending fund balance</b>	<b>\$ 37,198</b>	<b>\$ 43,048</b>	<b>\$ 69,011</b>	<b>\$ 25,963</b>

The actual beginning fund balance was \$0.6 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 2020/21 were \$23.7 million higher than the final budget estimate. Actual expenditures and transfers out were \$1.7 million less than the final budget. The net result of these variances was an actual ending fund balance \$26.0 million higher 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>
Intergovernmental	\$ 431	\$ 20,327	\$ 19,896	4,611.6%
Other	76	993	917	1,198.1%
Business tax	9,506	10,824	1,318	13.9%
Other taxes	4,525	5,130	605	13.4%
Charges for services	10,283	8,683	(1,600)	(15.6%)

- The difference in the intergovernmental revenue category reflects the receipt of \$20 million of ARPA Local Fiscal Recovery funds.
- The difference in the other revenue category resulted from legal settlement revenues received.
- The difference in the business tax category reflects higher than anticipated collections for calendar year 2020.
- The difference in other tax revenue combines an increase in property transfer tax, due to a strong housing market, with a decrease in transient occupancy tax due to reduced travel.
- The difference in charges for services is primarily attributable to a reduction in vehicle code and red light fines as well as revenue loss associated with the suspension of the City’s school resource officer program with the Fremont Unified School District.

### ***Capital Assets and Long-term Debt***

**Capital Assets.** The City’s investment in capital assets as of June 30, 2021, amounts to \$949.0 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 1.6%. Following is a summary of the City’s capital assets (net of depreciation) at June 30, 2021 and 2020:

**CITY OF FREMONT’S CAPITAL ASSETS  
JUNE 30, 2021 AND 2020**  
(dollars in thousands)

	<u>2021</u>	<u>2020</u>	<u>Percentage Change</u>
Land	\$ 218,295	\$ 218,344	0.0%
Land improvements	5,448	5,448	0.0%
Infrastructure	525,786	512,818	2.5%
Buildings and improvements	133,005	134,821	(1.3%)
Equipment	10,471	9,657	8.4%
Vehicles	20,848	20,480	1.8%
Construction in progress	35,150	32,203	9.2%
<b>Total capital assets</b>	<b>\$ 949,003</b>	<b>\$ 933,771</b>	1.6%

## Management's Discussion and Analysis

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

- The purchase of new fire engines at a cost of \$1.7 million.
- Construction in progress cost of \$11 million for the Downtown Event Center and \$2.9 million for the Maintenance Storage Building.

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, 2021, the City had \$135.6 million in long-term debt outstanding. Of this amount, \$32.9 million was for general obligation bonds, \$87.0 million was related to General Fund lease obligations, and \$15.7 million was for unamortized bond premium. Following is a summary schedule of outstanding debt:

### CITY OF FREMONT'S LONG-TERM DEBT

JUNE 30, 2021

(dollars in thousands)

	<u>Balance July 1, 2020</u>	<u>Incurred or Issued</u>	<u>Satisfied or Matured</u>	<u>Balance June 30, 2021</u>
<b>General Obligation Bonds:</b>				
2012 Fire Safety Bonds	\$ 5,740	\$ -	\$ 365	\$ 5,375
2013 Fire Safety Bonds	17,360	-	885	16,475
2017 Fire Safety Bonds	11,465	-	400	11,065
Subtotal	<u>34,565</u>	-	<u>1,650</u>	<u>32,915</u>
<b>General Fund Lease/Loan Obligations:</b>				
2017B Lease Revenue Bonds	18,565	-	625	17,940
2019 Lease Revenue Bonds	73,365	-	4,265	69,100
2017 PG&E On-Bill Financing	250	-	250	-
Subtotal	<u>92,180</u>	-	<u>5,140</u>	<u>87,040</u>
<b>Unamortized Bond Premium</b>	<u>16,604</u>	-	<u>923</u>	<u>15,681</u>
<b>Total</b>	<b><u>\$ 143,349</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,713</u></b>	<b><u>\$ 135,636</u></b>

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, 2021, 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, 2021, 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, 2021, 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, 2021, the maintenance estimate was \$24.0 million, but the amount actually spent was \$7.9 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.** In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The City was allocated \$44,211,563 of fiscal recovery funds to be paid in two equal installments. The first installment of \$22,105,782 was received in May 2021. The second installment will be received in mid-2022.

The federal government has also established two emergency rental assistance grant programs (ERA 1 and ERA 2). In FY 2020/21, the City received \$7,168,619 in direct assistance from the ERA 1 program. Additional ERA 1 and ERA 2 funds will be made available, either directly from the federal government, or indirectly as pass-throughs from the State.

**General Obligation Refunding Bonds Issuance.** In July 2021 the City issued its 2021 General Obligation Refunding Bonds (Election of 2002) (the "2021 GO Bonds"). The proceeds of the \$16,205,000 2021 GO Bonds were used to refinance the City's outstanding 2012 General Obligation Refunding Bonds and 2013 General Obligation Refunding Bonds which were issued to refund two earlier series of bonds that were issued to fund fire station modernization and construction of other public safety projects.

## Management's Discussion and Analysis

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This refunding generated approximately \$4,302,000 of aggregate debt service savings (net of available funds), and \$4,057,000 of net economic gain, representing 19.7% of the refunded debt. The 2021 GO Bonds bear interest at a fixed rate of 5.00% and have a final maturity date of August 1, 2034.

### *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.

# Basic Financial Statements

## Government-Wide Financial Statements

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**City of Fremont**  
**Statement of Net Position**  
**June 30, 2021**  
(With comparative totals for June 30, 2020)

	<b>Governmental Activities</b>	
<b>ASSETS</b>	2021	2020
Current assets:		
Cash and investments held by City	\$ 481,145,298	\$ 454,005,287
Restricted cash and investments held by fiscal agent or City	3,492,806	3,036,169
Receivables, net	33,486,053	33,843,940
Condemnation deposits	15,000	15,000
Total current assets	518,139,157	490,900,396
Noncurrent assets:		
Housing loans receivable, net	865,882	1,041,584
Land held for resale	2,821,430	2,821,430
Prepaid assets	875,813	1,877,628
Capital assets:		
Nondepreciable assets	763,697,081	749,429,699
Depreciable assets, net	185,305,913	184,341,764
Total capital assets, net	949,002,994	933,771,463
Total noncurrent assets	953,566,119	939,512,105
<b>Total assets</b>	1,471,705,276	1,430,412,501
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions and OPEB	90,226,512	89,524,368
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	17,660,984	17,769,918
Salaries and wages payable	7,540,135	7,670,437
Claims payable	3,782,000	4,026,000
Pollution remediation obligation - due within one year	388,000	1,346,650
Interest payable	1,474,802	1,609,790
Unearned revenue	5,282,505	3,461,064
Compensated absences - due within one year	3,552,577	3,346,275
Long-term debt - due within one year	7,942,649	7,735,376
Total current liabilities	47,623,652	46,965,510
Noncurrent liabilities:		
Claims payable	9,772,000	9,594,000
Pollution remediation obligation - due in more than one year	783,392	521,571
Net other post employment benefits liability	81,415,258	82,735,272
Net pension liability	409,107,867	390,302,773
Compensated absences - due in more than one year	10,657,732	10,038,824
Long-term debt - due in more than one year	127,693,215	135,635,865
Total noncurrent liabilities	639,429,464	628,828,305
<b>Total liabilities</b>	687,053,116	675,793,815
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions and OPEB	2,756,741	12,190,050
<b>NET POSITION</b>		
Net investment in capital assets	813,344,402	790,400,222
Restricted:		
Social service programs	15,394,721	18,463,413
Debt service	2,695,107	2,700,339
Public safety	2,304,464	2,313,742
Street improvements	21,161,917	4,776,580
Community development	290,277,245	279,897,452
Total restricted	331,833,454	308,151,526
Unrestricted	(273,055,925)	(266,598,744)
<b>Total net position</b>	\$ 872,121,931	\$ 831,953,004

See accompanying Notes to Basic Financial Statements.

## Government-Wide Financial Statements

### City of Fremont

#### Statement of Activities

For the fiscal year ended June 30, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 17,493,998	\$ 3,570,770	\$ 23,516,945	\$ -	\$ 27,087,715
Police services	102,512,215	2,230,074	1,359,552	-	3,589,626
Fire services	62,139,981	2,137,999	-	-	2,137,999
Human services	19,065,685	2,361,779	14,654,945	-	17,016,724
Capital assets maintenance and operations	84,141,982	1,712,329	9,550,822	44,626,295	55,889,446
Recreation and leisure services	6,653,038	1,878,199	-	-	1,878,199
Community development and environmental services	33,774,520	41,712,515	8,240,041	-	49,952,556
Interest on debt	4,315,745	-	-	-	-
<b>Total</b>	<b>\$ 330,097,164</b>	<b>\$ 55,603,665</b>	<b>\$ 57,322,305</b>	<b>\$ 44,626,295</b>	<b>\$ 157,552,265</b>

#### General revenues:

Intergovernmental:

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, as restated**

**Net position - end of year**

See accompanying Notes to Basic Financial Statements.

<b>Net (Expense) Revenue and Changes in Net Position</b>	
Governmental Activities	
2021	2020
\$ 9,593,717	\$ (18,838,847)
(98,922,589)	(94,641,250)
(60,001,982)	(58,719,743)
(2,048,961)	(6,880,033)
(28,252,536)	(1,680,651)
(4,774,839)	(4,876,684)
16,178,036	13,246,053
<u>(4,315,745)</u>	<u>(4,613,636)</u>
<u>(172,544,899)</u>	<u>(177,004,791)</u>
117,126,276	109,643,440
60,430,421	52,066,458
10,823,917	11,677,266
2,848,472	5,915,273
2,281,699	1,844,400
<u>193,510,785</u>	<u>181,146,837</u>
11,058,195	10,776,689
1,206,426	13,522,364
338,263	1,991,163
6,600,157	9,249,928
<u>212,713,826</u>	<u>216,686,981</u>
<u>40,168,927</u>	<u>39,682,190</u>
<u>831,953,004</u>	<u>792,270,814</u>
<u>\$ 872,121,931</u>	<u>\$ 831,953,004</u>

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# Governmental Funds Financial Statements

# Governmental Funds Financial Statements

## City of Fremont Balance Sheet Governmental Funds June 30, 2021

(With comparative totals for June 30, 2020)

	Major Funds			
	General Fund	Development Impact Fees	Development Cost Center	Recreation Services
<b>ASSETS</b>				
Cash and investments held by City	\$ 54,793,830	\$ 143,388,626	\$ 25,636,833	\$ 7,031,661
Restricted cash and investments held by fiscal agent or City	-	43,303	-	-
Receivables:				
Property tax	1,281,662	-	-	-
Sales tax	10,527,741	-	-	-
Due from other governmental agencies	568,785	-	-	-
Housing loans receivable, net	1,731	-	-	-
Accrued interest	762,302	-	-	-
Transient occupancy tax	418,811	-	-	-
Franchise fees	1,050,366	-	-	-
Accounts receivable	437,226	-	1,103,160	19,934
Other	98,230	-	-	109,493
Land held for resale	-	-	-	-
Due from other funds	8,120,947	-	-	-
<b>Total assets</b>	<b>\$ 78,061,631</b>	<b>\$ 143,431,929</b>	<b>\$ 26,739,993</b>	<b>\$ 7,161,088</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,074,943	\$ 2,290,176	\$ 196,553	210,673
Salaries and wages payable	5,828,498	-	869,136	296,853
Due to other funds	-	-	-	-
Unearned revenue	145,324	-	3,987,665	1,047,004
<b>Total liabilities</b>	<b>9,048,765</b>	<b>2,290,176</b>	<b>5,053,354</b>	<b>1,554,530</b>
Deferred inflows of resources-unavailable revenue	1,731	-	-	-
<b>Fund Balances:</b>				
Restricted for:				
Social service programs	-	-	-	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Street improvements	-	-	-	-
Community development	-	141,141,753	21,686,639	-
Committed for:				
Government Services	20,000,000	-	-	-
Social service programs	-	-	-	-
Recreation programs	-	-	-	5,606,558
Assigned for:				
Social service programs	-	-	-	-
Capital projects	-	-	-	-
Unassigned	49,011,135	-	-	-
<b>Total fund balances</b>	<b>69,011,135</b>	<b>141,141,753</b>	<b>21,686,639</b>	<b>5,606,558</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 78,061,631</b>	<b>\$ 143,431,929</b>	<b>\$ 26,739,993</b>	<b>\$ 7,161,088</b>

See accompanying Notes to Basic Financial Statements.

## Governmental Funds Financial Statements

Major Funds				Total Governmental Funds		
Capital Improvement	Human Services	Inclusionary Housing In Lieu	ACTC, MTC, Measures B, BB & F Grants, Streets, Bike & Pedestrian	Non-major Funds	2021	2020
\$ 50,559,624	\$ 18,022,376	\$ 73,584,325	\$ 4,071,170	\$ 73,351,455	\$ 450,439,900	\$ 420,049,375
777,788	-	-	-	2,671,715	3,492,806	3,036,169
-	-	-	-	32,116	1,313,778	1,281,202
-	-	-	-	-	10,527,741	9,045,151
125,275	4,163,063	-	6,272,316	4,095,051	15,224,490	17,153,211
-	864,151	-	-	-	865,882	1,041,584
-	-	-	-	-	762,302	1,153,185
-	-	-	-	-	418,811	219,032
-	-	-	-	-	1,050,366	1,104,136
3,391	190,633	-	129,660	1,155,429	3,039,433	3,323,148
-	-	-	-	-	207,723	98,182
2,821,430	-	-	-	-	2,821,430	2,821,430
-	-	-	-	-	8,120,947	11,589,128
<u>\$ 54,287,508</u>	<u>\$ 23,240,223</u>	<u>\$ 73,584,325</u>	<u>\$ 10,473,146</u>	<u>\$ 81,305,766</u>	<u>\$ 498,285,609</u>	<u>\$ 471,914,933</u>
\$ 2,285,602	\$ 1,359,647	\$ 980,881	\$ 4,897,795	\$ 1,993,787	\$ 17,290,057	\$ 17,246,033
-	235,267	-	-	117,282	7,347,036	7,533,248
-	2,389,846	-	3,104,158	2,315,043	7,809,047	11,589,128
-	4,857	-	-	97,655	5,282,505	3,461,064
<u>2,285,602</u>	<u>3,989,617</u>	<u>980,881</u>	<u>8,001,953</u>	<u>4,523,767</u>	<u>37,728,645</u>	<u>39,829,473</u>
-	1,219,895	-	3,399,469	1,853,955	6,475,050	9,174,337
-	14,697,676	-	-	3,979,813	18,677,489	12,637,004
-	-	-	-	2,695,107	2,695,107	2,700,339
-	-	-	-	2,304,464	2,304,464	2,313,742
777,788	-	-	-	12,959,437	13,737,225	11,379,596
-	-	72,603,444	-	54,830,409	290,262,245	279,882,452
-	-	-	-	-	20,000,000	-
-	3,333,035	-	-	-	3,333,035	3,403,904
-	-	-	-	-	5,606,558	6,454,731
-	-	-	-	12,769	12,769	-
51,224,118	-	-	-	-	51,224,118	67,662,409
-	-	-	(928,276)	(1,853,955)	46,228,904	36,476,946
<u>52,001,906</u>	<u>18,030,711</u>	<u>72,603,444</u>	<u>(928,276)</u>	<u>74,928,044</u>	<u>454,081,914</u>	<u>422,911,123</u>
<u>\$ 54,287,508</u>	<u>\$ 23,240,223</u>	<u>\$ 73,584,325</u>	<u>\$ 10,473,146</u>	<u>\$ 81,305,766</u>	<u>\$ 498,285,609</u>	<u>\$ 471,914,933</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, 2021**

(With comparative totals for June 30, 2020)

	2021	2020
<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 454,081,914</b>	<b>\$ 422,911,123</b>
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 \$15,775,824 and \$14,490,344 at June 30, 2021 and 2020, respectively.	933,227,170	919,281,119
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.	(1,474,802)	(1,609,790)
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.	27,677,647	30,057,630
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.	6,475,050	9,174,337
Reclassification of long-term debt to accounts payable.	(22,728)	(22,727)
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.	(14,210,309)	(13,385,099)
Pollution remediation obligations are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.	(1,171,392)	(1,868,221)
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.	88,776,205	88,200,731
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.	(1,465,385)	(11,300,557)
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.	(402,735,317)	(383,416,756)
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.	(81,415,258)	(82,735,272)
Long-term debt is not due and payable in the current period and therefore is not reported in the Governmental Funds Balance Sheet.	(135,635,864)	(143,348,514)
<b>Net Position of Governmental Activities</b>	<b>\$ 872,121,931</b>	<b>\$ 831,953,004</b>

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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Major Funds			
	General Fund	Development Impact Fees	Development Cost Center	Recreation Services
<b>REVENUES</b>				
Property tax	\$ 112,812,817	\$ -	\$ -	\$ -
Sales tax	60,430,421	-	-	-
Intergovernmental	20,326,924	-	-	2,489,309
Business tax	10,823,917	-	-	-
Other taxes	5,130,171	-	-	-
Impact fees	-	20,398,470	-	-
Franchise fees	10,727,019	-	-	-
Charges for services	8,683,252	-	20,202,060	1,869,922
Investment earnings	915,257	397,715	91,983	231,729
Other	849,967	-	-	82,329
<b>Total revenues</b>	<b>230,699,745</b>	<b>20,796,185</b>	<b>20,294,043</b>	<b>4,673,289</b>
<b>EXPENDITURES</b>				
Current:				
General government	17,844,627	-	-	-
Police services	91,115,711	-	-	-
Fire services	55,664,107	-	-	-
Human services	4,339,027	-	-	-
Capital assets maintenance and operations	25,528,082	16,128,488	2,370,273	-
Recreation and leisure services	-	-	-	6,748,305
Community development and environmental services	1,490,408	-	13,023,573	-
Capital outlay	513,649	9,100,000	-	-
Debt service:				
Principal	4,792,434	-	-	-
Interest and fiscal charges	3,846,700	-	-	-
<b>Total expenditures</b>	<b>205,134,745</b>	<b>25,228,488</b>	<b>15,393,846</b>	<b>6,748,305</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>25,565,000</b>	<b>(4,432,303)</b>	<b>4,900,197</b>	<b>(2,075,016)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issuance	-	-	-	-
Premium on debt issuance	-	-	-	-
Proceeds from sale of capital assets	143,000	-	-	-
Transfers in	7,048,085	-	2,878,301	2,833,287
Transfers out	(8,242,254)	(1,000,000)	(3,660,240)	(1,606,444)
<b>Total other financing sources (uses)</b>	<b>(1,051,169)</b>	<b>(1,000,000)</b>	<b>(781,939)</b>	<b>1,226,843</b>
<b>Net change in fund balances</b>	<b>24,513,831</b>	<b>(5,432,303)</b>	<b>4,118,258</b>	<b>(848,173)</b>
<b>FUND BALANCES</b>				
Beginning of year, as restated	44,497,304	146,574,056	17,568,381	6,454,731
End of year	\$ 69,011,135	\$ 141,141,753	\$ 21,686,639	\$ 5,606,558

See accompanying Notes to Basic Financial Statements.

**Governmental Funds Financial Statements**

Major Funds					Total Governmental Funds	
Capital Improvement	Human Services	Inclusionary Housing In Lieu	ACTC, MTC, Measures B, BB & F Grants, Streets, Bike & Pedestrian	Non-major Funds	2021	2020
\$ -	\$ -	\$ -	\$ -	\$ 4,313,459	\$ 117,126,276	\$ 110,831,630
-	-	-	-	-	60,430,421	52,066,458
253,237	10,538,295	-	21,266,747	26,847,403	81,721,915	55,939,679
-	-	-	-	-	10,823,917	11,677,266
-	-	-	-	-	5,130,171	7,759,673
-	-	-	-	-	20,398,470	44,393,895
-	-	-	-	331,176	11,058,195	10,776,689
40,858	1,628,733	14,575,468	-	11,302,659	58,302,952	69,297,006
(916,738)	50,524	328,467	31,493	60,642	1,191,072	12,550,325
-	1,570,646	-	-	3,914,372	6,417,314	9,057,984
<u>(622,643)</u>	<u>13,788,198</u>	<u>14,903,935</u>	<u>21,298,240</u>	<u>46,769,711</u>	<u>372,600,703</u>	<u>384,350,605</u>
-	-	-	-	9,581	17,854,208	20,947,118
-	-	-	-	1,575,246	92,690,957	89,304,890
-	-	-	-	27,112	55,691,219	53,754,116
-	10,831,419	-	-	4,110,881	19,281,327	15,921,734
8,617,682	-	-	18,325,021	13,749,863	84,719,409	88,634,147
-	-	-	-	-	6,748,305	9,150,394
25,105	1,293,079	4,332,432	-	14,166,493	34,331,090	42,066,045
6,518,894	1,052,077	-	-	908,395	18,093,015	17,864,908
-	347,566	-	-	1,650,000	6,790,000	93,947,770
-	186,169	-	-	1,340,513	5,373,382	5,764,705
<u>15,161,681</u>	<u>13,710,310</u>	<u>4,332,432</u>	<u>18,325,021</u>	<u>37,538,084</u>	<u>341,572,912</u>	<u>437,355,827</u>
<u>(15,784,324)</u>	<u>77,888</u>	<u>10,571,503</u>	<u>2,973,219</u>	<u>9,231,627</u>	<u>31,027,791</u>	<u>(53,005,222)</u>
-	-	-	-	-	-	73,365,000
-	-	-	-	-	-	13,446,751
-	-	-	-	-	143,000	1,916,688
750,000	3,219,733	-	-	126,875	16,856,281	28,044,020
(815,942)	(962,541)	(54,045)	-	(514,815)	(16,856,281)	(28,044,020)
<u>(65,942)</u>	<u>2,257,192</u>	<u>(54,045)</u>	<u>-</u>	<u>(387,940)</u>	<u>143,000</u>	<u>88,728,439</u>
<u>(15,850,266)</u>	<u>2,335,080</u>	<u>10,517,458</u>	<u>2,973,219</u>	<u>8,843,687</u>	<u>31,170,791</u>	<u>35,723,217</u>
67,852,172	15,695,631	62,085,986	(3,901,495)	66,084,357	422,911,123	387,187,905
<u>\$ 52,001,906</u>	<u>\$ 18,030,711</u>	<u>\$ 72,603,444</u>	<u>\$ (928,276)</u>	<u>\$ 74,928,044</u>	<u>\$ 454,081,914</u>	<u>\$ 422,911,123</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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	2021	2020
<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 31,170,791	\$ 35,723,217
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.	20,931,595	17,479,803
Contributions of capital assets from developers not reported as revenue in governmental funds.	-	605,813
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.	48,307,993	45,085,985
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.	(58,415,862)	(67,501,466)
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.	10,793,000	10,708,000
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.	(8,273,029)	(8,037,825)
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 \$2,129,811 and \$1,809,613, for the years ended June 30, 2021 and 2020, respectively, from the Internal Service Funds is not reported as an expenditure in governmental funds.	(6,985,545)	(7,376,933)
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.	6,790,000	93,947,770
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.	(2,699,287)	2,767,548
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.	134,988	40,084
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.	922,649	1,110,985
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.	(2,379,983)	5,306,064
Pollution remediation obligations are not due and payable in the current period and therefore the changes are not reported in the governmental funds.	696,829	(494,650)
Long-term compensated absences are not due and payable in the current period and therefore the changes are not reported in the governmental funds.	(825,212)	(2,870,454)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 40,168,927</b>	<b>\$ 39,682,190</b>

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, 2021

(With comparative totals for June 30, 2020)

	Internal Service	
	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash and investments held by City	\$ 30,705,398	\$ 33,955,912
Other receivables	941,409	466,694
Total current assets	31,646,807	34,422,606
Noncurrent assets:		
Prepaid assets	875,813	1,877,628
Depreciable assets	35,733,674	32,814,065
Less accumulated depreciation	(19,957,850)	(18,323,721)
Total noncurrent assets	16,651,637	16,367,972
<b>Total assets</b>	<b>48,298,444</b>	<b>50,790,578</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	1,450,307	1,323,636
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	348,199	523,885
Due to General Fund	311,900	-
Salaries and wages payable	193,099	137,189
Claims payable	3,782,000	4,026,000
Total current liabilities	4,635,198	4,687,074
Noncurrent liabilities:		
Claims payable	9,772,000	9,594,000
Net pension liability	6,372,550	6,886,017
Total noncurrent liabilities	16,144,550	16,480,017
<b>Total liabilities</b>	<b>20,779,748</b>	<b>21,167,091</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	1,291,356	889,493
<b>NET POSITION</b>		
Net investment in capital assets	15,775,824	14,490,344
Unrestricted	11,901,823	15,567,286
<b>Total net position</b>	<b>\$ 27,677,647</b>	<b>\$ 30,057,630</b>

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, 2021**  
 (With comparative totals for the fiscal year ended June 30, 2020)

	Internal Service	
	2021	2020
<b>OPERATING REVENUES</b>		
Charges for services	\$ 29,167,914	\$ 31,767,456
Other	11,058	7,907
<b>Total operating revenues</b>	<b>29,178,972</b>	<b>31,775,363</b>
<b>OPERATING EXPENSES</b>		
Salaries and wages	16,975,152	16,918,586
Insurance premiums	2,687,301	2,452,981
Provision for claim losses	4,678,306	2,185,971
Claims administration	231,891	233,558
Materials and supplies	4,978,708	3,856,996
Depreciation	2,129,811	1,809,613
Other	88,403	58,108
<b>Total operating expenses</b>	<b>31,769,572</b>	<b>27,515,813</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,590,600)</b>	<b>4,259,550</b>
<b>NONOPERATING REVENUES</b>		
Investment income	15,354	972,039
Gain on disposal of capital assets	195,263	74,475
<b>Total nonoperating revenues</b>	<b>210,617</b>	<b>1,046,514</b>
<b>CHANGE IN NET POSITION</b>	<b>(2,379,983)</b>	<b>5,306,064</b>
Net position - beginning of year	30,057,630	24,751,566
Net position - ending	<b>\$ 27,677,647</b>	<b>\$ 30,057,630</b>

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, 2021 (With comparative totals for the fiscal year ended June 30, 2020)

	Internal Service	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from users	\$ 28,899,309	\$ 29,758,760
Other revenue	11,058	7,907
Less: Payments to suppliers	(18,864,785)	(18,306,534)
Payments for employee services	(6,350,968)	(5,853,506)
Payments for claims paid	(4,744,306)	(4,395,971)
Payments to others	(88,403)	(58,108)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,138,095)</b>	<b>1,152,548</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(1,694,574)	(1,605,062)
Prepayment for acquisition of capital assets	(875,813)	-
Proceeds from sale of capital assets	130,714	74,475
<b>Net cash (used in) capital and related financing activities</b>	<b>(2,439,673)</b>	<b>(1,530,587)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Cash received for borrowing from other funds	311,900	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on cash and investments	15,354	972,039
<b>Net change in cash and cash equivalents</b>	<b>(3,250,514)</b>	<b>594,000</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	33,955,912	33,361,912
End of year	<b>\$ 30,705,398</b>	<b>\$ 33,955,912</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (2,590,600)	\$ 4,259,550
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,129,811	1,809,613
Changes in operating assets, liabilities, and deferred items:		
Other receivables	(410,166)	(12,625)
Prepaid assets	141,561	(1,877,628)
Accounts payable	(160,335)	(1,160,081)
Salaries and wages payable	55,909	42,458
Claims payable	(66,000)	(2,210,000)
Deferred outflow resources - pension plan	(126,671)	215,578
Deferred inflow resources - pension plan	401,863	279,337
Net pension liability	(513,467)	(193,654)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (1,138,095)</b>	<b>\$ 1,152,548</b>
<b>Noncash capital financing activities</b>		
Carrying value of disposed assets	\$ 195,263	\$ -

See accompanying Notes to Basic Financial Statements.

# Fiduciary Funds Financial Statements

## Fiduciary Funds Financial Statements

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### City of Fremont Statement of Fiduciary Net Position Custodial Funds June 30, 2021 (With comparative totals for June 30, 2020)

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	Custodial Funds	
	2021	2020
<b>ASSETS</b>		
Cash and investments held by City	\$ 6,667,493	\$ 6,410,730
Restricted cash and investments held by fiscal agent	24,545,813	24,921,632
Accounts receivable	22,423	35,268
Property tax receivable	5,299	1,792
Land held for resale	678,979	678,979
<b>Total assets</b>	<b>31,920,007</b>	<b>32,048,401</b>
<b>LIABILITIES</b>		
Accounts payable	39,112	87,066
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	\$ 31,880,895	\$ 31,961,335

**City of Fremont**  
**Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2021**

(With comparative totals for June 30, 2020)

	<b>Custodial Funds</b>	
	2021	2020
<b>ADDITIONS</b>		
Bond proceeds	\$ -	\$ 18,853,147
Property tax	5,591,143	5,191,886
Seized assets	7,196	68,305
Agency contributions	292,423	304,514
Deposits - consultant services	230,101	360,895
Deposits - rent	28,159	46,183
Police evidence and bail	195,742	193,712
Investment earnings	(33,380)	393,000
<b>Total additions</b>	<b>6,311,384</b>	<b>25,411,642</b>
<b>DEDUCTIONS</b>		
Bond issuance costs	-	482,423
Debt service:		
Principal	880,000	605,000
Interest and fiscal charges	4,597,381	4,285,550
Operating expenses	289,540	294,090
Payments to consultants	143,658	310,654
Refund consultant deposits	-	109,408
Refund rental deposits	49,500	26,355
Pollution mitigation expenses	327,318	277,339
Release of police evidence and bail	104,427	201,302
<b>Total deductions</b>	<b>6,391,824</b>	<b>6,592,121</b>
<b>Change in net position</b>	<b>(80,440)</b>	<b>18,819,521</b>
<b>Net position - beginning of year</b>	<b>31,961,335</b>	<b>13,141,814</b>
<b>Net position - end of year</b>	<b>\$ 31,880,895</b>	<b>\$ 31,961,335</b>

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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. The Social Services JPA has committed to subleasing space in the Family Resource Center buildings to CDBG-eligible tenants at below-market rents. Rents collected from CDBG-eligible tenants are used to make payments on the debt service obligations incurred in connection with the purchase of the

## Notes to Basic Financial Statements

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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.

*City of Fremont Community Facilities District No. 1 (Pacific Commons)* – A special tax district, established on October 22, 1996, under the Mello-Roos Community Facilities Act of 1982, organized for the purpose of financing the acquisition, construction, and maintenance of public facilities within the district. Special taxes collected from the district’s property owners are used to pay principal and interest on the outstanding bonds and the costs of maintaining the public facilities and administering the district.

*City of Fremont Community Facilities District No. 2 (Warm Springs Public Facilities)* – A special tax district, formed on November 21, 2017, under the Mello-Roos Community Facilities Act of 1982, organized for the purpose of financing the acquisition and construction of public facilities within the district. Special taxes collected from the district’s property owners are used to pay principal and interest on the outstanding bonds and the costs of administering the district.

*City of Fremont Community Facilities District No. 3 (Warm Springs Public Services)* – A special tax district, formed on June 19, 2018, under the Mello-Roos Community Facilities Act of 1982, organized for the purpose of financing the maintenance of public facilities within the district. Special taxes collected from the district’s property owners are used to pay the costs of maintaining the public facilities and administering the district.

*Fremont Landscape Maintenance District No. 88 (LMD 88)* – A special assessment district, formed on December 20, 1988, under the Landscaping and Lighting Act of 1972, organized for the purpose of financing, installing, and servicing public landscaping improvements within the district. Special assessments collected from the district’s property owners are used to pay the costs of maintaining the public landscaping improvements and administering the district.

Under State law, the City Council serves as the governing body of the community facilities districts and LMD 88 and has the ability to impose its will by authorizing the imposition of special taxes or assessments, approving the issuance of bonds, and through its employment relationship with district employees who are also City employees. The special taxes and special assessments collected and used to provide public services are considered integrally related to governmental activities and are “blended” with those of the City. The special taxes collected and used to pay debt service on bonds are reported as custodial activities.

**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 two senior centers, 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.

## Notes to Basic Financial Statements

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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 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 two senior centers, paratransit services, counseling, support for seniors, families and youth, and homeless and housing-related services.

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 and 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.

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, Fire Capital Replacement, Information Technology Capital Replacement, and Employee Benefits.

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 and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds consist of four custodial funds.

The City reports the following custodial funds:

Local Improvement Districts – This fund accounts for the accumulation of facilities special tax revenue and payment of principal and interest for outstanding special tax bonds issued by the City for Community Facilities District (CFD) No. 1 (Pacific Commons) and CFD No. 2 (Warm Springs Public Facilities).

## Notes to Basic Financial Statements

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*Southern Alameda County Major Crimes Task Force* – 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.

*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.

*Custodial Deposits and Confiscated Assets* – This fund accounts for custodial deposits received in conjunction with construction activity within the City, assets confiscated by the police, and other assets or deposits held by the City in a custodial capacity.

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 and fiduciary 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.

***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 2019/20 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 2019/20 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 2020/21 basic financial statements.

### *H. Effects of New Pronouncements*

The City implemented the following GASB Statements during the year:

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.

Certain City funds previously reported as agency funds have been reclassified in accordance with Statement No. 84 as special revenue funds. Those reclassifications are reflected by including those funds in the summarized comparative financial information for fiscal year ended June 30, 2020 in the government-wide and governmental fund financial statements (an increase in ending net position of \$10,925,024). The remaining agency funds, which meet the criteria for fiduciary activities, are presented as custodial funds.

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. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2021.

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. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2021.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. No changes were made to the report's structure or content. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2021.

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

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 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.

## Notes to Basic Financial Statements

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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.

### ***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

## Notes to Basic Financial Statements

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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**

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 in which 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, 2021, 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, 2021, 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, 2021, fund balances for governmental funds are reported in the following categories:

*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, 2021, the ACTC, MTC, Measure B, BB and F Grants, Streets, Bikes and Pedestrian major capital projects fund had a deficit balance of \$928,276, the Federal Capital Grants non-major capital projects fund had a deficit fund balance of \$928,395, the Miscellaneous State Capital Grants non-major capital projects fund had a deficit fund balance of \$426,842, the Miscellaneous Operating Grants non-major special revenue fund had a deficit fund balance of \$424,117, and the Traffic System Management non-major capital projects fund had a deficit fund balance of \$50,607. 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**

Budget policies adopted by the City Council and incorporated into the annual operating budget require the City to maintain the following two General Fund reserves: the Contingency Reserve and the Budget Uncertainty Reserve.

*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, 2021, the Contingency Reserve was approximately \$35.6 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 fiscal year 2019/20 adopted operating budget at \$8.3 million but absorbed \$2.8 million of the pandemic-related revenue shortfall, so at June 30, 2021, 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

## Notes to Basic Financial Statements

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Delinquent after	December 10 (for November)	August 31
	April 10 (for February)	

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 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, 2021, the 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

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- 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, 2021:

	Governmental Activities	Fiduciary Funds	Totals
Cash and investments held by the City	\$ 481,145,298	\$ 6,667,493	\$ 487,812,791
Restricted cash and investments held by fiscal agent or City	3,492,806	24,545,813	28,038,619
Total cash and investments	484,638,104	31,213,306	515,851,410
Less: cash and deposits not meeting the definition of investments	(34,353,758)	(34,352)	(34,388,110)
Total investments	<u>\$ 450,284,346</u>	<u>\$ 31,178,954</u>	<u>\$ 481,463,300</u>

***B. Risk Disclosures - Deposits***

At June 30, 2021, the carrying and bank amounts of the City’s cash and deposits were \$34,388,110 and \$36,051,521, respectively. Of the bank balance, \$267,493 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$35,784,028 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 and the pollution mitigation escrow for the Centerville Unified Site.

**Interest Rate Risk.** At June 30, 2021, 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 487 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, 2021, 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	\$ 77,623,794	\$ -	\$ 31,522,048	\$ 18,221,438	\$ 8,840,128	\$ 19,040,180
U.S. Agencies:							
Federal Home Loan Bank (FHLB)	AA	5,684,890	-	-	2,797,003	2,887,887	-
Federal Home Loan Mortg. Corp. (FHLMC)	AA	5,603,469	-	-	4,498,204	-	1,105,265
Federal National Mortg. Assn. (FNMA)	AA	19,580,995	-	-	8,888,870	10,692,125	-
Medium-Term Corporate Notes	AA/Aa	2,394,415	-	-	-	2,394,415	-
Medium-Term Corporate Notes	A	28,376,115	916,863	5,772,354	11,086,676	9,882,417	717,804
Medium-Term Corporate Notes	BBB	6,548,255	-	-	2,597,456	3,504,183	446,616
Municipal Bonds	AAA/Aaa	2,845,544	-	-	1,195,411	1,650,133	-
Municipal Bonds	AA/Aa	9,477,634	-	-	2,343,744	4,121,223	3,012,667
Municipal Bonds	A	885,802	-	-	541,939	343,863	-
Asset-Backed Securities	AAA/Aaa	11,465,889	-	589,515	3,123,582	5,512,817	2,239,974
Collateralized Mortgage Obligations	AA	5,488,386	22,539	2,774,225	1,890,717	800,905	-
Money Market Mutual Funds	AAA	38,998,812	38,998,812	-	-	-	-
Negotiable Certificates of Deposit	A-1/P-1	2,856,401	1,886,867	969,534	-	-	-
Negotiable Certificates of Deposit	A	3,358,243	-	3,358,243	-	-	-
Negotiable Certificates of Deposit	AA/Aa	3,352,501	-	3,352,501	-	-	-
Supranational Notes	AAA/Aaa	6,092,424	-	3,345,336	2,747,088	-	-
LAIF**	Not Rated	75,006,223	75,006,223	-	-	-	-
CAMP**	AAA	150,447,872	150,447,872	-	-	-	-
Total pooled investments held by the City		456,087,663	267,279,176	51,683,756	59,932,129	50,630,096	26,562,506
Investments held by fiscal agent:							
Money market mutual funds**	AAA/Aaa	25,375,637	25,375,637	-	-	-	-
Total investments		\$ 481,463,300	\$ 292,654,814	\$ 51,683,756	\$ 59,932,129	\$ 50,630,096	\$ 26,562,506

\* 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, 2021, 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, 2021 was \$3,545,253. At June 30, 2020, the total unrealized fair value gain was \$7,780,091. The change in value between the two periods amounted to an unrealized loss of \$4,234,837 for fiscal year 2020/21.

#### ***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 1.00008297). 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, 2021, the City had \$75,000,000 invested in LAIF, and the fair value of the City's investment in LAIF was \$75,006,223.

## Notes to Basic Financial Statements

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At June 30, 2021, PMIA had a total portfolio of approximately \$193.3 billion and of that amount, 97.69% was invested in non-derivative financial products and 2.31% 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, 2021, the fair value of the City's investment in CAMP was \$150,447,872.

At June 30, 2021, 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, 2021:

## Notes to Basic Financial Statements

Investments	Balance at 6/30/2021	Fair Value Measurements Using	
		Level 1 Inputs	Level 2 Inputs
Investments by fair value level:			
U.S. Treasuries	\$ 77,623,794	\$ 77,623,794	\$ -
U.S. Agencies	30,869,354	-	30,869,354
Medium-Term Corporate Notes	37,318,784	-	37,318,784
Municipal Bonds	13,208,980	-	13,208,980
Asset-Backed Securities	11,465,889	-	11,465,889
Collateralized Mortgage Obligations	5,488,386	-	5,488,386
Negotiable Certificates of Deposit	9,567,145	-	9,567,145
Supranational Notes	6,092,424	-	6,092,424
Total investments by fair value level	191,634,756	\$ 77,623,794	\$ 114,010,962
Investments measured at the net asset value (NAV):			
LAIF	75,006,223		
CAMP	150,447,872		
Money Market Mutual Funds	64,374,450		
Total investments measured at the NAV	289,828,544		
Total investments measured at fair value	\$ 481,463,300		

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, 2021 is \$16,574 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 \$14,843, resulting in a receivable balance of \$1,731. 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, 2021, the City was owed \$864,151 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 interest receivable with an offsetting allowance for uncollectible amounts in anticipation of the

## Notes to Basic Financial Statements

amount to be forgiven together with the loan principal. The cumulative principal amount of these housing loans receivable as of June 30, 2021 is \$134,275,252, and the accumulated interest receivable is \$31,589,458.

### 4. CAPITAL ASSETS

Capital assets activities of the governmental activities of the primary government for the year ended June 30, 2021, consist of the following:

	Balance 7/1/2020	Increase	Decrease	Transfers	Balance 6/30/2021
<b>Nondepreciable Assets:</b>					
Land	\$ 218,343,996	\$ -	\$ (49,290)	\$ -	\$ 218,294,706
Land improvements	5,448,471	-	-	-	5,448,471
Infrastructure	493,434,120	-	-	11,369,464	504,803,584
Construction in progress	32,203,112	16,135,046	-	(13,187,838)	35,150,320
Total nondepreciable assets	<u>749,429,699</u>	<u>16,135,046</u>	<u>(49,290)</u>	<u>(1,818,374)</u>	<u>763,697,081</u>
<b>Depreciable Assets:</b>					
Building and improvements	220,561,344	468,125	-	1,818,374	222,847,844
Equipment	24,561,471	1,822,394	-	-	26,383,865
Vehicles	43,542,162	3,082,740	(1,267,245)	-	45,357,657
Infrastructure	338,126,342	2,887,871	-	-	341,014,213
Total depreciable assets	<u>626,791,319</u>	<u>8,261,131</u>	<u>(1,267,245)</u>	<u>1,818,374</u>	<u>635,603,579</u>
<b>Less Accumulated Depreciation For:</b>					
Building and improvements	(85,740,538)	(4,103,203)	-	-	(89,843,741)
Equipment	(14,904,398)	(1,008,019)	-	-	(15,912,417)
Vehicles	(23,062,426)	(2,714,767)	1,267,245	-	(24,509,948)
Infrastructure	(318,742,194)	(1,289,367)	-	-	(320,031,561)
Total accumulated depreciation	<u>(442,449,555)</u>	<u>(9,115,356)</u>	<u>1,267,245</u>	<u>-</u>	<u>(450,297,666)</u>
Total depreciable assets, net	<u>184,341,764</u>	<u>(854,225)</u>	<u>-</u>	<u>1,818,374</u>	<u>185,305,913</u>
<b>Total capital assets, net</b>	<u>\$ 933,771,463</u>	<u>\$ 15,280,821</u>	<u>\$ (49,290)</u>	<u>\$ -</u>	<u>\$ 949,002,994</u>

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

Governmental Activities:	
General government	\$ 177,404
Police services	1,419,182
Fire services	2,230,295
Human services	87,392
Capital assets maintenance and operations	2,540,507
Recreation services	357,739
Community development and environmental services	173,026
Amount reported in the internal service funds	2,129,811
Total depreciation expense, governmental activities	<u>\$ 9,115,356</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.

**5. LONG-TERM OBLIGATIONS**

A summary of changes in governmental activities long-term debt for the year ended June 30, 2021, is as follows:

	Interest Rates	Amounts Outstanding 6/30/2020	Incurred or Issued	Satisfied or Matured and Net Decreases	Amounts Outstanding 06/30/2021	Amounts Due Within One Year	Amounts Due in More than One Year
<b>General Obligation Bonds</b>							
2012 Fire Safety Bonds Maturity - 08/01/2032	3.00-3.25%	\$ 5,740,000	\$ -	\$ (365,000)	\$ 5,375,000	\$ 375,000	\$ 5,000,000
2013 Fire Safety Bonds Maturity - 08/01/2034	4.00-4.50%	17,360,000	-	(885,000)	16,475,000	920,000	15,555,000
2017 Fire Safety Bonds Maturity - 08/01/2038	3.00-5.00%	11,465,000	-	(400,000)	11,065,000	415,000	10,650,000
<b>Total General Obligation Bonds</b>		<b>34,565,000</b>	<b>-</b>	<b>(1,650,000)</b>	<b>32,915,000</b>	<b>1,710,000</b>	<b>31,205,000</b>
<b>General Fund Lease/Loan Obligations</b>							
<b>Publicly-Offered</b>							
2017B Lease Revenue Bonds Maturity - 10/01/2038	3.00-5.00%	18,565,000	-	(625,000)	17,940,000	660,000	17,280,000
2019 Lease Revenue Bonds Maturity - 10/01/2038	4.00-5.00%	73,365,000	-	(4,265,000)	69,100,000	4,650,000	64,450,000
<b>Direct Placement/Borrowing</b>							
2017 PG&E On-Bill Financing Program Maturity - 06/01/2021	0.00%	250,000	-	(250,000)	-	-	-
<b>Total General Fund Lease/Loan Obligations</b>		<b>92,180,000</b>	<b>-</b>	<b>(5,140,000)</b>	<b>87,040,000</b>	<b>5,310,000</b>	<b>81,730,000</b>
<b>Total long-term debt</b>		<b>126,745,000</b>	<b>-</b>	<b>(6,790,000)</b>	<b>119,955,000</b>	<b>7,020,000</b>	<b>112,935,000</b>
Unamortized long-term bond premium		16,603,514	-	(922,649)	15,680,864	922,649	14,758,215
<b>Total long-term debt with unamortized bond premium</b>		<b>\$ 143,348,514</b>	<b>\$ -</b>	<b>\$ (7,712,649)</b>	<b>\$ 135,635,864</b>	<b>\$ 7,942,649</b>	<b>\$ 127,693,215</b>

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 for long-term debt are as follows:

Year Ending June 30	General Obligation Bonds		General Fund Lease Obligations (Publicly-Offered)	
	Principal	Interest	Principal	Interest
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	1,980,000	966,638	6,520,000	2,595,263
2027 - 2031	11,085,000	3,537,600	26,005,000	8,862,363
2032 - 2036	10,175,000	1,175,625	18,420,000	4,227,963
2037 - 2041	2,435,000	111,225	13,150,000	757,169
<b>Total</b>	<b>\$ 32,915,000</b>	<b>\$ 10,416,213</b>	<b>\$ 87,040,000</b>	<b>\$ 29,843,431</b>

## Notes to Basic Financial Statements

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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

### ***A. Direct Borrowings and Direct Placements of Debt***

#### *2017 PG&E On-Bill Financing*

For the year ended June 30, 2021, the loan payments made by the City totaled \$250,000. The loan was fully repaid as of June 30, 2021.

### ***B. 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 \$116,883,431, payable through October 1, 2038. For the year ended June 30, 2021, the total lease payments made by the City and total debt service payments paid by the Financing Authority and the City totaled \$8,917,762.

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 \$43,331,213. For the fiscal year ended June 30, 2021, the City

collected \$2,993,560 in ad valorem property taxes and made total debt service payments in the amount of \$2,988,100.

***C. 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 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, 2021, the Series 2015 Bond indebtedness was \$77,225,000.

*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

## Notes to Basic Financial Statements

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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, 2021, the Series 2019 Bond indebtedness was \$16,410,000.

### ***D. Compensated Absences***

The City records a liability to recognize the financial effect of unused vacation and other compensated leaves. During FY 2020/21, employees earned \$7,883,384 of compensated absences and used \$7,058,174. As of June 30, 2021, the total liability for vacation and other compensated leaves is \$14,210,309. Of that balance, \$3,552,577 is expected to be used within one year, with the remaining \$10,657,732 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, 2021, the City estimated that \$388,000, or 33% of the total obligation of \$1,171,392, 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. The Lease Agreement expired on December 31, 2020, but the ACWD has continued to lease the property to the City on a month-to-month basis on the same terms. Under the terms of the Agreement, the City is obligated to remove the lead contamination from the ACWD property at the termination of the lease. The Agreement 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 \$583,392 at June 30, 2021.

### ***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, 2021.

***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. \$281,000 of the remaining obligation was spent in FY 2020/21. The estimated remaining obligation is \$388,000 as of June 30, 2021.

***D. Downtown Event Center***

In October 2021, the City completed the construction of a new community center located at 3500 Capitol Avenue (formerly addressed 39100-39200 State Street). Due to low levels of soil vapor gas concentrations of tetrachloroethene (or PCE) detected at the site, a vapor barrier system was installed with the construction of the structure as part of the plan for the vapor intrusion mitigation and migration engineering controls (VIMMECs). The VIMMECs, consisting of a vapor barrier system and passive sub-slab vent system, were installed consistent with the approvals and oversight of the environmental regulatory agency, the Alameda County Department of Environmental Health (ACDEH). The system is designed to control potential vapor intrusion risk from PCE in soil vapor sourced by an offsite release of PCE from a nearby and former dry-cleaning facility that apparently leaked from the sewer line within State Street, adjacent to the property. Based on the City’s understanding of current ACDEH requirements, the City’s obligation consists of long-term monitoring and reporting for a period of at least five years. The estimated remaining obligation is \$200,000 as of June 30, 2021.

**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 has a self-insured retention (SIR) for up to \$500,000 for each workers’ compensation claim, up to \$1,000,000 for each general liability claim, and up to \$100,000 for each property claim. The retained liability for general liability claims and workers’ compensation claims in excess of the City’s SIR 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 2021 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, 2021 and 2020, are as follows:

	2021	2020
Balance, beginning of year	\$ 13,620,000	\$ 15,830,000
Provision for claims losses	4,678,306	2,185,971
Claims payments	(4,744,306)	(4,395,971)
Balance, end of year	<u>\$ 13,554,000</u>	<u>\$ 13,620,000</u>
Due in one year	\$ 3,782,000	\$ 4,026,000
Due in more than one year	9,772,000	9,594,000
Total claim liabilities	<u>\$ 13,554,000</u>	<u>\$ 13,620,000</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 \$1,000,000 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, 2020 (latest available date), is as follows:

Current assets	\$	7,003,082
Noncurrent assets		53,014,957
Total assets		<u>60,018,039</u>
Deferred outflows of resources		571,109
Total assets and deferred outflows	\$	<u><u>60,589,148</u></u>
Total liabilities	\$	65,601,446
Deferred inflows of resources		141,666
Net position		<u>(5,153,964)</u>
Total liabilities, deferred inflows, and net position	\$	<u><u>60,589,148</u></u>
Operating revenues	\$	23,403,761
Loss provisions and claims and premiums paid		(35,196,206)
General and administrative expenses		<u>(2,032,648)</u>
Net operating loss		(13,825,093)
Net investment and (losses)		<u>4,611,173</u>
Net income before refunds to members		(9,213,920)
Refunds to members		-
Change in net position	\$	<u><u>(9,213,920)</u></u>

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. In fiscal year 2021, additional self-insured retentions of \$750,000 and \$1.25 million were added to the liability program in addition to the previous \$1 million level. Also, in fiscal year 2022, a three-year premium funding plan will take effect. This plan will increase the premium confidence level from 70% to 85% over three years.

The CJPRMA governing board consists of a representative from each member entity. The board elects a seven-member executive committee, and together the board and the executive committee oversee operations. Complete financial statements for the CJPRMA can be obtained from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, CA 94551.

## Notes to Basic Financial Statements

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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 306 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, 2020 (latest available date), is as follows:

Current assets	\$ 286,033,182
Noncurrent assets	<u>583,531,013</u>
Total assets	869,564,195
Deferred outflows of resources	<u>1,995,729</u>
Total assets and deferred outflows	<u>\$ 871,559,924</u>
Total liabilities	\$ 696,590,968
Deferred inflows of resources	705,974
Net position	<u>174,262,982</u>
Total liabilities, deferred inflows, and net position	<u>\$ 871,559,924</u>
Operating revenues	\$ 1,125,432,648
Loss provisions and claims and premiums paid	(1,144,927,872)
General and administrative expenses	<u>(31,939,497)</u>
Net operating income	(51,434,721)
Net investment and other income	<u>32,977,610</u>
Net income before refunds to members	(18,457,111)
Refunds to members	<u>(7,311,760)</u>
Change in net position	<u>\$ (25,768,871)</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 Human Services Fund, non-major governmental funds, and internal service 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, 2021, the General Fund was due \$3,104,158 from the ACTC, MTC, Measures B, BB, and F Grants, Streets, Bike and Pedestrian Fund, \$2,389,846 from the Human Services Fund, \$2,315,043 from the non-major governmental funds, and \$311,900 from the internal service 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, 2021, were as follows:

		<u>Transfers Out</u>								
		General Fund	Development Impact Fees	Development Cost Center	Recreation Services	Capital Improvement	Human Services	Inclusionary Housing In Lieu	Non-Major Governmental Funds	Total
<u>Transfers In</u>	General Fund	\$ -	\$ 1,000,000	\$ 2,910,240	\$ 1,606,444	\$ -	\$ 962,541	\$ 54,045	\$ 514,815	\$ 7,048,085
	Development Cost Center	2,062,359	-	-	-	815,942	-	-	-	2,878,301
	Recreation Services	2,833,287	-	-	-	-	-	-	-	2,833,287
	Capital Improvement	-	-	750,000	-	-	-	-	-	750,000
	Human Services	3,219,733	-	-	-	-	-	-	-	3,219,733
	Non-Major Funds	126,875	-	-	-	-	-	-	-	126,875
<b>Total</b>	<b>\$ 8,242,254</b>	<b>\$ 1,000,000</b>	<b>\$ 3,660,240</b>	<b>\$ 1,606,444</b>	<b>\$ 815,942</b>	<b>\$ 962,541</b>	<b>\$ 54,045</b>	<b>\$ 514,815</b>	<b>\$ 16,856,281</b>	

## 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, 2020, 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	876	558
Inactive employees entitled to but not yet receiving benefits	566	102
Active employees	609	323
<b>Total</b>	<b>2,051</b>	<b>983</b>

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 2019/20 was 10.258% of covered payroll for the normal cost plus \$11,665,990 for the unfunded liability. The required Miscellaneous Plan contributions, plus an additional voluntary contribution of \$773,975, resulted in \$18,170,783 being recognized by CalPERS as employer contributions. The required Safety Plan employer contribution rate was 17.993% of covered payroll for the normal cost plus \$17,426,444 for the unfunded liability. The required Safety Plan contributions, plus an additional voluntary contribution of \$3,566,272, resulted in \$28,034,066 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, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, based on the actuarial methods and assumptions described below.

## Notes to Basic Financial Statements

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*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

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Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
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 2020.

*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 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
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%)
<b>Total</b>	<b>100.0%</b>		

(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-2020.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, 2020, is presented below for each City pension plan.

<i>Miscellaneous Plan:</i>	Increase (Decrease)		
	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
<b>Balance as of June 30, 2019</b>	<b>\$530,912,857</b>	<b>\$395,058,687</b>	<b>\$135,854,170</b>
<b>Changes during the year</b>			
Service cost	9,773,833	-	9,773,833
Interest on the total pension liability	37,362,996	-	37,362,996
Differences between expected and actual experience	(205,712)	-	(205,712)
Contributions from the employer	-	18,170,783	(18,170,783)
Contributions from employees	-	4,444,363	(4,444,363)
Pension plan net investment income	-	19,749,995	(19,749,995)
Benefit payments, including refunds of employee contributions	(26,069,361)	(26,069,361)	-
Administrative expense	-	(556,936)	556,936
Net changes	20,861,756	15,738,844	5,122,912
<b>Balance as of June 30, 2020</b>	<b>\$551,774,613</b>	<b>\$410,797,531</b>	<b>\$140,977,082</b>
 <i>Safety Plan:</i>			
	Increase (Decrease)		
	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
<b>Balance as of June 30, 2019</b>	<b>\$724,632,417</b>	<b>\$470,183,814</b>	<b>\$254,448,603</b>
<b>Changes during the year</b>			
Service cost	12,212,326	-	12,212,326
Interest on the total pension liability	51,268,485	-	51,268,485
Differences between expected and actual experience	6,952,123	-	6,952,123
Contributions from the employer	-	28,034,066	(28,034,066)
Contributions from employees	-	5,733,063	(5,733,063)
Pension plan net investment income	-	23,646,467	(23,646,467)
Benefit payments, including refunds of employee contributions	(41,297,939)	(41,297,939)	-
Administrative expense	-	(662,844)	662,844
Net changes	29,134,995	15,452,813	13,682,182
<b>Balance as of June 30, 2020</b>	<b>\$753,767,412</b>	<b>\$485,636,627</b>	<b>\$268,130,785</b>

*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	\$212,961,956	\$363,094,485
<b>Current discount rate</b>	<b>7.15%</b>	<b>7.15%</b>
<b>Net Pension Liability</b>	<b>\$140,977,082</b>	<b>\$268,130,785</b>
Discount rate 1% higher	8.15%	8.15%
Net Pension Liability	\$81,382,657	\$189,336,841

*Pension Expense* – For the year ended June 30, 2021 (measurement period ending June 30, 2020), the City recognized pension expense of \$15,797,153 for the Miscellaneous Plan and \$43,518,067 for the Safety Plan; a total expense of \$59,315,220.

*Deferred Outflows of Resources and Deferred Inflows of Resources* – At June 30, 2021, 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	\$19,936,658	\$ -	\$29,508,964	\$ -	\$49,445,622	\$ -
Changes in assumptions	-	-	861,304	813,752	861,304	813,752
Differences between expected and actual experience	2,057,603	141,427	15,021,397	48,293	17,079,000	189,720
Net difference between projected and actual earnings on pension plan investments	3,143,494	-	3,312,659	-	6,456,153	-
<b>Total</b>	<b>\$25,137,755</b>	<b>\$ 141,427</b>	<b>\$48,704,324</b>	<b>\$ 862,045</b>	<b>\$73,842,079</b>	<b>\$ 1,003,472</b>

**Notes to Basic Financial Statements**

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\$49,445,622 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ending June 30</b>	<b>Miscellaneous</b>	<b>Safety</b>	<b>Total</b>
2022	\$ 232,132	\$ 5,647,348	\$ 5,879,480
2023	1,151,064	6,708,970	7,860,034
2024	2,016,765	4,044,510	6,061,275
2025	1,659,709	1,932,487	3,592,196
<b>Total</b>	<b>\$ 5,059,670</b>	<b>\$ 18,333,315</b>	<b>\$ 23,392,985</b>

**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-2020.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/48657/Benefits-Summary-7-1-21-update>.

Employees Covered – As of the June 30, 2020 measurement date, the following employees were covered by the benefit terms of the OPEB plan:

	<b>Plan Members</b>
Inactive employees or beneficiaries currently receiving benefits	722
Inactive employees entitled to but not yet receiving benefits	113
Active employees	764
<b>Total</b>	<b>1,599</b>

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, 2021, the City’s contributions totaled to \$10,793,000.

## Notes to Basic Financial Statements

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### ***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, 2020, using an actuarial valuation as of June 30, 2020.

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, 2020
Measurement Date	June 30, 2020
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: 7.0% for 2022, decreasing to an ultimate rate of 4.0% in 2076. Medicare (Non-Kaiser): 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076. Medicare (Kaiser): 5.0% for 2022, 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-2020.

Change in Assumptions – In 2020, the medical trend was revised to specify a decreased medical trend rate for Kaiser Senior Advantage plans, the mortality improvements scale was updated to Scale MP-2020, the implied subsidy was valued for Medicare ineligible retirees over age 65, and the valuation recognized repeal of the ACA excise tax.

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%
<b>Total</b>	<b>100.0%</b>	
	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, 2020, is presented below.

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
<b>Balance as of June 30, 2019</b>	<b>\$ 100,649,297</b>	<b>\$ 17,914,025</b>	<b>\$ 82,735,272</b>
<b>Changes during the year</b>			
Service cost	2,546,834	-	2,546,834
Interest on the total OPEB liability	6,528,440	-	6,528,440
Actual vs. expected experience	(2,077,949)	-	(2,077,949)
Assumption changes	3,274,543	-	3,274,543
Contributions from the employer	-	10,708,000	(10,708,000)
OPEB plan net investment income	-	897,041	(897,041)
Benefit payments	(5,517,173)	(5,517,173)	-
Administrative expense	-	(13,159)	13,159
Net changes	4,754,695	6,074,709	(1,320,014)
<b>Balance as of June 30, 2020</b>	<b>\$ 105,403,992</b>	<b>\$ 23,988,734</b>	<b>\$ 81,415,258</b>

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 rates as well as rates that are one percentage-point lower or one percentage-point higher.

## Notes to Basic Financial Statements

	<u>Discount Rate</u>	<u>Healthcare Trend Rate (Non-Medicare/ Medicare Non-Kaiser/ Medicare Kaiser)</u>
Rate 1% lower	5.50%	6.0% to 3.0% 5.1% to 3.0% 4.0% to 3.0%
Net OPEB Liability	\$93,950,023	\$74,482,984
<b>Current rate</b>	<b>6.50%</b>	<b>7.0% to 4.0%</b> <b>6.1% to 4.0%</b> <b>5.0% to 4.0%</b>
<b>Net OPEB Liability</b>	<b>\$81,415,258</b>	<b>\$81,415,258</b>
Rate 1% higher	7.50%	8.0% to 5.0% 7.1% to 5.0% 6.0% to 5.0%
Net OPEB Liability	\$70,917,453	\$89,143,099

*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-2020.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, 2021 (measurement period ending June 30, 2020), the City recognized OPEB expense of \$8,273,029.

*Deferred Outflows of Resources and Deferred Inflows of Resources* – At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to its OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 207,248	\$ 1,753,269
Changes in assumptions	4,795,911	-
Net difference between projected and actual earnings on OPEB plan investments	588,274	-
OPEB contributions subsequent to measurement date	10,793,000	-
<b>Total</b>	<b>\$ 16,384,433</b>	<b>\$ 1,753,269</b>

\$10,793,000 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Year Ending June 30</b>	<b>Deferred Outflows/Inflows of Resources</b>
2022	\$ 937,015
2023	1,007,016
2024	1,070,671
2025	561,703
2026	186,967
Thereafter	74,792
<b>Total</b>	<b>\$ 3,838,164</b>

## 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, 2021, the City had outstanding construction commitments of over \$500,000 for the following projects:

<b>Project</b>	<b>Unpaid Commitment</b>
Nursery Avenue Master Plan	\$6,208,964
Cape and Slurry Seal/Pavement Rehabilitation	4,442,846
I-680 Bike/Pedestrian Trails	3,507,197
I-880 Bike/Pedestrian Bridge	2,140,627
Pacific Commons Bike/Pedestrian Bridge/Trails	1,536,451
Downtown Event Center	1,093,545
Dumbarton Bridge to Quarry Lakes Trail	991,456
Niles and Rancho Arroyo Complete Streets	869,943
Warm Springs BART West Access Bridge	807,392
Decoto Road Corridor	697,742
Police Admin Building Generator Replacement	634,900
<b>Total</b>	<b>\$22,931,063</b>

## Notes to Basic Financial Statements

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At June 30, 2021, the City had outstanding affordable housing project commitments for the following projects:

<b>Project</b>	<b>Unpaid Commitment</b>
Stevenson Place Family Apartments	\$ 4,950,502
Irvington Affordable Senior Apartments	1,820,807
34320 Fremont Blvd Affordable Housing	816,997
City Center Apartments	669,911
<b>Total</b>	<b><u>\$ 8,258,217</u></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 part of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. At June 30, 2021, encumbrances of the governmental funds are as follows:

<b>Fund</b>	<b>Encumbrance</b>
General Fund	\$ 1,037,476
Development Impact Fees	9,575,250
Development Cost Center	475,771
Recreation Services	55,613
Capital Improvement	3,434,014
Human Services	199,575
Non-major governmental funds	7,680,604
<b>Total</b>	<b><u>\$22,458,303</u></b>

As of June 30, 2021, the City has also entered into commitments for claims administration services (\$34,144), the purchase of vehicles (\$48,916), fire apparatus and safety equipment (\$22,380), and technology equipment (\$668,071) 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, 2021, such commitments totaled \$7,266,807 in the Alameda County Transportation Commission Capital Grants Fund and \$4,840,643 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, 2021, a balance of \$980,171 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 Custodial Funds. Upon sale, the proceeds will be remitted to the County for distribution to the taxing agencies.

## ***12. SUBSEQUENT EVENT***

### ***A. General Obligation Refunding Bonds Issuance***

On June 15, 2021, the City Council adopted a resolution authorizing the issuance of City of Fremont 2021 General Obligation Refunding Bonds (Election of 2002) (the “2021 GO Bonds”). The \$16,205,000 2021 GO Bonds were sold on a competitive basis to Mesirow Financial, Inc. on June 29, 2021 and the sale closed on July 29, 2021. Debt service on the 2021 GO Bonds is payable from ad valorem taxes levied upon all property subject to taxation by the City.

The proceeds of the 2021 GO Bonds were used to refinance the City’s outstanding 2012 General Obligation Refunding Bonds (the “2012 GO Bonds”) and 2013 General Obligation Refunding Bonds (the “2013 GO Bonds” and, together with the 2012 GO Bonds, the “Prior Bonds”). The Prior Bonds were issued to refund two earlier series of bonds that were issued to fund fire station modernization and construction of other public safety projects.

The outstanding maturities of the 2012 GO Bonds (\$5,000,000) and 2013 GO Bonds (\$15,555,000) were redeemed on July 29, 2021. The refunded bonds will be removed from the City’s basic financial statements during the fiscal year ending June 30, 2022.

This refunding generated approximately \$4,302,000 of aggregate debt service savings (net of available funds), and \$4,057,000 of net economic gain, representing 19.7% of the refunded debt. The 2021 GO Bonds bear interest at a fixed rate of 5.00% and have a final maturity date of August 1, 2034.

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# 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, 2021)***

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance - Beginning of year	\$ 36,429,640	\$ 43,859,639	\$ 44,497,304	\$ 637,665
Resources (inflows):				
Property tax	113,175,086	113,175,086	112,812,817	(362,269)
Sales tax	52,253,353	57,903,314	60,430,421	2,527,107
Intergovernmental	431,425	431,425	20,326,924	19,895,499
Business tax	11,963,175	9,505,950	10,823,917	1,317,967
Other taxes	7,659,269	4,524,525	5,130,171	605,646
Franchises	9,817,669	9,817,669	10,727,019	909,350
Charges for services	10,282,812	10,282,812	8,683,252	(1,599,560)
Investment Earnings	946,270	946,270	915,257	(31,013)
Other	76,494	76,494	992,967	916,473
Transfers in	7,571,015	7,571,015	7,048,085	(522,930)
Total resources	<u>214,176,569</u>	<u>214,234,560</u>	<u>237,890,830</u>	<u>23,656,270</u>
Charges to appropriations (outflows):				
General government	17,625,329	18,352,267	16,414,242	1,938,025
Police services	95,113,371	96,139,755	91,115,711	5,024,045
Fire services	56,452,542	56,683,065	55,664,107	1,018,957
Human services	4,333,897	4,371,163	4,339,027	32,136
Capital assets maintenance and operations	28,028,440	28,813,982	25,528,082	3,285,900
Community development and environmental services	1,854,735	2,015,324	1,490,408	524,916
Capital outlay	513,649	513,649	513,649	-
Non-Departmental	3,671,673	2,341,673	1,430,385	911,288
Citywide Savings	(11,193,480)	(11,193,480)	-	(11,193,480)
Debt service:				
Interest and Fiscal Charges	8,661,855	8,661,855	8,639,134	22,721
Transfers out	8,346,518	8,346,518	8,242,254	104,264
Total charges to appropriations	<u>213,408,529</u>	<u>215,045,770</u>	<u>213,376,999</u>	<u>1,668,771</u>
Net change in fund balance	<u>768,040</u>	<u>(811,210)</u>	<u>24,513,831</u>	<u>25,325,041</u>
Fund Balance - End of year	\$ <u>37,197,680</u>	\$ <u>43,048,429</u>	\$ <u>69,011,135</u>	\$ <u>25,962,706</u>

Note:

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

The large variance in the intergovernmental revenue category is due to the City's receipt of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds. The significant variance in charges for services revenue reflects the adverse impact of pandemic-related public health restrictions on economic activity.

**1. BUDGETARY INFORMATION (continued)**

**C. Budgetary Comparison Schedules (continued)**

The significant variance in the general government, police, fire, and capital assets maintenance and operations charges is primarily attributable to vacancy savings.

**Development Cost Center Fund – Budgetary Comparison Schedule**  
**(For the Fiscal Year Ended June 30, 2021)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance - Beginning of year	\$ 18,058,750	\$ 17,236,006	\$ 17,568,381	\$ 332,375
Resources (inflows):				
Charges for services	30,791,478	21,204,340	20,202,060	(1,002,280)
Investment Earnings	350,000	350,000	91,983	(258,017)
Other	1,636,200	-	-	-
Transfers in	2,062,360	2,878,302	2,878,301	(1)
Total resources	<u>34,840,038</u>	<u>24,432,642</u>	<u>23,172,344</u>	<u>(1,260,298)</u>
Charges to appropriations (outflows):				
Capital assets maintenance and operations	15,597,000	4,505,206	2,370,273	2,134,933
Community development and environmental services	16,390,000	16,326,479	13,023,573	3,302,906
Capital outlay	-	26,500	-	26,500
Transfers out	3,160,240	3,660,240	3,660,240	-
Total charges to appropriations	<u>35,147,240</u>	<u>24,518,425</u>	<u>19,054,086</u>	<u>5,464,339</u>
Resources over (under) charges to appropriations	<u>(307,202)</u>	<u>(85,783)</u>	<u>4,118,258</u>	<u>4,204,041</u>
Fund Balance - End of year	<u>\$ 17,751,548</u>	<u>\$ 17,150,223</u>	<u>\$ 21,686,639</u>	<u>\$ 4,536,416</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 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, 2021)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance - Beginning of year	\$ 5,803,000	\$ 6,341,414	\$ 6,454,731	\$ 113,317
Resources (inflows):				
Intergovernmental		335,664	2,489,309	2,153,645
Charges for services	5,439,054	5,103,390	1,869,922	(3,233,468)
Investment Earnings	65,000	65,000	231,729	166,729
Other	119,525	119,525	82,329	(37,196)
Transfers in	2,833,287	2,833,287	2,833,287	-
Total resources	8,456,866	8,456,866	7,506,576	(950,290)
Charges to appropriations (outflows):				
Recreation and leisure services	10,110,459	10,112,377	6,748,305	3,364,072
Transfers out	1,606,444	1,606,444	1,606,444	-
Total charges to appropriations	11,716,903	11,718,821	8,354,749	3,364,072
Resources over (under) charges to appropriations	(3,260,037)	(3,261,955)	(848,173)	2,413,782
Fund Balance - End of year	\$ 2,542,963	\$ 3,079,459	\$ 5,606,558	\$ 2,527,099

Note:

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

The large variance in the intergovernmental revenue category is due to the City's receipt of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds. The significant variance in charges for services reflects the adverse impact of pandemic-related public health restrictions on recreation class registrations and facility rentals.

The significant 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, 2021)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance - Beginning of year	\$ 14,514,000	\$ 15,428,397	\$ 15,695,631	\$ 267,234
Resources (inflows):				
Intergovernmental	9,316,000	9,290,218	10,538,295	1,248,077
Charges for services	596,000	1,950,764	1,628,733	(322,031)
Investment Earnings	78,000	78,055	50,524	(27,531)
Other	2,639,000	1,970,804	1,570,646	(400,158)
Transfers in	3,221,000	3,219,733	3,219,733	-
Total resources	15,850,000	16,509,574	17,007,931	498,357
Charges to appropriations (outflows):				
Human services	15,893,000	15,801,017	10,831,419	4,969,598
Community development and environmental services	2,983,000	3,476,390	1,293,079	2,183,311
Capital Outlay	-	1,052,077	1,052,077	-
Debt Service	534,000	533,736	533,735	1
Transfers out	959,000	971,489	962,541	8,948
Total charges to appropriations	20,369,000	21,834,709	14,672,851	7,161,858
Resources over (under) charges to appropriations	(4,519,000)	(5,325,135)	2,335,080	7,660,215
Fund Balance - End of year	\$ 9,995,000	\$ 10,103,262	\$ 18,030,711	\$ 7,927,449

Note:

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

The variance in intergovernmental resources is primarily attributable to higher than anticipated CDBG grant funding. The variance in charges for services and other resources is attributable to the adverse impact of pandemic-related public health restrictions on fee-generating activity at the senior center and lower than anticipated levels of donations.

The variance in human services charges and community development and environmental services charges is largely attributable to the use of alternative funding sources to pay for development of the Housing Navigation Center and the delayed completion of the new Age Well Center at Warm Springs.

## Required Supplementary Information

### 1. BUDGETARY INFORMATION (continued)

#### C. Budgetary Comparison Schedules (continued)

##### **Inclusionary Housing In Lieu Fund** **(For the Fiscal Year Ended June 30, 2021)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance - Beginning of year	\$ 59,772,000	\$ 61,070,500	\$ 62,085,986	\$ 1,015,486
Resources (inflows):				
Impact Fees	11,700,838	11,700,838	14,575,468	2,874,630
Investment Earnings	250,000	250,000	328,467	78,467
Total resources	11,950,838	11,950,838	14,903,935	2,953,097
Charges to appropriations (outflows):				
Community development and environmental serv	8,877,747	8,890,422	4,332,432	4,557,990
Transfers out	54,045	54,045	54,045	-
Total charges to appropriations	8,931,792	8,944,467	4,386,477	4,557,990
Resources over (under) charges to appropriations	3,019,046	3,006,371	10,517,458	7,511,087
Fund Balance - End of year	\$ 62,791,046	\$ 64,076,871	\$ 72,603,444	\$ 8,526,573

Note:

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

The significant variance in impact fees revenue is due to a greater than anticipated level of new housing development.

The variance in community development and environmental services charges 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, 2021, 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, 2021, 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			
		6/30/18	6/30/19	6/30/20	6/30/21
Good to Excellent	70-100	70	67	67	65
Fair	50-69	18	22	23	28
Poor to Very Poor	0-49	12	11	10	7

As shown in the table above, in fiscal year 2020/21, 65% of the City’s streets were rated equal to or above PCI 70, the lower limit for streets in good condition. This is a slight decline from the prior year. Streets in fair condition with a PCI between 50 and 69 increased to 28%. During the same fiscal year, 7% 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 decreasing trend in this condition category over the years. The pavement preservation program continues to preserve streets in fair to good condition, while improving streets in poor condition into higher condition categories.

**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)
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
2020/21	24,000,000	7,936,658	72

The actual expenditures over the years have remained below the estimated levels, but the overall City PCI has remained stable. Under the City’s pavement preservation program, most collector and residential street areas were treated using surface treatments such as cape seals and slurry seals. Work on arterial streets has typically consisted of a combination of base repairs and slurry seals. This improvement strategy has been more economical than relying solely on pavement rehabilitation work such as asphalt overlays and has allowed 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

	2020	2019	2018	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 9,773,833	\$ 9,440,689	\$ 9,366,703	\$ 9,137,675
Interest on the Total Pension Liability	37,362,996	35,920,595	34,074,717	33,486,855
Changes of Assumptions	-	-	(14,946,900)	27,992,306
Difference between Expected and Actual Experience	(205,712)	5,798,697	2,348,203	(7,378,205)
Benefit Payments, including Refunds of Employee Contributions	(26,069,361)	(24,228,054)	(22,693,197)	(21,143,831)
<b>Net Change in Total Pension Liability</b>	<b>20,861,756</b>	<b>26,931,927</b>	<b>8,149,526</b>	<b>42,094,800</b>
<b>Total Pension Liability - Beginning</b>	<b>530,912,857</b>	<b>503,980,930</b>	<b>495,831,404</b>	<b>453,736,604</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 551,774,613</b>	<b>\$ 530,912,857</b>	<b>\$ 503,980,930</b>	<b>\$ 495,831,404</b>
<b>Plan Fiduciary Net Position</b>				
Contributions from the Employer	\$ 18,170,783	\$ 15,887,992	\$ 13,914,442	\$ 13,885,280
Contributions from Employees	4,444,363	4,150,533	4,065,575	4,049,729
Net Investment Income	19,749,995	24,717,180	29,800,673	35,589,139
Benefit Payments, including Refunds of Employee Contributions	(26,069,361)	(24,228,054)	(22,693,197)	(21,143,831)
Plan to Plan Resource Movement	-	-	(870)	-
Administrative Expense	(556,936)	(267,464)	(547,419)	(471,557)
Other Miscellaneous Income/(Expense) <sup>1</sup>	-	870	(1,039,558)	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>15,738,844</b>	<b>20,261,057</b>	<b>23,499,646</b>	<b>31,908,760</b>
<b>Plan Fiduciary Net Position - Beginning<sup>2</sup></b>	<b>395,058,687</b>	<b>374,797,630</b>	<b>351,297,984</b>	<b>319,389,224</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 410,797,531</b>	<b>\$ 395,058,687</b>	<b>\$ 374,797,630</b>	<b>\$ 351,297,984</b>
<b>Plan Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 140,977,082</b>	<b>\$ 135,854,170</b>	<b>\$ 129,183,300</b>	<b>\$ 144,533,420</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>74.45%</b>	<b>74.41%</b>	<b>74.37%</b>	<b>70.85%</b>
Covered Payroll <sup>3</sup>	\$ 57,833,334	\$ 54,394,382	\$ 52,820,747	\$ 49,979,076
<b>Plan Net Pension Liability as a Percentage of Covered Payroll</b>	<b>243.76%</b>	<b>249.76%</b>	<b>244.57%</b>	<b>289.19%</b>

<sup>1</sup> 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).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> 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.

2016	2015	2014
\$ 7,790,208	\$ 7,507,286	\$ 7,924,529
32,676,179	31,320,840	30,270,566
-	(7,685,566)	-
(1,799,221)	(5,745,910)	-
(19,948,526)	(18,958,554)	(18,521,044)
18,718,640	6,438,096	19,674,051
435,017,964	428,579,868	408,905,817
<b>\$ 453,736,604</b>	<b>\$ 435,017,964</b>	<b>\$ 428,579,868</b>
\$ 12,253,772	\$ 10,615,278	\$ 10,225,328
3,716,987	3,603,542	3,714,276
1,668,179	7,088,364	47,792,502
(19,948,526)	(18,958,554)	(18,521,044)
-	11,897	-
(196,178)	(362,448)	-
-	-	-
(2,505,766)	1,998,079	43,211,062
321,894,990	319,896,911	276,685,849
<b>\$ 319,389,224</b>	<b>\$ 321,894,990</b>	<b>\$ 319,896,911</b>
<b>\$ 134,347,380</b>	<b>\$ 113,122,974</b>	<b>\$ 108,682,957</b>
70.39%	74.00%	74.64%
\$ 46,428,322	\$ 43,728,370	\$ 43,467,334
289.37%	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, 2019 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 2020 or 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

	2020	2019	2018	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 12,212,326	\$ 12,323,865	\$ 11,652,686	\$ 11,313,858
Interest on the Total Pension Liability	51,268,485	49,238,694	46,711,253	44,697,929
Changes of Assumptions	-	-	(2,848,136)	35,313,488
Difference between Expected and Actual Experience	6,952,123	14,142,550	9,576,106	(1,980,053)
Benefit Payments, including Refunds of Employee Contributions	(41,297,939)	(38,842,561)	(36,143,908)	(33,357,752)
<b>Net Change in Total Pension Liability</b>	<b>29,134,995</b>	<b>36,862,548</b>	<b>28,948,001</b>	<b>55,987,470</b>
<b>Total Pension Liability - Beginning</b>	<b>724,632,417</b>	<b>687,769,869</b>	<b>658,821,868</b>	<b>602,834,398</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 753,767,412</b>	<b>\$ 724,632,417</b>	<b>\$ 687,769,869</b>	<b>\$ 658,821,868</b>
<b>Plan Fiduciary Net Position</b>				
Contributions from the Employer	\$ 28,034,066	\$ 23,577,795	\$ 21,715,821	\$ 18,933,463
Contributions from Employees	5,733,063	5,378,985	5,295,358	5,044,137
Net Investment Income	23,646,467	29,950,990	35,962,343	43,427,897
Benefit Payments, including Refunds of Employee Contributions	(41,297,939)	(38,842,561)	(36,143,908)	(33,357,752)
Plan to Plan Resource Movement	-	-	(1,050)	-
Administrative Expense	(662,844)	(321,443)	(663,097)	(578,856)
Other Miscellaneous Income/(Expense) <sup>1</sup>	-	1,050	(1,259,233)	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>15,452,813</b>	<b>19,744,816</b>	<b>24,906,234</b>	<b>33,468,889</b>
<b>Plan Fiduciary Net Position - Beginning<sup>2</sup></b>	<b>470,183,814</b>	<b>450,438,998</b>	<b>425,532,764</b>	<b>392,063,875</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 485,636,627</b>	<b>\$ 470,183,814</b>	<b>\$ 450,438,998</b>	<b>\$ 425,532,764</b>
<b>Plan Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 268,130,785</b>	<b>\$ 254,448,603</b>	<b>\$ 237,330,871</b>	<b>\$ 233,289,104</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>64.43%</b>	<b>64.89%</b>	<b>65.49%</b>	<b>64.59%</b>
Covered Payroll <sup>3</sup>	\$ 45,014,103	\$ 44,867,896	\$ 42,290,361	\$ 40,323,111
<b>Plan Net Pension Liability as a Percentage of Covered Payroll</b>	<b>595.66%</b>	<b>567.11%</b>	<b>561.19%</b>	<b>578.55%</b>

<sup>1</sup> 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).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> 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.



2016	2015	2014
\$ 10,018,091	\$ 9,445,690	\$ 9,428,558
43,600,023	41,504,625	39,695,994
-	(9,630,020)	-
6,056,024	1,432,189	-
(31,419,219)	(28,384,236)	(26,957,919)
28,254,919	14,368,248	22,166,633
574,579,479	560,211,231	538,044,598
<b>\$ 602,834,398</b>	<b>\$ 574,579,479</b>	<b>\$ 560,211,231</b>
\$ 17,528,095	\$ 15,067,536	\$ 13,719,650
4,317,323	4,310,000	3,757,435
2,138,128	8,918,712	60,180,612
(31,419,219)	(28,384,236)	(26,957,919)
-	-	-
(243,623)	(449,882)	-
-	-	-
(7,679,296)	(537,870)	50,699,778
399,743,171	400,281,041	349,581,263
<b>\$ 392,063,875</b>	<b>\$ 399,743,171</b>	<b>\$ 400,281,041</b>
<b>\$ 210,770,523</b>	<b>\$ 174,836,308</b>	<b>\$ 159,930,190</b>
<b>65.04%</b>	<b>69.57%</b>	<b>71.45%</b>
\$ 39,414,922	\$ 36,612,618	\$ 34,812,281
<b>534.75%</b>	<b>477.53%</b>	<b>459.41%</b>

**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, 2019 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 2020 or 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

	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 19,343,924	\$ 17,396,808	\$ 15,425,771	\$ 13,914,442
Contributions in Relation to the Actuarially Determined Contribution	(19,936,658)	(18,170,783)	(15,887,992)	(13,914,442)
Contribution Deficiency (Excess)	<u>\$ (592,734)</u>	<u>\$ (773,975)</u>	<u>\$ (462,221)</u>	<u>\$ -</u>
Covered Payroll <sup>1</sup>	\$ 61,327,945	\$ 57,833,334	\$ 54,394,382	\$ 52,820,747
Contributions as a Percentage of Covered Payroll	32.51%	31.42%	29.21%	26.34%

<sup>1</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 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, 2021

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll
Asset Valuation Method	Market value
Inflation	2.50%
Salary Increases	0.40% to 8.50% depending on age and service
Payroll Growth	2.75%
Discount Rate/Investment Rate of Return	7.00% 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

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2017	2016	2015	2014
\$ 13,885,280	\$ 12,253,772	\$ 10,615,278	\$ 10,225,328
(13,885,280)	(12,253,772)	(10,615,278)	(10,225,328)
\$ -	\$ -	\$ -	\$ -
\$ 49,979,076	\$ 46,428,322	\$ 43,728,370	\$ 43,467,334
<b>27.78%</b>	<b>26.39%</b>	<b>24.28%</b>	<b>23.52%</b>

## Required Supplementary Information

### 4. SCHEDULE OF PENSION PLAN CONTRIBUTIONS (continued)

Last Ten Fiscal Years\*

(For the Fiscal Years Ended June 30)

#### B. Safety Plan

	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 26,504,550	\$ 24,467,794	\$ 21,483,551	\$ 19,515,821
Contributions in Relation to the Actuarially Determined Contribution	(29,508,964)	(28,034,066)	(23,577,795)	(21,715,821)
Contribution Deficiency (Excess)	<u>\$ (3,004,414)</u>	<u>\$ (3,566,272)</u>	<u>\$ (2,094,244)</u>	<u>\$ (2,200,000)</u>
Covered Payroll <sup>1</sup>	\$ 49,735,637	\$ 45,014,103	\$ 44,867,896	\$ 42,290,361
Contributions as a Percentage of Covered Payroll	59.33%	62.28%	52.55%	51.35%

<sup>1</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 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, 2021

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll
Asset Valuation Method	Market value
Inflation	2.50%
Salary Increases	0.97% to 17.00% depending on age, service, and type of employment
Payroll Growth	2.75%
Discount Rate/ Investment Rate of Return	7.00% 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

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<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 18,933,463	\$ 17,528,095	\$ 15,067,536	\$ 13,719,650
(18,933,463)	(17,528,095)	(15,067,536)	(13,719,650)
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
\$ 40,323,111	\$ 39,414,922	\$ 36,612,618	\$ 34,812,281
<b>46.95%</b>	<b>44.47%</b>	<b>41.15%</b>	<b>39.41%</b>

## 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)*

	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service Cost	\$ 2,546,834	\$ 2,472,654	\$ 2,286,752	\$ 2,215,000
Interest on the Total OPEB Liability	6,528,440	6,299,097	6,007,888	5,754,000
Actual vs. Expected Experience	(2,077,949)	-	395,654	-
Assumption Changes	3,274,543	-	3,881,210	-
Benefit Payments	(5,517,173)	(5,117,958)	(4,590,000)	(3,968,000)
<b>Net Change in Total OPEB Liability</b>	<b>4,754,695</b>	<b>3,653,793</b>	<b>7,981,504</b>	<b>4,001,000</b>
<b>Total OPEB Liability - Beginning</b>	<b>100,649,297</b>	<b>96,995,504</b>	<b>89,014,000</b>	<b>85,013,000</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 105,403,992</b>	<b>\$ 100,649,297</b>	<b>\$ 96,995,504</b>	<b>\$ 89,014,000</b>
<b>Plan Fiduciary Net Position</b>				
Contributions from the Employer	\$ 10,708,000	\$ 8,495,000	\$ 8,487,000	\$ 7,562,000
Net Investment Income	897,041	1,148,445	1,329,770	971,000
Benefit Payments	(5,517,173)	(5,117,958)	(4,590,000)	(3,968,000)
Administrative Expense	(13,159)	(4,352)	(18,880)	(20,000)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>6,074,709</b>	<b>4,521,135</b>	<b>5,207,890</b>	<b>4,545,000</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>17,914,025</b>	<b>13,392,890</b>	<b>8,185,000</b>	<b>3,640,000</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 23,988,734</b>	<b>\$ 17,914,025</b>	<b>\$ 13,392,890</b>	<b>\$ 8,185,000</b>
<b>Plan Net OPEB Liability - Ending (a) - (b)</b>	<b>\$ 81,415,258</b>	<b>\$ 82,735,272</b>	<b>\$ 83,602,614</b>	<b>\$ 80,829,000</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>22.76%</b>	<b>17.80%</b>	<b>13.81%</b>	<b>9.20%</b>
Covered Employee Payroll	\$ 128,939,898	\$ 120,022,031	\$ 115,466,447	\$ 112,648,039
<b>Plan Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b>63.14%</b>	<b>68.93%</b>	<b>72.40%</b>	<b>71.75%</b>

\* 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:** In 2020, the medical trend was revised to specify a decreased medical trend rate for Kaiser Senior Advantage plans, the mortality improvements scale was updated to Scale MP-2020, the implied subsidy was valued for Medicare ineligible retirees over age 65, and the valuation recognized repeal of the ACA excise tax. No changes 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)*

	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 10,793,000	\$ 10,708,000	\$ 8,495,000	\$ 8,228,000
Contributions in Relation to the Actuarially Determined Contribution	(10,793,000)	(10,708,000)	(8,495,000)	(8,487,000)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (259,000)</u>
Covered Employee Payroll	\$ 133,771,868	\$ 128,939,898	\$ 120,022,031	\$ 115,466,447
Contributions as a Percentage of Covered Employee Payroll	8.07%	8.30%	7.08%	7.35%

\* 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, 2021**

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar
Amortization Period	17 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

**Required Supplementary Information**

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	<u>2017</u>
\$	7,562,000
	(7,562,000)
\$	<u>-</u>
\$	112,648,039
	6.71%



## 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.

***City Asset Seizure*** – This fund accounts for assets confiscated by the City. The revenues are used for police activity and equipment.

***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.

***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

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***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 Operating Grants*** – This fund accounts for miscellaneous operating funds received from various sources other than Federal and 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.

***Landscape Maintenance District 88*** – 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.

***CFD 1 Services Special Tax*** – This fund accounts for the accumulation of services special tax revenue and the payments for maintenance of the public improvements financed with special tax bonds in CFD No. 1 (Pacific Commons).

***CFD 3 Services Special Tax*** – This fund accounts for the accumulation of services special tax revenue and the payments for maintenance of enhanced streetscape in CFD No. 3 (Warm Springs Public Services).

### ***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 funds are 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.

***Fremont Public Financing Authority*** – 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. Principal and interest expenditures are budgeted and reported in the General Fund and Human Services Fund.

### ***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.

***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 Grant (OBAG). These funds are used for transportation projects, and funds are applied for on a project-by-project basis.

## Non-Major Governmental Funds

### City of Fremont Combining Balance Sheet Non-Major Governmental Funds June 30, 2021

(With comparative totals for June 30, 2020)

	Special Revenue Funds		
	HOME Grant	Integrated Waste Management	Urban Runoff
<b>ASSETS</b>			
Cash and investments held by City	\$ -	\$ 10,554,638	\$ 390,022
Restricted cash and investments held by fiscal agent or City	-	-	-
Receivables:			
Property tax	-	-	-
Due from other governmental agencies	325,141	657,305	6,269
Accounts receivable	-	504,516	-
<b>Total assets</b>	<b>\$ 325,141</b>	<b>\$ 11,716,459</b>	<b>\$ 396,291</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 28,919	\$ 803,022	\$ 69,531
Salaries and wages payable	-	55,774	23,630
Due to other funds	292,537	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>321,456</b>	<b>858,796</b>	<b>93,161</b>
<b>Deferred inflows of resources-unavailable revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>			
Restricted for:			
Social service programs	3,685	-	-
Debt service	-	-	-
Public safety	-	-	-
Street improvements	-	-	-
Community development	-	10,857,663	303,130
Assigned for:			
Social service programs	-	-	-
Unassigned	-	-	-
<b>Total fund balances (deficits)</b>	<b>3,685</b>	<b>10,857,663</b>	<b>303,130</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 325,141</b>	<b>\$ 11,716,459</b>	<b>\$ 396,291</b>



## Non-Major Governmental Funds

### City of Fremont Combining Balance Sheet Non-Major Governmental Funds (continued) June 30, 2021

(With comparative totals for June 30, 2020)

	Special Revenue Funds		
	Miscellaneous Federal Grants	Miscellaneous State Grants	Miscellaneous Operating Grants
<b>ASSETS</b>			
Cash and investments held by City	\$ 3,844,873	\$ 213,804	\$ -
Restricted cash and investments held by fiscal agent or City	-	-	-
Receivables:			
Property tax	-	-	-
Due from other governmental agencies	15,156	23,994	424,117
Accounts receivable	-	147,854	420,000
<b>Total assets</b>	<b>\$ 3,860,029</b>	<b>\$ 385,652</b>	<b>\$ 844,117</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 24,493	\$ 1,870	\$ -
Salaries and wages payable	2,690	-	-
Due to other funds	-	-	844,117
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>27,183</b>	<b>1,870</b>	<b>844,117</b>
<b>Deferred inflows of resources-unavailable revenue</b>	<b>-</b>	<b>23,994</b>	<b>424,117</b>
<b>Fund Balances (Deficits):</b>			
Restricted for:			
Social service programs	3,811,068	-	-
Debt service	-	-	-
Public safety	21,778	383,782	-
Street improvements	-	-	-
Community development	-	-	-
Assigned for:			
Social service programs	-	-	-
Unassigned	-	(23,994)	(424,117)
<b>Total fund balances (deficits)</b>	<b>3,832,846</b>	<b>359,788</b>	<b>(424,117)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 3,860,029</b>	<b>\$ 385,652</b>	<b>\$ 844,117</b>



## Non-Major Governmental Funds

Special Revenue Funds							Total
Miscellaneous Special Revenue	State Gas Tax	Rent Review Fund	Landscape Maintenance District 88	CFD 1 Services Special Tax	CFD 3 Services Special Tax	CFD 3 Services Special Tax	Non-major Special Revenue Funds
\$ 1,040,342	\$ 12,356,454	\$ 108,320	\$ 521,886	\$ 10,917,362	\$ 530,986	\$ 52,028,557	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	798,835	-	604	-	-	2,290,595	
-	-	-	-	-	-	1,072,370	
<u>\$ 1,040,342</u>	<u>\$ 13,155,289</u>	<u>\$ 108,320</u>	<u>\$ 522,490</u>	<u>\$ 10,917,362</u>	<u>\$ 530,986</u>	<u>\$ 55,391,522</u>	
\$ -	\$ 195,852	\$ 4,076	\$ 34,141	\$ -	\$ -	\$ 1,316,960	
9,502	-	3,967	-	-	-	117,282	
-	-	-	-	-	-	1,171,008	
-	-	-	-	-	-	97,655	
<u>9,502</u>	<u>195,852</u>	<u>8,043</u>	<u>34,141</u>	<u>-</u>	<u>-</u>	<u>2,702,905</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>448,111</u>	
64,783	-	100,277	-	-	-	3,979,813	
-	-	-	-	-	-	-	
632,108	-	-	-	-	-	2,304,464	
-	12,959,437	-	-	-	-	12,959,437	
321,180	-	-	488,349	10,917,362	530,986	33,432,134	
12,769	-	-	-	-	-	12,769	
-	-	-	-	-	-	(448,111)	
<u>1,030,840</u>	<u>12,959,437</u>	<u>100,277</u>	<u>488,349</u>	<u>10,917,362</u>	<u>530,986</u>	<u>52,240,506</u>	
<u>\$ 1,040,342</u>	<u>\$ 13,155,289</u>	<u>\$ 108,320</u>	<u>\$ 522,490</u>	<u>\$ 10,917,362</u>	<u>\$ 530,986</u>	<u>\$ 55,391,522</u>	

(Continued)

## Non-Major Governmental Funds

### City of Fremont Combining Balance Sheet Non-Major Governmental Funds (continued) June 30, 2021

(With comparative totals for June 30, 2020)

	Debt Service Fund		Total Non-major Debt Service Fund
	Fire General Obligation Bonds	Fremont Financing Authority	
<b>ASSETS</b>			
Cash and investments held by City	\$ -	\$ -	\$ -
Restricted cash and investments held by fiscal agent or City	2,662,982	9	2,662,991
Receivables:			
Property tax	32,116	-	32,116
Due from other governmental agencies	-	-	-
Accounts receivable	-	-	-
<b>Total assets</b>	<b>\$ 2,695,098</b>	<b>\$ 9</b>	<b>\$ 2,695,107</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Salaries and wages payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources-unavailable revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>			
Restricted for:			
Social service programs	-	-	-
Debt service	2,695,098	9	2,695,107
Public safety	-	-	-
Street improvements	-	-	-
Community development	-	-	-
Assigned for:			
Social service programs	-	-	-
Unassigned	-	-	-
<b>Total fund balances (deficits)</b>	<b>2,695,098</b>	<b>9</b>	<b>2,695,107</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 2,695,098</b>	<b>\$ 9</b>	<b>\$ 2,695,107</b>

**Non-Major Governmental Funds**

Capital Project Funds						Total
Transportation Development Act	Miscellaneous State Grants Capital	Capital Improvement - Outside Sources	Traffic System Management	Federal Capital Grants	Non-major Capital Projects Funds	
\$ -	\$ -	\$ 21,322,898	\$ -	\$ -	\$ 21,322,898	
-	-	8,724	-	-	8,724	
-	-	-	-	-	-	
-	695,769	-	171,305	937,382	1,804,456	
-	-	83,059	-	-	83,059	
<u>\$ -</u>	<u>\$ 695,769</u>	<u>\$ 21,414,681</u>	<u>\$ 171,305</u>	<u>\$ 937,382</u>	<u>\$ 23,219,137</u>	
\$ -	\$ 218,329	\$ 16,406	\$ -	\$ 442,092	676,827	
-	-	-	-	-	-	
-	477,440	-	171,305	495,290	1,144,035	
-	-	-	-	-	-	
-	695,769	16,406	171,305	937,382	1,820,862	
-	426,842	-	50,607	928,395	1,405,844	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	21,398,275	-	-	21,398,275	
-	-	-	-	-	-	
-	(426,842)	-	(50,607)	(928,395)	(1,405,844)	
<u>-</u>	<u>(426,842)</u>	<u>21,398,275</u>	<u>(50,607)</u>	<u>(928,395)</u>	<u>19,992,431</u>	
<u>\$ -</u>	<u>\$ 695,769</u>	<u>\$ 21,414,681</u>	<u>\$ 171,305</u>	<u>\$ 937,382</u>	<u>\$ 23,219,137</u>	

(Continued)

## Non-Major Governmental Funds

### City of Fremont Combining Balance Sheet Non-Major Governmental Funds (continued) June 30, 2021

(With comparative totals for June 30, 2020)

	Total Non-major Governmental Funds	
	2021	2020
<b>ASSETS</b>		
Cash and investments held by City	\$ 73,351,455	\$ 68,737,904
Restricted cash and investments held by fiscal agent or City	2,671,715	2,818,374
Receivables:		
Property tax	32,116	29,385
Due from other governmental agencies	4,095,051	4,736,164
Accounts receivable	1,155,429	1,054,095
<b>Total assets</b>	<b>\$ 81,305,766</b>	<b>\$ 77,375,922</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 1,993,787	\$ 4,397,621
Salaries and wages payable	117,282	94,489
Due to other funds	2,315,043	5,902,733
Unearned revenue	97,655	169,655
<b>Total liabilities</b>	<b>4,523,767</b>	<b>10,564,498</b>
<b>Deferred inflows of resources-unavailable revenue</b>	<b>1,853,955</b>	<b>727,067</b>
<b>Fund Balances (Deficits):</b>		
Restricted for:		
Social service programs	3,979,813	345,277
Debt service	2,695,107	2,700,339
Public safety	2,304,464	2,313,742
Street improvements	12,959,437	11,189,833
Community development	54,830,409	53,654,029
Assigned for:		
Social service programs	12,769	-
Unassigned	(1,853,955)	(4,118,863)
<b>Total fund balances (deficits)</b>	<b>74,928,044</b>	<b>66,084,357</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 81,305,766</b>	<b>\$ 77,375,922</b>

(Concluded)

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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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Special Revenue Funds		
	HOME Grant	Integrated Waste Management	Urban Runoff
<b>REVENUES:</b>			
Property tax	\$ -	\$ -	\$ -
Intergovernmental	300,221	1,965,078	-
Franchise fees	-	-	-
Charges for services	-	9,634,274	1,456,610
Investment earnings	-	26,880	(1,257)
Other	-	-	-
<b>Total revenues</b>	<b>300,221</b>	<b>11,626,232</b>	<b>1,455,353</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	-
Police services	-	-	-
Fire services	-	-	-
Human services	1,536	-	-
Capital assets maintenance and operations	-	-	-
Community development and environmental services	297,685	11,264,893	1,543,251
Capital outlay	-	121,892	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>299,221</b>	<b>11,386,785</b>	<b>1,543,251</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,000</b>	<b>239,447</b>	<b>(87,898)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Debt proceeds	-	-	-
Premium on debt issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	126,875
Transfers out	(1,000)	(334,191)	(78,017)
<b>Total other financing sources (uses)</b>	<b>(1,000)</b>	<b>(334,191)</b>	<b>48,858</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(94,744)</b>	<b>(39,040)</b>
<b>FUND BALANCES (DEFICITS):</b>			
Beginning of year, as restated	3,685	10,952,407	342,170
End of year	\$ 3,685	\$ 10,857,663	\$ 303,130

**Non-Major Governmental Funds**

Special Revenue Funds						
Abandoned Vehicle	City Asset Seizure	COPS AB3229	CUPA Administration	Justice Assistance Grant	Low and Moderate Income Housing Asset	Metropolitan Medical Response System
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118,637	103,518	555,708	-	9,174	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,031	432	2,305	-	40,611	250
-	-	-	62,515	-	2,255,397	2,137
118,637	104,549	556,140	64,820	9,174	2,296,008	2,387
-	-	-	-	-	-	-
118,637	-	646,383	-	-	-	-
-	-	-	24,400	-	-	2,712
-	-	-	-	-	-	-
-	-	-	-	-	888,816	-
-	-	285,889	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
118,637	-	932,272	24,400	-	888,816	2,712
-	104,549	(376,132)	40,420	9,174	1,407,192	(325)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(48,696)	-
-	-	-	-	-	(48,696)	-
-	104,549	(376,132)	40,420	9,174	1,358,496	(325)
-	-	707,287	712,114	(4,354)	8,654,968	74,063
\$ -	\$ 104,549	\$ 331,155	\$ 752,534	\$ 4,820	\$ 10,013,464	\$ 73,738

(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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Special Revenue Funds		
	Miscellaneous Federal Grants	Miscellaneous State Grants	Miscellaneous Operating Grants
<b>REVENUES:</b>			
Property tax	\$ -	\$ -	\$ -
Intergovernmental	11,115,165	149,093	420,000
Franchise fees	-	-	-
Charges for services	-	-	-
Investment earnings	53,565	(4,284)	-
Other	-	-	-
<b>Total revenues</b>	<b>11,168,730</b>	<b>144,809</b>	<b>420,000</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	-
Police services	416,137	380,039	-
Fire services	-	-	-
Human services	3,007,662	(231)	844,117
Capital assets maintenance and operations	-	-	-
Community development and environmental services	-	171,848	-
Capital outlay	417,565	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>3,841,364</b>	<b>551,656</b>	<b>844,117</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,327,366</b>	<b>(406,847)</b>	<b>(424,117)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Debt proceeds	-	-	-
Premium on debt issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>7,327,366</b>	<b>(406,847)</b>	<b>(424,117)</b>
<b>FUND BALANCES (DEFICITS):</b>			
Beginning of year, as restated	(3,494,520)	766,635	-
End of year	\$ 3,832,846	\$ 359,788	\$ (424,117)



## Non-Major Governmental Funds

Special Revenue Funds							Total
Miscellaneous Special Revenue	State Gas Tax	Rent Review Fund	Landscape Maintenance District 88	CFD 1 Services Special Tax	CFD 3 Services Special Tax	Total Non-major Special Revenue Funds	
\$ -	\$ -	\$ -	\$ -	\$ 1,139,317	\$ 180,582	\$ 1,319,899	
-	9,402,968	-	-	-	-	24,139,562	
-	-	-	-	-	-	-	
-	-	(3,086)	214,861	-	-	11,302,659	
9,583	(5,614)	(1,371)	998	31,456	2,898	157,483	
1,044,480	-	-	-	-	-	3,364,529	
1,054,063	9,397,354	(4,457)	215,859	1,170,773	183,480	40,284,132	
9,581	-	-	-	-	-	9,581	
14,050	-	-	-	-	-	1,575,246	
-	-	-	-	-	-	27,112	
77,756	-	180,041	-	-	-	4,110,881	
-	7,627,750	-	230,630	825,790	5,139	8,689,309	
-	-	-	-	-	-	14,166,493	
-	-	-	-	-	-	825,346	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
101,387	7,627,750	180,041	230,630	825,790	5,139	29,403,968	
952,676	1,769,604	(184,498)	(14,771)	344,983	178,341	10,880,164	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	126,875	
-	-	(32,296)	(20,615)	-	-	(514,815)	
-	-	(32,296)	(20,615)	-	-	(387,940)	
952,676	1,769,604	(216,794)	(35,386)	344,983	178,341	10,492,224	
78,164	11,189,833	317,071	523,735	10,572,379	352,645	41,748,282	
\$ 1,030,840	\$ 12,959,437	\$ 100,277	\$ 488,349	\$ 10,917,362	\$ 530,986	\$ 52,240,506	

(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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Debt Service Fund		Total Non-major Debt Service Fund
	Fire General Obligation Bonds	Fremont Financing Authority	
<b>REVENUES:</b>			
Property tax	\$ 2,993,560	\$ -	\$ 2,993,560
Intergovernmental	-	-	-
Franchise fees	-	-	-
Charges for services	-	-	-
Investment earnings	(8,289)	10	(8,279)
Other	-	-	-
<b>Total revenues</b>	<b>2,985,271</b>	<b>10</b>	<b>2,985,281</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	-
Police services	-	-	-
Fire services	-	-	-
Human services	-	-	-
Capital assets maintenance and operations	-	-	-
Community development and environmental services	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	1,650,000	-	1,650,000
Interest and fiscal charges	1,340,375	138	1,340,513
<b>Total expenditures</b>	<b>2,990,375</b>	<b>138</b>	<b>2,990,513</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,104)</b>	<b>(128)</b>	<b>(5,232)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Debt proceeds	-	-	-
Premium on debt issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(5,104)</b>	<b>(128)</b>	<b>(5,232)</b>
<b>FUND BALANCES (DEFICITS):</b>			
Beginning of year, as restated	2,700,202	137	2,700,339
End of year	\$ 2,695,098	\$ 9	\$ 2,695,107

**Non-Major Governmental Funds**

Capital Project Funds					
Transportation Development Act	Miscellaneous State Grants Capital	Capital Improvement - Outside Sources	Traffic System Management	Federal Capital Grants	Total Non-major Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508,781	1,557,041	107,079	280,651	254,289	2,707,841
-	-	331,176	-	-	331,176
-	-	-	-	-	-
-	-	(88,562)	-	-	(88,562)
-	-	549,843	-	-	549,843
<u>508,781</u>	<u>1,557,041</u>	<u>899,536</u>	<u>280,651</u>	<u>254,289</u>	<u>3,500,298</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
508,781	1,451,908	1,756,986	227,604	1,115,275	5,060,554
-	-	-	-	-	-
-	83,049	-	-	-	83,049
-	-	-	-	-	-
-	-	-	-	-	-
<u>508,781</u>	<u>1,534,957</u>	<u>1,756,986</u>	<u>227,604</u>	<u>1,115,275</u>	<u>5,143,603</u>
-	22,084	(857,450)	53,047	(860,986)	(1,643,305)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	22,084	(857,450)	53,047	(860,986)	(1,643,305)
-	(448,926)	22,255,725	(103,654)	(67,409)	21,635,736
<u>\$ -</u>	<u>\$ (426,842)</u>	<u>\$ 21,398,275</u>	<u>\$ (50,607)</u>	<u>\$ (928,395)</u>	<u>\$ 19,992,431</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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Total Non-major Governmental Funds	
	2021	2020
<b>REVENUES:</b>		
Property tax	\$ 4,313,459	\$ 4,268,184
Intergovernmental	26,847,403	22,735,891
Franchise fees	331,176	355,482
Charges for services	11,302,659	11,940,086
Investment earnings	60,642	1,831,592
Other	3,914,372	5,859,305
<b>Total revenues</b>	<b>46,769,711</b>	<b>46,990,540</b>
<b>EXPENDITURES:</b>		
Current:		
General government	9,581	3,527,081
Police services	1,575,246	325,565
Fire services	27,112	10,815
Human services	4,110,881	195,573
Capital assets maintenance and operations	13,749,863	16,922,142
Community development and environmental services	14,166,493	11,925,105
Capital outlay	908,395	2,097,909
Debt service:		
Principal	1,650,000	87,732,096
Interest and fiscal charges	1,340,513	2,079,583
<b>Total expenditures</b>	<b>37,538,084</b>	<b>124,815,869</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,231,627</b>	<b>(77,825,329)</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Debt proceeds	-	73,365,000
Premium on debt issuance	-	13,446,751
Proceeds from sale of capital assets	-	681,688
Transfers in	126,875	480,905
Transfers out	(514,815)	(1,230,775)
<b>Total other financing sources (uses)</b>	<b>(387,940)</b>	<b>86,743,569</b>
<b>Net change in fund balances</b>	<b>8,843,687</b>	<b>8,918,240</b>
<b>FUND BALANCES (DEFICITS):</b>		
Beginning of year, as restated	66,084,357	57,166,117
End of year	\$ 74,928,044	\$ 66,084,357

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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, 2021

	Special Revenue Funds					
	HOME Grant			Integrated Waste Management		
	Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES:</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	455,937	300,221	(155,716)	2,060,630	1,965,078	(95,552)
Charges for services	-	-	-	9,687,419	9,634,274	(53,145)
Investment earnings	-	-	-	136,000	26,880	(109,120)
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>455,937</b>	<b>300,221</b>	<b>(155,716)</b>	<b>11,884,049</b>	<b>11,626,232</b>	<b>(257,817)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	-
Police services	-	-	-	-	-	-
Fire services	-	-	-	-	-	-
Human services	-	1,536	1,536	-	-	-
Capital assets maintenance and operations	-	-	-	-	-	-
Community development and environmental services	454,937	297,685	(157,252)	11,575,974	11,264,893	(311,081)
Capital outlay	-	-	-	474,545	121,892	(352,653)
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>454,937</b>	<b>299,221</b>	<b>(155,716)</b>	<b>12,050,519</b>	<b>11,386,785</b>	<b>(663,734)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>(166,470)</b>	<b>239,447</b>	<b>405,917</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(1,000)	(1,000)	-	(334,191)	(334,191)	-
<b>Total other financing sources (uses)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>-</b>	<b>(334,191)</b>	<b>(334,191)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (500,661)</b>	<b>(94,744)</b>	<b>\$ 405,917</b>
<b>FUND BALANCES:</b>						
Beginning of year		3,685			10,952,407	
End of year		\$ 3,685			\$ 10,857,663	

## Special Revenue and Debt Service Funds

### Special Revenue Funds

Urban Runoff			Abandoned Vehicle			City Asset Seizure		
Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	120,000	118,637	(1,363)	-	103,518	103,518
1,482,543	1,456,610	(25,933)	-	-	-	-	-	-
-	(1,257)	(1,257)	-	-	-	-	1,031	1,031
-	-	-	-	-	-	-	-	-
<u>1,482,543</u>	<u>1,455,353</u>	<u>(27,190)</u>	<u>120,000</u>	<u>118,637</u>	<u>(1,363)</u>	<u>-</u>	<u>104,549</u>	<u>104,549</u>
-	-	-	-	-	-	-	-	-
-	-	-	120,000	118,637	(1,363)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,617,096	1,543,251	(73,845)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,617,096</u>	<u>1,543,251</u>	<u>(73,845)</u>	<u>120,000</u>	<u>118,637</u>	<u>(1,363)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(134,553)	(87,898)	46,655	-	-	-	-	104,549	104,549
231,138	126,875	(104,263)	-	-	-	-	-	-
(78,017)	(78,017)	-	-	-	-	-	-	-
<u>153,121</u>	<u>48,858</u>	<u>(104,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 18,568</u>	<u>(39,040)</u>	<u>\$ (57,608)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>104,549</u>	<u>\$ 104,549</u>
	<u>342,170</u>			<u>-</u>			<u>-</u>	
	<u>\$ 303,130</u>			<u>\$ -</u>			<u>\$ 104,549</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, 2021

Special Revenue Funds						
	COPS AB3229			CUPA Administration		
	Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES:</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	250,000	555,708	305,708	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	-	432	432	-	2,305	2,305
Other	-	-	-	50,000	62,515	12,515
<b>Total revenues</b>	<b>250,000</b>	<b>556,140</b>	<b>306,140</b>	<b>50,000</b>	<b>64,820</b>	<b>14,820</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	-
Police services	1,122,510	646,383	(476,127)	-	-	-
Fire services	-	-	-	120,500	24,400	(96,100)
Human services	-	-	-	-	-	-
Capital assets maintenance and operations	-	-	-	-	-	-
Community development and environmental services	-	-	-	-	-	-
Capital outlay	-	285,889	285,889	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,122,510</b>	<b>932,272</b>	<b>(190,238)</b>	<b>120,500</b>	<b>24,400</b>	<b>(96,100)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(872,510)</b>	<b>(376,132)</b>	<b>496,378</b>	<b>(70,500)</b>	<b>40,420</b>	<b>110,920</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (872,510)</b>	<b>(376,132)</b>	<b>\$ 496,378</b>	<b>\$ (70,500)</b>	<b>40,420</b>	<b>\$ 110,920</b>
<b>FUND BALANCES:</b>						
Beginning of year		707,287			712,114	
End of year		\$ 331,155			\$ 752,534	



## Special Revenue and Debt Service Funds

### Special Revenue Funds

Justice Assistance Grant			Low & Moderate Income Housing Asset			Metropolitan Medical Response System		
Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,044	9,174	(15,870)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	40,000	40,611	611	-	250	250
-	-	-	1,600,000	2,255,397	655,397	32,000	2,137	(29,863)
<u>25,044</u>	<u>9,174</u>	<u>(15,870)</u>	<u>1,640,000</u>	<u>2,296,008</u>	<u>656,008</u>	<u>32,000</u>	<u>2,387</u>	<u>(29,613)</u>
-	-	-	-	-	-	-	-	-
25,044	-	(25,044)	-	-	-	-	-	-
-	-	-	-	-	-	74,850	2,712	(72,138)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1,000,534	888,816	(111,718)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>25,044</u>	<u>-</u>	<u>(25,044)</u>	<u>1,000,534</u>	<u>888,816</u>	<u>(111,718)</u>	<u>74,850</u>	<u>2,712</u>	<u>(72,138)</u>
-	9,174	9,174	639,466	1,407,192	767,726	(42,850)	(325)	42,525
-	-	-	-	-	-	-	-	-
-	-	-	(48,696)	(48,696)	-	-	-	-
-	-	-	(48,696)	(48,696)	-	-	-	-
<u>\$ -</u>	<u>9,174</u>	<u>\$ 9,174</u>	<u>\$ 590,770</u>	<u>1,358,496</u>	<u>\$ 767,726</u>	<u>\$ (42,850)</u>	<u>(325)</u>	<u>\$ 42,525</u>
	<u>(4,354)</u>			<u>8,654,968</u>			<u>74,063</u>	
	<u>\$ 4,820</u>			<u>\$ 10,013,464</u>			<u>\$ 73,738</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, 2021

	Special Revenue Funds					
	Miscellaneous Federal Grants			Miscellaneous State Grants		
	Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES:</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,318,111	11,115,165	3,797,054	33,597	149,093	115,496
Charges for services	-	-	-	-	-	-
Investment earnings	-	53,565	53,565	-	(4,284)	(4,284)
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>7,318,111</b>	<b>11,168,730</b>	<b>3,850,619</b>	<b>33,597</b>	<b>144,809</b>	<b>111,212</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	-
Police services	378,076	416,137	38,061	255,046	380,039	124,993
Fire services	23,961	-	(23,961)	-	-	-
Human services	1,030,000	3,007,662	1,977,662	-	(231)	(231)
Capital assets maintenance and operations	-	-	-	-	-	-
Community development and environmental services	-	-	-	381,024	171,848	(209,176)
Capital outlay	-	417,565	417,565	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,432,037</b>	<b>3,841,364</b>	<b>2,409,327</b>	<b>636,070</b>	<b>551,656</b>	<b>(84,414)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,886,074</b>	<b>7,327,366</b>	<b>1,441,292</b>	<b>(602,473)</b>	<b>(406,847)</b>	<b>195,626</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 5,886,074</b>	<b>7,327,366</b>	<b>\$ 1,441,292</b>	<b>\$ (602,473)</b>	<b>(406,847)</b>	<b>\$ 195,626</b>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year		(3,494,520)			766,635	
End of year		\$ 3,832,846			\$ 359,788	

## Special Revenue and Debt Service Funds

### Special Revenue Funds

Miscellaneous Operating Grants			Miscellaneous Special Revenue			State Gas Tax		
Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
420,000	420,000	-	-	-	-	9,402,968	9,402,968	-
-	-	-	-	-	-	-	-	-
-	-	-	-	9,583	9,583	(5,614)	(5,614)	-
-	-	-	-	1,044,480	1,044,480	-	-	-
420,000	420,000	-	-	1,054,063	1,054,063	9,397,354	9,397,354	-
-	-	-	-	9,581	9,581	-	-	-
-	-	-	39,391	14,050	(25,341)	-	-	-
-	-	-	-	-	-	-	-	-
844,117	844,117	-	-	77,756	77,756	-	-	-
-	-	-	-	-	-	7,627,750	7,627,750	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
844,117	844,117	-	39,391	101,387	52,415	7,627,750	7,627,750	-
(424,117)	(424,117)	-	(39,391)	952,676	1,001,648	1,769,604	1,769,604	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (424,117)</u>	<u>(424,117)</u>	<u>\$ -</u>	<u>\$ (39,391)</u>	<u>952,676</u>	<u>\$ 992,067</u>	<u>\$ 1,769,604</u>	<u>1,769,604</u>	<u>\$ -</u>
	-			78,164			11,189,833	
	<u>\$ (424,117)</u>			<u>\$ 1,030,840</u>			<u>\$ 12,959,437</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, 2021

Special Revenue Funds						
	Rent Review Fund			Landscape Maintenance District 88		
	Budgeted Amounts	Actual Amounts	Variance with Final Budget	Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES:</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	371,359	(3,086)	(374,445)	300,000	214,861	(85,139)
Investment earnings	-	(1,371)	(1,371)	-	998	998
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>371,359</b>	<b>(4,457)</b>	<b>(375,816)</b>	<b>300,000</b>	<b>215,859</b>	<b>(84,141)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	-
Police services	-	-	-	-	-	-
Fire services	-	-	-	-	-	-
Human services	339,240	180,041	(159,199)	-	-	-
Capital assets maintenance and operations	-	-	-	300,000	230,630	(69,370)
Community development and environmental services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>339,240</b>	<b>180,041</b>	<b>(159,199)</b>	<b>300,000</b>	<b>230,630</b>	<b>(69,370)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>32,119</b>	<b>(184,498)</b>	<b>(216,617)</b>	<b>-</b>	<b>(14,771)</b>	<b>(14,771)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(32,296)	(32,296)	-	(20,615)	(20,615)	-
<b>Total other financing sources (uses)</b>	<b>(32,296)</b>	<b>(32,296)</b>	<b>-</b>	<b>(20,615)</b>	<b>(20,615)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (177)</b>	<b>(216,794)</b>	<b>\$ (216,617)</b>	<b>\$ (20,615)</b>	<b>(35,386)</b>	<b>\$ (14,771)</b>
<b>FUND BALANCES:</b>						
Beginning of year		317,071			523,735	
End of year		\$ 100,277			\$ 488,349	

**Special Revenue and Debt Service Funds**

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Debt Service Fund

Fire General Obligation Bonds		
Budgeted Amounts	Actual Amounts	Variance with Final Budget
\$ 2,993,560	\$ 2,993,560	\$ -
-	-	-
-	-	-
-	(8,289)	(8,289)
-	-	-
2,993,560	2,985,271	(8,289)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,650,000	1,650,000	-
1,340,375	1,340,375	-
2,990,375	2,990,375	-
3,185	(5,104)	(8,289)
-	-	-
-	-	-
-	-	-
\$ 3,185	(5,104)	\$ (8,289)

2,700,202

\$ 2,695,098

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# Internal Service Funds

## Internal Service Funds

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### *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.



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## Internal Service Funds

### City of Fremont Combining Statement of Net Position Internal Service Funds June 30, 2021

(With comparative totals for June 30, 2020)

	Risk Management	Information Technology	Vehicle Replacement
<b>ASSETS</b>			
Current assets:			
Cash and investments held by City	\$ 19,199,805	\$ 7,543,194	\$ 3,516,503
Other receivables	-	82,547	64,549
Total current assets	<u>19,199,805</u>	<u>7,625,741</u>	<u>3,581,052</u>
Noncurrent assets:			
Prepaid assets	-	-	-
Depreciable assets	-	9,297,210	18,235,065
Less accumulated depreciation	-	(7,347,514)	(11,450,996)
Total noncurrent assets	<u>-</u>	<u>1,949,696</u>	<u>6,784,069</u>
<b>Total assets</b>	<u>19,199,805</u>	<u>9,575,437</u>	<u>10,365,121</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	<u>169,332</u>	<u>1,280,975</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	296,725	51,584	(110)
Due to General Fund	-	-	-
Salaries and wages payable	49,046	143,822	-
Claims payable	3,782,000	-	-
Total current liabilities	<u>4,127,771</u>	<u>195,406</u>	<u>(110)</u>
Noncurrent liabilities:			
Claims payable	9,772,000	-	-
Net pension liability	881,690	5,490,860	-
Total noncurrent liabilities	<u>10,653,690</u>	<u>5,490,860</u>	<u>-</u>
<b>Total liabilities</b>	<u>14,781,461</u>	<u>5,686,266</u>	<u>(110)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	<u>169,313</u>	<u>1,122,043</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	1,949,696	6,784,069
Unrestricted	4,418,363	2,098,407	3,581,162
<b>Total net position</b>	<u>\$ 4,418,363</u>	<u>\$ 4,048,103</u>	<u>\$ 10,365,231</u>

Internal Service Funds

Employee Benefits	Fire Capital Equipment Replacement	Totals	
		2021	2020
\$ -	\$ 445,896	\$ 30,705,398	\$ 33,955,912
794,313	-	941,409	466,694
<u>794,313</u>	<u>445,896</u>	<u>31,646,807</u>	<u>34,422,606</u>
-	875,813	875,813	1,877,628
-	8,201,399	35,733,674	32,814,065
-	(1,159,340)	(19,957,850)	(18,323,721)
-	7,917,872	16,651,637	16,367,972
<u>794,313</u>	<u>8,363,768</u>	<u>48,298,444</u>	<u>50,790,578</u>
-	-	1,450,307	1,323,636
-	-	348,199	523,885
311,900	-	311,900	-
231	-	193,099	137,189
-	-	3,782,000	4,026,000
<u>312,131</u>	<u>-</u>	<u>4,635,198</u>	<u>4,687,074</u>
-	-	9,772,000	9,594,000
-	-	6,372,550	6,886,017
-	-	16,144,550	16,480,017
<u>312,131</u>	<u>-</u>	<u>20,779,748</u>	<u>21,167,091</u>
-	-	1,291,356	889,493
-	7,042,059	15,775,824	14,490,344
482,182	1,321,709	11,901,823	15,567,286
<u>\$ 482,182</u>	<u>\$ 8,363,768</u>	<u>\$ 27,677,647</u>	<u>\$ 30,057,630</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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Risk Management	Information Technology	Vehicle Replacement
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,333,333	\$ 10,044,924	\$ 166,009
Other	-	11,058	-
<b>Total operating revenues</b>	<b>6,333,333</b>	<b>10,055,982</b>	<b>166,009</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	667,861	5,494,232	6,509
Insurance premiums	2,687,301	-	-
Provision for claim losses	4,678,306	-	-
Claims administration	231,891	-	-
Materials and supplies	7,436	4,562,309	232,886
Depreciation	-	446,161	1,220,640
Other	-	88,403	-
<b>Total operating expenses</b>	<b>8,272,795</b>	<b>10,591,105</b>	<b>1,460,035</b>
<b>OPERATING INCOME /(LOSS)</b>	<b>(1,939,462)</b>	<b>(535,123)</b>	<b>(1,294,026)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	17,193	5,829	326
Gain on disposal of capital assets	-	-	195,263
<b>Total nonoperating revenues</b>	<b>17,193</b>	<b>5,829</b>	<b>195,589</b>
<b>CHANGE IN NET POSITION</b>	<b>(1,922,269)</b>	<b>(529,294)</b>	<b>(1,098,437)</b>
Net position - beginning of year	6,340,632	4,577,397	11,463,668
Net position - ending	<b>\$ 4,418,363</b>	<b>\$ 4,048,103</b>	<b>\$ 10,365,231</b>

Employee Benefits	Fire Capital Equipment Replacement	Totals	
		2021	2020
\$ 10,793,000	\$ 1,830,648	\$ 29,167,914	\$ 31,767,456
-	-	11,058	7,907
<u>10,793,000</u>	<u>1,830,648</u>	<u>29,178,972</u>	<u>31,775,363</u>
10,806,550	-	16,975,152	16,918,586
-	-	2,687,301	2,452,981
-	-	4,678,306	2,185,971
-	-	231,891	233,558
-	176,077	4,978,708	3,856,996
-	463,010	2,129,811	1,809,613
-	-	88,403	58,108
<u>10,806,550</u>	<u>639,087</u>	<u>31,769,572</u>	<u>27,515,813</u>
(13,550)	1,191,561	(2,590,600)	4,259,550
(1,850)	(6,144)	15,354	972,039
-	-	195,263	74,475
<u>(1,850)</u>	<u>(6,144)</u>	<u>210,617</u>	<u>1,046,514</u>
(15,400)	1,185,417	(2,379,983)	5,306,064
497,582	7,178,351	30,057,630	24,751,566
<u>\$ 482,182</u>	<u>\$ 8,363,768</u>	<u>\$ 27,677,647</u>	<u>\$ 30,057,630</u>

## Internal Service Funds

### City of Fremont Combining Statement of Cash Flows Internal Service Funds For the fiscal year ended June 30, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Risk Management	Information Technology	Vehicle Replacement
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from users	\$ 6,333,333	\$ 10,190,342	\$ 166,009
Other revenue	-	11,058	-
Less: Payments to suppliers	(2,802,392)	(4,728,372)	(351,394)
Payments for employee services	(657,641)	(5,686,818)	(6,509)
Payments for claims paid	(4,744,306)	-	-
Payments to others	-	(88,403)	-
<b>Net cash provided/(used) by operating activities</b>	<b>(1,871,006)</b>	<b>(302,193)</b>	<b>(191,894)</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	(36,289)	(955,953)
Prepayment for acquisition of capital assets	-	-	-
Proceeds from sale of capital assets	-	-	130,714
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>(36,289)</b>	<b>(825,239)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Cash received for borrowing from other funds	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on cash and investments	17,193	5,829	326
<b>Net change in cash and cash equivalents</b>	<b>(1,853,813)</b>	<b>(332,653)</b>	<b>(1,016,807)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of year	21,053,618	7,875,847	4,533,310
End of year	<b>\$ 19,199,805</b>	<b>\$ 7,543,194</b>	<b>\$ 3,516,503</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income/(loss)	\$ (1,939,462)	\$ (535,123)	\$ (1,294,026)
Adjustments to reconcile operating income to net cash provided/(used) by operating activities:			
Depreciation	-	446,161	1,220,640
Changes in operating assets, liabilities, and deferred items:			
Other receivables	-	3,857	-
Prepaid assets	-	141,561	-
Accounts payable	124,236	(166,063)	(118,508)
Salaries and wages payable	34,517	21,392	-
Claims payable	(66,000)	-	-
Deferred outflow resources - pension plan	(12,917)	(113,754)	-
Deferred inflow resources - pension plan	40,980	360,883	-
Net pension liability	(52,360)	(461,107)	-
<b>Net cash provided/(used) by operating activities</b>	<b>\$ (1,871,006)</b>	<b>\$ (302,193)</b>	<b>\$ (191,894)</b>
<b>Noncash capital financing activities</b>			
Carrying value of disposed assets	\$ -	\$ -	\$ 195,263

Internal Service Funds

Employee Benefits	Fire Capital Equipment Replacement	Totals	
		2021	2020
\$ 10,378,977	\$ 1,830,648	\$ 28,899,309	\$ 29,758,760
-	-	11,058	7,907
(10,806,550)	(176,077)	(18,864,785)	(18,306,534)
-	-	(6,350,968)	(5,853,506)
-	-	(4,744,306)	(4,395,971)
-	-	(88,403)	(58,108)
<u>(427,573)</u>	<u>1,654,571</u>	<u>(1,138,095)</u>	<u>1,152,548</u>
-	(702,332)	(1,694,574)	(1,605,062)
-	(875,813)	(875,813)	-
-	-	130,714	74,475
-	<u>(1,578,145)</u>	<u>(2,439,673)</u>	<u>(1,530,587)</u>
311,900	-	311,900	-
(1,850)	(6,144)	15,354	972,039
<u>(117,523)</u>	<u>70,282</u>	<u>(3,250,514)</u>	<u>594,000</u>
117,522	375,614	33,955,912	33,361,912
<u>\$ (1)</u>	<u>\$ 445,896</u>	<u>\$ 30,705,398</u>	<u>\$ 33,955,912</u>
\$ (13,550)	\$ 1,191,561	(2,590,600)	\$ 4,259,550
-	463,010	2,129,811	1,809,613
(414,023)	-	(410,166)	(12,625)
-	-	141,561	(1,877,628)
-	-	(160,335)	(1,160,081)
-	-	55,909	42,458
-	-	(66,000)	(2,210,000)
-	-	(126,671)	215,578
-	-	401,863	279,337
-	-	(513,467)	(193,654)
<u>\$ (427,573)</u>	<u>\$ 1,654,571</u>	<u>\$ (1,138,095)</u>	<u>\$ 1,152,548</u>
\$ -	\$ -	\$ 195,263	\$ -

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## Custodial Funds

## Custodial Funds

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### *Custodial Funds*

Custodial funds are used to account for assets held by the City on behalf of others. Specific custodial funds are as follows:

***Local Improvement Districts*** - This fund accounts for the accumulation of facilities special tax revenue and payment of principal and interest for outstanding special tax bonds issued by the City for Community Facilities District (CFD) No. 1 (Pacific Commons) and CFD No. 2 (Warm Springs Public Facilities).

***Southern Alameda County Major Crimes Task Force*** - 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.

***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.

***Custodial Deposits and Confiscated Assets*** - This fund accounts for custodial deposits received in conjunction with construction activity within the City, assets confiscated by the police, and other assets or deposits held by the City in a custodial capacity.

**City of Fremont**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2021**

(With comparative totals for June 30, 2020)

	Local Improvement Districts	Southern Alameda County Major Crimes TF	Southern Alameda County GIS	Custodial Deposits and Confiscated Assets	Total	
					2021	2020
<b>ASSETS</b>						
Cash and investments held by City	\$ 4,270,854	\$ 995,231	\$ 58,918	\$ 1,342,490	\$ 6,667,493	\$ 6,410,730
Restricted cash and investments held by fiscal agent	23,565,642	-	-	980,171	24,545,813	24,921,632
Accounts receivable	-	-	22,423	-	22,423	35,268
Property tax receivable	5,299	-	-	-	5,299	1,792
Land held for resale	-	-	-	678,979	678,979	678,979
<b>Total assets</b>	<b>27,841,795</b>	<b>995,231</b>	<b>81,341</b>	<b>3,001,640</b>	<b>31,920,007</b>	<b>32,048,401</b>
<b>LIABILITIES</b>						
Accounts payable	10,025	3,672	-	25,415	39,112	87,066
<b>Total liabilities</b>	<b>10,025</b>	<b>3,672</b>	<b>-</b>	<b>25,415</b>	<b>39,112</b>	<b>87,066</b>
<b>NET POSITION</b>						
Restricted for:						
Individuals, organizations, and other governments	27,831,770	991,559	81,341	2,976,225	31,880,895	31,961,335
<b>Total net position</b>	<b>\$ 27,831,770</b>	<b>\$ 991,559</b>	<b>\$ 81,341</b>	<b>\$ 2,976,225</b>	<b>\$ 31,880,895</b>	<b>\$ 31,961,335</b>

## Custodial Funds

### City of Fremont Combining Statement of Changes in Fiduciary Net Position Custodial Funds For the fiscal year ended June 30, 2021

	Local Improvement Districts	Southern Alameda County Major Crimes TF	Southern Alameda County GIS	Custodial Deposits and Confiscated Assets	Total	
					2021	2020
<b>ADDITIONS</b>						
Bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,853,147
Property tax	5,591,143	-	-	-	5,591,143	5,191,886
Seized assets	-	7,196	-	-	7,196	68,305
Agency contributions	-	183,141	109,282	-	292,423	304,514
Deposits - consultant services	-	-	-	230,101	230,101	360,895
Deposits - rent	-	-	-	28,159	28,159	46,183
Police evidence and bail	-	-	-	195,742	195,742	193,712
Investment earnings	(1,983)	3,538	325	(35,260)	(33,380)	393,000
<b>Total additions</b>	<b>5,589,160</b>	<b>193,875</b>	<b>109,607</b>	<b>418,742</b>	<b>6,311,384</b>	<b>25,411,642</b>
<b>DEDUCTIONS</b>						
Bond issuance costs	-	-	-	-	-	482,423
Debt service:						
Principal	880,000	-	-	-	880,000	605,000
Interest and fiscal charges	4,597,381	-	-	-	4,597,381	4,285,550
Operating expenses	-	180,258	109,282	-	289,540	294,090
Payments to consultants	-	-	-	143,658	143,658	310,654
Refund consultant deposits	-	-	-	-	-	109,408
Refund rental deposits	-	-	-	49,500	49,500	26,355
Pollution mitigation expenses	-	-	-	327,318	327,318	277,339
Release of police evidence and bail	-	-	-	104,427	104,427	201,302
<b>Total deductions</b>	<b>5,477,381</b>	<b>180,258</b>	<b>109,282</b>	<b>624,903</b>	<b>6,391,824</b>	<b>6,592,121</b>
<b>Change in net position</b>	<b>111,779</b>	<b>13,617</b>	<b>325</b>	<b>(206,161)</b>	<b>(80,440)</b>	<b>18,819,521</b>
<b>Net position - beginning of year</b>	<b>27,719,991</b>	<b>977,942</b>	<b>81,016</b>	<b>3,182,386</b>	<b>31,961,335</b>	<b>13,141,814</b>
<b>Net position - end of year</b>	<b>\$ 27,831,770</b>	<b>\$ 991,559</b>	<b>\$ 81,341</b>	<b>\$ 2,976,225</b>	<b>\$ 31,880,895</b>	<b>\$ 31,961,335</b>

## Human Services Fund

## Human Services Fund

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### *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 and 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 Eden Housing, 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.

***City Funded Affordable Housing and Homeless Services Fund*** – This fund accounts for the City’s General Fund allocations for affordable housing and homeless services, as well as related grants and other miscellaneous revenues.

## Human Services Fund

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### City of Fremont Supplemental Information Summary of Human Services Fund Balance Sheet June 30, 2021

(With comparative totals for June 30, 2020)

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	Community Development Block Grant	Older Americans Grant	Tri-City Elders & Eden Housing
<b>ASSETS</b>			
Cash and investments held by City	\$ -	\$ -	\$ 70,605
Receivables:			
Due from other governmental agencies	1,433,455	36,942	46,732
Housing loans receivable, net	864,151	-	-
Accounts receivable	-	-	-
<b>Total assets</b>	<u>\$ 2,297,606</u>	<u>\$ 36,942</u>	<u>\$ 117,337</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 272,844	\$ -	\$ 611
Salaries and wages payable	11,955	-	-
Due to other funds	1,148,656	36,942	46,734
Unearned revenue	-	-	-
<b>Total liabilities</b>	<u>1,433,455</u>	<u>36,942</u>	<u>47,345</u>
<b>Deferred inflows of resources-unavailable revenue</b>	<u>864,151</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>			
Restricted for social service programs	-	-	69,992
Committed for social service programs	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>69,992</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 2,297,606</u>	<u>\$ 36,942</u>	<u>\$ 117,337</u>



**Human Services Fund**

Senior Center	Multipurpose Senior Services Program	Area Agency on Aging	Alameda Behavioral Health Care	Family Resource Center	Family Resource Center Corporation
\$ 2,634,594	\$ -	\$ -	\$ 65,546	\$ 1,125,552	\$ 458,309
-	138,232	93,988	582,883	282,636	9,145
-	-	-	-	-	-
-	-	-	-	-	94,326
<u>\$ 2,634,594</u>	<u>\$ 138,232</u>	<u>\$ 93,988</u>	<u>\$ 648,429</u>	<u>\$ 1,408,188</u>	<u>\$ 561,780</u>
\$ 5,733	\$ 1,177	\$ -	\$ 6,952	\$ 100,582	\$ 5,275
18,495	-	-	446	61,081	-
-	137,055	93,988	516,005	196,098	-
-	-	-	-	-	-
24,228	138,232	93,988	523,403	357,761	5,275
-	25,386	-	-	136,353	13,275
-	(25,386)	-	125,026	914,074	543,230
2,610,366	-	-	-	-	-
<u>2,610,366</u>	<u>(25,386)</u>	<u>-</u>	<u>125,026</u>	<u>914,074</u>	<u>543,230</u>
<u>\$ 2,634,594</u>	<u>\$ 138,232</u>	<u>\$ 93,988</u>	<u>\$ 648,429</u>	<u>\$ 1,408,188</u>	<u>\$ 561,780</u>

(Continued)

## Human Services Fund

### City of Fremont Supplemental Information Summary of Human Services Fund Balance Sheet *(continued)* June 30, 2021

(With comparative totals for June 30, 2020)

	Youth Service Center	Every Child Counts Grant	Measure B & BB Para-Transit
<b>ASSETS</b>			
Cash and investments held by City	\$ -	\$ 610,479	\$ 2,710,755
Receivables:			
Due from other governmental agencies	108,494	629,807	621,831
Housing loans receivable, net	-	-	-
Accounts receivable	-	-	-
<b>Total assets</b>	<u>\$ 108,494</u>	<u>\$ 1,240,286</u>	<u>\$ 3,332,586</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 14,757	\$ 26,903	\$ 119,860
Salaries and wages payable	-	-	-
Due to other funds	93,737	-	120,631
Unearned revenue	-	-	-
<b>Total liabilities</b>	<u>108,494</u>	<u>26,903</u>	<u>240,491</u>
Deferred inflows of resources-unavailable revenue	<u>16,948</u>	<u>43,151</u>	<u>120,631</u>
<b>Fund Balances:</b>			
Restricted for social service programs	(16,948)	1,170,232	2,971,464
Committed for social service programs	-	-	-
<b>Total fund balances</b>	<u>(16,948)</u>	<u>1,170,232</u>	<u>2,971,464</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 108,494</u>	<u>\$ 1,240,286</u>	<u>\$ 3,332,586</u>

## Human Services Fund

Medi-Cal Administrative Activities	Targeted Case Management	Community Donations	Human Services Operating	City Funded Affordable Housing Fund	Total Summary of Human Services Fund	
					2021	2020
\$ 662,260	\$ 1,563,406	\$ 200,391	\$ 966,611	\$ 6,953,868	\$ 18,022,376	\$ 16,396,242
-	-	172,811	1,250	4,857	4,163,063	3,394,166
-	-	-	-	-	864,151	1,016,407
-	-	-	60,349	35,958	190,633	31,045
<u>\$ 662,260</u>	<u>\$ 1,563,406</u>	<u>\$ 373,202</u>	<u>\$ 1,028,210</u>	<u>\$ 6,994,683</u>	<u>\$ 23,240,223</u>	<u>\$ 20,837,860</u>
\$ 6,103	\$ 6,842	\$ 52	\$ 181,083	\$ 610,873	\$ 1,359,647	\$ 1,244,073
-	-	2,032	124,458	16,800	235,267	183,830
-	-	-	-	-	2,389,846	1,472,524
-	-	-	-	4,857	4,857	-
<u>6,103</u>	<u>6,842</u>	<u>2,084</u>	<u>305,541</u>	<u>632,530</u>	<u>3,989,617</u>	<u>2,900,427</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,219,895</u>	<u>2,241,802</u>
656,157	1,556,564	371,118	-	6,362,153	14,697,676	12,291,727
-	-	-	722,669	-	3,333,035	3,403,904
<u>656,157</u>	<u>1,556,564</u>	<u>371,118</u>	<u>722,669</u>	<u>6,362,153</u>	<u>18,030,711</u>	<u>15,695,631</u>
<u>\$ 662,260</u>	<u>\$ 1,563,406</u>	<u>\$ 373,202</u>	<u>\$ 1,028,210</u>	<u>\$ 6,994,683</u>	<u>\$ 23,240,223</u>	<u>\$ 20,837,860</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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Community Development Block Grant	Older Americans Grant	Tri-City Elders & Eden Housing	Senior Center
<b>REVENUES:</b>				
Intergovernmental	\$ 3,292,622	\$ 75,585	\$ -	\$ -
Charges for services	-	-	-	121,516
Investment earnings	-	-	259	5,120
Other	183,154	-	195,803	93,796
<b>Total revenues</b>	<b>3,475,776</b>	<b>75,585</b>	<b>196,062</b>	<b>220,432</b>
<b>EXPENDITURES:</b>				
Current:				
Human services	353,667	75,585	181,014	888,821
Community development and environmental services	1,293,079	-	-	-
Capital outlay	987,000	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>2,633,746</b>	<b>75,585</b>	<b>181,014</b>	<b>888,821</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>842,030</b>	<b>-</b>	<b>15,048</b>	<b>(668,389)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	709,603
Transfers out	(29,684)	-	(12,355)	(140,000)
<b>Total other financing sources (uses)</b>	<b>(29,684)</b>	<b>-</b>	<b>(12,355)</b>	<b>569,603</b>
<b>Net change in fund balances</b>	<b>812,346</b>	<b>-</b>	<b>2,693</b>	<b>(98,786)</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated	(812,346)	-	67,299	2,709,152
End of year	\$ -	\$ -	\$ 69,992	\$ 2,610,366

**Human Services Fund**

Multipurpose Senior Services Program	Area Agency on Aging	Alameda Behavioral Health Care	Family Resource Center	Family Resource Center Corporation	Youth Service Center
\$ 276,107	\$ 328,995	\$ 1,161,832	\$ 185,225	\$ 5,000	\$ 506,661
-	-	9,524	1,324,331	-	-
-	-	176	(1,260)	4,326	-
-	-	-	104,307	895,422	-
<u>276,107</u>	<u>328,995</u>	<u>1,171,532</u>	<u>1,612,603</u>	<u>904,748</u>	<u>506,661</u>
262,453	291,981	1,035,225	859,038	685,865	485,806
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	347,566	-	-
-	-	-	186,169	-	-
<u>262,453</u>	<u>291,981</u>	<u>1,035,225</u>	<u>1,392,773</u>	<u>685,865</u>	<u>485,806</u>
<u>13,654</u>	<u>37,014</u>	<u>136,307</u>	<u>219,830</u>	<u>218,883</u>	<u>20,855</u>
-	-	-	-	-	-
-	-	(68,332)	(292,639)	(14,947)	(5,436)
-	-	(68,332)	(292,639)	(14,947)	(5,436)
<u>13,654</u>	<u>37,014</u>	<u>67,975</u>	<u>(72,809)</u>	<u>203,936</u>	<u>15,419</u>
(39,040)	(37,014)	57,051	986,883	339,294	(32,367)
<u>\$ (25,386)</u>	<u>\$ -</u>	<u>\$ 125,026</u>	<u>\$ 914,074</u>	<u>\$ 543,230</u>	<u>\$ (16,948)</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, 2021

(With comparative totals for the fiscal year ended June 30, 2020)

	Every Child Counts Grant	Measure B & BB Para-Transit	Medi-Cal Administrative Activities	Targeted Case Management
<b>REVENUES:</b>				
Intergovernmental	\$ 1,412,320	\$ 1,864,151	\$ 677,072	\$ 410,945
Charges for services	-	33,047	-	-
Investment earnings	(5,510)	15,314	4,122	5,812
Other	-	-	-	-
<b>Total revenues</b>	<b>1,406,810</b>	<b>1,912,512</b>	<b>681,194</b>	<b>416,757</b>
<b>EXPENDITURES:</b>				
Current:				
Human services	1,235,989	1,330,407	533,189	279,497
Community development and environmental services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>1,235,989</b>	<b>1,330,407</b>	<b>533,189</b>	<b>279,497</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>170,821</b>	<b>582,105</b>	<b>148,005</b>	<b>137,260</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	(116,031)	(147,801)	(43,396)	(29,646)
<b>Total other financing sources (uses)</b>	<b>(116,031)</b>	<b>(147,801)</b>	<b>(43,396)</b>	<b>(29,646)</b>
<b>Net change in fund balances</b>	<b>54,790</b>	<b>434,304</b>	<b>104,609</b>	<b>107,614</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated	1,115,442	2,537,160	551,548	1,448,950
End of year	<b>\$ 1,170,232</b>	<b>\$ 2,971,464</b>	<b>\$ 656,157</b>	<b>\$ 1,556,564</b>

**Human Services Fund**

Community Donations	Human Services Operating	City Funded Affordable Housing Fund	Fund Revenues, Expenditures, and Changes in Fund Balances	
			2021	2020
\$ 192,811	\$ -	148,969	\$ 10,538,295	\$ 8,280,344
-	140,315	-	1,628,733	1,747,181
1,527	(7,768)	28,406	50,524	463,820
98,164	-	-	1,570,646	3,026,906
<u>292,502</u>	<u>132,547</u>	<u>177,375</u>	<u>13,788,198</u>	<u>13,518,251</u>
281,712	879,248	1,171,922	10,831,419	10,898,663
-	-	-	1,293,079	1,842,928
-	-	65,077	1,052,077	444,935
-	-	-	347,566	640,000
-	-	-	186,169	194,919
<u>281,712</u>	<u>879,248</u>	<u>1,236,999</u>	<u>13,710,310</u>	<u>14,021,445</u>
<u>10,790</u>	<u>(746,701)</u>	<u>(1,059,624)</u>	<u>77,888</u>	<u>(503,194)</u>
-	737,604	1,772,526	3,219,733	2,953,043
(429)	-	(61,845)	(962,541)	(750,246)
<u>(429)</u>	<u>737,604</u>	<u>1,710,681</u>	<u>2,257,192</u>	<u>2,202,797</u>
10,361	(9,097)	651,057	2,335,080	1,699,603
360,757	731,766	5,711,096	15,695,631	13,996,028
<u>\$ 371,118</u>	<u>\$ 722,669</u>	<u>\$ 6,362,153</u>	<u>\$ 18,030,711</u>	<u>\$ 15,695,631</u>

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# Statistical Section

This part of the City of Fremont's annual comprehensive 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	180
These schedules contain trend information to help the reader understand how the City's financial performance and fiscal well-being have changed over time.	
<b>Revenue Capacity</b>	188
These schedules contain information to help the reader assess the factors affecting the City's ability to generate property tax.	
<b>Debt Capacity</b>	192
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.	
<b>Demographic and Economic Information</b>	196
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.	
<b>Operating Information</b>	200
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 annual comprehensive financial reports for the relevant year.

## Statistical Section

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

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	2011/12	2012/13 <sup>(1)</sup>	2013/14	2014/15 <sup>(2)</sup>
Governmental activities				
Net investment in capital assets	\$ 691,660,486	\$ 705,897,097	\$ 711,439,311	\$ 727,727,677
Restricted	117,039,150	127,702,933	128,637,828	137,108,141
Unrestricted	59,650,042	52,010,409	56,054,426	(230,307,996)
Total primary government net position	<u>\$ 868,349,678</u>	<u>\$ 885,610,439</u>	<u>\$ 896,131,565</u>	<u>\$ 634,527,822</u>

Notes:

- (1) Unrestricted net position restated for implementation of GASB Statement No. 65 in FY 2013/14 to eliminate items previously reported as assets.
- (2) 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 liability.
- (3) 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 liability.
- (4) Net position restated for implementation of GASB Statement No. 84 in FY 2020/21 to incorporate items previously reported as fiduciary activities.

Schedule 1

2015/16	2016/17	2017/18 <sup>(3)</sup>	2018/19	2019/20 <sup>(4)</sup>	2020/21
\$ 734,700,673	\$ 750,501,959	\$ 753,492,779	\$ 771,862,033	\$ 790,400,222	\$ 813,344,402
149,630,295	185,639,661	217,455,055	246,167,172	308,151,526	331,833,454
(190,955,946)	(190,949,871)	(236,792,459)	(236,009,132)	(266,598,744)	(273,055,925)
\$ 693,375,022	\$ 745,191,749	\$ 734,155,375	\$ 782,020,073	\$ 831,953,004	\$ 872,121,931

**Statistical Section**

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

<b>Expenses</b>	<b>2011/12</b>	<b>2012/13<sup>(1)</sup></b>	<b>2013/14</b>	<b>2014/15</b>
Governmental activities:				
General government	\$ 10,747,362	\$ 12,306,781	\$ 12,963,908	\$ 13,900,314
Police services	54,904,248	56,697,425	60,187,955	62,265,880
Fire services	35,276,141	35,696,189	37,797,969	38,969,266
Human services	9,187,754	9,461,291	9,973,326	10,418,215
Capital assets maintenance and operations	56,293,833	48,651,872	55,110,254	57,971,103
Recreation and leisure services	7,240,833	7,797,737	8,428,819	8,397,409
Community development and environmental services	18,982,320	16,868,885	21,263,989	20,092,103
Intergovernmental	-	-	-	1,990,040
Interest on debt	6,101,394	5,107,813	4,839,848	3,896,781
Total primary government expenses	198,733,885	192,587,993	210,566,068	217,901,111
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	835,913	822,395	837,196	1,152,052
Police services	4,063,168	4,291,487	4,505,971	4,528,822
Fire services	2,825,041	2,801,995	2,793,384	2,845,539
Human services	1,518,996	2,384,329	2,890,542	1,899,386
Capital assets maintenance and operations	4,632,786	2,931,189	2,290,082	2,325,489
Recreation and leisure services	5,981,911	6,253,791	6,929,386	7,633,759
Community development and environmental services	14,213,061	15,623,890	18,096,122	24,225,397
Operating grants and contributions	28,521,019	20,783,010	16,288,849	14,033,697
Capital grants and contributions	11,564,087	15,478,715	21,109,773	19,065,618
Total primary government program revenues	74,155,982	71,370,801	75,741,305	77,709,759
<b>Net (Expense)/Revenue</b>				
Total primary government net expense	(124,577,903)	(121,217,192)	(134,824,763)	(140,191,352)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property tax	81,383,794	77,314,901	72,130,472	79,611,885
Sales tax	33,065,829	34,404,123	38,862,070	40,743,875
Business taxes	7,495,975	7,368,022	7,828,030	9,420,130
Transient occupancy tax	4,132,665	4,871,866	6,155,212	7,181,438
Property transfer tax	861,352	1,202,361	1,494,656	1,758,406
Franchise fees	8,255,221	8,470,739	8,924,582	9,298,688
Investment earnings(loss)	2,289,171	(453,486)	1,957,784	1,764,197
Gain on sale of capital assets	-	-	-	15,985,118
Miscellaneous	5,239,731	7,813,719	7,993,083	9,562,197
Total primary government general revenues and other changes in net position	142,723,738	140,992,245	145,345,889	175,325,934
Extraordinary loss	(77,505,561)	-	-	-
Total primary government change in net position	\$ (59,359,726)	\$ 19,775,053	\$ 10,521,126	\$ 35,134,582

Notes:

(1) 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

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
\$	13,604,679	\$ 15,491,087	\$ 16,671,874	\$ 16,947,783	\$ 22,009,159	\$ 17,493,998
	64,837,566	73,201,163	82,324,804	87,014,189	100,456,459	102,512,215
	42,310,730	46,108,174	51,360,238	53,953,081	61,019,537	62,139,981
	10,619,068	11,477,446	13,125,104	13,229,254	16,437,791	19,065,685
	67,776,490	66,390,001	68,126,300	76,090,791	92,307,310	84,141,982
	8,186,587	9,059,389	10,040,149	10,431,491	10,599,255	6,653,038
	23,600,633	25,368,797	39,593,450	45,925,942	43,569,736	33,774,520
	-	-	-	-	-	-
	3,828,360	4,682,803	4,823,731	4,092,950	4,613,636	4,315,745
	234,764,113	251,778,860	286,065,650	307,685,481	351,012,883	330,097,164
	1,666,658	2,098,539	3,145,550	3,221,020	3,170,312	3,570,770
	4,175,223	4,021,692	3,653,991	3,890,873	3,640,700	2,230,074
	2,804,753	2,816,131	2,888,359	2,218,582	2,183,443	2,137,999
	2,093,782	2,326,619	2,506,936	2,392,405	2,912,815	2,361,779
	2,152,983	1,801,264	1,682,698	1,712,917	2,954,678	1,712,329
	8,260,807	8,015,373	7,924,710	7,898,663	5,722,571	1,878,199
	32,185,970	56,119,438	48,653,460	43,115,193	52,668,225	41,712,515
	14,169,917	13,361,747	16,919,938	21,880,564	22,360,871	57,322,305
	27,856,531	31,754,006	31,176,013	51,030,712	78,394,477	44,626,295
	95,366,624	122,314,809	118,551,655	137,360,929	174,008,092	157,552,265
	(139,397,489)	(129,464,051)	(167,513,995)	(170,324,552)	(177,004,791)	(172,544,899)
	82,484,888	89,916,085	96,598,896	102,303,564	109,643,440	117,126,276
	48,580,024	49,535,813	58,902,744	64,830,649	52,066,458	60,430,421
	10,125,832	12,620,629	12,116,637	11,566,214	11,677,266	10,823,917
	8,086,529	8,390,862	8,620,269	8,292,113	5,915,273	2,848,472
	1,800,905	1,916,237	1,893,591	1,900,150	1,844,400	2,281,699
	9,605,547	10,320,411	10,467,485	10,488,238	10,776,689	11,058,195
	4,659,270	801,454	1,612,637	12,549,669	13,522,364	1,206,426
	22,934,023	172,005	-	491,515	1,991,163	338,263
	9,967,671	7,607,282	9,625,362	5,767,135	9,249,928	6,600,157
	198,244,689	181,280,778	199,837,621	218,189,248	216,686,981	212,713,826
	-	-	-	-	-	-
\$	58,847,200	\$ 51,816,727	\$ 32,323,626	\$ 47,864,696	\$ 39,682,190	\$ 40,168,927

**Statistical Section**

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

	2011/12	2012/13	2013/14	2014/15
General Fund				
Nonspendable:				
Long term loans receivable	\$ -	\$ -	\$ 314,556	\$ -
Prepaid assets	-	-	-	2,173,335
Committed				
Government services	-	-	-	-
Unassigned <sup>(2)</sup>	31,002,006	31,310,309	32,155,333	39,074,360
Total general fund	<u>\$ 31,002,006</u>	<u>\$ 31,310,309</u>	<u>\$ 32,469,889</u>	<u>\$ 41,247,695</u>
All Other Governmental Funds				
Nonspendable:				
Prepaid assets	\$ -	\$ -	\$ -	\$ -
Restricted For:				
Social service programs	6,299,201	11,707,520	9,820,703	9,038,913
Debt service	4,273,390	4,251,981	3,055,835	4,460,258
Public safety	8,475,758	4,958,094	3,275,314	2,892,597
Street improvements	29,640,961	27,807,373	28,169,721	16,882,384
Community development	69,628,179	72,719,309	79,059,198	102,427,173
Other purposes	566,102	544,412	498,172	267,364
Committed for:				
Social service programs	3,976,129	1,897,039	7,002,800	6,637,434
Community development	-	-	-	-
Recreation programs	4,983,869	5,563,377	6,291,555	7,269,011
Assigned for:				
Vehicle replacement	3,842,513	3,702,187	3,407,645	2,708,119
Social service programs	-	-	-	-
Other capital projects	30,058,124	35,550,435	36,690,483	41,638,392
Unassigned	-	(134,557)	(42,547)	(140,281)
Total all other governmental funds	<u>\$ 161,744,226</u>	<u>\$ 168,567,170</u>	<u>\$ 177,228,879</u>	<u>\$ 194,081,364</u>

Notes:

- (1) In FY 2016/17 the City began reporting its vehicle replacement activities in the Vehicle Replacement internal service fund.
- (2) 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

2015/16	2016/17 <sup>(1)</sup>	2017/18	2018/19	2019/20	2020/21
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,193,530	-	189,552	-	-	-
-	-	-	-	-	20,000,000
36,933,083	39,651,567	49,701,777	51,460,496	44,497,304	49,011,135
<b>\$ 39,126,613</b>	<b>\$ 39,651,567</b>	<b>\$ 49,891,329</b>	<b>\$ 51,460,496</b>	<b>\$ 44,497,304</b>	<b>\$ 69,011,135</b>
\$ 242,699	\$ -	\$ -	\$ -	\$ -	\$ -
10,942,559	11,800,584	6,216,096	6,875,003	12,637,004	18,677,489
4,390,396	4,436,594	2,800,746	2,562,329	2,700,339	2,695,107
3,384,148	1,306,807	1,654,058	1,059,647	2,313,742	2,304,464
28,949,426	18,067,746	12,740,898	13,293,629	11,379,596	13,737,225
111,384,135	155,281,602	192,137,812	218,743,726	268,957,428	290,262,245
23,961	23,961	12,230	24,478	-	-
7,605,287	1,329,011	1,204,305	1,812,170	3,403,904	3,333,035
-	7,142,887	4,424,321	2,950,000	-	-
7,436,031	7,848,770	8,295,300	8,057,530	6,454,731	5,606,558
2,355,508	-	-	-	-	-
-	-	-	2,376,420	-	12,769
67,965,564	61,382,193	62,272,050	70,297,269	67,662,409	51,224,118
(1,409,021)	(1,087,501)	(837,392)	(2,575,532)	(8,020,358)	(2,782,231)
<b>\$ 243,270,693</b>	<b>\$ 267,532,654</b>	<b>\$ 290,920,424</b>	<b>\$ 325,476,669</b>	<b>\$ 367,488,795</b>	<b>\$ 385,070,779</b>

Statistical Section

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

<b>Revenues</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Taxes:				
Property tax	\$ 81,383,794	\$ 77,314,901	\$ 72,130,472	\$ 79,611,885
Sales tax	33,065,829	34,404,123	38,862,070	40,743,875
Business taxes	7,495,975	7,368,022	7,828,030	9,420,130
Transient occupancy tax	4,132,665	4,871,866	6,155,212	7,181,438
Property transfer tax	861,352	1,202,361	1,494,656	1,758,406
Total taxes	126,939,615	125,161,273	126,470,440	138,715,734
Development impact fees	6,193,879	7,371,151	8,262,911	6,966,643
Franchise fees	8,255,221	8,470,739	8,924,582	9,298,688
Charges for services	33,500,728	34,880,896	37,815,036	47,547,582
Investment earnings	2,056,182	(411,290)	1,795,130	1,625,206
Intergovernmental	33,418,008	28,525,586	27,054,592	26,077,980
Other revenues	4,790,435	7,670,743	7,940,974	9,419,190
Total revenues	215,154,068	211,669,098	218,263,665	239,651,023
<b>Expenditures</b>				
General government	10,326,841	11,705,622	12,325,158	13,687,288
Police services	53,386,351	52,983,058	56,526,938	60,977,009
Fire services	32,968,266	32,028,985	34,122,657	37,123,963
Human services	9,132,699	9,289,812	9,835,921	10,523,242
Capital assets maintenance and operations	52,839,416	44,241,372	49,542,065	54,164,969
Recreation and leisure services	6,904,449	6,984,149	7,546,990	7,847,547
Community development and environmental services	19,250,687	19,145,502	18,912,045	19,033,162
Intergovernmental	-	-	-	1,990,040
Capital outlay	11,413,444	19,490,281	9,929,862	17,756,829
Debt service:				
Principal	4,890,000	5,430,000	5,435,000	6,105,000
Interest and fiscal charges	6,672,770	4,957,514	5,054,471	4,055,742
Payment to refunding escrow	2,844,665	-	-	-
Total expenditures	210,629,588	206,256,295	209,231,107	233,264,791
Excess of revenues over (under) expenditures	4,524,480	5,412,803	9,032,558	6,386,232
<b>Other Financing Sources (Uses)</b>				
Debt issuance	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	60,449	218,444	1,202,251	19,244,059
Transfers in	37,006,086	36,398,411	35,667,820	37,855,620
Transfers out	(37,006,086)	(34,898,411)	(36,667,820)	(37,855,620)
Total other financing sources (uses)	1,367,840	1,718,444	788,731	19,244,059
Extraordinary gain (loss)	(64,462,513)	-	-	-
Net change in fund balances	\$ (58,570,193)	\$ 7,131,247	\$ 9,821,289	\$ 25,630,291
Debt service as a percentage of noncapital expenditures	7.2%	5.6%	5.3%	4.7%



Schedule 4

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
\$ 82,484,888	\$ 89,916,085	\$ 96,598,896	\$ 102,303,564	\$ 109,643,440	\$ 117,126,276
48,580,024	49,535,813	58,902,744	64,830,649	52,066,458	60,430,421
10,125,832	12,620,629	12,116,637	11,566,214	11,677,266	10,823,917
8,086,529	8,390,862	8,620,269	8,292,113	5,915,273	2,848,472
1,800,905	1,916,237	1,893,591	1,900,150	1,844,400	2,281,699
151,078,178	162,379,626	178,132,137	188,892,690	181,146,837	193,510,785
11,792,744	18,628,880	17,727,292	29,617,113	44,393,895	20,398,470
9,605,547	10,320,411	10,467,485	10,488,238	10,776,689	11,058,195
55,183,568	77,974,788	70,015,046	61,086,919	69,297,006	58,302,952
4,261,090	753,237	1,297,588	11,479,202	12,224,283	1,191,072
29,557,304	26,579,029	30,284,632	43,236,949	55,939,679	81,721,915
9,863,178	7,483,894	9,488,421	5,639,201	9,057,984	6,417,314
271,341,609	304,119,865	317,412,601	350,440,312	382,836,373	372,600,703
14,534,805	15,620,852	15,776,538	16,545,558	20,947,118	17,854,208
67,907,604	71,333,981	77,086,121	81,481,658	89,304,890	92,690,957
43,597,692	44,524,281	46,977,760	49,593,209	53,754,116	55,691,219
11,388,813	11,767,260	12,626,523	13,097,740	15,921,734	19,281,327
60,687,792	64,558,439	66,515,819	82,086,624	87,794,198	84,719,409
8,318,171	8,902,312	8,951,998	9,947,436	9,150,394	6,748,305
24,997,659	26,412,682	38,895,310	46,110,068	42,066,045	34,331,090
-	-	-	-	-	-
15,742,759	19,689,002	3,945,574	4,507,967	17,864,908	18,093,015
6,290,000	6,515,000	44,857,126	7,752,376	93,947,770	6,790,000
3,941,681	4,659,251	4,983,256	4,406,484	5,764,705	5,373,382
-	1,150,000	-	-	-	-
257,406,976	275,133,060	320,616,025	315,529,120	436,515,878	341,572,912
13,934,633	28,986,805	(3,203,424)	34,911,192	(53,679,505)	31,027,791
9,100,000	85,205,000	32,940,000	-	73,365,000	-
-	-	3,410,546	-	13,446,751	-
-	(85,205,000)	-	-	-	-
24,033,614	130,001	480,410	1,214,219	1,916,688	143,000
37,094,464	37,422,956	24,987,780	34,623,582	28,044,020	16,856,281
(37,094,464)	(41,752,847)	(24,987,780)	(34,623,582)	(28,044,020)	(16,856,281)
33,133,614	(4,199,890)	36,830,956	1,214,219	88,728,439	143,000
-	-	-	-	-	-
\$ 47,068,247	\$ 24,786,915	\$ 33,627,532	\$ 36,125,411	\$ 35,048,934	\$ 31,170,791
4.2%	4.8%	15.8%	4.0%	23.8%	3.8%

**Statistical Section**

**City of Fremont**

**Assessed Value and Actual Value of Taxable Property**

**Schedule 5**

**Last Ten Fiscal Years**

*in thousands of dollars*

(Unaudited)

<b>Fiscal Year</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Less Exemptions</b>	<b>Public Utilities</b>	<b>Taxable Assessed Value<sup>(1)</sup></b>	<b>Direct Rate<sup>(2)</sup></b>
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%
2021	55,831,751	3,022,904	(1,188,722)	7,268	57,673,201	0.1484%

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 <sup>(1)</sup>	General Obligation Debt Service		County	School District	Special Districts	
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%
2021	0.1434%	0.0050%	0.1484%	0.8602%	0.1090%	0.0433%	1.1609%

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	2021			2012		
	Total Assessed Value	Rank	% of Total City Taxable Assessed Value	Total Assessed Value	Rank	% of Total City Taxable Assessed Value
Tesla Motors Inc	\$ 2,722,798	1	4.70%	\$ -	-	-
LAM Research Corporation	546,916	2	0.94%	-	-	-
Hart Pacific Commons LLC	367,068	3	0.63%	-	-	-
John T. Arrillaga & Richard T. Peery	287,791	4	0.50%	246,036	1	0.73%
Seagate Technology LLC	262,851	5	0.45%	-	-	-
BRE Properties Inc.	260,289	6	0.45%	-	-	-
SI 28 LLC	244,879	7	0.42%	-	-	-
Essex Portfolio LP	217,330	8	0.38%	-	-	-
Pacific Commons Owner LP	209,901	9	0.36%	-	-	-
Boehringer Ingelheim Fremont Inc.	186,602	10	0.32%	-	-	-
Transcontinental Northern California Inc.	-	-	-	200,310	2	0.59%
SI 30 LLC	-	-	-	199,112	3	0.59%
SCI LP I	-	-	-	189,040	4	0.56%
Pacific Commons Retail LLC	-	-	-	175,696	5	0.52%
Catellus Development Corporation	-	-	-	164,917	6	0.49%
BNP Paribas Leasing Corporation	-	-	-	74,666	7	0.22%
CDRE LLC	-	-	-	62,277	8	0.18%
Cisco Technology, Inc.	-	-	-	60,506	9	0.18%
Hub Bayside Properties LLC	-	-	-	57,797	10	0.17%
<b>Total</b>	<b>\$ 5,306,425</b>		<b>9.16%</b>	<b>\$ 1,430,357</b>		<b>4.23%</b>

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 <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections <sup>(3)</sup>
		Amount Collected <sup>(2)</sup>	Percentage of Levy	
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
2021	83,349,340	83,025,335	99.61%	972,277

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 <sup>(1)</sup>			Percentage of Taxable Assessed Value <sup>(2)</sup>	Percentage of Personal Income <sup>(3)</sup>	Debt Per Capita <sup>(4)</sup>
	General Obligation Bonds	General Fund Lease Obligations	Total Outstanding Debt			
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%	766
2017	41,145	127,281	168,426	0.38%	1.46%	727
2018	39,885	119,772	159,657	0.34%	1.24%	688
2019	38,229	113,388	151,618	0.30%	1.13%	652
2020	36,524	106,847	143,371	0.26%	1.06%	615
2021	34,754	100,882	135,636	0.24%	1.00%	579

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**  
*in thousands of dollars, except per capita*  
(Unaudited)

**Schedule 10**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding <sup>(1)</sup>			Percentage of Taxable Assessed Value <sup>(3)</sup>	Debt Per Capita <sup>(4)</sup>
	General Obligation Bonds	Less Amounts Available in Debt Service Fund <sup>(2)</sup>	Total		
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%	160
2019	38,229	2,559	35,670	0.07%	153
2020	36,524	2,700	33,824	0.06%	145
2021	34,754	2,695	32,059	0.06%	137

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 debt service fund.
- (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, 2021**  
(Unaudited)

**Schedule 11**

Overlapping Government Unit <sup>(1)</sup>	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Alameda County	\$ 191,300,000	17.477%	\$ 33,433,501
Bay Area Rapid Transit District	1,871,890,000	6.763%	126,595,921
Chabot-Las Positas Community College District	593,290,000	0.007%	41,530
Ohlone Community College District	423,445,000	82.309%	348,533,345
Fremont Unified School District	543,330,000	100.000%	543,330,000
City of Fremont Community Facilities District No. 1	77,225,000	100.000%	77,225,000
City of Fremont Community Facilities District No. 2	16,410,000	100.000%	16,410,000
Washington Township Healthcare District	326,370,000	70.333%	229,545,812
East Bay Regional Park District	133,170,000	10.822%	14,411,657
Alameda County General Fund Obligations	790,122,500	17.477%	138,089,709
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	20.695%	2,412,002
Fremont Unified School District Certificates of Participation	60,385,000	100.000%	60,385,000
Subtotal, overlapping debt			1,590,413,477
<b>City of Fremont, direct debt<sup>(2)</sup></b>			<b>135,635,864</b>
<b>Total direct and overlapping debt</b>			<b>\$ 1,726,049,341</b>

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, 2021									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 1,249	\$ 1,269	\$ 1,332	\$ 1,420	\$ 1,530	\$ 1,666	\$ 1,775	\$ 1,905	\$ 2,036	\$ 2,163
Debt applicable to limit <sup>(1)</sup>	48	46	45	44	43	41	40	38	37	35
Legal debt margin	<b>\$ 1,201</b>	<b>\$ 1,223</b>	<b>\$ 1,287</b>	<b>\$ 1,376</b>	<b>\$ 1,487</b>	<b>\$ 1,625</b>	<b>\$ 1,735</b>	<b>\$ 1,867</b>	<b>\$ 1,999</b>	<b>\$ 2,128</b>
Percentage available	96.2%	96.4%	96.6%	96.9%	97.2%	97.5%	97.7%	98.0%	98.2%	98.4%

**Calculation of Legal Debt Margin**

Assessed value of taxable property	\$ 57,673
25% of Assessed Valuation	14,418
Debt limit (15% of assessed value)	2,163
General obligation bonds outstanding	35
<b>Legal debt margin</b>	<b>\$ 2,128</b>

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**

<b>Year</b>	<b>Population<sup>(1)</sup></b>	<b>Per Capita Income<sup>(2,3)</sup></b>	<b>Personal Income<sup>(3)</sup></b>	<b>Unemployment Rate<sup>(4)</sup></b>
2012	219,537	\$ 38,095	\$ 8,363,262,015	6.9%
2013	222,310	43,504	9,671,374,240	5.7%
2014	225,712	40,562	9,155,330,144	4.5%
2015	228,474	43,563	9,953,012,862	3.7%
2016	230,089	46,899	10,790,944,011	3.3%
2017	231,713	49,740	11,525,404,620	2.7%
2018	232,107	55,521	12,886,812,747	2.6%
2019	232,601	57,850	13,455,967,850	2.5%
2020	233,132	57,850	13,486,686,200	6.7%
2021	234,239	57,850	13,550,726,150	5.0%

Sources:

- (1) State of California, Department of Finance. *E-1 Population Estimates for Cities, Counties, and State - January 1, 2020 and 2021*, May 2021; *E-4 Population Estimates for Cities, Counties, and the State, 2011-2021, with 2010 Benchmark*, May 2021.
- (2) U.S. Census Bureau, American Community Survey Single Year Estimates 2012-2019. Values have not been adjusted for inflation.
- (3) The U.S. Census Bureau has not released 2020 per capita income data, so the 2019 value was used for estimating 2020 and 2021 personal income.
- (4) State of California, Employment Development Department Labor Market Information Division. The 2021 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
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
2021	651	535,002,157	3,532	293,697,709	4,183	828,699,866

Source: City of Fremont Community Development Department.

**Statistical Section**

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

**Schedule 15**

Employer	2021			2012		
	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank
Tesla Motors Inc	13.68%	15,000	1	1.45%	1,500	3
Fremont Unified School District	2.64%	2,895	2	2.90%	3,000	1
LAM Research	2.37%	2,600	3	1.45%	1,500	3
Washington Hospital	2.14%	2,350	4	1.76%	1,817	2
Kaiser Permanente Medical Group	1.46%	1,600	5	-	-	-
Synnex Corporation	1.23%	1,350	6	-	-	-
Western Digital	1.00%	1,100	7	1.26%	1,300	5
Seagate Technology, Inc.	0.90%	990	8	1.01%	1,050	7
City of Fremont	0.88%	963	9	0.82%	848	9
Sutter Health	0.71%	775	10	-	-	-
Boston Scientific	-	-	-	1.16%	1,200	6
AXT Incorporated	-	-	-	0.92%	950	8
Sysco Food Services	-	-	-	0.71%	740	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>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>2021</u>
<u>Public Safety</u>										
Fire	152.50	153.00	154.00	157.00	158.00	159.00	160.00	161.00	162.00	162.00
Police	287.00	282.00	287.50	296.50	303.50	306.50	311.50	314.50	317.50	320.50
Total	<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>482.50</u>
<u>Other Community Services</u>										
Community Development	60.75	61.00	57.30	60.30	68.05	71.05	76.05	80.25	81.25	81.55
Community Services	93.43	94.41	88.51	90.01	90.76	91.01	92.01	94.01	96.01	97.06
Economic Development	3.65	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Housing and Redevelopment	12.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Human Services	54.50	56.50	58.15	59.93	60.55	61.55	64.55	65.40	64.73	70.10
Public Works	109.24	110.24	111.61	117.61	121.53	124.35	127.35	129.65	136.00	136.30
Total	<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>381.99</u>	<u>389.01</u>
<u>Administrative Systems</u>										
City Manager's Office	6.25	6.80	8.80	9.30	9.80	10.80	10.80	12.05	13.05	10.75
City Attorney	9.42	9.67	9.92	9.92	9.92	9.92	9.92	9.92	9.92	9.92
City Clerk	4.20	4.20	4.20	4.20	3.95	3.95	3.95	3.95	3.95	4.25
Finance	21.55	21.75	22.75	22.75	24.00	24.00	24.00	24.00	24.00	24.00
Human Resources	14.00	14.00	14.00	13.50	14.25	15.25	15.25	15.00	16.00	16.00
Information Systems	19.90	22.00	22.00	22.00	23.00	23.00	23.00	23.00	27.00	27.00
Total	<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>	<u>91.92</u>
<b>Citywide Total</b>	<b><u>848.49</u></b>	<b><u>839.57</u></b>	<b><u>842.74</u></b>	<b><u>867.02</u></b>	<b><u>891.31</u></b>	<b><u>904.38</u></b>	<b><u>922.38</u></b>	<b><u>936.73</u></b>	<b><u>955.41</u></b>	<b><u>963.43</u></b>

Source: City of Fremont FY 2021/22 Adopted Operating Budget.

**Statistical Section**

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

**Schedule 17**

<u>Function/Program</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>2021<sup>(1)</sup></u>
<u>Police</u>										
Physical arrests	4,266	3,705	3,986	3,768	3,522	4,557	3,742	1,931	1,343	1,653
Vehicle moving and parking violations	9,829	10,535	11,709	10,435	14,372	23,544	13,745	11,283	7,383	13,247
<u>Fire</u>										
Emergency responses <sup>(2)</sup>	13,320	13,445	13,952	14,686	15,513	16,367	16,201	16,097	14,492	15,840
Fires extinguished	313	370	364	388	434	462	459	495	601	566
<u>Parks and recreation</u>										
Number of recreation classes registrants	26,329	31,521	31,900	33,187	31,886	31,925	31,000	32,000	4,800	7,500

Notes:

(1) Projected through year end based on data received through October 2021.

(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>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>2021</u>
<u>Police</u>										
Stations	1	1	1	1	1	1	1	1	1	1
Police fleet cars and motorcycles	179	179	180	181	187	197	197	201	209	211
<u>Fire</u>										
Stations	11	11	11	11	11	11	11	11	11	11
Engines	16	16	16	16	16	16	16	18	16	16
Trucks	3	3	3	3	3	3	3	3	3	3
Patrols (Wildland units, etc.)	6	6	6	6	6	6	6	6	6	6
Specialized Apparatus (Hazmat Response, Rescue, WMD/MCI, Air/Light, Water Tender)	3	5	5	5	5	5	5	5	5	5
<u>Parks and recreation</u>										
Acreage	1,191	1,205	1,213	1,213	1,213	1,215	1,215	1,126	1,126	1,219
Playgrounds	42	42	42	42	42	42	42	43	43	43
Baseball/softball diamonds	24	24	24	24	24	24	24	24	24	25
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 <sup>(1)</sup>	-	-	-	-	-	-	-	-	77,018	77,457

## Notes:

(1) New statistic added in 2020

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

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