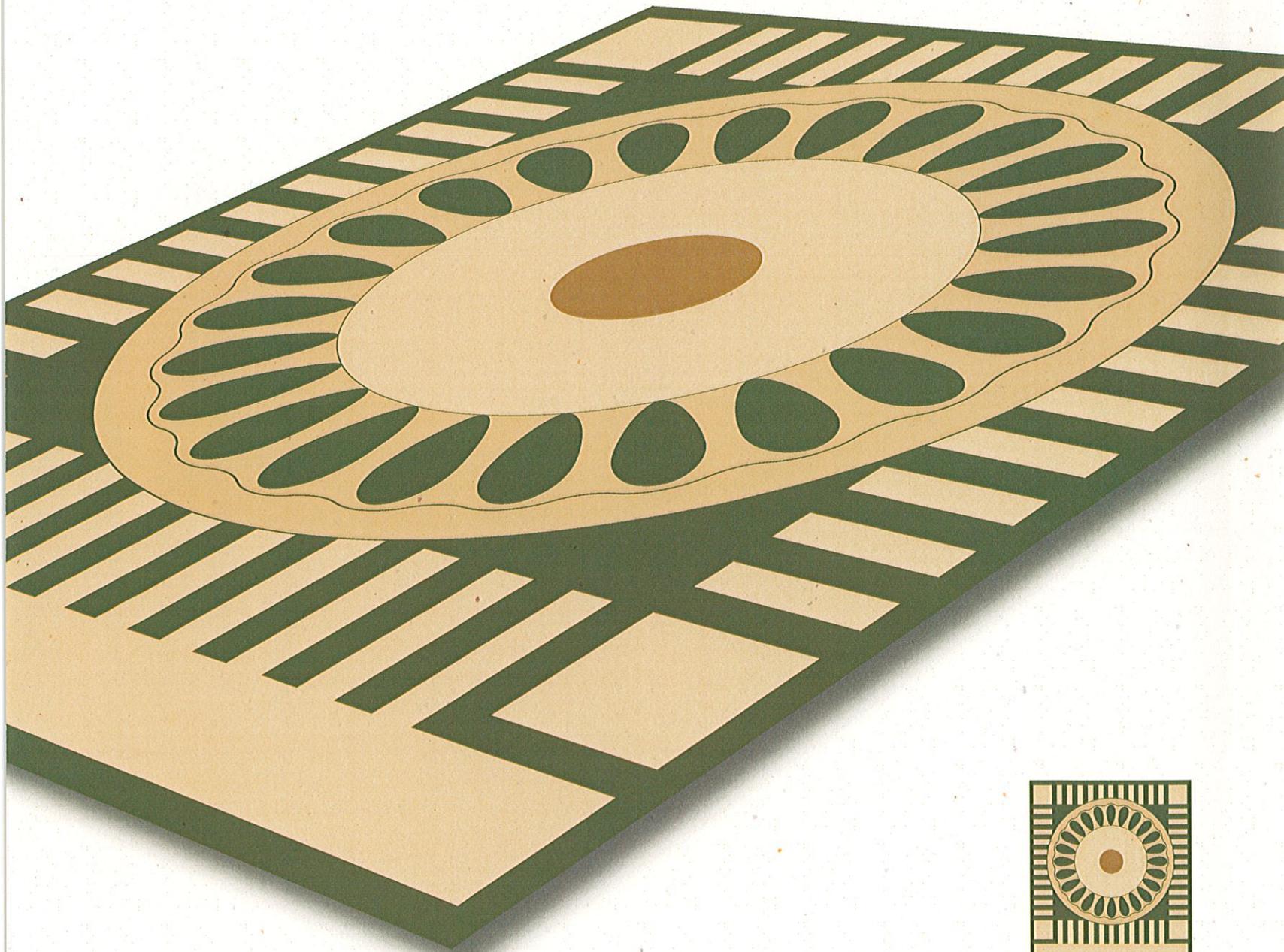


CITY OF HAYWARD

CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2009



CITY OF HAYWARD, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2009

Prepared by:

Accounting Division, Department of Finance

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CITY OF HAYWARD, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

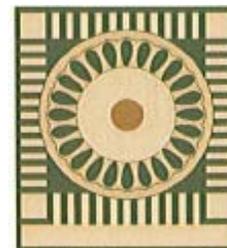
	Pages
INTRODUCTORY SECTION	
Letter of Transmittal	i - viii
Organization Chart.....	ix
Directory of City Officials	x
Directory of Administrative Staff	xi
GFOA Certificate of Achievement for Excellence in Financial Reporting	xii
FINANCIAL SECTION	
Independent Auditors' Report on Basic Financial Statements	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Major Governmental Funds:	
Balance Sheet	19
Reconciliation of Governmental Fund Balances to Net Assets of	
Governmental Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21
Reconciliation of the Net Change in Fund Balances — Total Governmental	
Funds with the Statements of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual:	
General Fund	23
HOME Fund.....	24
Major Proprietary Funds:	
Statement of Net Assets	27
Statement of Revenues, Expenses and Changes in Fund Net Assets	28
Statement of Cash Flows	29
Fiduciary Funds:	
Statement of Fiduciary Net Assets	31
Notes to Basic Financial Statements	33

CITY OF HAYWARD, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	Pages
FINANCIAL SECTION (Continued):	
Supplemental Information:	
Major Governmental Funds:	
Redevelopment Agency Capital Projects Fund – Budget to Actual.....	81
Route 238 Capital Project Fund – Budget to Actual	82
Non-Major Governmental Funds:	
Combining Balance Sheets	86
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances	90
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	94
Non-Major Enterprise Funds	
Combining Statement of Net Assets	116
Combining Statements of Revenues, Expenses and Changes in Fund Net Assets	117
Combining Statement of Cash Flows	118
Internal Service Funds:	
Combining Statement of Net Assets	120
Combining Statements of Revenues, Expenses and Changes in Fund Net Assets	121
Combining Statements of Cash Flows	122
Fiduciary Funds:	
Statement of Changes in Assets and Liabilities - All Agency Funds	124
STATISTICAL SECTION (Unaudited)	
Net Assets by Component - Last Five Fiscal Years	127
Changes in Net Assets - Last Five Fiscal Years	128
Fund Balances of Governmental Funds - Last Ten Fiscal Years	130
Changes in Fund Balance of Governmental Funds - Last Ten Fiscal Years	131
Assessed and Estimated Value of Taxable Property - Last Ten Fiscal Years	133
Property Tax Rates - All Overlapping Governments - Last Ten Fiscal Years	134
Principal Property Tax Payers - Current Year and Nine Years Ago	135
Property Tax Levies and Collections - Last Ten Fiscal Years	136
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	138
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years	139
Computation of Direct and Overlapping Debt	140
Computation of Legal Bonded Debt Margin	141
Revenue Bond Coverage Waste Water Revenue Bonds - Last Ten Fiscal Years	142
Bonded Debt Pledged Revenue Coverage - Last Ten Fiscal Years	143
Demographic and Economic Statistics - Last Ten Fiscal Years	144
Principal Employers — Current Year and Nine Years Ago.....	145
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years	146
Operating Indicators by Function/Program - Last Ten Fiscal Years	147
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	148

CITY OF HAYWARD



INTRODUCTORY



CITY OF
HAYWARD
HEART OF THE BAY

December 21, 2009

Honorable Mayor and members of the City Council:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Hayward for the fiscal year ended June 30, 2009. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In our opinion, the data is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Hayward, California. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Mayer Hoffman McCann, PC., a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent auditor was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Hayward, California's financial statements for the year ended June 30, 2009, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this Report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal Awards. These reports are available in the City's separately issued Single Audit Report.

DEPARTMENT OF FINANCE AND INTERNAL SERVICES

777 B STREET, HAYWARD, CA 94541-5007
TEL: 510/583-4009 • FAX: 510/583-3600 • TDD: 510/247-3340

Management is also required, by GAAP, to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

Profile of the City of Hayward

With a population currently estimated at 151,000, Hayward is the third largest city in Alameda County. Hayward is located fourteen miles south of Oakland in the San Francisco Bay Area. The City area includes sixty-one square miles lying between the eastern shore of San Francisco Bay and the southern Oakland-Berkeley Hills.

Hayward serves as a major transportation hub and a center of commercial and industrial activity, with immediate access to major interstate freeways, rail lines, and public transit routes such as Bay Area Rapid Transit (BART). The community includes approximately 48,000 homes and residences of all types and considerable commercial and industrial development. Major institutional facilities include California State University-East Bay, Chabot Community College, two major hospitals, and state and county offices.

The City was incorporated in 1876. Under the City Charter adopted in 1956, the City government is organized in the Council-Manager form. The Mayor is directly elected to a four-year term of office and serves as a voting member and the presiding officer of the City Council. The City Council includes six other members, each of whom is elected at-large to overlapping four-year terms. The Mayor and City Council serve as the legislative and policy-making body of the City government.

The Mayor and City Council appoint a City Manager, a City Clerk, and a City Attorney. The City Manager is the City's chief executive officer and appoints all other City staff. The City Manager is responsible for the daily administration of the City government and provides overall direction to the City departments.

Hayward provides a full range of services to its residents including law enforcement; fire prevention and protection; housing and economic development; land use development services and regulations; community planning; libraries; street construction and maintenance; landscape maintenance services; transportation planning; and contracted curbside recycling and refuse collection. City departments include City Manager's Office, Police, Fire, Public Works, Development Services, Library and Neighborhood Services, Maintenance Services, Human Resources, Finance, Technology Services, City Clerk, and City Attorney. In addition, the City operates and maintains facilities for water distribution, storm water, and sanitary sewer collection and disposal. The City also operates a general aviation airport, downtown parking facilities, a civic center, and an exhibition hall with meeting rooms. Through its Redevelopment Agency, the City provides development services and improvements in a project area encompassing approximately 1,500 acres.

The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The level of appropriated budgetary control is at the fund level, which is defined as the total budget for all funds and divisions and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers of appropriations within the adopted budget. Supplemental appropriations during the year must be approved by the City Council. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are re-appropriated in the ensuing year's budget. The City utilizes an encumbrance accounting system, whereby

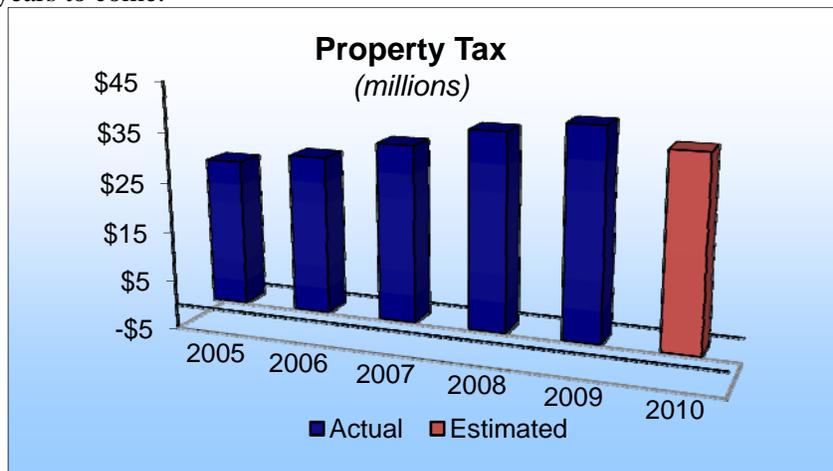
commitments such as purchase orders and contractual commitments are recorded as reserved fund balances at year end.

Factors Affecting the City's Financial Condition

Local Economy. The broader meltdown of the economy over the last year due to the credit crisis, softening of the housing market, reassessments of real estate, and reduced consumer confidence has been much broader and deeper than most anyone had predicted. In February 2009, Council was presented with a revised budget picture that decreased revenue projections by \$7.5 million during the current fiscal year. To address this shortfall, the City implemented employee furloughs, additional employee savings measures developed by bargaining units, departmental cost cutting, and transferred certain assets to Water Utilities Funds. It was expected to end the fiscal year with little or no use of reserves, except for the reserve set aside for retirements. As of June 2009, the unemployment rate for Hayward increased to 11.1% from 6.2% the previous year. The Alameda County unemployment rate is 11.2% with the State of California recording 12.3%.

The City's general revenues consist of mainly property taxes and sales taxes. These two revenue sources make up 52% of the City's General Fund revenue.

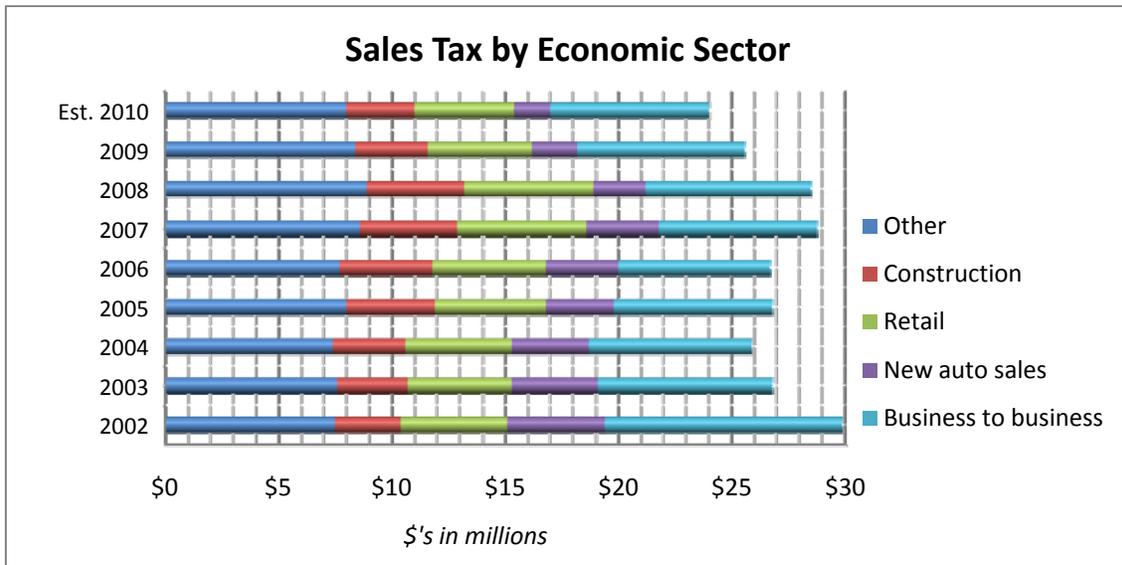
Property Tax: Three major events have affected the valuation of property for property tax purposes in Alameda County: (1) Like many County Assessor's throughout California, the Alameda County Assessor adjusted the value of over 65,000 homes in the County to reflect their decreased value in this deflated housing market; (2) many commercial properties sought reassessment based on their declining value as well; and (3) as properties entered foreclosure and were resold as a distressed property, the value of that property based on sale price dropped dramatically, thereby also dramatically reducing the resulting property tax for years to come.



While the assessed value of property in Alameda County dropped quickly, it is likely that it will take several years for assessed values to regain much of these losses. It is also unlikely that property values will be seen at the same high levels as occurred in the last few years prior to the sharp decline being experienced now. Therefore, expecting to return to the previous levels of property tax revenue anytime soon is unrealistic. Based on these unprecedented declines, the estimates for property tax revenue for FY 2010 have been adjusted to reflect an expected 9% decline from FY 2009. Property taxes are the greatest source of revenue to the City's General Fund. Historically, property taxes in Hayward have grown at 11% per year.

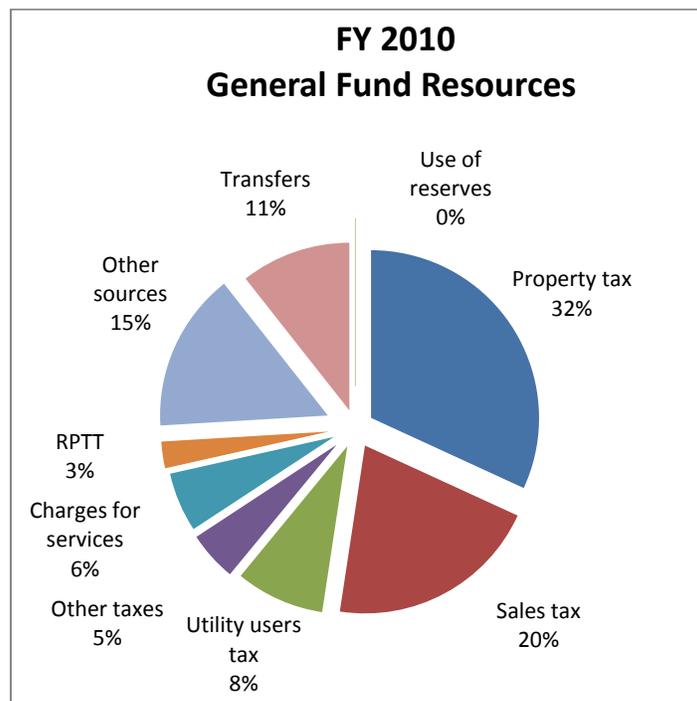
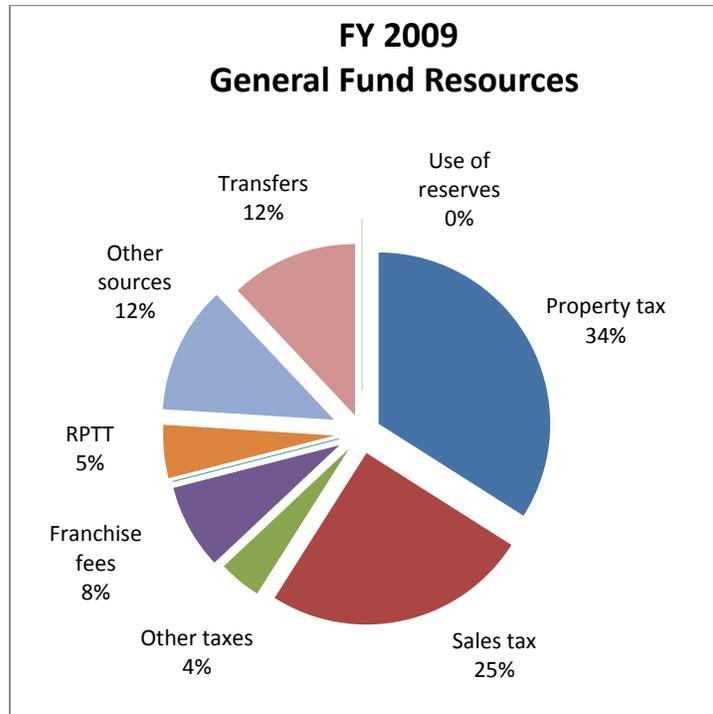
Sales Tax: Sales tax comprises about 26% of General Fund budget and is particularly susceptible to economic downturns such as the current recession here in California. The City's original FY 2009 budget

projected no growth in sales tax revenue. However during the current fiscal year, revenues have declined 11% from last year. Based on the consumer confidence and spending outlook, the FY 2010 budget projects an additional decline of 5.5%, which will reduce this revenue by another \$1.4 million.

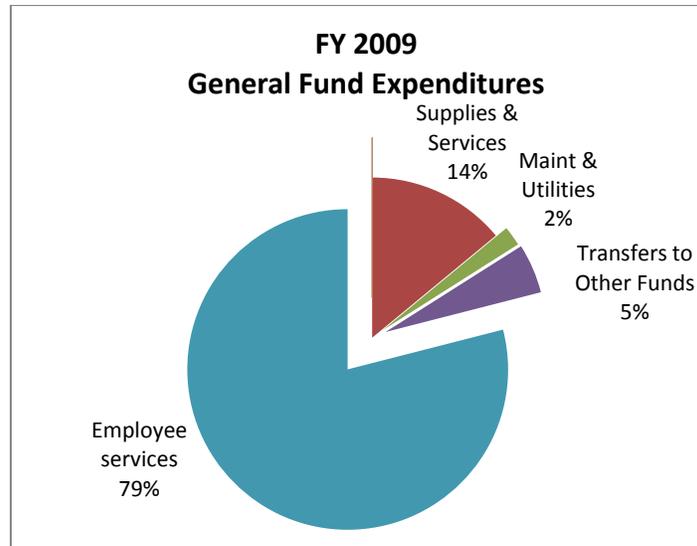


Measure A: Council declared a fiscal emergency and placed a Utility Users Tax (UUT) on the May 19, 2009 ballot. The measure was successful and therefore the FY 2010 budget includes estimated revenue from this new tax of \$10 million. Annualized, it is expected the UUT to generate approximately \$13 million per year. The passage of Measure A is a milestone of commitment by the community to preserve key essential services and prevent further cuts in basic services, in particular in support of Council top priorities. Even with passage of Measure A, FY 2011 and beyond will present financial challenges, as one-time transfers and employee concessions will cease.

The charts following reflect the components of the \$116.9 million General Fund resources budgeted for FY 2010 as compared to FY 2009. Property Tax and Sales Tax are the two major revenues that have been most affected by the economic recession. These two revenue sources make up 52% of the total General Fund resources. The total General Fund revenue in the Revised FY 2010 Budget is \$2.6 million less than the original budget presented last year, which also includes \$10 million of new revenue for the recently approved Utility Users Tax.



Financial Policies: This is an extraordinary economic time. Continuing to fund the essential services of the City is a priority, but in order to be fiscally responsible, costs have been cut in several areas, which does affect the delivery of services to the community. The majority of the General Fund expenditures are designated for employee services, which is not surprising since the City is a service organization. The chart below reflects the make-up of the General Fund expenditures.



Without the long-range planning policies and spending cuts that have been implemented over the past year, the City would have used all its General Fund reserves by the end of the FY 2010 year. To avoid this unacceptable alternative, the organization has pulled together to meet the challenges. The major cost savings measures that have been implemented are described below:

Employee Savings: In total, the original employee savings goals were \$6.5 million in FY 2009, and \$8.5 million projected in FY 2010. These goals were met through negotiated salary reductions in combination with the elimination of positions vacated under the early retirement incentive program and layoffs.

City employees agreed to cut salary expenses by implementing a two-week holiday furlough over the last two weeks of December 2008. This was the first time the City of Hayward implemented a furlough. It resulted in an estimated savings of \$600,000 in the General Fund and almost \$1 million overall across all funds. For FY 2010, employee groups again agreed to a 104-hour furlough, equivalent to about 5% of payroll, and sworn employees also made one-time concessions in pay that will result in approximately \$5 million savings next fiscal year from what was originally budgeted. This allows the City to minimize other operational cuts and to preserve reserves.

Position Reductions: General Fund staffing was reduced by approximately 45 positions between July 2008 and April 2009 as part of reaching the established overall savings target for FY 2009. A commitment was made that no public safety sworn positions be reduced, and police and fire employees assisted with that goal by agreeing to the above mentioned salary concessions. The reduction in staffing was achieved by an early retirement program through CalPers, in which 59 employees citywide took advantage of retirement; some positions being transferred to other funds; and layoffs of 8 employees.

Cost Cutting: Every effort has been made to anticipate and stay ahead of the severe decline in revenues. To address the most recent declines within the current fiscal year, the following immediate actions were taken in FY 2009 to further reduce expenditures:

- ✓ Comprehensive review of vehicle and other fleet assignments and equipment related costs.
- ✓ Evaluation of any possible capital equipment or land sales (one-time monies) that could help support the General Fund short-term.
- ✓ Continued restrictions on the purchase of non-mission critical supplies and services.
- ✓ Continued restriction on recruitment/hiring. City Manager approval required prior to any hiring.
- ✓ Working with all departments to eliminate overtime, where allowable.
- ✓ Development of contingency plans for reduced service levels in various departments.

Inter-fund Transfers: As recommended in the FY 2009 budget, the General Fund transferred \$5 million per year in FY 2009 and FY 2010, from the Route 238 Fund to maintain service levels in the short term. The City implemented a loan agreement with the Redevelopment Agency obligating housing set aside funds (current and/or future) as the basis for repayment for these transfers, when and if it is necessary. The City acknowledges that continued reliance on one-time money is not sustainable.

Loan Repayment: The Redevelopment Agency has a long-term debt obligation to the General Fund due to previous borrowing from the General Fund by the Agency. During FY 2009, the Council modified the terms of the agreement to require the repayment of the debt to the General Fund, over the next 15 years, in the amount of \$800,000 per year.

Other Policy Implementations: Prior to the commencement of this fiscal year the City had already implemented several new initiatives that carry over to this year and beyond including:

- ✓ Establishing Council Priorities which is a cornerstone to the City's decision making and allocation of resources.
- ✓ Reorganizing of several City departments; creating a Maintenance Services Department; Library and Neighborhood Services Department; Development Services Department, which moved Economic Development and Redevelopment to the City Managers Office. These reorganizations were designed to better serve the community.
- ✓ Establishing an Innovations Task Force to research and recommend implementation of cost saving efficiencies and changes to outdated practices.
- ✓ Creating capital reserve funds and internal service funds to capture operating costs more clearly and begin to establish replacement funds.

Major Initiatives: In addition to the steps described above, the City has taken several steps to assure that not only do we close out FY 2009 and FY 2010 as balanced as possible, but that we also continue to be diligent and conservative in our planning to assure that the structural deficit is eliminated in future years.

Utilities Users Tax: On May 19, 2009, the voters of the City of Hayward approved Measure A, which implements a 5.5% utility users tax on user charges for electric, gas, telecommunication, and video/CATV services. The City estimates that this will bring an additional \$10-13 million to fund and maintain general city services.

The State: Because Propositions 1A and 1B failed, the state invoked its borrowing abilities provided under state law, and retain approximately 8% of our property taxes. In total, this would reduce our General Fund resources by another \$3.6 million in FY 2010. The state offered a process to securitize and issue debt to repay this borrowing. The City took advantage of the Prop 1A Securitization program in November 2009 and therefore will not suffer a cash-flow loss from the state's actions.

Federal Economic Stimulus Dollars: In support of Council's stated priorities and to augment our limited local funds, the City has been pursuing all available and relevant Federal stimulus grant funding provided by the American Recovery and Reinvestment Act (ARRA), and expects to receive grants in the areas of transportation, community development block grants, police services, energy efficiency, and energy conservation.

Awards & 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 Hayward for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the 23rd consecutive year that the City of Hayward has received this prestigious national award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. All those who contributed to the preparation of this report deserve commendation for their efforts and dedication. In particular we would like to express our appreciation to Henry Gudino, Accounting Manager, Mikyung Pustelnik, Senior Accountant, and Virginia Casuga, Senior Account Technician whose knowledge and dedication were most valuable.

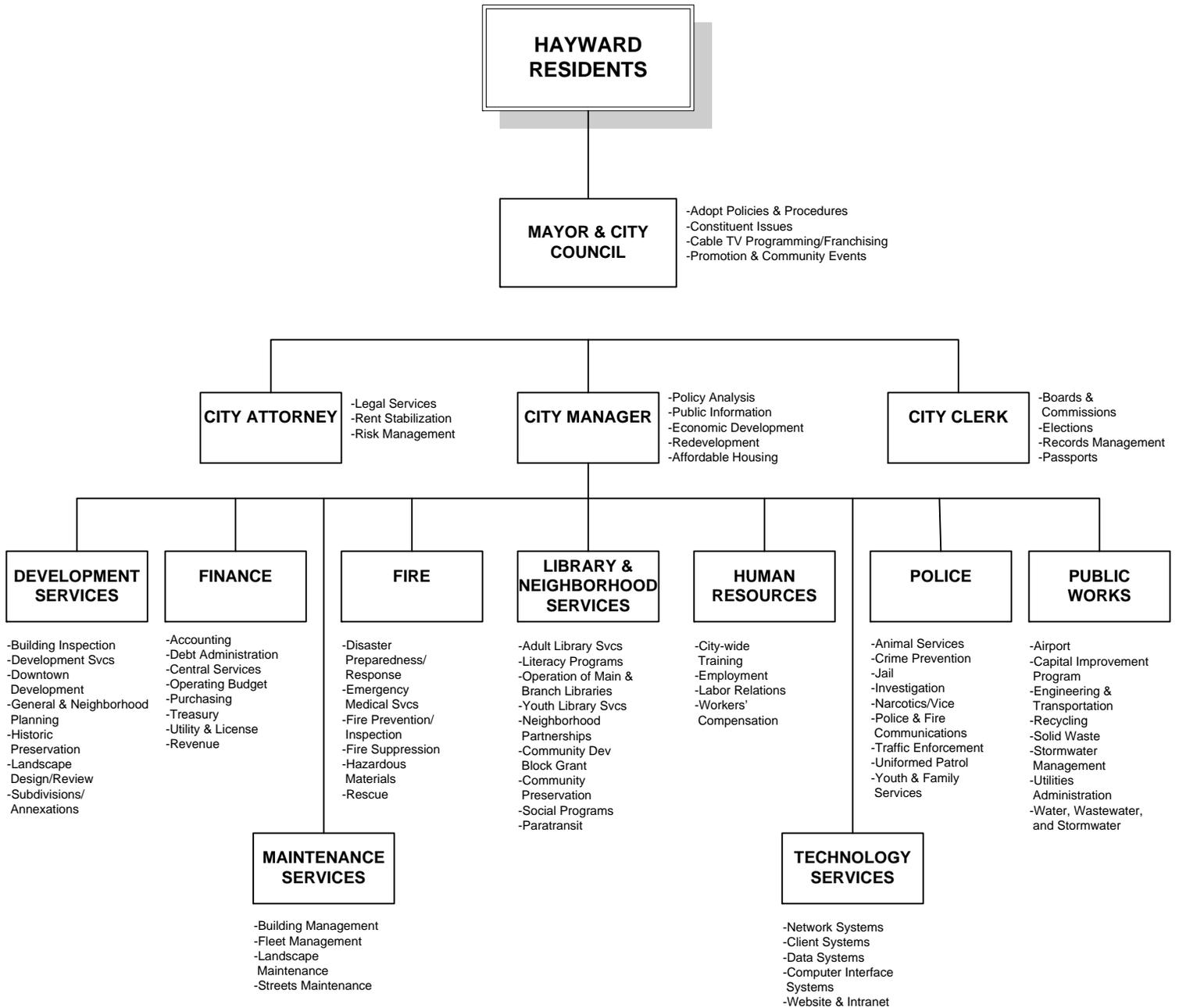
We also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to the high standards embodied in this Report and express our appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully Submitted,



Debra Auker
Director of Finance

CITY OF HAYWARD ORGANIZATION



City of Hayward

Elected Officials in office as of June 30, 2009

The Mayor and six Council members represent Hayward residents, review public policy, and adopt policies responsive to the community. The City Council meets Tuesday at 7:00pm except for the second and fifth Tuesday of each month. Council is in recess for the month of August. Council Chambers are located on the second floor of City Hall, 777 B Street, Hayward, CA 94541. The public is invited to attend Council meetings.



Michael Sweeney
Mayor



Bill Quirk
Council Member



Kevin Dowling
Council Member



Anna May
Council Member



Barbara Halliday
Council Member



Francisco Zermeno
Council Member



Olden Henson
Council Member

City Of Hayward

Administrative Staff as of June 30, 2009

Appointed by City Council

City Manager	Greg Jones
City Attorney	Michael Lawson
City Clerk	Miriam Lens

Department Directors

Assistant City Manager	Fran David
Development Services Director	David Risk
Finance Director	Debra Auker
Fire Chief	Craig Bueno
Human Resources Director	Debra Auker (Acting)
Library Director	Sean Reinhart (Interim)
Maintenance Services Director	Matt McGrath
Police Chief	Ron Ace
Public Works Director	Robert Bauman
Technology Services Director	Clancy Priest

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hayward California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



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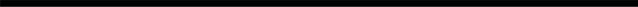
President

A stylized, handwritten signature in black ink.

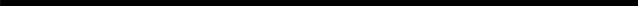
Executive Director

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CITY OF HAYWARD



FINANCIAL





Mayer Hoffman McCann P.C.

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City Council
City of Hayward, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hayward, California, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Hayward. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the City of Hayward for the year ended June 30, 2008, and in our report dated February 25, 2009, and we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hayward, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, of the City of Hayward, California and the respective budgetary comparison information for the general fund and HOME fund of the City for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described further in note 13 to the financial statements, the City changed its method of accounting for postemployment benefits for fiscal years ending on or after June 30, 2009.

The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the information. However, we did not audit the information and express no opinion on it.

City Council
City of Hayward
Hayward, California

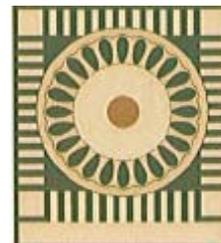
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hayward's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2009 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Mayer Hoffman McCann P.C.

Irvine, California
December 21, 2009

CITY OF HAYWARD



Management Discussion and Analysis

CITY OF HAYWARD
Management's Discussion and Analysis

As management of the City of Hayward (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information furnished in our Letter of Transmittal, which can be found on pages i through viii in the introductory section of this report. All data presented in this analysis is expressed in millions.

Financial Highlights

- At the close of the most recent fiscal year, the assets of the City exceeded its liabilities by \$515.3 million (*net assets*). Of this amount, \$234.6 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors within the restrictions set forth by the various funding sources.
- The City's total net assets increased by \$31.1 million during the current fiscal year. Governmental activities, including the General Fund and Redevelopment Agency, increased by \$25.4 million, while business-type activities such as Sewer, Water, and Airport Funds, increased by \$5.7 million.
- As of June 30, 2009, the City's governmental funds reported combined fund balances of \$92.8 million, a decrease of \$1.1 million from the prior year. Of this amount, \$62.6 million or approximately 67% of total fund balances are unreserved fund balances designated for specific purposes.
- At the end of the current fiscal year, total fund balance for the General Fund was \$32.6 million, of which \$10.8 million was reserved and the remainder was designated for specific purposes by the City Council. The fund balance designated for Contingencies of \$8.7 million is 8% of total General Fund expenditures.
- As of June 30, 2009, the City's proprietary funds reported combined fund balances of \$240.5 million, an increase of \$5.7 million from the previous year. Of this amount, \$139.6 million or approximately 58% of total fund balances are unrestricted fund balances.

Overview of the Financial Statements

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

Government-wide Financial Statements. (pages 16-17) 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 government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate

Redevelopment Agency of the City of Hayward. The Redevelopment Agency functions as an integral part of the primary government and has been included in these financial statements.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

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 two categories; governmental funds and proprietary funds.

Governmental Funds. (pages 18-24) 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 evaluation the City's near-term financial requirements.

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

The City maintains twenty-six individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, HOME Investment in Affordable Housing Fund, Redevelopment Agency Capital, and Route 238 Capital Project

Funds, which are considered to be major funds. Data from the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *Non-major Governmental Funds* section of this report.

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement is provided for all governmental funds with annually adopted budgets. The budget comparison statement for the General Fund is located in the basic financial statements on page twenty-three of this report. All other major and non-major funds with legally adopted annual budgets are located in the supplementary information section.

Proprietary Funds. (pages 25-29) The City maintains two different types of proprietary funds, the Enterprise Funds and the Internal Service Funds. The *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, stormwater runoff, airport, and Centennial Hall rental operations. The *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Workers Compensation, General Liability, Fleet Management, Facilities, and Technology Services Funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer, Water, and Airport Funds which are considered to be major funds. Conversely, 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* in the *Internal Service Funds* section of this report.

Fiduciary Funds. (page 30) Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

Notes to the Basic Financial Statements. (pages 33-79) The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, supplementary information on major and non-major governmental funds and internal service funds are presented in this report. Combining and individual fund statements and schedules can be found beginning on page 81 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$515.3 million at the close of the current fiscal year.

The largest portion of the City's net assets, \$245.5 million or 48%, reflects its investment in capital assets (e.g. land, buildings, street infrastructure, sewer and water pipelines, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - City of Hayward Statement of Net Assets
(Amounts expressed in millions)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and other assets	\$157.2	\$126.4	\$145.5	\$142.4	\$302.7	\$268.8
Capital assets	238.8	247.2	176.0	175.9	414.8	423.1
Total assets	396.0	373.6	321.5	318.3	717.5	691.9
Liabilities:						
Long term liabilities outstanding	100.7	101.4	75.8	75.9	176.5	177.3
Other liabilities	20.6	22.9	5.1	7.5	25.7	30.4
Total liabilities	121.3	124.3	80.9	83.4	202.2	207.7
Net assets:						
Invested in capital assets, net of debt	144.5	165.7	101.0	100.7	245.5	266.4
Restricted	35.2	50.1			35.2	50.1
Unrestricted	95.0	33.5	139.6	134.2	234.6	167.7
Total net assets	\$274.7	\$249.3	\$240.6	\$234.9	\$515.3	\$484.2

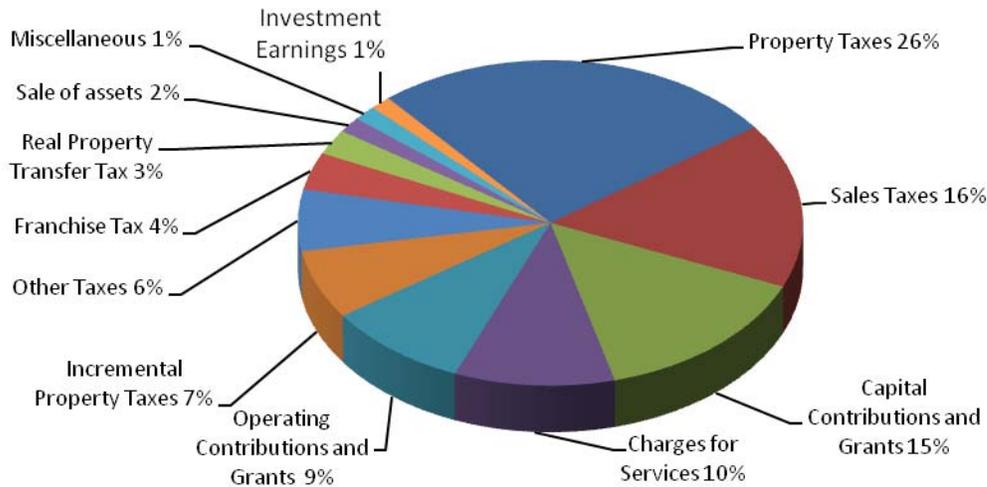
Another portion of the City net assets, \$35.2 million or 7%, represent resources that are subject to external restrictions on how they may be used. Almost all of these restricted net assets is related to restrictions on the City's special revenue and capital projects funds. The remaining balance of unrestricted net assets, \$234.6 million or 45%, may be used to meet the City's ongoing obligations to citizens and creditors within the restrictions set forth by the various funding sources.

At the end of the current fiscal year, the City is able to report balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Table 2 - City of Hayward Statement of Activities

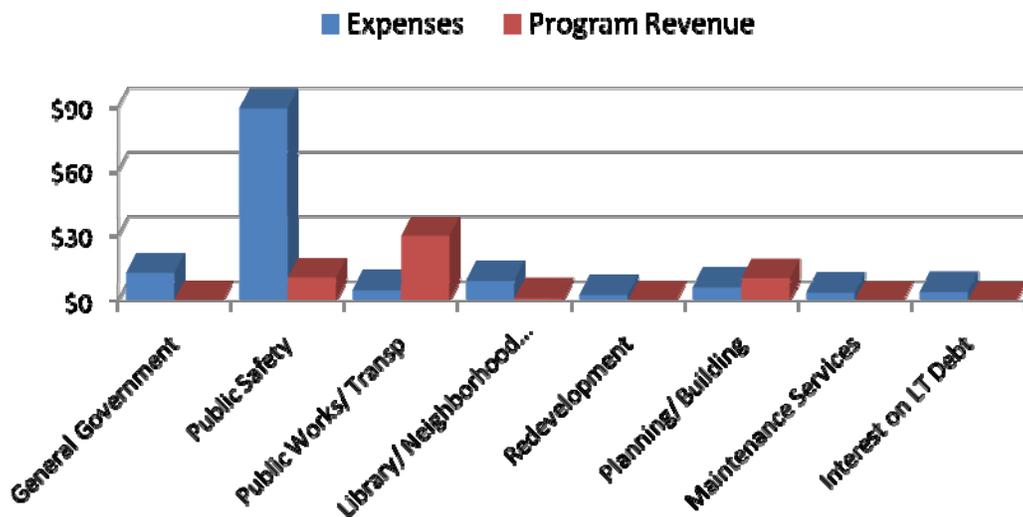
	(Amounts expressed in millions)					
	Governmental		Business-type		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$16.0	\$13.6	\$54.0	\$46.1	\$70.0	\$59.7
Operating contributions and grants	14.3	15.3		4.8	14.3	20.1
Capital contributions and grants	22.6	2.9	0.1	1.7	22.7	4.6
General revenues:						
Property taxes	40.7	38.5			40.7	38.5
Incremental property taxes	10.7	10.7			10.7	10.7
Sales taxes	25.6	28.5			25.6	28.5
Real property transfer tax	3.9	5.1			3.9	5.1
Franchise tax	5.8	6.2			5.8	6.2
Other taxes	9.3	9.3			9.3	9.3
Motor vehicle in lieu	0.5	0.7			0.5	0.7
Investment earnings	2.1	3.6	3.7	5.2	5.8	8.8
Gain on sale of assets	2.4				2.4	
Miscellaneous	2.3	2.9	0.7	0.7	3.0	3.6
Total Revenues	<u>156.2</u>	<u>137.3</u>	<u>58.5</u>	<u>58.5</u>	<u>214.7</u>	<u>195.8</u>
Expenses by activities:						
General government	12.8	15.4			12.8	15.4
Public safety	89.4	83.6			89.4	83.6
Public works and transportation	5.1	6.9			5.1	6.9
Library and neighborhood services	9.4	9.6			9.4	9.6
Redevelopment	2.8	4.7			2.8	4.7
Planning and building	6.4	5.5			6.4	5.5
Maintenance services	3.9	7.2			3.9	7.2
Interest on long term debt	4.2	6.1			4.2	6.1
Sewer			15.8	15.2	15.8	15.2
Water			27.6	25.6	27.6	25.6
Airport			3.5	2.6	3.5	2.6
Stormwater			1.9	2.1	1.9	2.1
Centennial Hall			0.8	0.7	0.8	0.7
Total expenses	<u>134.0</u>	<u>139.0</u>	<u>49.6</u>	<u>46.2</u>	<u>183.6</u>	<u>185.2</u>
Increase (decrease) in net assets before transfers	22.2	(1.7)	8.9	12.3	31.1	10.6
Transfers	3.3	2.8	(3.3)	(2.8)	0.0	0.0
Increase (decrease) in net assets	25.2	1.1	5.6	9.5	31.1	10.6
Net assets at beginning of year	249.3	250.6	234.9	225.8	484.2	476.4
Prior year adjustments		(2.4)		(0.4)		(2.8)
Net Assets beginning year - restated	249.3	248.2	234.9	225.4	484.2	473.6
Net Assets at end of year	<u>\$274.8</u>	<u>\$249.3</u>	<u>\$240.5</u>	<u>\$234.9</u>	<u>\$515.3</u>	<u>\$484.2</u>

Revenues by Source – Governmental Activities



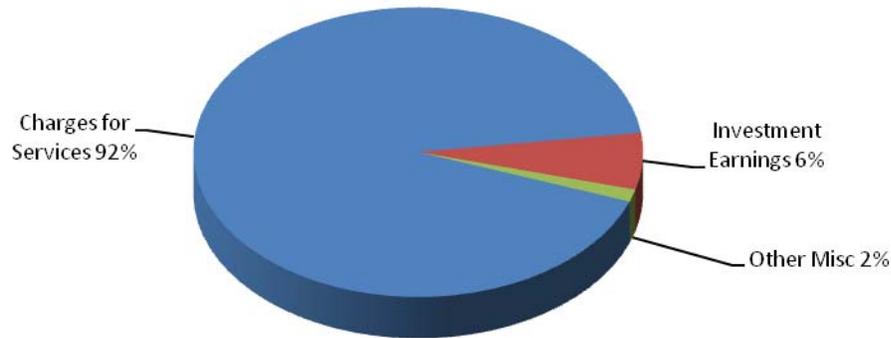
The above *Revenues by Source* chart shows that the largest source of FY 2009 governmental revenues is the 26% generated from property taxes, while other top revenues sources include 16% from sales taxes, 15% from capital contributions and grants, 10% from charges for services, 9% from operating contributions and grants, 7% from Redevelopment incremental property taxes, and 6% from other taxes such as business, excise, and transient occupancy taxes. The remaining 11% came from a variety of sources as shown above.

Expenses and Program Revenues – Governmental Activities (expressed in millions)



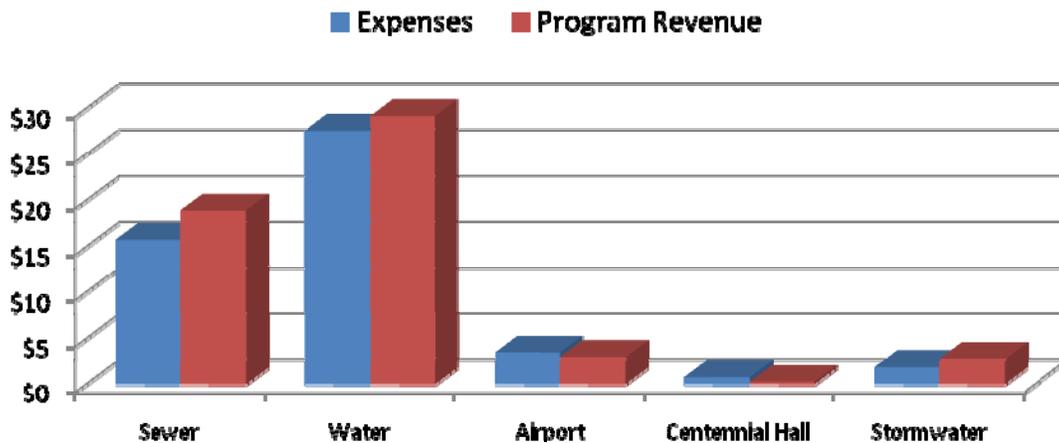
The above *Expenses and Program Revenue* chart illustrates the City's governmental expenses by major activity and the related program revenue generated to support that activity. Program revenue includes charges for services such as traffic safety fines, licenses, permits, plan checks fees, building inspection and other construction related fees. Contributions and grants include amounts contributed by developers and grants from the state and federal government. As the chart shows, public safety (67%) is the largest activity in expense, followed by general government (9%), library and neighborhood services (7%), planning and building (5%), public works and transportation (4%), maintenance services (3%), interest on long-term debt (3%), and redevelopment at 2%.

Revenues by Source – Business-type Activities



The net assets of business-type activities were \$240.5 million at June 30, 2009, an increase of \$5.7 million over last fiscal year. The increase in business-type assets is attributed to charges for services and revenue from investment earnings. Program revenues totaled \$54 million while program expenditures totaled \$49.7 million. Investment earnings totaled \$3.7 million. As the Revenues by Source chart indicates, charges for utility services accounts for 92% of the revenue for the City's enterprise funds.

Expenses and Program Revenues – Business-type Activities (expressed in millions)



As the Expenses and Program Revenues chart above shows, the Sewer and Water Funds include both operations and capital improvements. These funds were able to increase their reserve balances with program revenues exceeding expenses by \$4.4 million and \$0.8 million respectively. Airport experienced a reduction in net assets of \$320,000 due to less grant revenue than prior year. Stormwater Funds gained \$835,000 due to reduced operating expenses and Centennial Hall Fund was up by \$24,000 due to additional subsidy transfers from the General Fund.

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the City 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$92.8 million, a decrease of \$1.1 million in comparison with the prior year. Approximately, 67% of fund balances or \$62.6 million represent *unreserved fund balances*; which is available for spending at the government's discretion. However of the \$62.6 million in unreserved fund balances, 65% or \$40.8 million is designated for special revenue programs, debt service, and capital projects that must be spent according to the terms of various bond issues. The remainder of the fund balance is *reserved* to indicate that it is not available for spending because of capital project deposits and encumbrance commitments totaling \$10 million; another \$10.2 million reserved for land held for redevelopment; and a \$9.8 million advance due from the Redevelopment Agency Capital Fund that is long term in nature and thus does not represent available spending resources.

General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$21.8 million, while the total fund balance was \$32.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance, and total fund balance to total fund expenditures. The unreserved fund balance represents 20% of total General Fund expenditures of \$108.3 million, while total fund balance represents 30% of that same amount. Although the total unreserved fund balance is in compliance with the City's reserve policy, which calls for 15% of operating expenditures to be set aside for economic uncertainty and liquidity, plus an additional designation for emergencies which should grow to equal three months of City payroll; the entire unreserved fund balance is designated for the following purposes: \$7 million for economic uncertainty, \$3.5 million for liquidity, \$1 million for hotel/conference center, \$522,000 for retirements, \$1 million for public safety and \$8.7 million for contingencies.

At the end of fiscal year 2009, fund balance in the General Fund increased by \$6.1 million. The change in fund balance is due primarily to the following: (1) \$5 million one time transfer from discretionary funds in the Route 238 Capital Project fund, (2) \$4.1 million land transfer to Water and Redevelopment funds, and (3) a \$3.4 million deficit resulting from expenditures exceeding revenues.

Other Major Governmental funds. In addition to the General Fund, there are three other governmental funds considered to be major due to significant balances or activities in the current year and warrant a separate discussion in the Management Discussion and Analysis. Those funds are HOME Investment for Affordable Housing, Redevelopment Agency Capital, and Route 238 Capital Project Fund.

The HOME Investment for Affordable Housing Fund accounts for monies received by the U.S. Department of Housing and Urban Development (HUD) passed-through the Alameda County

Housing Consortium and is expended for acquisition, rehabilitation, and new construction of affordable housing and tenant-based rental assistance. During fiscal year 2009, the City awarded \$1 million in new loans for a existing total of \$7 million in deferred loans to non-profit agencies funded with HUD grants.

The Redevelopment Agency Capital Projects Fund accounts for property tax increment revenues used for capital projects connected within downtown redevelopment. The Hayward Redevelopment Agency functions as a division within the City.

The Agency's purpose under California law is to eliminate urban blight in the City of Hayward. The Agency is given certain powers under the law to assist it in that endeavor. The Agency may condemn property under certain circumstances as prescribed by the law, and it may incur indebtedness to finance its redevelopment activities. The Agency may not assess or receive property taxes, but it may receive any increases in property taxes over amounts received in the year before the property in the Agency's area became subject to redevelopment (called the Base Year). The increases are called property tax increments. Twenty percent of the property tax increments received must be used to increase the supply of low- and moderate-income housing. The Agency must also make "pass through" payments to other pre-existing governmental entities within its redevelopment area, in accordance with statutory formulas.

During the 2009 fiscal year, the Redevelopment Agency completed the Cannery Area/ Burbank School project, along with related park facilities and street improvements. Pursuant to an agreement between the Agency, the City, the Hayward Area Park and Recreation District (HARD), and the Hayward Unified School District (HUSD), the City agreed to construct and the Agency agreed to pay for the design and construction of a new elementary school located on a site composed of parcels owned and acquired by the Agency. The project was completed for a total cost of \$35.9 million. The site and improvements have been conveyed to the School District in exchange for a portion of the land owned by HUSD. The Agency agreed to deconstruct the old school site, and finance the cost of improvements to Cannery Park, which will be used by HARD and HUSD. The park project was completed in fiscal year 2009 for a total cost of \$6.8 million and was conveyed to HARD. To partially compensate the Agency for the above design and constructions costs and repay the advances, HARD, HUSD, and the City agreed to assign certain school development fees and park-in-lieu fees to the Agency. In addition, the School District also agreed that the Agency may retain pass-through payments owed to the School District by the Agency. The remaining unreimbursed amounts total approximately \$35 million and have recorded in the City financial statements as a long term receivable. Tax increment revenues totaled \$12.6 million, an increase of 5% from the previous year. Expenditures totaled \$9.1 million primarily for the Cannery Area projects. The ending fund balance for Redevelopment Agency Capital Projects Fund is \$18.4 million.

The Route 238 Capital Projects Fund accounts for the City's increment of state right-of-way rentals for state property within the City and grants from Alameda County Transportation Improvement Authority (ACTIA) for the Route 238 Corridor Improvement Project. This project will provide a one-way-loop street system in the downtown area and improvements to the Mission Boulevard/ Carlos Bee Boulevard intersections. This project will address existing and projected traffic congestion along the Route 238 corridor. During fiscal year 2009, the City received \$19 million in grant funding as reimbursement for \$18.4 million in design, right-of-way

acquisition, and construction of street improvements. The City transferred \$5 million of discretionary funds from the Route 238 Fund to the General Fund, which was originally a General Fund contribution, to minimize reduction of service levels during revenue declines in fiscal 2009.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the current fiscal year, the unrestricted net assets of the Sewer, Water, and Airport Funds amounted to \$70.1, \$55.9, and \$12 million, respectively. The total growth in net assets was the result of an increase of \$4.4 million in the Sewer Fund and \$0.8 million in the Water Fund due to more revenue from charges for services. The Airport Fund decreased net assets by \$320,000 over last year due to a decrease in grant revenues. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Comparison of the fiscal year original General Fund budgeted expenditures of \$118.1 million to the final General Fund budgeted expenditures of \$111.2 million results in a net decrease of \$6.9 million. Differences between the original and the final budget can be briefly summarized as follows:

- \$4.5 million for public safety and executive employees salary savings, furlough savings and departmental year-end savings measures.
- \$3.1 million in similar employee services cost reductions to public works, library and neighborhood services, planning and building, and maintenance service departments, due to furloughs and early retirements.
- \$700,000 increase in general government for employee separation costs, retiree medical, attorney expense, and election costs.

Actual General Fund expenditures were \$2.9 million less than the final FY 2009 budget amounts. The primary reason for this can be attributed to reductions to operational expenses and over-time costs in public safety. During the year, revenues exceeded final budgetary estimates by \$5.8 million due to other taxes, project revenues, and charges for services exceeding estimates.

Capital Asset and Debt Administration

Capital Assets. As of June 30, 2009, the City's investments in capital assets for its governmental and business-type activities are \$414.7 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, land improvements, machinery and equipment, motorized vehicles; and street infrastructure such as roads, bridges, street lights, traffic signals, airport hangers, sewer, and water pipelines. The City's investment in capital assets for the current fiscal year declined by 2%, which is attributed to the conveyance of completed Redevelopment projects in Cannery Area and Bubank School to Hayward Area Park and Recreation District and the Hayward Unified School District.

Table 3 - City of Hayward Capital Assets

(Net of depreciation / amounts expressed in millions)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$14.3	\$10.9	\$5.1	\$3.5	\$19.4	\$14.4
Construction in progress	26.4	48.4	62.2	61.6	88.6	110.0
Buildings	45.7	47.1	8.2	8.8	53.9	55.9
Improvements other than buildings	5.7	6.0			5.7	6.0
Machinery and equipment	13.1	12.9	10.2	10.8	23.3	23.7
Street infrastructure	133.5	121.9			133.5	121.9
Sewer infrastructure			38.7	39.7	38.7	39.7
Water infrastructure			37.5	39.0	37.5	39.0
Airport infrastructure			14.1	12.5	14.1	12.5
Total	<u>\$238.7</u>	<u>\$247.2</u>	<u>\$176.0</u>	<u>\$175.9</u>	<u>\$414.7</u>	<u>\$423.1</u>

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$164.7 million. Of this amount, \$30.4 million represents certificates of participation debt for Civic Center Project (City Hall); \$17.6 million represents certificates of participation for sewer and water system improvements; \$4.8 million represents lease revenue bonds for capital improvements; \$4.5 million represents capital leases for Boys & Girls Club, fleet vehicles, computer, and telephone equipment; \$52.9 million represents tax allocation bonds for redevelopment projects; and \$54.5 million represents State Water Board financing for a water pollution control facility.

There was one addition to the City's debt; a \$1.7 million increase in financing from State Water Board for capital projects. Deductions to long-term debt are payments of \$6.6 million.

Table 4 - City of Hayward Outstanding Debt
(Amounts expressed in millions)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Certificates of Participation	\$30.4	\$31.8	\$17.6	\$18.8	\$48.0	\$50.6
Lease Revenue Bonds	1.8	2.4	3.0	3.5	\$4.8	\$5.9
Capital Lease Obligations	4.5	6.1			\$4.5	\$6.1
Tax Allocation Bonds	52.9	54.2			\$52.9	\$54.2
State Water Board Loan			54.5	52.8	\$54.5	\$52.8
Total Long-Term Debt	<u>\$89.6</u>	<u>\$94.5</u>	<u>\$75.0</u>	<u>\$75.1</u>	<u>\$164.7</u>	<u>\$169.6</u>

Local Improvement Districts (LIDS) in different parts of the City and a Community Facilities District #1 (Eden Shores) have also issued debt to finance infrastructure and facilities construction in their respective districts. As described in Note 17 to the financial statements, the City has sponsored special assessment debt issues, but has no legal liability for repayment. Therefore, these are not included in the City's governmental debt. As of June 30, 2009, a total of \$12.3 million in special assessment district debt was outstanding by five special assessment districts. (Further detail regarding the City debt can be found in Note 8 to the financial statements.)

Economic Outlook and Major Initiatives

The economy of the City and major initiatives for the coming year are discussed in detail in the Transmittal Letter.

Contacting the City's Financial Management

This report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Additional financial information is available on our website at: www.hayward-ca.gov. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Hayward Finance Department, 777 B Street, Hayward, California 94541-5007.

CITY OF HAYWARD



Basic Financial Statements

CITY OF HAYWARD, CALIFORNIA

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

The Statement of Net Assets and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Assets presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the City's net assets, by subtracting total liabilities from total assets.

The Statement of Net Assets summarizes the financial position of the entire City's Governmental Activities in a single column, and the financial position of the entire City's Business-Type Activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net assets. It is also prepared using the full accrual basis of accounting, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the “modified accrual” basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

Both these Statements include the financial activities of the City, the Redevelopment Agency of the City of Hayward, the Hayward Public Financing Authority, the Hayward Business Improvement District and the Hayward Housing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for activities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

CITY OF HAYWARD
Statement of Net Assets
June 30, 2009
(with comparative information for the prior year)

	Governmental	Business-Type	Totals	
	Activities	Activities	2009	2008
ASSETS:				
Cash and investments (note 2)	\$ 82,821,224	108,478,311	191,299,535	192,848,271
Cash and investments with fiscal agent (note 2)	5,565,890	2,114,062	7,679,952	17,774,354
Accounts receivable, net	2,133,442	8,518,407	10,651,849	12,429,998
Interest receivable	346,374	499,586	845,960	1,413,731
Due from other governments	8,384,931	108,698	8,493,629	4,682,360
Interfund balances	(4,045,696)	4,045,696	-	-
Inventory	11,789	601,946	613,735	635,597
Deposits	1,523,480	-	1,523,480	-
Loans receivable (note 3)	50,238,654	-	50,238,654	13,473,222
Land held for resale	10,272,570	-	10,272,570	4,154,570
Prepaid items	962	8,031,035	8,031,997	8,429,256
Other assets	-	1,045,129	1,045,129	940,502
Investment in East Bay Dischargers Authority (note 15)	-	12,059,915	12,059,915	12,082,760
Capital assets (note 5):				
Land	14,320,040	5,130,240	19,450,280	14,410,944
Construction in progress	26,440,104	62,220,640	88,660,744	110,033,550
Capital assets being depreciated, net	198,003,470	108,630,522	306,633,992	298,591,259
Total assets	396,017,234	321,484,187	717,501,421	691,900,374
LIABILITIES:				
Accounts payable	5,376,856	3,048,948	8,425,804	8,451,586
Accrued interest	1,461,020	859,335	2,320,355	1,866,807
Accrued liabilities	5,278,193	213,903	5,492,096	5,095,994
Refundable deposits	2,392,873	591,756	2,984,629	8,896,825
Unearned revenue	50,622	211,211	261,833	-
Accrued reclamation costs (note 10)	-	152,557	152,557	237,853
Long-term liabilities (note 6 and 14):				
Due within one year	9,641,240	5,332,743	14,973,983	12,143,565
Due in more than one year	97,082,871	70,531,077	167,613,948	170,990,684
Total liabilities	121,283,675	80,941,530	202,225,205	207,683,314
NET ASSETS:				
Invested in capital assets, net of related debt	144,536,663	100,949,049	245,485,712	266,423,041
Restricted for:				
Public safety	54,410	-	54,410	146,887
Public works and transportation	3,310,100	-	3,310,100	4,600,892
Planning and building	4,174,582	-	4,174,582	13,538,286
Library and neighborhood services	-	-	-	2,260,240
Redevelopment	27,673,539	-	27,673,539	29,629,809
Unrestricted	94,984,265	139,593,608	234,577,873	167,617,905
Total net assets	\$ 274,733,559	240,542,657	515,276,216	484,217,060

See accompanying notes to basic financial statements

CITY OF HAYWARD
Statement of Activities
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Totals	
		Charges for Services	Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-type Activities	2009	2008
GOVERNMENTAL ACTIVITIES:								
General government	\$ 12,844,106	379,561	159,165	346	(12,305,034)	-	(12,305,034)	(14,568,246)
Public safety	89,391,667	8,016,352	2,442,528	-	(78,932,787)	-	(78,932,787)	(74,763,372)
Public works and transportation	5,097,319	507,944	7,020,544	22,569,734	25,000,903	-	25,000,903	4,159,632
Library and neighborhood services	9,448,832	111,630	1,185,541	-	(8,151,661)	-	(8,151,661)	(9,383,724)
Redevelopment	2,814,162	166,223	-	-	(2,647,939)	-	(2,647,939)	(4,501,903)
Planning and building	6,383,986	6,780,653	3,441,563	-	3,838,230	-	3,838,230	4,931,147
Maintenance services	3,899,394	29,190	44,864	-	(3,825,340)	-	(3,825,340)	(7,052,751)
Interest on long term debt	4,175,089	-	-	-	(4,175,089)	-	(4,175,089)	(6,060,020)
Total governmental activities	<u>134,054,555</u>	<u>15,991,553</u>	<u>14,294,205</u>	<u>22,570,080</u>	<u>(81,198,717)</u>	<u>-</u>	<u>(81,198,717)</u>	<u>(107,239,237)</u>
BUSINESS-TYPE ACTIVITIES:								
Sewer	15,783,768	18,861,871	-	-	-	3,078,103	3,078,103	3,414,735
Water	27,602,545	29,246,643	-	-	-	1,644,098	1,644,098	1,516,421
Airport	3,568,997	2,843,185	-	167,026	-	(558,786)	(558,786)	1,197,226
Centennial Hall maintenance and operation	782,509	288,869	-	-	-	(493,640)	(493,640)	(385,016)
Stormwater	1,908,290	2,791,915	-	-	-	883,625	883,625	661,320
Total business-type activities	<u>49,646,109</u>	<u>54,032,483</u>	<u>-</u>	<u>167,026</u>	<u>-</u>	<u>4,553,400</u>	<u>4,553,400</u>	<u>6,404,686</u>
Total	<u>\$ 183,700,664</u>	<u>70,024,036</u>	<u>14,294,205</u>	<u>22,737,106</u>	<u>(81,198,717)</u>	<u>4,553,400</u>	<u>(76,645,317)</u>	<u>(100,834,551)</u>
GENERAL REVENUES:								
Taxes:								
Property taxes					40,699,344	-	40,699,344	38,464,255
Incremental property taxes					10,657,184	-	10,657,184	10,729,476
Sales taxes					25,630,173	-	25,630,173	28,512,340
Real property transfer tax					3,852,507	-	3,852,507	5,077,214
Franchise tax					5,831,272	-	5,831,272	6,166,499
Business tax					2,502,991	-	2,502,991	2,480,696
Excise tax					1,858,267	-	1,858,267	1,931,187
Other taxes					4,958,591	-	4,958,591	4,933,567
Motor vehicle in lieu, unrestricted					522,508	-	522,508	671,084
Investment earnings					2,132,768	3,720,221	5,852,989	8,883,153
Gain on sale of assets					2,362,950	-	2,362,950	305,199
Miscellaneous revenues					2,289,663	686,034	2,975,697	3,327,209
TRANSFERS					3,277,254	(3,277,254)	-	-
Total general revenues and transfers					<u>106,575,472</u>	<u>1,129,001</u>	<u>107,704,473</u>	<u>111,481,879</u>
Change in net assets					25,376,755	5,682,401	31,059,156	10,647,328
Net assets at beginning of year					<u>249,356,804</u>	<u>234,860,256</u>	<u>484,217,060</u>	<u>473,569,732</u>
Net assets at end of year					<u>\$ 274,733,559</u>	<u>240,542,657</u>	<u>515,276,216</u>	<u>484,217,060</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD, CALIFORNIA

FUND FINANCIAL STATEMENTS

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

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2009. Individual non-major funds are reported in the Supplemental Section.

General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources, which are not accounted for in another fund.

HOME Investment in Affordable Housing Fund (HOME) - Accounts for monies received from HUD through the Alameda County Housing Consortium and expended for acquisition, rehabilitation and new construction of affordable housing and tenant-based rental assistance.

Redevelopment Agency Capital Projects Fund - Accounts for property tax increment revenues used for capital projects connected with downtown redevelopment.

Route 238 Capital Projects Fund - Accounts for the City's increment of state right-of-way rentals for state property within the City and other City monies set aside for City projects connected with freeway development.

CITY OF HAYWARD
Governmental Funds
Balance Sheet
June 30, 2009
(with comparative information for the prior year)

	General	HOME	Capital Projects		Other Governmental Funds	Total Governmental Funds	
			Redevelopment Agency	Route 238		2009	2008
ASSETS:							
Cash and investments	\$ 22,605,763	-	22,019,684	11,154,656	23,624,767	79,404,870	86,049,911
Cash and investments with fiscal agent	73,448	-	541,833	-	4,206,222	4,821,503	11,904,238
Accounts receivable, net	1,936,701	-	-	-	71,611	2,008,312	4,017,831
Due from other governments	2,529,117	-	-	3,918,179	1,589,951	8,037,247	3,510,058
Due from other funds (note 4)	238,155	-	-	-	-	238,155	1,247,691
Loans receivable	-	6,950,000	39,493,269	-	3,795,385	50,238,654	13,473,222
Interest receivable	111,335	-	96,559	31,305	97,967	337,166	648,813
Advances to other funds (note 4)	9,841,289	-	-	-	-	9,841,289	10,386,217
Inventory	11,789	-	-	-	-	11,789	21,802
Deposits	-	-	-	1,523,480	-	1,523,480	-
Land held for resale	-	-	10,272,570	-	-	10,272,570	4,154,570
Prepaid items	962	-	-	-	-	962	30,171
Total assets	\$ 37,348,559	6,950,000	72,423,915	16,627,620	33,385,903	166,735,997	135,444,524
LIABILITIES:							
Accounts payable	\$ 1,741,547	8,190	870,649	954,629	1,083,909	4,658,924	5,533,937
Accrued liabilities	1,966,823	-	1,685,188	1,523,480	21,717	5,197,208	4,857,258
Due to other funds (note 4)	-	4,189	-	-	-	4,189	47,254
Advances from other funds (note 4)	-	-	11,636,985	-	-	11,636,985	13,061,913
Deferred revenue	78,491	6,950,000	39,217,645	-	3,795,385	50,041,521	13,559,626
Refundable deposits	974,890	-	619,833	-	798,150	2,392,873	4,498,448
Total liabilities	4,761,751	6,962,379	54,030,300	2,478,109	5,699,161	73,931,700	41,558,436
FUND BALANCES:							
Reserved for:							
Encumbrances	973,938	-	-	7,560,585	-	8,534,523	775,737
Advances to other funds	9,841,289	-	-	-	-	9,841,289	10,386,217
Inventory	11,789	-	-	-	-	11,789	21,802
Land held for redevelopment	-	-	10,272,570	-	-	10,272,570	4,154,570
Prepaid items and deposits	962	-	-	1,523,480	-	1,524,442	30,171
Unreserved, reported in:							
General fund	21,758,830	-	-	-	-	21,758,830	15,317,927
Special revenue funds	-	(12,379)	-	-	15,224,065	15,211,686	17,961,733
Debt service funds	-	-	-	-	4,206,222	4,206,222	4,308,979
Capital projects funds	-	-	8,121,045	5,065,446	8,256,455	21,442,946	40,928,952
Total fund balances	32,586,808	(12,379)	18,393,615	14,149,511	27,686,742	92,804,297	93,886,088
Total liabilities and fund balance	\$ 37,348,559	6,950,000	72,423,915	16,627,620	33,385,903	166,735,997	135,444,524

See accompanying notes to basic financial statements

CITY OF HAYWARD
 Governmental Funds
 Reconciliation of the Balance Sheet of the Governmental Funds
 to the Statement of Net Assets
 June 30, 2009

Total fund balances reported on the governmental funds balance sheet \$ 92,804,297

Amounts reported for governmental activities in the Statement of Net Assets are different because of the following:

CAPITAL ASSETS

Capital assets used in governmental activities are not current assets or financial resources and therefore are not reported in the governmental funds

Capital assets	306,284,761
Accumulated depreciation	(76,226,769)

ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

Internal Service Funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in governmental activities

(735,009)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the fund balance sheets because they are not available currently are taken into revenue in the Statement of Activities

Deferred revenue	49,990,899
Interest payable	(1,461,020)

LONG TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the funds

Long-term debt	(85,213,948)
Compensated absences	(6,297,416)
Other postemployment benefits	<u>(4,412,236)</u>

NET ASSETS OF GOVERNMENTAL FUNDS \$ 274,733,559

See accompanying notes to basic financial statements

CITY OF HAYWARD
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	General	HOME	Capital Projects		Other Governmental Funds	Total Governmental Funds	
			Agency	Route 238		2009	2008
REVENUES:							
Property taxes	\$ 41,221,852	-	12,630,213	-	-	53,852,065	51,218,325
Sales tax	26,341,473	-	-	-	-	26,341,473	29,233,148
Other taxes	18,876,252	-	-	-	2,543,738	21,419,990	22,941,172
Licenses and permits	4,598,380	-	-	-	52,314	4,650,694	4,712,325
Fines and forfeitures	1,628,781	-	-	-	29,008	1,657,789	985,858
Special assessments	-	-	-	-	741,098	741,098	1,051,269
Investment income	665,445	-	999,448	226,460	736,802	2,628,155	4,872,511
Rental income	147,530	-	29,127	309,579	125,146	611,382	644,603
Intergovernmental	2,561,757	102,825	-	19,052,338	10,949,023	32,665,943	10,914,969
Charges for services	5,705,089	-	23	-	-	5,705,112	5,340,126
Development fees	1,498,436	-	166,223	22,646	1,004,943	2,692,248	2,391,839
School District reimbursement	-	-	381,868	-	-	381,868	325,826
Other revenue	1,620,809	-	72,144	6,147	82,640	1,781,740	3,782,765
Total revenues	<u>104,865,804</u>	<u>102,825</u>	<u>14,279,046</u>	<u>19,617,170</u>	<u>16,264,712</u>	<u>155,129,557</u>	<u>138,414,736</u>
EXPENDITURES:							
Current:							
General government	10,421,821	-	-	-	-	10,421,821	11,639,480
Public safety	79,444,808	-	-	-	93,145	79,537,953	79,941,250
Public works and transportation	2,683,627	-	-	-	6,875,061	9,558,688	6,186,587
Library and neighborhood services	5,964,291	-	-	-	2,807,026	8,771,317	8,511,524
Redevelopment	-	114,413	3,388,948	-	1,307,010	4,810,371	6,039,172
Planning and building	6,095,525	-	-	-	-	6,095,525	6,454,120
Maintenance services	3,723,200	-	-	-	-	3,723,200	7,160,250
Capital outlay	-	-	5,753,673	18,387,454	5,419,076	29,560,203	32,072,854
Debt service:							
Principal	-	-	-	-	3,094,025	3,094,025	3,026,920
Interest and fiscal charges	13,008	-	-	-	4,033,121	4,046,129	5,186,476
Total expenditures	<u>108,346,280</u>	<u>114,413</u>	<u>9,142,621</u>	<u>18,387,454</u>	<u>23,628,464</u>	<u>159,619,232</u>	<u>166,218,633</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES							
	<u>(3,480,476)</u>	<u>(11,588)</u>	<u>5,136,425</u>	<u>1,229,716</u>	<u>(7,363,752)</u>	<u>(4,489,675)</u>	<u>(27,803,897)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital asset	2,301,320	-	-	-	-	2,301,320	-
Issuance of long term debt	-	-	-	-	-	-	1,342,011
Issuance of refunding bonds	-	-	-	-	-	-	31,820,000
Payment to bond escrow agent	-	-	-	-	-	-	(31,184,483)
Transfers in (note 4)	13,520,309	-	7,578	-	9,055,633	22,583,520	21,111,234
Transfers out (note 4)	(6,286,199)	-	(5,701,263)	(5,500,000)	(3,989,494)	(21,476,956)	(19,687,595)
Total other financing sources (uses)	<u>9,535,430</u>	<u>-</u>	<u>(5,693,685)</u>	<u>(5,500,000)</u>	<u>5,066,139</u>	<u>3,407,884</u>	<u>3,401,167</u>
NET CHANGE IN FUND BALANCES	<u>6,054,954</u>	<u>(11,588)</u>	<u>(557,260)</u>	<u>(4,270,284)</u>	<u>(2,297,613)</u>	<u>(1,081,791)</u>	<u>(24,402,730)</u>
BEGINNING FUND BALANCES	<u>26,531,854</u>	<u>(791)</u>	<u>18,950,875</u>	<u>18,419,795</u>	<u>29,984,355</u>	<u>93,886,088</u>	<u>118,288,818</u>
ENDING FUND BALANCES	<u>\$ 32,586,808</u>	<u>(12,379)</u>	<u>18,393,615</u>	<u>14,149,511</u>	<u>27,686,742</u>	<u>92,804,297</u>	<u>93,886,088</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
 Reconciliation of the
 Net Change in Fund Balances - Governmental Funds
 with the
 Statement of Activities
 For the Year Ended June 30, 2009

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (1,081,791)

Amounts reported for governmental activities in the Statement of Activities is
 are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental funds report capital outlay as expenditures. However, in
 the statement of activities, the cost of those assets is allocated over their
 estimated useful lives as depreciation expense. This is the amount by which
 capital outlays exceeded depreciation in the current period.

Capital outlay	35,137,270
Capital assets transfer to other governments	(36,274,328)
Depreciation expense	(6,717,299)

LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but
 issuing debt increases long-term liabilities in the Statement of Net Assets.
 Repayment of bond principal is an expenditure in the governmental funds, but in
 the Statement of Net Assets, the repayment reduces long-term liabilities.

Repayment of debt principal	3,094,025
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or
 require the use of current financial resources and therefore are not reported as
 revenue or expenditures in governmental funds (net change)

New loans made	36,431,273
Compensated absences	492,712
Other postemployment benefits	(4,412,236)
Interest payable	111,852

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

(1,404,723)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 25,376,755

See accompanying notes to the basic financial statements

CITY OF HAYWARD
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Original Budget	Final Budget	Actual	Variance- Positive (Negative)	Prior Year Actual
REVENUES:					
Property taxes	\$ 40,767,000	40,267,000	41,221,852	954,852	39,135,339
Sales taxes	29,620,000	27,320,000	26,341,473	(978,527)	29,233,148
Other taxes	19,806,500	17,756,500	18,876,252	1,119,752	20,326,602
Licenses and permits	4,176,701	4,276,701	4,598,380	321,679	4,708,835
Fines and forfeitures	562,889	1,082,889	1,628,781	545,892	956,753
Investment income	200,000	200,000	665,445	465,445	578,215
Use of property	148,790	148,790	147,530	(1,260)	151,241
Intergovernmental	1,123,739	1,956,686	2,562,207	605,521	2,133,541
Charges for current services	4,622,974	4,622,974	5,704,639	1,081,665	5,318,616
Project revenues	-	-	1,498,436	1,498,436	1,317,337
Other revenue	1,993,700	1,421,188	1,620,809	199,621	1,592,687
	<u>103,022,293</u>	<u>99,052,728</u>	<u>104,865,804</u>	<u>5,813,076</u>	<u>105,452,314</u>
EXPENDITURES:					
General government	8,991,735	10,011,799	10,421,821	(410,022)	11,954,783
Public safety	83,569,076	82,733,974	79,444,808	3,289,166	79,837,515
Public works and transportation	3,250,065	2,937,011	2,683,627	253,384	3,100,226
Library and neighborhood services	6,468,071	5,984,105	5,964,291	19,814	4,918,057
Planning and building	5,022,836	5,073,578	6,095,525	(1,021,947)	6,454,120
Maintenance services	3,940,158	3,728,895	3,723,200	5,695	7,159,078
Debt service:					
Principal	-	-	-	-	70,000
Interest and fiscal charges	-	-	13,008	(13,008)	19,450
	<u>111,241,941</u>	<u>110,469,362</u>	<u>108,346,280</u>	<u>2,123,082</u>	<u>113,513,229</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,219,648)</u>	<u>(11,416,634)</u>	<u>(3,480,476)</u>	<u>7,936,158</u>	<u>(8,060,915)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of capital asset	-	4,190,000	2,301,320	(1,888,680)	-
Transfers in	13,576,812	13,507,883	13,520,309	12,426	6,707,747
Transfers out	(5,357,164)	(6,281,249)	(6,286,199)	(4,950)	(5,605,661)
	<u>8,219,648</u>	<u>11,416,634</u>	<u>9,535,430</u>	<u>(1,881,204)</u>	<u>1,102,086</u>
NET CHANGE IN FUND BALANCE	-	-	6,054,954	6,054,954	(6,958,829)
BEGINNING FUND BALANCE	<u>26,531,854</u>	<u>26,531,854</u>	<u>26,531,854</u>	<u>-</u>	<u>33,490,683</u>
ENDING FUND BALANCE	<u>\$ 26,531,854</u>	<u>26,531,854</u>	<u>32,586,808</u>	<u>6,054,954</u>	<u>26,531,854</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
HOME Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:					
Intergovernmental	\$ 30,000	1,116,450	102,825	(1,013,625)	230,700
Total revenues	<u>30,000</u>	<u>1,116,450</u>	<u>102,825</u>	<u>(1,013,625)</u>	<u>230,700</u>
EXPENDITURES:					
Redevelopment	<u>30,000</u>	<u>1,116,450</u>	<u>114,413</u>	<u>1,002,037</u>	<u>231,491</u>
Total expenditures	<u>30,000</u>	<u>1,116,450</u>	<u>114,413</u>	<u>1,002,037</u>	<u>231,491</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(11,588)</u>	<u>(11,588)</u>	<u>(791)</u>
Change in fund balance	-	-	(11,588)	(11,588)	(791)
BEGINNING FUND BALANCE	<u>(791)</u>	<u>(791)</u>	<u>(791)</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ (791)</u>	<u>(791)</u>	<u>(12,379)</u>	<u>(11,588)</u>	<u>(791)</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD, CALIFORNIA

MAJOR PROPRIETARY FUNDS

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

The City has identified the funds below as major proprietary funds in fiscal year 2009.

Sewer Fund – Accounts for activities associated with sewage transmission and treatment.

Water Fund – Accounts for activities associated with distribution and transmission of potable water to users.

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

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CITY OF HAYWARD
Proprietary Funds
Statement of Net Assets
June 30, 2009
(with comparative information for the prior year)

	Business-Type Activities-Enterprise Funds					Governmental	Total Proprietary Funds	
	Sewer	Water	Airport	Non-major Enterprise Funds	Total	Activities- Internal Service Fund	2009	2008
ASSETS:								
Current assets								
Cash and investment	\$ 44,824,338	47,706,947	14,273,378	1,673,648	108,478,311	3,416,354	111,894,665	106,798,360
Cash and investments with fiscal ag	61,660	2,052,402	-	-	2,114,062	744,387	2,858,449	5,870,116
Accounts receivable	3,385,652	5,118,663	11,235	2,857	8,518,407	125,130	8,643,537	8,412,167
Interest receivable	206,221	221,899	64,149	7,317	499,586	9,208	508,794	764,918
Due from other government	-	-	-	108,698	108,698	347,684	456,382	1,172,302
Inventory	-	601,946	-	-	601,946	-	601,946	613,795
Prepaid items	8,031,035	-	-	-	8,031,035	-	8,031,035	8,399,085
Total current assets	<u>56,508,906</u>	<u>55,701,857</u>	<u>14,348,762</u>	<u>1,792,520</u>	<u>128,352,045</u>	<u>4,642,763</u>	<u>132,994,808</u>	<u>132,030,743</u>
Noncurrent assets								
Other assets	410,970	425,359	208,800	-	1,045,129	-	1,045,129	940,502
Advances to other funds (note 4)	3,072,500	3,268,196	-	-	6,340,696	-	6,340,696	5,060,696
Investment in East Bay Dischargers Authority	12,059,915	-	-	-	12,059,915	-	12,059,915	12,082,760
Capital assets:								
Land	1,830,143	2,683,047	244,302	372,748	5,130,240	-	5,130,240	3,533,920
Construction in progress:	60,289,525	1,763,426	167,689	-	62,220,640	-	62,220,640	61,637,427
Capital assets depreciated, net	47,794,067	45,445,587	14,898,066	492,802	108,630,522	8,705,622	117,336,144	116,893,964
Total noncurrent assets	<u>125,457,120</u>	<u>53,585,615</u>	<u>15,518,857</u>	<u>865,550</u>	<u>195,427,142</u>	<u>8,705,622</u>	<u>204,132,764</u>	<u>200,149,269</u>
Total assets	<u>181,966,026</u>	<u>109,287,472</u>	<u>29,867,619</u>	<u>2,658,070</u>	<u>323,779,187</u>	<u>13,348,385</u>	<u>337,127,572</u>	<u>332,180,012</u>
LIABILITIES:								
Current liabilities:								
Accounts payable	729,125	2,240,683	62,220	16,920	3,048,948	717,932	3,766,880	2,917,649
Accrued interest	714,123	145,212	-	-	859,335	-	859,335	293,935
Accrued liabilities	78,735	90,817	17,182	27,169	213,903	68,650	282,553	6,118,661
Due to other funds (note 4)	-	-	-	-	-	233,966	233,966	1,200,437
Refundable deposits	-	461,895	100,961	28,900	591,756	-	591,756	4,398,377
Unearned revenue	-	208,800	2,411	-	211,211	-	211,211	-
Long term debt - due within one yea	3,699,939	914,545	-	-	4,614,484	1,593,248	6,207,732	2,835,514
Total current liabilities	<u>5,221,922</u>	<u>4,061,952</u>	<u>182,774</u>	<u>72,989</u>	<u>9,539,637</u>	<u>2,613,796</u>	<u>12,153,433</u>	<u>17,764,573</u>
Noncurrent liabilities:								
Advances from other funds (note 4)	-	-	2,295,000	-	2,295,000	2,250,000	4,545,000	2,385,000
Accrued reclamation cost:	152,557	-	-	-	152,557	-	152,557	237,853
Compensated absences	308,777	376,039	60,245	86,406	831,467	348,332	1,179,799	895,831
Long-term debt - due in more than one year	59,185,174	11,232,695	-	-	70,417,869	8,871,266	79,289,135	75,543,732
Total long-term liabilities	<u>59,646,508</u>	<u>11,608,734</u>	<u>2,355,245</u>	<u>86,406</u>	<u>73,696,893</u>	<u>11,469,598</u>	<u>85,166,491</u>	<u>79,062,416</u>
Total liabilities	<u>64,868,430</u>	<u>15,670,686</u>	<u>2,538,019</u>	<u>159,395</u>	<u>83,236,530</u>	<u>14,083,394</u>	<u>97,319,924</u>	<u>96,826,989</u>
NET ASSETS:								
Invested in capital assets net of related debt	47,028,622	37,744,820	15,310,057	865,550	100,949,049	(1,758,892)	99,190,157	103,686,065
Unrestricted	70,068,974	55,871,966	12,019,543	1,633,125	139,593,608	1,023,883	140,617,491	131,666,958
Total net assets	<u>\$ 117,097,596</u>	<u>93,616,786</u>	<u>27,329,600</u>	<u>2,498,675</u>	<u>240,542,657</u>	<u>(735,009)</u>	<u>239,807,648</u>	<u>235,353,023</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Business-Type Activities-Enterprise Fund					Governmental Activities- Internal Service Fund	Total Proprietary Funds	
	Sewer	Water	Airport	Non-major Enterprise Funds	Totals		2009	2008
OPERATING REVENUES:								
Charges for service:	\$ 18,861,871	6,740,953	2,843,185	3,080,784	31,526,793	15,468,496	46,995,289	38,039,266
Sale of water	-	22,505,690	-	-	22,505,690	-	22,505,690	22,008,811
Miscellaneous	416,657	233,931	19,998	15,448	686,034	335,929	1,021,963	455,608
Total operating revenues	<u>19,278,528</u>	<u>29,480,574</u>	<u>2,863,183</u>	<u>3,096,232</u>	<u>54,718,517</u>	<u>15,804,425</u>	<u>70,522,942</u>	<u>60,503,685</u>
OPERATING EXPENSES:								
Salaries and related expense:	5,332,099	5,416,072	1,010,320	1,669,816	13,428,307	4,926,378	18,354,685	15,386,783
Materials, supplies and service:	5,695,081	4,561,070	1,422,053	645,550	12,323,754	4,415,562	16,739,316	14,190,602
Repairs and maintenance	688,773	743,666	235,324	332,309	2,000,072	933,532	2,933,604	1,870,085
Water purchases	-	14,298,190	-	-	14,298,190	-	14,298,190	12,700,193
Self-funded insurance expense	-	-	-	-	-	7,715,709	7,715,709	4,601,340
Depreciation	2,782,722	1,976,578	786,687	43,124	5,589,111	1,490,307	7,079,418	7,013,421
Total operating expenses	<u>14,498,675</u>	<u>26,995,576</u>	<u>3,454,384</u>	<u>2,690,799</u>	<u>47,639,434</u>	<u>19,481,488</u>	<u>67,120,922</u>	<u>55,762,424</u>
Operating income (loss)	<u>4,779,853</u>	<u>2,484,998</u>	<u>(591,201)</u>	<u>405,433</u>	<u>7,079,083</u>	<u>(3,677,063)</u>	<u>3,402,020</u>	<u>4,741,261</u>
NONOPERATING REVENUES (EXPENSES):								
Interest income	1,453,833	1,832,254	425,180	31,799	3,743,066	182,709	3,925,775	5,555,525
Intergovernmental	-	-	167,026	-	167,026	98,123	265,149	1,172,302
Interest expense	(1,285,093)	(606,969)	(114,613)	-	(2,006,675)	(240,812)	(2,247,487)	(1,817,576)
Gain on sale of capital asset:	-	-	-	-	-	61,630	61,630	305,199
Loss from equity investmen	(22,845)	-	-	-	(22,845)	-	(22,845)	(70,553)
Total nonoperating revenues (expenses)	<u>145,895</u>	<u>1,225,285</u>	<u>477,593</u>	<u>31,799</u>	<u>1,880,572</u>	<u>101,650</u>	<u>1,982,222</u>	<u>5,144,897</u>
Income before transfers	<u>4,925,748</u>	<u>3,710,283</u>	<u>(113,608)</u>	<u>437,232</u>	<u>8,959,655</u>	<u>(3,575,413)</u>	<u>5,384,242</u>	<u>9,886,158</u>
TRANSFERS:								
Transfers in (note 4)	50,000	4,265	-	628,450	682,715	3,303,771	3,986,486	2,488,272
Transfers out (note 4)	(606,343)	(2,940,812)	(206,477)	(206,337)	(3,959,969)	(1,133,081)	(5,093,050)	(3,911,911)
Net transfers	<u>(556,343)</u>	<u>(2,936,547)</u>	<u>(206,477)</u>	<u>422,113</u>	<u>(3,277,254)</u>	<u>2,170,690</u>	<u>(1,106,564)</u>	<u>(1,423,639)</u>
Changes in net assets	4,369,405	773,736	(320,085)	859,345	5,682,401	(1,404,723)	4,277,678	8,462,519
BEGINNING NET ASSETS AS RESTATED (note 18)	<u>112,728,191</u>	<u>92,843,050</u>	<u>27,649,685</u>	<u>1,639,330</u>	<u>234,860,256</u>	<u>669,714</u>	<u>235,529,970</u>	<u>226,890,504</u>
ENDING NET ASSETS	<u>\$ 117,097,596</u>	<u>93,616,786</u>	<u>27,329,600</u>	<u>2,498,675</u>	<u>240,542,657</u>	<u>(735,009)</u>	<u>239,807,648</u>	<u>235,353,023</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Business-Type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund	Total Proprietary Funds	
	Sewer	Water	Airport	Non-Major	Totals		2009	2008
				Enterprise Funds				
Cash flows from operating activities:								
Cash received from customers	\$ 19,327,291	29,689,374	4,051,485	3,070,251	56,138,401	16,321,863	72,460,264	58,986,570
Cash payments to suppliers for goods and services	(8,695,663)	(19,971,052)	(1,953,894)	(1,035,901)	(31,656,510)	(8,048,258)	(39,704,768)	(31,326,568)
Cash payments to employees for services	(5,319,479)	(5,360,495)	(994,795)	(1,676,762)	(13,351,531)	(4,719,186)	(18,070,717)	(15,365,865)
Claims paid	-	-	-	-	-	(4,805,618)	(4,805,618)	(4,300,783)
Net cash provided by (used for) operating activities:	<u>5,312,149</u>	<u>4,357,827</u>	<u>1,102,796</u>	<u>357,588</u>	<u>11,130,360</u>	<u>(1,251,199)</u>	<u>9,879,161</u>	<u>7,993,354</u>
Cash flows from noncapital financing activities:								
Cash received from other funds	50,000	4,265	-	628,450	682,715	6,168,909	6,851,624	3,660,574
Cash paid to other funds	(2,386,343)	(2,838,913)	(296,477)	(206,337)	(5,728,070)	(1,904,451)	(7,632,521)	(4,067,920)
Net cash provided by (used for) noncapital financing activities:	<u>(2,336,343)</u>	<u>(2,834,648)</u>	<u>(296,477)</u>	<u>422,113</u>	<u>(5,045,355)</u>	<u>4,264,458</u>	<u>(780,897)</u>	<u>(407,346)</u>
Cash flows from capital and related financing activities:								
Cash paid for acquisition and construction of capital assets	(2,606,210)	(2,288,698)	(806,159)	-	(5,701,067)	(2,298,289)	(7,999,356)	(16,222,619)
Proceeds of long-term debt	783,153	-	-	-	783,153	-	783,153	23,039,091
Capital grants received	-	-	167,026	-	167,026	-	167,026	-
Principal paid on debt	-	(871,655)	-	-	(871,655)	(1,027,206)	(1,898,861)	(12,818,620)
Interest paid on debt	(1,285,093)	(606,969)	(114,613)	-	(2,006,675)	(240,812)	(2,247,487)	(1,817,576)
Cash received on disposal of capital assets	-	-	-	-	-	-	-	305,199
Net cash provided by (used for) capital and related financing activities:	<u>(3,108,150)</u>	<u>(3,767,322)</u>	<u>(753,746)</u>	<u>-</u>	<u>(7,629,218)</u>	<u>(3,566,307)</u>	<u>(11,195,525)</u>	<u>(7,514,525)</u>
Cash flows from investing activities:								
Sale of investments	2,741,914	-	-	-	2,741,914	308,089	3,050,003	-
Purchase of investments	-	(37,273)	-	-	(37,273)	(1,063)	(38,336)	-
Interest received on investment	1,544,309	1,959,611	462,882	31,601	3,998,403	183,496	4,181,899	7,008,494
Net cash provided by (used for) investing activities:	<u>4,286,223</u>	<u>1,922,338</u>	<u>462,882</u>	<u>31,601</u>	<u>6,703,044</u>	<u>490,522</u>	<u>7,193,566</u>	<u>7,008,494</u>
Net increase (decrease) in cash and cash equivalents	4,153,879	(321,805)	515,455	811,302	5,158,831	(62,526)	5,096,305	7,079,977
Cash and cash equivalents at beginning of year	<u>40,670,459</u>	<u>48,028,752</u>	<u>13,757,923</u>	<u>862,346</u>	<u>103,319,480</u>	<u>3,478,880</u>	<u>106,798,360</u>	<u>99,718,383</u>
Cash and cash equivalents at end of year:	<u>\$ 44,824,338</u>	<u>47,706,947</u>	<u>14,273,378</u>	<u>1,673,648</u>	<u>108,478,311</u>	<u>3,416,354</u>	<u>111,894,665</u>	<u>106,798,360</u>

(Continued)

See accompanying notes to basic financial statements

CITY OF HAYWARD
Proprietary Funds
Statement of Cash Flows
(Continued)

	Business-Type Activities-Enterprise Funds				Totals	Governmental Activities Internal Service Fund	Total Proprietary Funds	
	Sewer	Water	Airport	Non-Major Enterprise Funds			2009	2008
Reconciliation of operating income to net cash provided by (used for) operating activities:								
Operating income	\$ 4,779,853	2,484,998	(591,201)	405,433	7,079,083	(3,677,063)	3,402,020	4,741,261
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation	2,782,722	1,976,579	786,687	43,124	5,589,112	1,490,307	7,079,419	7,013,421
(Increase) decrease in accounts receivable	(192,028)	(28,364)	4,739	(25,981)	(241,634)	(98,435)	(340,069)	(1,095,913)
(Increase) decrease in inventory	-	11,849	-	-	11,849	-	11,849	(76,625)
(Increase) decrease in due from other governments	-	-	1,172,302	-	1,172,302	-	1,172,302	(439,021)
(Increase) decrease in prepaid expenses	20,367	-	-	-	20,367	-	20,367	(1,685,592)
(Increase) decrease in other assets	48,763	(162,240)	8,850	-	(104,627)	-	(104,627)	(7,937)
Increase (decrease) in accounts payable and accrued liabilities	652,466	791,578	(294,328)	(9,576)	1,140,140	826,800	1,966,940	(298,002)
Increase (decrease) in compensated absences	12,620	55,577	15,525	(6,946)	76,776	207,192	283,968	20,918
Increase (decrease) in due to other governments	-	-	-	-	-	-	-	398,101
Increase (decrease) in claims payable	-	-	-	(17,598)	(17,598)	-	(17,598)	22,034
Increase (decrease) in refundable deposits	(2,792,614)	(980,950)	(2,189)	(30,868)	(3,806,621)	-	(3,806,621)	(336,101)
Increase (decrease) in deferred revenue	-	208,800	2,411	-	211,211	-	211,211	(235,114)
Increase (decrease) in reclamation costs	-	-	-	-	-	-	-	(28,076)
Total adjustments	532,296	1,872,829	1,693,997	(47,845)	4,051,277	2,425,864	6,477,141	3,252,093
Net cash provided by operating activities:	\$ 5,312,149	4,357,827	1,102,796	357,588	11,130,360	(1,251,199)	9,879,161	7,993,354

There were no significant noncash investing or financing activities for the years ended June 30, 2009 and 2008.

See accompanying notes to basic financial statements

CITY OF HAYWARD
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2009

	Total Agency Funds	
	2009	2008
ASSETS:		
Cash and investments (note 2)	\$ 3,779,624	2,296,960
Cash and investments with fiscal agent (note 2)	818,354	20,834
Interest receivable	10,058	14,860
Due from other governments	11,752	-
Total assets	\$ 4,619,788	2,332,654
LIABILITIES:		
Accounts payable	\$ 884	1,760
Refundable deposits	4,618,904	2,330,894
Total liabilities	\$ 4,619,788	2,332,654

See accompanying notes to basic financial statements

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CITY OF HAYWARD



Footnotes

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity - The City of Hayward, California (the “City”) was originally incorporated as the Town of Hayward in 1876. On March 7, 1956, the people of the City adopted a City Charter under which the City currently operates. The City maintains a Council-Manager form of government and is governed by an independently elected seven-member City Council. The City provides the following services as authorized by its charter: public safety (police, fire, and building inspection), highways and streets, sanitation, water, airport, social services, public improvements, planning library and zoning, and general administrative services.

Reporting Entity - The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. The City Council sits in a different capacity as the governing boards of the following entities. Although they are separate legal entities, *blended* component units are in substance part of the City’s operations and are reported as an integral part of the City’s financial statements. This City’s component units which are described below are all blended.

- *The Redevelopment Agency of the City of Hayward* (the “Redevelopment Agency”) was created in December 1969 under the provisions of the Community Redevelopment Law (California Health and Safety Code, commencing with Section 33000), primarily to assist in the clearance and rehabilitation of areas determined to be in a declining condition in the City. The Downtown Hayward Redevelopment Project Area (comprised of the downtown area of the City) was established under the Redevelopment Plan (the “Plan”), which was adopted in December 1975 and amended in 1994. The stated purpose of the Plan is to provide an improved physical, social and economic environment in the Project Area. Operating activities of the Redevelopment Agency are included as a capital projects fund of the City, while debt service payments and interest income and expenditures are recorded as a debt service fund of the City.
- *Hayward Public Financing Authority* (the “Authority”) - In May 1989, the City and the Redevelopment Agency entered into a joint powers agreement under the Joint Exercise of Powers Law of the State of California, thereby forming the Authority for the purpose of financing certain capital improvements within the City. These capital improvements are leased to the City for rental payments, which, together with restricted assets of the Authority, will be sufficient to meet the debt service obligations of the Authority. At the termination of the individual leases, title to the related improvements will pass to the City. Operating activities of the Authority are recorded as an enterprise fund of the City.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *The Hayward Business Improvement District (the "District")* was established in 1984 to collect certain charges imposed on businesses within the downtown business improvement district and to expend such monies on activities, which enhance the district as a shopping and business center. Operating activities of the District are included as a special revenue fund of the City.
- *The Hayward Housing Authority ("Housing Authority")* was originally established in 1946. The Housing Authority is only a conduit to issue housing mortgage revenue bonds for developers, whereby such developers are entirely responsible for meeting the related debt obligations and where the funds raised through such housing mortgage revenue bond issues are used to finance multifamily rental housing developments. A certain percentage of housing units being financed must be for low and moderate income purposes. The Housing Authority is paid a fee by the benefited developers for issuing the bonds and for monitoring the occupancy of these housing developments. This activity is recorded as a special revenue fund of the City.

The City participates in a joint venture, the East Bay Dischargers Authority ("EBDA"), which is not included in the accompanying basic financial statements as it is administered by a board separate from and independent of the City. EBDA is also fiscally independent of the City (see Note 17).

Complete financial statements of the certain component units and the joint venture can be obtained from:

City of Hayward
Finance Department, 3rd Floor
777 B Street
Hayward, California 94541

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

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

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Funds - Governmental Accounting Standards Board requires that the City's major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources, which are not accounted for in another fund.

HOME Investment in Affordable Housing Fund (HOME) - Accounts for monies received from HUD through the Alameda County Housing Consortium and expended for acquisition, rehabilitation and new construction of affordable housing and tenant-based rental assistance.

Redevelopment Agency Capital Projects Fund - Accounts for property tax increment revenues used for capital projects connected with downtown redevelopment.

Route 238 Capital Projects Fund - Accounts for the City's increment of state right-of-way rentals for state property within the City and other City monies set aside for City projects connected with freeway development.

The City reported all the following proprietary-enterprise funds as major funds in the accompanying financial statements:

Sewer Fund - Accounts for activities associated with sewage transmission and treatment.

Water Fund - Accounts for activities associated with distribution and transmission of potable water to users.

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

The City also reports the following fund types:

Internal Service funds

These funds account for workers' compensation reimbursable costs, risk management expenses, self-insurance costs, and operation, maintenance and replacement of vehicles, City Hall and buildings, and Technology infrastructure; all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary funds

These funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements. Agency funds apply the accrual basis of accounting but do not have a measurement focus.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting - The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end with some revenues having a ninety day availability period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest and charges for services.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be made available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The City follows Statements and interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

Budgets and Budgetary Accounting — The City adopts an annual operating budget prepared using the modified accrual basis of accounting and conforms to generally accepted accounting principles (GAAP) for its general, special revenue capital project, and debt service funds. Under Section 1201 of the City of Hayward Charter, the City Manager is required to prepare and submit to the City Council the annual budget of the City and administer it after adoption. Each year, the City Manager submits a proposed budget to the City Council in June and the final budget is adopted by the City Council before June 30. The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between the accounts of any fund; however any revisions that alter the total appropriations of any fund must be approved by City Council. Prior period appropriations lapse unless they are reappropriated through the formal budget process or through the carryover process. The City controls its expenditures using encumbrance accounting. Budgetary comparisons are presented for all legally adopted governmental funds which include the general fund, special project, capital project and debt service funds.

In addition to the annual operating budget, the City adopts a Ten-Year Capital Improvement Program. Funds are appropriated for the first year of the plan with years two through ten included for planning purposes. Funds are appropriated on a project basis and are carried over until expended or the project is closed. The legal level of budgetary control is at the project level.

At June 30, 2009 expenditures exceeded budget for the following funds:

<u>Fund Name</u>	<u>Amount</u>
Housing Mortgage Revenue Bonds	\$ 11,555
Park Dedication Ordinance	78,952
Community Development Block Grant	822,942
Measure B Retail Sales Tax	1,274,330
Redevelopment Agency Debt Service Fund	1,389

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Land held for redevelopment of \$10,272,570 at June 30, 2009 is stated at the lowest of historical cost, net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer performing projects in accordance with the Redevelopment Plan of the Redevelopment Agency of the City of Hayward. The stated purpose of the Redevelopment Plan is to provide an improved physical, social and economic environment in the Project Area.

Prior year data - Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City’s prior year financial statements, from which this selected financial data was derived. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

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

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

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

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

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Vacation, Time Off in Lieu of Overtime and Sick Pay - The long-term portion of the liability for vested vacation, time off in lieu of overtime and sick pay for governmental fund type operations is recorded as compensated absences in the government-wide financial statements. The portion expected to be permanently liquidated (matured due to termination) is recorded in the governmental funds. Vested vacation and sick pay of proprietary fund type operations is recorded in the respective proprietary fund type. Compensated absences attributable to governmental funds are typically liquidated by the General Fund.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash with fiscal agent so that it can be invested at the maximum yield, consistent with the principles of safety and liquidity. Individual funds can make expenditures at any time. Investments are carried at fair value.

Policies - The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the City's case, fair value equals fair market value, since all of the City's investments are readily marketable.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the City's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City's name and places the City ahead of general creditors of the institution pledging the collateral. As of June 30, 2009, the City held \$856,833 in uncollateralized deposits under escrow agreements with construction contractors. Such deposits are permitted to be uncollateralized under the government code.

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

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Classification — As of June 30, 2009 cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Statement of Net Assets:

Cash and investments	\$ 191,299,535
Cash and investments with fiscal agent	<u>7,679,952</u>
Total City cash and investments	<u>198,979,487</u>

Fiduciary Funds:

Cash and investments	3,779,624
Cash and investments with fiscal agent	<u>818,354</u>
Total Fiduciary cash and Investments	<u>4,597,978</u>
Total cash and investments	<u><u>\$ 203,577,465</u></u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 5,533
Deposits with financial institutions	9,631,431
Investments	<u>193,940,501</u>
Total cash and investments	<u><u>\$ 203,577,465</u></u>

Cash and investments are used in preparing Proprietary Fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

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

Investments Authorized by the California Government Code and the City's Investment Policy - The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum % of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	4 years	N/A	None	None
U.S. Government Agency Obligations	4 years	N/A	None	None
U.S. Government Sponsored Obligations	4 years	N/A	50%	20%
Bankers Acceptances	180 days	A-1	40%	30%
Certificates of Deposit	4 years	A- 1 to A	25%	20%
Commercial Paper	270 days	A-1	15%	10%
Medium Term Corporate Notes	4 years	A to AA	30%	20%
Asset-Backed Corporate Notes	4 years	A	20%	10%
Repurchase Agreements	1 year	N/A	20%	20%
Reverse Repurchase Agreements	92 days	A-1 to A	20%	20%
Negotiable Certificates of Deposit	4 years	A to AA	30%	20%
Money Market Funds	2 years	AAA	20%	10%
County Agency Investment Fund	N/A	N/A	15%	10%
California Local Agency Investment Fund	N/A	N/A	None	None

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>
U.S. Treasury Obligations	No limit	No limit
U.S. Government Agency Obligations	No limit	No limit
U.S. Government Sponsored Obligations	No limit	None to AAA
Money Market Mutual Funds	No limit	AAm to AAAm-G
Collateralized Certificates of Deposits	None to 1 year	None to A-1+
FDIC Insured Deposits	No limit	No limit
Investment Agreements	No limit	None to Two Highest Categories
Commercial Paper	None to 270 days	A-1 to A-1+
State General Obligations	No limit	A/A2 to Two Highest Categories
Municipal Obligations	No limit	AAA to Two Highest Categories
Federal Funds or Bankers Acceptances	180 days to 1 year	A-1 to A-1+
Repurchase Agreements	None to 30 days	None to A
Pre-refunded Municipal Bonds	No limit	AAA
California Local Agency Investment Fund	No limit	No limit

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

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity or earliest call date:

<u>Investment Type</u>	<u>12 months or less</u>	<u>12 to 24 months</u>	<u>Over 2 years</u>	<u>Total</u>
<i>Held by City:</i>				
U.S. Government sponsored obligations:				
Non-callable	\$ 15,172,700	5,078,500	14,887,050	35,138,250
Callable	-	4,008,400	18,952,500	22,960,900
Medium Term Notes:				
Non-callable	11,769,638	2,051,400	-	13,821,038
California Local Agency Investment Fund	120,000,000	-	-	120,000,000
<i>Held by Trustees:</i>				
U.S. Treasury Bills and Notes	-	-	817,885	817,885
Investment Agreements	-	-	<u>1,202,428</u>	<u>1,202,428</u>
Total Investments	<u>\$ 146,942,338</u>	<u>11,138,300</u>	<u>35,859,863</u>	<u>193,940,501</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy requires minimum ratings for investment purchases. Presented below is the actual rating as of June 30, 2009 for each investment type as provided by Standard and Poor's investment rating system:

Investment Type	AAA/ AAAm	AA+ to AA-	Total
<i>Held by City:</i>			
U.S. Government sponsored obligations:			
Non-callable	\$35,138,250	-	35,138,250
Callable	22,960,900	-	22,960,900
Medium Term Notes:			
Non-callable	-	13,821,038	13,821,038
Total Investments	<u>\$58,099,150</u>	<u>13,821,038</u>	71,920,188
<i>Not rated:</i>			
California Local Agency Investment Fund			120,000,000
Investment Agreements			1,202,428
<i>Exempt from credit rating disclosures:</i>			
U.S. Treasury Bills and Notes			<u>817,885</u>
			<u>\$ 193,940,501</u>

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Significant investments in the securities of any individual issuers, other than U.S. Treasury securities, mutual funds, are set forth below:

<u>Reporting Unit</u>	<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
<i>Entity Wide:</i>			
	Federal Farm Credit Bank	Federal Agency Securities	\$ 28,454,118
	Federal Home Loan Bank	Federal Agency Securities	29,645,032

Custodial Credit Risk – Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City’s investments of \$194 million, the government has a custodial credit risk of \$5.9 million because the related securities are issued and held by the City’s broker. The City does not have a specific policy related to custodial credit risk.

3. REDEVELOPMENT ACTIVITIES

Loans Receivable - In order to carry out low and moderate housing programs, Redevelopment low and moderate income housing funds were loaned to homebuyers and third-party contractors for the purposes of promoting home ownership in the City and developing low and moderate income housing. The loans bear interest at rates equivalent to either the 11th District cost of funds or the rate the City earns on its cash and investments.

Huntwood Commons Apartments — The City has a loan agreement with Eden Housing, Inc., a California nonprofit public benefit corporation. Eden Housing intends to rehabilitate thirty-nine units of rental housing for rental to low-income households and one manager’s unit. The loans are in the amount of \$840,000 consisting of HOME funds and \$175,500 consisting of Workforce Housing Reward funds. At June 30, 2009 the principal balances outstanding for the HOME and Workforce Housing Reward loan funds were \$840,000 and \$175,500, respectively. The outstanding principal balance of the loan funds will accrue interest at a rate of 3% annually. Repayments of the principal amount of the loan and any accrued interest on such principal shall be deferred until April 30, 2062.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

3. REDEVELOPMENT ACTIVITIES (Continued)

The City also pools certain funds received from the U.S. Department of Housing and Urban Development and the State of California Department of Housing and Community Development, and administrative fees received from owners of multifamily projects funded by mortgage revenues bonds sponsored by the City. These monies are loaned to businesses, nonprofit and for-profit housing developers and to qualified first-time homebuyers for the above purposes. Loans receivable are offset in fund financial statements by deferred revenue in the Funds providing the loans, as these loans are not expected to be collected in the next year.

Elementary School and Public Improvements (Cannery/Burbank Project)

Pursuant to an agreement between the Agency, the City, the Hayward Area Park and Recreation District (HARD), and the Hayward Unified School District, the City has agreed to construct and the Agency has agreed to pay for the design and construction of a new elementary school to be located on a site composed of parcels owned by or to be acquired by the Agency. The project was completed during the year ended June 30, 2009 for a total cost of \$35,944,664. The site and improvements have been conveyed to the School District in exchange for a portion of land owned by the School District.

The Agency has also agreed to deconstruct the current school site, and finance the cost of certain improvements to the adjacent Cannery Park, which will be jointly used by Hayward Area Recreation and Park District and the School District. This project was completed during the year ended June 30, 2009 for a total cost of \$6,813,260. The site and improvements have been conveyed to the Hayward Area Recreation and Park District.

To partially compensate the Agency for the above design and construction costs and repay the advances, the School District, HARD and City have agreed to assign certain school development fees and park in lieu fees to the Agency. In addition, the School District has agreed that the Agency may retain pass-through payments due the School District pursuant to the Health and Safety Code as partial compensation for the above costs. Through June 30, 2009, the Agency has retained \$623,255 in pass-through payments, \$166,223 of park in lieu fees, and \$362,692 of development fees. The remaining unreimbursed costs of \$29,958,717 for the School project and \$4,597,037 for Cannery Park have been recorded as a long-term receivable in the accompanying financial statements.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

4. INTERFUND TRANSACTIONS

Transfers Between Funds — With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2009 were as follows:

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>	
General Fund	Certificates of Participation	\$ 2,775,018	A
	Non-Major Governmental Funds	945,512	A
	Non-Major Enterprise Fund	628,450	A
	Internal Service Funds	<u>1,937,219</u>	C
		<u>6,286,199</u>	
Redevelopment Agency Capital Project Fund	General Fund	799,216	D
	Water Enterprise Fund	4,265	D
	Non-Major Governmental Funds	4,835,103	A
	Internal Service Funds	<u>62,679</u>	C
		<u>5,701,263</u>	
Route 238	General Fund	5,000,000	A
	Non-Major Governmental Funds	<u>500,000</u>	B
		<u>5,500,000</u>	
Sewer	General Fund	364,821	D
	Non-Major Governmental Funds	<u>241,522</u>	C
		<u>606,343</u>	
Water	General Fund	2,744,513	D
	Internal Service Funds	<u>196,299</u>	C
		<u>2,940,812</u>	
Airport	General Fund	163,106	D
	Internal Service Funds	<u>43,371</u>	C
		<u>206,477</u>	
Non-Major Governmental Funds	General Fund	3,245,601	D
	Non-Major Governmental Funds	7,578	
	Non-Major Enterprise Funds	50,000	B
	Internal Service Funds	<u>686,315</u>	C
		<u>3,989,494</u>	

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

4. INTERFUND TRANSACTIONS (Continued)

Non-Major Enterprise Funds	General Fund	168,261	D
	Internal Service Funds	<u>38,076</u>	C
		<u>206,337</u>	
Internal Service Funds	General Fund	1,034,791	D
	Internal Service Funds	<u>98,290</u>	C
		<u>1,133,081</u>	
		<u><u>\$26,570,006</u></u>	

- A To fund debt service, capital projects and administrative overhead
- B To fund capital projects
- C To fund general liability insurance fund
- D To fund allocation of administrative overhead and purchase a parcel of land

Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after end of the fiscal year. At June 30, 2009 interfund balances were as follows:

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds	\$ 4,189
	Internal Service Funds	<u>233,966</u>
		<u><u>\$ 238,155</u></u>

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

4. INTERFUND TRANSACTIONS (Continued)

Long-Term Interfund Advances - At June 30, 2009, the funds below had made advances that were not expected to be repaid within the next year.

	Long-Term Interfund Receivable	Long-Term Interfund Payable
General Fund	\$ 9,841,289	-
Redevelopment Agency		
Capital Projects Fund	-	11,636,985
Enterprise Funds		
Sewer	3,072,500	-
Water	3,268,196	-
Airport	-	2,295,000
Internal Service Funds	-	2,250,000
Total	\$ 16,181,985	16,181,985

Funds have been advanced under an Amended Repayment Agreement whereby the Redevelopment Agency has agreed to reimburse the City for a portion of project costs for the B Street/Watkins/Mission Garage and B Street Retail and Civic Center Plaza not to exceed \$11,186,217. The Agency is to pay annual installments of \$800,000 July 1 of each year and interest will accrue on the unpaid principal balance at a rate equal to the average rate earned by the City on moneys invested in LAIF for the applicable fiscal year. Interest shall accrue and be added to the principal balance June 30 of each year. As of June 30, 2009, the balance of the agreement is \$9,841,289.

In fiscal year 2002, the Water Enterprise Fund loaned \$2.89 million to the Airport Enterprise Fund bearing interest at between 3% to 4.75%, due in annual installments until October 2026. As of June 30, 2009 the outstanding loan balance is \$2,295,000.

During fiscal year 2003, the Sewer Enterprise Fund loaned \$2.35 million to the Redevelopment Agency pursuant to a City Council resolution to partially finance sidewalk improvements. This loan bears interest from 2.25% to 3.00% which is repaid quarterly. Principal is repayable over a five year period commencing the fourth quarter of fiscal year 2006. As of June 30, 2009, the outstanding loan balance is \$822,500.

In fiscal year 1990, the Water Enterprise Fund loaned \$5,946,333 to the Redevelopment Agency to finance the purchase of land for development. Scheduled debt service payments for the loan are being made from available incremental property tax revenues. As of June 30, 2009, the outstanding loan balance is \$973,196.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

4. INTERFUND TRANSACTIONS (Continued)

Long-Term Interfund Advances, continued:

In fiscal year 2009, the Sewer Fund loaned \$2,250,000 to the Technology Services Fund for the public safety aided dispatch/records management system replacement. This loan bears 2% interest and repayments will commence in fiscal year 2010. As of June 30, 2009 the outstanding loan balance is \$2,250,000.

Internal Balances - Internal balances are presented only in the Government-wide financial statements. They represent the net interfund receivable and payables remaining after the elimination of all such balances within governmental and business-type activities.

5. CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City's policy is to capitalize all assets with costs exceeding \$5,000 and with useful lives exceeding two years.

With the implementation of GASB Statement 34, the City has recorded all current year additions for its public domain (infrastructure) capital assets, which include traffic signals, medians and streets in its Government-wide financial statements. In fiscal year 2003, as allowed under GASB Statement 34, the City implemented the retroactive accounting for its infrastructure assets acquired in prior years.

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of the assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City begins depreciation on July 1st of the year following acquisition. The City has assigned the useful lives listed below to capital assets.

Buildings and improvements	10- 50 years
Machinery and equipment	7 - 50 years
Streets	25 - 40 years
Traffic Signals	20 years
Medians	25 - 40 years

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (Continued)

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

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

	Balances at July 1, 2008	Additions	Deletions *	Transfers	Balances at June 30, 2009
Governmental activities					
Capital assets, not depreciated:					
Land	\$ 10,877,024	-	-	3,443,016	14,320,040
Construction in Progress	48,447,121	35,304,538	(38,079,050)	(19,232,505)	26,440,104
Total capital assets, not depreciated	<u>59,324,145</u>	<u>35,304,538</u>	<u>(38,079,050)</u>	<u>(15,789,489)</u>	<u>40,760,144</u>
Capital assets, being depreciated					
Buildings and improvements	64,797,824	-	-	-	64,797,824
Improvements other than buildings	9,294,241	-	-	-	9,294,241
Machinery and equipment	36,278,229	2,307,210	(230,140)	321,175	38,676,474
Streets	145,164,913	-	-	15,689,533	160,854,446
Traffic Signal	7,257,235	-	-	-	7,257,235
Conduits	1,540,569	-	-	-	1,540,569
Medians	3,425,279	-	-	-	3,425,279
Drains	2,994,000	-	-	-	2,994,000
Total cost of depreciable assets	<u>270,752,290</u>	<u>2,307,210</u>	<u>(230,140)</u>	<u>16,010,708</u>	<u>288,840,068</u>
Less accumulated depreciation:					
Buildings and improvements	17,649,609	1,453,843	-	-	19,103,452
Improvements other than buildings	3,322,466	321,316	-	-	3,643,782
Machinery and equipment	23,329,584	2,227,513	(230,140)	221,219	25,548,176
Streets	32,704,380	3,347,994	-	-	36,052,374
Traffic Signal	3,106,441	328,611	-	-	3,435,052
Medians	1,245,680	85,632	-	-	1,331,312
Conduits	810,699	71,778	-	-	882,477
Drains	690,273	149,700	-	-	839,973
Total accumulated depreciation	<u>82,859,132</u>	<u>7,986,387</u>	<u>(230,140)</u>	<u>221,219</u>	<u>90,836,598</u>
Net depreciable assets	<u>187,893,158</u>	<u>(5,679,177)</u>	<u>-</u>	<u>15,789,489</u>	<u>198,003,470</u>
Capital assets, net	<u>\$ 247,217,303</u>	<u>29,625,361</u>	<u>(38,079,050)</u>	<u>-</u>	<u>238,763,614</u>

* See footnote 3 regarding Cannery/Burbank project.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (Continued)

	<u>Balance at</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at</u> <u>June 30, 2009</u>
Business-type activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 3,533,920	1,596,320	-	-	5,130,240
Construction in progress	<u>61,637,427</u>	<u>4,386,452</u>	<u>(281,707)</u>	<u>(3,521,532)</u>	<u>62,220,640</u>
 Total capital assets not being depreciated	 <u>65,171,347</u>	 <u>5,982,772</u>	 <u>(281,707)</u>	 <u>(3,521,532)</u>	 <u>67,350,880</u>
 Capital assets being depreciated:					
Buildings	25,887,766	-	-	-	25,887,766
Improvements other than buildings	58,417	-	-	-	58,417
Machinery and equipment	32,353,938	-	-	518,645	32,872,583
Sewer pipelines and other infrastructure	61,373,751	-	-	650,136	62,023,887
Water pipelines and other infrastructure	59,230,892	-	-	136,056	59,366,948
Airport hangers, tarmacs and other infrastructure assets	<u>21,957,043</u>	<u>-</u>	<u>-</u>	<u>2,216,695</u>	<u>24,173,738</u>
 Total capital assets being depreciated	 <u>200,861,807</u>	 <u>-</u>	 <u>-</u>	 <u>3,521,532</u>	 <u>204,383,339</u>
 Less accumulated depreciation for:					
Buildings	17,123,224	520,232	-	-	17,643,456
Improvements other than buildings	58,417	-	-	-	58,417
Machinery and equipment	21,677,556	1,042,475	-	-	22,720,031
Sewer pipelines and other infrastructure	21,672,691	1,683,276	-	-	23,355,967
Water pipelines and other infrastructure	20,205,516	1,654,249	-	-	21,859,765
Airport hangers, tarmacs and other	<u>9,426,302</u>	<u>688,879</u>	<u>-</u>	<u>-</u>	<u>10,115,181</u>
 Total accumulated depreciation	 <u>90,163,706</u>	 <u>5,589,111</u>	 <u>-</u>	 <u>-</u>	 <u>95,752,817</u>
 Net capital assets being depreciated	 <u>110,698,101</u>	 <u>(5,589,111)</u>	 <u>-</u>	 <u>3,521,532</u>	 <u>108,630,522</u>
 Business-type activity capital assets, net	 <u><u>\$ 175,869,448</u></u>	 <u><u>393,661</u></u>	 <u><u>(281,707)</u></u>	 <u><u>-</u></u>	 <u><u>175,981,402</u></u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (Continued)

Governmental capital assets construction in progress was composed of the following at June 30, 2009:

	Project Budget	Expended to June 30, 2009	Encumbered	Committed
Improvements other than buildings	\$ 101,024	101,024	-	-
Streets	<u>58,469,169</u>	<u>26,339,080</u>	<u>7,113,757</u>	<u>25,016,332</u>
Total	<u>\$ 58,570,193</u>	<u>26,440,104</u>	<u>7,113,757</u>	<u>25,016,332</u>

A Summary of enterprise fund construction in progress at June 30, 2009 follows:

	Project Budget	Expended to June 30, 2009	Encumbered	Committed
Sewer Enterprise Fund	\$ 66,947,651	60,289,523	1,012,814	5,645,310
Water Enterprise Fund	12,597,000	1,763,429	223,669	10,609,903
Airport Enterprise Fund	<u>1,425,000</u>	<u>167,688</u>	<u>-</u>	<u>1,257,312</u>
Total	<u>\$ 80,969,651</u>	<u>62,220,640</u>	<u>1,236,483</u>	<u>17,512,525</u>

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

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (Continued)

Capital Asset Contributions — Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GAAP requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

Depreciation Allocation — Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities

General Government	\$ 956,674
Public Safety	4,099,754
Public Works and Transportation	504,252
Library and Neighborhood Services	435,906
Redevelopment	34,839
Planning and Building	288,461
Maintenance Services	176,194
Internal Service Funds	<u>1,490,307</u>
	<u>\$7,986,387</u>

Business-Type Activities

Sewer Fund	\$2,782,722
Water Fund	1,976,578
Airport Fund	786,687
Centennial Hall Maintenance and Operations Fund	40,190
Stormwater Fund	<u>2,934</u>
	<u>\$5,589,111</u>

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT

The City's long-term debt issues and transactions are summarized below:

<u>Type of Obligation</u>	<u>Outstanding Balance June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding at June 30, 2009</u>	<u>Current Portion</u>
Governmental Activity Debt:					
Certificates of Participation					
2007 Refunding COP	\$ 31,820,000	-	1,390,000	30,430,000	1,385,000
Lease Revenue Bonds					
ABAG Series 2001-2	1,142,210	-	286,690	855,520	65,910
Site/Equipment Leases					
Boys and Girls Club	927,000	-	91,181	835,819	95,480
Police Motorola Radios	243,763	-	56,154	187,609	59,231
Tax Allocation Bonds					
2004 Redevelopment Agency	42,375,000	-	1,270,000	41,105,000	1,335,000
2006 Redevelopment Agency	11,800,000	-	-	11,800,000	-
Subtotal	<u>88,307,973</u>	<u>-</u>	<u>3,094,025</u>	<u>85,213,948</u>	<u>2,940,621</u>
Internal Service Fund Debt:					
Lease Revenue Bonds					
ABAG Series 2001-2	1,225,000	-	295,000	930,000	270,000
Site/Equipment Leases					
Public works vehicles	81,626	-	81,626	-	-
Solar Power Generator Equipment	975,000	-	25,000	950,000	30,000
Computer Mainframe Equipment	283,976	-	99,230	184,746	103,789
VOIP Equipment	1,227,168	-	474,778	752,390	496,115
Capital Lease Obligations					
Trucks, Van, Loader & Cutter Equipment	160,956	-	106,451	54,505	54,505
Trucks, Pickup, Cars	1,032,369	-	330,854	701,515	343,950
City Vehicles	1,153,440	-	283,272	870,168	294,890
Subtotal	<u>6,139,535</u>	<u>-</u>	<u>1,696,211</u>	<u>4,443,324</u>	<u>1,593,249</u>
Claims payable	5,879,925	11,493,121	11,364,190	6,008,856	-
Other postemployment benefits	-	6,471,992	2,059,756	4,412,236	-
Compensated Absences	6,931,270	5,041,276	5,326,799	6,645,747	5,107,370
Total Government Activity Debt	<u>\$ 107,258,703</u>	<u>23,006,389</u>	<u>23,540,981</u>	<u>106,724,111</u>	<u>9,641,240</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

<u>Type of Obligation</u>	<u>Outstanding Balance June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding at June 30, 2009</u>	<u>Current Portion</u>
Business-type Activity Debt:					
Revenue Bonds					
Hayward Public Financing Authority, Series 1996	\$ 2,855,000	-	410,000	2,445,000	435,000
Lease Revenue Bonds					
ABAG Series 2001-2	667,790	-	123,311	544,479	129,090
Certificates of Participation					
2001 Water System Improvement Project	3,315,000	-	310,000	3,005,000	320,000
2004 Water System Improvement Project	6,515,000	-	90,000	6,425,000	95,000
2007 Sewer Refunding	8,980,000	-	875,000	8,105,000	910,000
State Water Resource Control Board Loan					
	52,788,065	1,719,809	-	54,507,874	2,725,394
Compensated Absences	<u>754,691</u>	<u>728,712</u>	<u>651,936</u>	<u>831,467</u>	<u>718,259</u>
Total Business-type Activity Debt	<u>\$ 75,875,546</u>	<u>2,448,521</u>	<u>2,460,247</u>	<u>75,863,820</u>	<u>5,332,743</u>

Debt service payments are generally made from the following sources:

- (a) Revenues recorded in the General Fund.
- (b) Incremental property taxes recorded in the Redevelopment Agency Capital Projects Fund.
- (c) Operating revenues recorded in the Fleet Management Internal Service Fund.
- (d) Operating revenues from the Water Enterprise Fund.
- (e) Operating revenues recorded in the Sewer Enterprise Fund.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

2007 Refunding Certificates of Participation

In August 2007, the Authority issued \$31,820,000 in Certificates of Participation (2007 COPs) to prepay \$26,740,000 of the outstanding principal of the 1996 Civic Center Certificates of Participation and to prepay \$4,245,000 of the outstanding principal of the 1997 Road and Seismic Retrofit Refunding Certificates of Participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$2,864,926 and resulted in an economic gain of \$1,991,771. The 2007 Refunding COPs bear interest at 3.0% to 5.2% and are due serially each August 1. Interest payments are due semi-annually on February 1 and August 1.

2001 ABAG Lease Revenue Bonds

In fiscal year 2002, the City issued \$7,475,000 principal amount of ABAG Lease Revenue Bonds, Series 2001-2, (2001-2 Bonds), at rates of 3.0% to 5.0%, and the proceeds of which were used to finance the cost of acquiring capital assets and to refund and retire various capital lease and certificates of participation obligations. This bifurcated Bond issue is repayable from governmental funds, the Equipment Management Internal Service Fund, the Sewer Enterprise Fund and the Water Enterprise Fund and as a result, the principal balance of the 2001-2 Bonds has been prorated and recorded in each of the above funds and activities.

Capital Lease Obligations

In fiscal year 2006, the City entered into two lease agreements, one for acquiring computer mainframe equipment in the amount of \$491,602, which requires monthly payments and one in the amount of \$1,656,763 for acquiring various vehicles, which requires semi-annual payments.

In fiscal year 2008, the City entered into a lease agreement for police Motorola radios for an additional amount of \$41,087, which requires annual payments. The City also entered into an equipment lease for \$1,300,927 for VOIP equipment.

2004 Tax Allocation Bonds

In fiscal year 2004, the Agency issued \$44,790,000 of Tax Allocation Bonds to provide funds to defeased and retire the 1996 Tax Allocation Bonds and to finance various redevelopment projects within the Redevelopment Project Area. The Bonds are a special obligation of the Agency secured by tax increment revenues on parity with the Agency's 2006 Tax Allocation Bonds. The Bonds are payable in annual installments as indicated below, until maturity on March 1, 2034. Interest is paid semiannually on March 1 and September 1, with rates ranging from 3% to 5.23% per annum.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

2006 Tax Allocation Bonds

In fiscal year 2006, the Agency issued \$11,800,000 of Tax Allocation Bonds to provide funds to finance various redevelopment projects within the Redevelopment Project Area. The Bonds are special obligation of the Agency secured by tax increment revenues on parity with the Agency's 2004 Tax Allocation Bonds. The Bonds are payable in annual installments as indicated below, until maturity on March 1, 2036. Interest is paid semiannually on March 1 and September 1, with rates ranging from 3.75% to 4.3% per annum.

At June 30, 2009, annual debt service requirements to maturity for long-term debt, including interest payments, were as follows:

Governmental Activities:

Certificate of Participation (COP)

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,385,000	1,231,275	2,616,275
2011	1,440,000	1,174,775	2,614,775
2012	1,510,000	1,115,775	2,625,775
2013	1,570,000	1,054,175	2,624,175
2014	1,630,000	990,175	2,620,175
2015-2019	8,685,000	3,906,375	12,591,375
2020-2024	8,305,000	2,215,744	10,520,744
2025-2029	5,905,000	403,881	6,308,881
Totals	<u>\$ 30,430,000</u>	<u>12,092,175</u>	<u>42,522,175</u>

Lease Revenue Bonds

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 335,910	57,755	393,665
2011	348,600	43,346	391,946
2012	360,770	27,013	387,783
2013	165,240	23,125	188,365
2014	60,000	26,806	86,806
2015-2019	355,000	84,597	439,597
2020-2024	160,000	8,000	168,000
Totals	<u>\$ 1,785,520</u>	<u>270,642</u>	<u>2,056,162</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

Site / Equipment Leases

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 784,615	127,551	912,166
2011	529,774	91,494	621,268
2012	200,595	74,784	275,379
2013	139,630	64,887	204,517
2014	149,798	58,369	208,167
2015-2019	496,152	197,089	693,241
2020-2024	240,000	126,463	366,463
2025-2029	300,000	60,250	360,250
2030-2033	<u>70,000</u>	<u>1,750</u>	<u>71,750</u>
Totals	<u>\$ 2,910,564</u>	<u>802,637</u>	<u>3,713,201</u>

Tax Allocation Bonds

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,335,000	2,598,772	3,933,772
2011	1,400,000	2,532,022	3,932,022
2012	1,540,000	2,469,022	4,009,022
2013	1,605,000	2,400,322	4,005,322
2014	1,680,000	2,328,657	4,008,657
2015-2019	9,615,000	10,419,036	20,034,036
2020-2024	12,155,000	7,856,203	20,011,203
2025-2029	13,880,000	4,144,669	18,024,669
2030-2034	6,570,000	1,837,736	8,407,736
2035-2037	<u>3,125,000</u>	<u>236,250</u>	<u>3,361,250</u>
Totals	<u>\$ 52,905,000</u>	<u>36,822,689</u>	<u>89,727,689</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

Capital Lease Obligation

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 693,343	57,397	750,740
2011	664,549	30,818	695,367
2012	212,684	7,682	220,366
2013	<u>55,611</u>	<u>1,129</u>	<u>56,740</u>
Totals	<u>\$ 1,626,187</u>	<u>97,026</u>	<u>1,723,213</u>

Revenue Bonds

Public Financing Authority 1996

In February 1996, the City issued \$6,440,000 in Lease Revenue Refunding Bonds; Series 1996 to advance refund \$5,915,000 of outstanding 1989 Lease Revenue Bonds. Improvements, initially financed with 1989 lease revenue bonds, and which have been completed include a Reservoir Telemetry Control System, installation of two emergency electrical generators used to pump water in the event of electrical failure, fuel tanks, and replacement of 16,600 feet of water mains.

The 1996 Bonds bear interest at 3.0% to 5.2% and are due serially each June 1. Interest payments are due semi-annually on December 1 and June 1. 1996 Bonds maturing on or after June 1, 2005 may be prepaid on any date beginning June 1, 2004 at par plus 2%. The prepayment price decreases one-half of one percent each year until June 1, 2006, at which time the 1996 Bonds may be prepaid at par.

Certificates of Participation

2001 Water System Improvement Project

On October 24, 2001 the City issued \$5,030,000 in Certificates of Participation to finance construction of the Hesperian Booster Pump Station. The 2001 COPs bear interest at 2.0% to 4.75% and are due semi-annually on April 1 and October 1, commencing April 1, 2002. Principal payments are due annually on October 1. 2001 COPs maturing on or after October 1, 2012 may be prepaid, on any payment date beginning October 1, 2011 at par.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

2004 Water System Improvement Project

In January 2004, the City issued \$6,845,000 in Certificates of Participation to the design and construction of a new booster pump station. The 2004 COPs are payable from net revenue from operations of the City's water system. The 2004 COPs bear interest serially of 2.0% to 4.375% and are due serially on October 1. Interest payments are due semi-annually on April 1 and October 1.

2007 Sewer Refunding

The City's 2007 Sewer Refunding Certificates of Participation are due August 1, 2026 and bear interest at rates of 4.0% and 4.5%. The proceeds from the 2007 Certificates of Participation were used to advance refund the remaining outstanding balance on the City's 1996 Sewer System Improvement Certificates of Participation and the 1998 Sewer System Improvement Certificates of Participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. Certificates maturing on or after August 1, 2017 are subject to optional prepayment by the City after this date. Interest payments are due on February 1 and August 1 of each year.

State Water Control Board

In June 2006, the City entered into a loan agreement with the State of California's State Water Resources Control Board for the purpose of financing the Wastewater System Improvement Project. Under the terms of the contract, the City has agreed to repay \$54,550,018 to the State in exchange for receiving \$45,458,167 in proceeds used to fund the Project. The difference between the repayment obligation and proceeds amounts to \$9,091,852 upon issue and represents in-substance interest on the outstanding balance. As of June 30, 2009, the City's gross repayment obligation totaled \$54,507,874 and has a corresponding prepayment of interest expense for \$8,031,036. The repayments of the loan are due annually on September 30, commencing September 30, 2009.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

Business-Type Activities:

Revenue Bonds

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 435,000	123,915	558,915
2011	460,000	102,600	562,600
2012	485,000	79,600	564,600
2013	515,000	54,865	569,865
2014	<u>550,000</u>	<u>28,600</u>	<u>578,600</u>
Totals	<u>\$ 2,445,000</u>	<u>389,580</u>	<u>2,834,580</u>

Lease Revenue Bonds

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 129,090	40,751	169,841
2011	131,400	35,661	167,061
2012	139,230	29,293	168,523
2013	<u>144,759</u>	<u>12,932</u>	<u>157,691</u>
Totals	<u>\$ 544,479</u>	<u>118,637</u>	<u>663,116</u>

Certificate of Participation (COP)

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,325,000	676,988	2,001,988
2011	1,370,000	628,288	1,998,288
2012	1,425,000	577,688	2,002,688
2013	1,490,000	525,831	2,015,831
2014	1,535,000	414,947	1,949,947
2015-2019	5,910,000	1,519,663	7,429,663
2020-2024	3,375,000	631,706	4,006,706
2025-2028	<u>1,105,000</u>	<u>49,829</u>	<u>1,154,829</u>
Totals	<u>\$ 17,535,000</u>	<u>5,024,940</u>	<u>22,559,940</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

State Water Control Board

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,725,394	819,611	3,545,005
2011	2,725,394	785,211	3,510,605
2012	2,725,394	750,192	3,475,586
2013	2,725,394	714,541	3,439,935
2014	2,725,394	678,247	3,403,641
2015-2019	13,626,969	2,823,511	16,450,480
2020-2024	13,626,969	1,812,836	15,439,805
2025-2029	<u>13,626,966</u>	<u>700,679</u>	<u>14,327,645</u>
Totals	<u>\$54,507,874</u>	<u>9,084,828</u>	<u>63,592,702</u>

7. LEASING ARRANGEMENTS

Certificates of Participation, Lease Revenue Bonds and Capital Leases are issued for the purpose of financing the construction or acquisition of projects defined in each leasing arrangement. Projects are leased to the City for lease payments which, together with unspent proceeds of the leasing arrangement, will be sufficient to meet the debt service obligations of the leasing arrangement. At the termination of the leasing arrangement title to the project will pass to the City.

Leasing arrangements are similar to debt; they allow investors to participate in a share of guaranteed payments, which are made by the City. Because they are similar to debt, the present value of the total of the payments to be made by the City is recorded as long-term debt. The City's leasing arrangements are included in long term obligations discussed in the preceding note.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

7. LEASING ARRANGEMENTS (Continued)

A summary of capital assets leased follows:

	<u>Fund Activity</u>	<u>Cost</u>
Trucks/Van/Loader & Cutter Equipment	Fleet Management Internal Service Fund	\$ 508,094
Trucks, Pickup, Cars	Fleet Management Internal Service Fund	1,656,763
Boys& Girls Club Site Lease	Governmental Activity	1,215,000
Solar Energy	Fleet Management Internal Service Fund	1,035,000
Building Energy Retrofit	Fleet Management Internal Service Fund	865,000
Computer Mainframe Upgrade	Fleet Management Internal Service Fund	491,602
Police Motorola Radios	Governmental Activity	1,599,523
City Vehicles	Fleet Management Internal Service Fund	1,290,863
VOIP Equipment	Fleet Management Internal Service Fund	1,300,927

8. SPECIAL ASSESSMENT DEBT WITHOUT CITY COMMITMENT

The City has sponsored special assessment debt issues under which it has no legal or moral liability with respect to repayment of the debt and therefore does not include this debt in the City's Governmental Activity. A summary of such debt follows:

In February 1989 the Local Improvement District No. 15 issued Limited Obligation Improvement Bonds in the original principal amount of \$6,214,297 to finance improvements within the District. Outstanding debt at June 30, 2009 was \$500,000.

In June 1994 the Local Improvement District No. 16, Garin Avenue, issued Limited Obligation Improvement Bonds in the original principal amount of \$3,000,000 to finance construction of a water system within the District. Outstanding debt at June 30, 2009 was \$1,810,000.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

8. SPECIAL ASSESSMENT DEBT WITHOUT CITY COMMITMENT (Continued)

In July 1997 the Local Improvement District No. 16 issued additional Limited Obligation Improvement Bonds in the original principal amount of \$50,952. Outstanding debt at June 30, 2009 was \$11,000.

In June 1999 the Local Improvement District No. 17, Twin Bridges Community Park, issued Limited Obligation Improvement Bonds in the original principal amount of \$396,014 to finance improvements within the District. Outstanding debt at June 30, 2009 was \$310,000.

In July 2002 the Community Facilities District No. 1, Eden Shores issued Special Tax Bonds in the original principal amount of \$9,965,000 to finance improvements within the District. Outstanding debt at June 30, 2009 was \$9,650,000.

9. DEFICIT FUND BALANCES

The Workers Compensation Insurance Internal Service Fund and the General Liability Internal Service Fund reflected accumulated deficits of \$3,095,839, and \$1,886,857 respectively, at June 30, 2009. These deficits are expected to be eliminated through future interfund charges.

The HOME Fund reflected an accumulated deficit of \$12,379 at June 30, 2009. This deficit is expected to be eliminated through future revenues.

10. ACCRUED RECLAMATION COSTS

To comply with regulatory requirements imposed by the California Regional Water Quality Control Board and the Alameda County Department of Environmental Health, the City expects to incur reclamation costs associated with an abandoned 60 acre landfill site. Such costs represent placing an 18-inch vegetative cover over the landfill site as well as ongoing monitoring costs. As of June 30, 2009, the City expects to incur \$152,557 for remaining reclamation costs, funded from operating revenue of the Sewer Enterprise Fund. Reclamation payments totaled \$85,296 for the year ended June 30, 2009. Reclamation costs are accrued in the Sewer Enterprise Fund. Actual costs may be higher due to inflation, changes in technology, or changes in State or federal regulations.

11. CALPERS SAFETY AND MISCELLANEOUS EMPLOYEES RETIREMENT PLANS

The City of Hayward contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS' annual financial reports may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

**11. CALPERS SAFETY AND MISCELLANEOUS EMPLOYEES RETIREMENT PLANS
(Continued)**

Miscellaneous and safety participants are required to contribute 8% to 9%, respectively, of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups.

For each of the fiscal years shown below, the City has contributed at the actuarially determined rate provided by PERS' actuaries. Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2008 to June 30, 2009 has been determined by an actuarial valuation of the plan as of June 30, 2006. The contribution rate indicated for the period is 29.577% of payroll for the safety plan and 12.422% of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2009, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2008 to June 30, 2009.

A summary of principle assumptions and methods used to determine the ARC is shown below.

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
Valuation Date	June 30, 2006	June 30, 2006
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Average Remaining Period	32 Years as of the Valuation Date	32 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market	15 Year Smoothed Market
Actuarial Assumptions		
Investment Rate of Return	7.75% (net of administrative expenses)	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 14.45% depending on Age, Service, and type of employment	3.25% to 14.45% depending on Age, Service, and type of employment
Inflation	3.00%	3.00%
Payroll Growth	3.25%	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

**11. CALPERS SAFETY AND MISCELLANEOUS EMPLOYEES RETIREMENT PLANS
(Continued)**

Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll. The schedule of funding progress, presented below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Safety Plan:

<u>Valuation Date</u>	<u>Entry Age Accrued Liability</u>	<u>Actuarial</u>			<u>Annual Covered Payroll</u>	<u>Unfunded Liability as % of Payroll</u>
		<u>Value of Assets</u>	<u>Unfunded (Overfunded) Liability</u>	<u>Funded Ratio</u>		
2006	183,523,823	146,030,286	37,493,537	79.60%	18,319,728	204.70%
2007	193,243,567	158,203,068	35,040,499	81.90%	18,507,710	189.30%
2008	213,582,862	170,318,181	43,264,681	79.70%	21,154,343	204.50%

Fire Safety Plan:

<u>Valuation Date</u>	<u>Entry Age Accrued Liability</u>	<u>Actuarial</u>			<u>Annual Covered Payroll</u>	<u>Unfunded Liability as % of Payroll</u>
		<u>Value of Assets</u>	<u>Unfunded (Overfunded) Liability</u>	<u>Funded Ratio</u>		
2006	150,851,333	127,396,462	23,454,871	84.50%	12,502,617	187.60%
2007	161,969,773	136,667,203	25,302,570	84.40%	13,680,513	185.00%
2008	176,978,776	145,409,830	31,568,946	82.20%	15,141,749	208.50%

Miscellaneous Plan:

<u>Valuation Date</u>	<u>Entry Age Accrued Liability</u>	<u>Actuarial</u>			<u>Annual Covered Payroll</u>	<u>Unfunded Liability as % of Payroll</u>
		<u>Value of Assets</u>	<u>Unfunded (Overfunded) Liability</u>	<u>Funded Ratio</u>		
2006	230,202,685	204,005,259	26,197,426	88.60%	35,158,623	74.50%
2007	241,062,267	220,029,799	21,032,468	91.30%	35,659,888	59.00%
2008	260,901,585	234,622,155	26,279,430	89.90%	39,495,060	66.50%

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

**11. CALPERS SAFETY AND MISCELLANEOUS EMPLOYEES RETIREMENT PLANS
(Continued)**

Annual Pension Cost (Employer Contribution)

<u>Fiscal Year</u>	<u>Police</u>	<u>Fire</u>	<u>Miscellaneous</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/07	\$5,354,697	\$3,578,829	\$4,004,002	100%	-
6/30/08	6,305,286	4,004,190	4,671,846	100%	-
6/30/09	6,034,197	3,814,165	4,629,346	100%	-

12. PUBLIC AGENCY RETIREMENT SYSTEM

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer’s existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. Effective January 1, 1992, the City contracted with the Public Agency Retirement System (PARS), a defined contribution plan. This Plan covers part-time, seasonal and temporary employees and all employees not covered by another retirement system. All eligible employees covered by the Plan are fully vested. Employer liabilities are limited to the amount of current contributions. The City Council by resolution has provided the authority to establish or amend the plan provisions and contributions requirements, subject to the constraints and limitations imposed by PARS to the City Manager.

Under PARS employees contribute 3.750% and the City contributes 3.750% of the employees’ salary each pay period. For the fiscal year ending June 30, 2009, total contributions of \$30,348 were made based on a total amount of covered compensation of \$404,628.

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description: The City provides postretirement health care benefits, in accordance with memoranda of understanding between the City and various collective bargaining units. The City has established a trust fund for City employees which is administered by the City for the purpose of holding assets accumulated for plan benefits.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Eligibility: Retired employees are eligible for reimbursement of medical premiums, up to the negotiated amounts if the employee is a member of the City’s bargaining unit that has negotiated this benefit and the employee has met the vesting requirements for their unit. The employee must have attained age 50, an be enrolled in a medical plan offered by the CalPERS system, and must retire from the City within 120 days of the effective date of separation from employment. Membership of the plan consisted of the following at June 30, 2007, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	575
Active plan members	814
Total	1,389

City’s Funding Policy: The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements has two components: 1) a pay-as-you-go basis, in which monthly payments to retirees to reimburse them medical insurance premiums; and 2) the City has established a California Employers Retiree Benefit Trust that is administered by CalPERS for the purpose of holding assets accumulated for employee retiree plan benefits, this Trust was established in January 2009. The only contributor into the Trust in 2009 included 1% of firefighter salaries per their MOU agreement. The City’s policy for contributing to this Trust varies based on bargaining unit. The City has not established a city-wide funding policy, but will begin setting aside a minimum of 1% of safety employee payroll in fiscal years beginning July 1, 2009. The trust financial statements can be obtained at CalPERS P.O. Box 942703, Sacramento, CA 94229. For fiscal year 2008-09, the City contributed \$2,001,072 to the plan for current premiums and \$58,684 to the Employees Retiree Trust Fund.

Annual OPEB Cost and Net OPEB Obligation. The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation for these benefits:

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Annual required contribution	\$ 6,471,992
Interest on net OPEB obligation	-
Adjustments to annual required contributions	<u>-</u>
Annual OPEB cost (expense)	6,471,992
Contributions made (including premiums paid)	<u>(2,059,756)</u>
Increase in net OPEB obligation	4,412,236
Net OPEB obligation-beginning of year	<u>-</u>
Net OPEB obligation-end of year	<u><u>\$ 4,412,236</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2007	N/A	N/A	N/A
6/30/2008	N/A	N/A	N/A
6/30/2009	\$ 6,471,992	173.63%	\$ 4,412,236

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Actuarial Cost Method. The actuarial assumptions included a 4.5 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date. The UAAL is being amortized as a level percentage of projected payroll over 30 years. It is assumed the City's payroll will increase 3.5 percent per year. The cost of living, as measured by the Consumer Price Index, is assumed to increase at the rate of 3 percent annually.

SCHEDULE OF FUNDING PROGRESS

Miscellaneous

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2007	\$ -	23,630,852	23,630,852	0%	32,554,020	72.59%

Fire

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2007	\$ -	9,883,767	9,883,767	0%	13,252,058	74.58%

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Police

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
6/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2007	\$ -	37,242,641	37,242,641	0%	18,648,792	199.71%

14. RISK MANAGEMENT

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

Type of Coverage	Self-Insurance	Coverages and Limits
General liability	\$0 - \$250,000 per occurrence	\$250,000 - \$15,000,000
Workers' compensation	\$0 - statutory limits	None
Property	\$0 - \$500,000 per occurrence	\$250,000 - \$350,000,000
Airport	\$0 - \$1,000 per occurrence	\$1,000 - \$20,000,000
Boiler and machinery	\$0 - \$350,000 per occurrence	\$1,000,000 - \$100,000,000
Accidental medical expense	None	\$5,000 per occurrence

Amounts in excess of the insured limits are self-insured. The City is self insured for workers' compensation claims.

The City is a member of the Exclusive Risk Management Authority of California (formally known as CA Risk Management Authority) JPA for general municipal liability insurance coverage.

Self-Insurance - The City records estimated liabilities for general liability claims filed or expected to be filed in the General Liability Fund (internal service fund). As of June 30, 2009, the recorded liability was \$2,044,990. Charges to the General Fund and other funds are determined from an analysis of self-insured claim costs and recorded as operating transfers from such funds to the General Liability Fund.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

14. RISK MANAGEMENT, (Continued)

The City records estimated liabilities for workers' compensation claims filed or expected to be filed in the Worker's Compensation Insurance Fund (internal service fund). As of June 30, 2009, the recorded liability was \$3,976,201. Premiums are paid to the Insurance Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program.

Property damage risks are covered on an occurrence basis up to the deductibles listed above by commercial insurance, Driver Alliant Insurance Services Inc., purchased from independent third parties. All properties are insured at full replacement values. During the past three years there have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded insurance coverage.

The unpaid workers' compensation claims liabilities included in the Worker's Compensation Insurance Internal Service Fund are based on the results of an actuarial study and include amounts for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. In addition, the liability is discounted using an annual interest rate of 6%.

Changes in the balances of claims liabilities, including a provision for claims incurred but not reported, during the past two fiscal years are as follows:

	2009	2008
Unpaid claims, beginning of fiscal year	\$ 5,879,925	5,654,528
Incurred claims	11,493,121	7,607,116
Claims payments	(4,805,618)	(4,069,922)
Increase (decrease) in estimated liability	(2,258,572)	(1,763,033)
Limited to SIR	(4,300,000)	(1,548,764)
 Unpaid claims, end of fiscal year	 \$ 6,008,856	 5,879,925

There are no outstanding claims for which an annuity contract has been purchased in the claimant's name, and therefore removed from the liability.

15. JOINT POWERS AGREEMENTS

The East Bay Dischargers Authority ("EBDA") was established in 1974 under the Joint Exercise of Powers Act of the State of California by the Cities of Hayward and San Leandro, and the Ora Loma, Castro Valley, and Union Sanitary Districts for the purpose of planning, acquiring, constructing, managing and operating common use and individual wastewater treatment and disposal facilities for the member agencies.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

15. JOINT POWERS AGREEMENTS, (Continued)

The governing body of EBDA consists of five members, one appointed by each of the member agencies. The City exercises a weighted vote of 20.7% of the total vote. As a separate legal entity, EBDA exercises full powers and authorities within the scope of the Joint Powers Agreement. Obligations and liabilities of EBDA are not those of the member agencies.

The financial activities for EBDA are not included in the accompanying financial statements as it is administered by a board separate from and independent of the City. Transactions with and the investment in the joint powers agency are accounted for as follows:

- (a) Payments related to the services which the City received during fiscal year 2009 amounted to \$576,423 and are recorded as materials, supplies and services expenses.
- (b) Payments related to the City's long-term investment in the joint powers agency, for which the City has the ability to exercise significant influence over operating and financial policies, are recorded as an investment in the East Bay Dischargers Authority under the equity method. The City's equity approximates one-third of the total assets of EBDA and amounts to \$12,059,915 at June 30, 2009.

The investment in East Bay Dischargers Authority is valued as of June 30, 2008, the latest date for which financial information is available.

Summary financial information as of and for the year ended June 30, 2008 (the most recent audited financial information available) for EBDA's common use operations was as follows:

Assets	
Current	\$ 4,254,464
Capital assets, net	<u>32,700,087</u>
 Total	 <u>\$36,954,551</u>
Liabilities	\$ 409,355
Net assets	<u>36,545,196</u>
 Total	 <u>\$36,954,551</u>
Revenues	\$ 3,037,829
Expenses	(3,304,055)
Non-operating revenues	621,920
Non-operating expenses	<u>(424,922)</u>
 Change in net assets	 <u>\$ (69,228)</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

15. JOINT POWERS AGREEMENTS, (Continued)

Complete financial statements of EBDA can be obtained from:

City of Hayward
Finance Department, 3rd Floor
777 B Street
Hayward, California 94541

16. COMMITMENTS AND CONTINGENCIES

The City is a defendant in several lawsuits arising from its normal operations. City management is of the opinion that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the basic financial statements of the City.

The City has line of credit agreements with its bank under which the bank is authorized to draw on the lines to cover overdrafts from the City's bank account and to cover liquidity requirements. The lines have a maximum amount of \$5,000,000; bear interest at the bank's reference rate (7 % as of June 30, 2009) and are due January 1, 2010.

17. CONDUIT DEBT WITHOUT CITY COMMITMENT

On March 26, 1998, the City assisted in the issuance of \$9,500,000 in Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1998A for the purpose of providing funds to make a loan to Santa Clara Associates, LLC to provide permanent financing for a multifamily rental housing project known as the Timbers Apartments Project. Interest on the bonds is payable monthly commencing April 1, 1998. Principal on the Bonds is due March 1, 2023. The City has no legal or moral commitment for the repayment of these bonds.

On August 15, 2001, the City sponsored the issuance of the City of Hayward Variable Rate Demand Multifamily Housing Revenue Bonds (Lord Tennyson Apartments), 2001 Series A which were issued in the aggregate principal amount of \$6,450,000 to assist a developer in financing the acquisition and rehabilitation of a 96-unit multifamily complex located in Hayward. Repayments for the loan are required to be made by the developer. The City has no legal or moral liability with respect to the payment of this debt.

On January 6, 2004 the City sponsored the issuance of the second supplement of the 1984A City of Hayward Variable Rate Demand Multifamily Housing Revenue Bonds, (Shorewood Apartment Project) which were issued in the aggregate principal amount of \$33,100,000 to refinance prior bonds used to finance the acquisition and construction of a 544-unit multifamily rental housing complex. Repayments for the loan are required to be made by the developer. The City has no legal or moral liability with respect to the payment of this debt.

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

17. CONDUIT DEBT WITHOUT CITY COMMITMENT, (Continued)

On April 1, 2005, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (Lord Tennyson Apartments) 2005 Series A and 2005 Series A-T which were issued in the aggregate principal amount of \$14,625,000 to finance the acquisition, rehabilitation and development of multifamily rental housing facilities. The City has no legal or moral liability with respect to the payment of this debt.

On October 1, 2005, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (Las Casitas of Hayward) 2005 Series A which were issued in the aggregate principal amount of \$6,325,000 to finance the acquisition, rehabilitation and development of multifamily rental housing facilities. The City has no legal or moral liability with respect to the payment of this debt.

On November 28, 2006, the City sponsored the issuance of Multi-Family Housing Revenue Bonds (Saklan Family Housing Development) 2006 Series A which were issued in the aggregate principal amount of \$14,000,000 to assist in the construction and development 78-unit Saklan Family Housing project. The City has no legal or moral liability with respect to the payment of this debt.

18. RESTATEMENT OF FUND BALANCE/NET ASSETS

During fiscal year 2008-09, beginning fund balances/net assets were adjusted by the following:

- (a) Transfer of Solar Panel capital lease to a new internal service fund under the Facilities Management.
- (b) Transfer of Solar Panel asset and accumulated depreciation balance to a new internal service fund under the Facilities Management.
- (c) To transfer the balance of employees' compensated absences to an internal service fund.
- (d) Transfer of general long term debt for a building retrofit to a new internal service fund.

The following schedules summarize the effect of the prior period adjustment to the Fund Financial Statements and the Government Wide Statements:

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

18. RESTATEMENT OF FUND BALANCE/NET ASSETS, Continued

Fund Financial Statement:

<i>Governmental Funds:</i>	<u>Solar Panel Electric Generator</u>
Fund balance at beginning of year as previously reported	\$ 103,616
(a) Transfer to internal service fund	<u>(103,616)</u>
Fund balance at beginning of year, as restated	<u>\$ -</u>
<i>Internal Service Funds:</i>	<u>Facilities Management</u>
Fund balance at beginning of year as previously reported	\$ -
(b) Transfer of Solar Generator asset to internal service fund	717,857
(d) Transfer of general long term debt to internal service fund	(395,000)
(a) Transfer to internal service fund	103,616
(c) Adjustment for compensated absences	<u>(94,985)</u>
Fund balance at beginning of year, as restated	<u>\$ 331,488</u>
	<u>Technology Services</u>
Fund balance at beginning of year as previously reported	\$ -
To record the transfer of VOIP fixed assets in the new internal service fund	73,759
(c) Adjustment for compensated absences	<u>(124,684)</u>
Fund balance at beginning of year, as restated	<u>\$ (50,925)</u>

CITY OF HAYWARD, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

19. FUND BALANCE RESERVES AND DESIGNATIONS

At June 30, 2009, fund balances for governmental fund types consisted of the following reservations and designations:

	<u>General</u>	<u>HOME</u>	<u>Redevelopment Agency Capital Projects</u>	<u>Route 238</u>	<u>Other Governmental Funds</u>
Reserved for:					
Encumbrances	\$ 973,938	-	-	7,560,585	-
Advances to other funds	9,841,289	-	-	-	-
Inventory	11,789	-	-	-	-
Land held for redevelopment	-	-	10,272,570	-	-
Prepaid expenses	962	-	-	1,523,480	-
Total reserved fund balances	<u>10,827,978</u>	<u>-</u>	<u>10,272,570</u>	<u>9,084,065</u>	<u>-</u>
Designated for:					
Capital improvement programs	-	-	8,121,045	5,065,446	8,256,455
Special revenue programs	-	(12,379)	-	-	15,224,065
Low and moderate income housing	-	-	-	-	-
Developer assistance	-	-	-	-	-
Debt service	-	-	-	-	4,206,222
Economic uncertainty	7,000,000	-	-	-	-
Liquidity	3,500,000	-	-	-	-
Hotel/ Conference center	1,000,000	-	-	-	-
Retirement reserve	522,000	-	-	-	-
Public safety	1,000,000	-	-	-	-
Contingencies	8,736,830	-	-	-	-
Total designated fund balances	<u>21,758,830</u>	<u>(12,379)</u>	<u>8,121,045</u>	<u>5,065,446</u>	<u>27,686,742</u>
Total reserved and designated fund balance	<u>\$ 32,586,808</u>	<u>(12,379)</u>	<u>18,393,615</u>	<u>14,149,511</u>	<u>27,686,742</u>

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CITY OF HAYWARD



Major Governmental Funds Budget and Actual Schedules

CITY OF HAYWARD
Redevelopment Agency Capital Projects Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance- Positive (Negative)	Prior Year Actual
REVENUES:				
Property taxes	\$ 11,915,571	12,630,213	714,642	12,082,986
Investment income	-	999,448	999,448	2,092,134
Use of property	438,649	29,127	(409,522)	53,400
Charges for current services	-	23	23	25,000
Park developer fees		166,223	166,223	-
School District reimbursement	478,203	381,868	(96,335)	493,644
Other revenue	123,900	72,144	(51,756)	112,103
Total revenues	<u>12,956,323</u>	<u>14,279,046</u>	<u>1,322,723</u>	<u>14,859,267</u>
EXPENDITURES:				
Redevelopment	4,006,044	3,388,948	617,096	4,942,511
Capital outlay	5,753,673	5,753,673	-	24,664,921
Total expenditures	<u>9,759,717</u>	<u>9,142,621</u>	<u>617,096</u>	<u>29,607,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,196,606</u>	<u>5,136,425</u>	<u>1,939,819</u>	<u>(14,748,165)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	7,578	7,578	2,053,023
Transfers out	(6,656,067)	(5,701,263)	954,804	(4,997,649)
Total other financing sources (uses)	<u>(6,656,067)</u>	<u>(5,693,685)</u>	<u>962,382</u>	<u>(2,944,626)</u>
NET CHANGE IN FUND BALANCE	(3,459,461)	(557,260)	2,902,201	(17,692,791)
BEGINNING FUND BALANCE	<u>18,950,875</u>	<u>18,950,875</u>	<u>-</u>	<u>36,643,666</u>
ENDING FUND BALANCE	<u>\$ 15,491,414</u>	<u>18,393,615</u>	<u>2,902,201</u>	<u>18,950,875</u>

CITY OF HAYWARD

Route 238

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Investment income	\$ 24,000	226,460	202,460	882,116
Intergovernmental	30,170,000	19,052,338	(11,117,662)	-
Rental income	-	309,579	309,579	286,107
Project revenues	-	22,646	22,646	900
Other	-	6,147	6,147	-
Total revenues	<u>30,194,000</u>	<u>19,617,170</u>	<u>(10,576,830)</u>	<u>1,169,123</u>
EXPENDITURES:				
Capital outlay	<u>30,194,000</u>	<u>18,387,454</u>	<u>11,806,546</u>	<u>356,214</u>
Total expenditures	<u>30,194,000</u>	<u>18,387,454</u>	<u>11,806,546</u>	<u>356,214</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>1,229,716</u>	<u>1,229,716</u>	<u>812,909</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(500,000)</u>	<u>(5,500,000)</u>	<u>(5,000,000)</u>	<u>(240,000)</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>(5,500,000)</u>	<u>(5,000,000)</u>	<u>(240,000)</u>
Change in fund balance	(500,000)	(4,270,284)	(3,770,284)	572,909
BEGINNING FUND BALANCES	<u>18,419,795</u>	<u>18,419,795</u>	<u>-</u>	<u>17,846,886</u>
ENDING FUND BALANCES	<u>\$ 17,919,795</u>	<u>14,149,511</u>	<u>(3,770,284)</u>	<u>18,419,795</u>

CITY OF HAYWARD



Non-Major Governmental Funds

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Gasoline Tax Fund - Accounts for revenue apportioned to the City from State collected gasoline taxes and expended for construction and maintenance of City streets.

HCD Deferred Loans Fund - Accounts for funds granted by HUD and used for loans to rehabilitate properties of qualified homeowners.

Housing Mortgage Revenue Bonds Fund - Accounts for fees paid by benefited developers of multifamily rental housing and used to reimburse City cost related to bond issuance and program monitoring.

Park Dedication Ordinance Fund - Accounts for park dedication fees applied to new construction and expended for acquisition of recreational land and construction of recreational facilities.

Business Improvement Fund - Accounts for fees imposed on businesses within the downtown business improvement district and expended on activities, which enhance the district as a shopping and business center.

Donation Fund - Accounts for miscellaneous donations expended for purposes agreed upon by the City and the donors.

Federal Rental Rehabilitation Grant Program Fund - Accounts for grants from HUD used to rehabilitate rental property.

Community Development Block Grant Program Fund - Accounts for monies received from the U.S. Department of Housing and Urban Development (“HUD”) and expended for development of jobs and suitable housing for low-income residents.

Recycling Fund - Accounts for revenue received from County Measure D funds, curbside recycling and multifamily recycling service fees, and grants used to support the City’s recycling program.

Narcotics Asset Seizure Fund - Accounts for funds received pursuant to federal and State narcotic and seizure laws used to support identified law enforcement activities.

Local Law Enforcement Block Grant Fund - Accounts for funds received as block grant from the Department of Justice, Bureau of Justice Assistance, to support law enforcement.

Citizens’ Option For Public Safety Fund - Accounts for funds received pursuant to State legislation, which provides resources, to fight crime and protect public safety at the local level.

Park Maintenance District Fund - Accounts for revenues from annual assessments of developers’ proportionate shares of the City’s costs for park maintenance in the areas of the developers’ projects and accounts for the actual park maintenance costs.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

Motorola Police Radio Fund – Accounts for the capital leases of Motorola radios for the police department.

Measure B Transportation Sales Tax Fund - Accounts for revenue apportioned to the City from locally collected retail sales taxes and expended for street maintenance projects.

Measure B Paratransit Fund - Accounts for the provision of taxi and van transportation for the elderly and the handicapped.

Measure B Pedestrian Fund - Accounts for revenue apportioned to the City from locally collected retail sales taxes and expended for pedestrian projects.

DEBT SERVICE FUNDS

Debt Service Fund - Accounts for transfers of revenue from the general and capital projects funds for payment of interest and principal of certificates of participation.

Redevelopment Agency Fund - Accounts for tax increment revenues transferred for the payment of interest and principal of the Redevelopment Agency's 2004 and 2006 tax allocation bonds.

CAPITAL PROJECTS FUNDS

General Capital Projects Fund - Accounts for general fund or special revenue fund transfers expended for acquisition and construction of general purpose public facilities, street surfacing and improvements.

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

Special Assessments Fund - Accounts for revenue received from special assessments against benefited property for payment of interest and principal of special assessment bonds.

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CITY OF HAYWARD
 Non-major Governmental Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2009

	SPECIAL REVENUE FUNDS					
	Special Gasoline Tax	HCD Deferred Loans	Housing Mortgage Revenue Bonds	Park Dedication Ordinance	Business Improvement	Donation
ASSETS						
Cash and investments	\$ 1,234,008	33,958	2,068,918	2,490,788	221,014	230,051
Cash and investments with fiscal agen	-	-	-	-	-	-
Accounts receivable	-	-	-	11,335	68	-
Due from other governments	191,794	-	-	-	-	-
Loans receivable	-	73,631	175,500	-	-	-
Interest receivable	2,575	152	9,299	11,217	972	1,024
Total assets	\$ 1,428,377	107,741	2,253,717	2,513,340	222,054	231,075
LIABILITIES						
Accounts payable	\$ 11,198	-	25	-	17,715	4,135
Accrued liabilitie	-	-	1,630	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	73,631	175,500	-	-	-
Refundable deposits	-	-	-	-	-	-
Total liabilitie:	11,198	73,631	177,155	-	17,715	4,135
FUND BALANCES						
Unreserved, reported in						
Special revenue funds	1,417,179	34,110	2,076,562	2,513,340	204,339	226,940
Debt service funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
TOTAL FUND BALANCES	1,417,179	34,110	2,076,562	2,513,340	204,339	226,940
Total liabilities and fund balances	\$ 1,428,377	107,741	2,253,717	2,513,340	222,054	231,075

SPECIAL REVENUE FUNDS

Federal Rental Rehabilitation Grant Program	Community Development Block Grant	Recycling	Narcotics Asset Seizure	Local Law Enforcement Block Grant	Citizens' Option For Public Safety Fund	Park Maintenance District	Motorola Police Radios
28,456	2,123,130	2,316,087	54,167	-	46,466	2,424,569	-
-	-	-	-	-	-	-	-
-	-	124,059	-	-	-	19,149	-
-	3,546,254	-	-	-	-	-	-
-	8,439	10,606	243	-	-	11,067	-
<u>28,456</u>	<u>5,677,823</u>	<u>2,450,752</u>	<u>54,410</u>	<u>-</u>	<u>46,466</u>	<u>2,454,785</u>	<u>-</u>
-	144,857	163,279	-	-	46,466	40,039	-
-	13,865	4,431	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,546,254	-	-	-	-	-	-
-	2,200	-	-	-	-	20,000	-
-	<u>3,707,176</u>	<u>167,710</u>	<u>-</u>	<u>-</u>	<u>46,466</u>	<u>60,039</u>	<u>-</u>
28,456	1,970,647	2,283,042	54,410	-	-	2,394,746	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>28,456</u>	<u>1,970,647</u>	<u>2,283,042</u>	<u>54,410</u>	<u>-</u>	<u>-</u>	<u>2,394,746</u>	<u>-</u>
<u>28,456</u>	<u>5,677,823</u>	<u>2,450,752</u>	<u>54,410</u>	<u>-</u>	<u>46,466</u>	<u>2,454,785</u>	<u>-</u>

(Continued)

CITY OF HAYWARD
 Non-major Governmental Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2009

	<u>SPECIAL REVENUE FUND</u>			<u>DEBT SERVICE FUNDS</u>		
	Measure B Retail	Measure B	Measure B	Debt Service	Redevelopment	General
	Sales Tax	Paratransit	Pedestrian		Agency	Capital Projects
ASSETS						
Cash and investments	\$ 1,363,019	114,158	231,344	-	-	7,540,858
Cash and investments with fiscal agen	-	-	-	195,059	4,011,163	-
Accounts receivable	-	-	-	-	-	60,208
Due from other governments	323,079	89,441	201,381	-	-	641,048
Loans receivable	-	-	-	-	-	-
Interest receivable	9,637	432	1,078	-	-	26,387
Total assets	<u>1,695,735</u>	<u>204,031</u>	<u>433,803</u>	<u>195,059</u>	<u>4,011,163</u>	<u>8,268,501</u>
LIABILITIES						
Accounts payable	203,713	74,867	32,904	-	-	295,613
Accrued liability:	-	1,791	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Refundable deposits	-	-	-	-	-	775,950
Total liabilities	<u>203,713</u>	<u>76,658</u>	<u>32,904</u>	<u>-</u>	<u>-</u>	<u>1,071,563</u>
FUND BALANCES						
Unreserved, reported in:						
Special revenue funds	1,492,022	127,373	400,899	-	-	-
Debt service funds	-	-	-	195,059	4,011,163	-
Capital projects funds	-	-	-	-	-	7,196,938
TOTAL FUND BALANCES	<u>1,492,022</u>	<u>127,373</u>	<u>400,899</u>	<u>195,059</u>	<u>4,011,163</u>	<u>7,196,938</u>
Total liabilities and fund balance	<u>\$ 1,695,735</u>	<u>204,031</u>	<u>433,803</u>	<u>195,059</u>	<u>4,011,163</u>	<u>8,268,501</u>

CAPITAL PROJECTS FUNDS

Traffic Signal Construction	Special Assessments	Total Nonmajor Governmental Funds	
		2009	2008
586,920	516,856	23,624,767	25,530,049
-	-	4,206,222	4,420,988
-	-	71,611	250,996
-	-	1,589,951	1,994,838
-	-	3,795,385	3,720,034
<u>2,525</u>	<u>2,314</u>	<u>97,967</u>	<u>187,141</u>
<u>589,445</u>	<u>519,170</u>	<u>33,385,903</u>	<u>36,104,046</u>
49,098	-	1,083,909	1,208,682
-	-	21,717	-
-	-	-	41,419
-	-	3,795,385	3,719,034
<u>-</u>	<u>-</u>	<u>798,150</u>	<u>1,150,556</u>
<u>49,098</u>	<u>-</u>	<u>5,699,161</u>	<u>6,119,691</u>
-	-	15,224,065	18,064,558
-	-	4,206,222	4,205,363
<u>540,347</u>	<u>519,170</u>	<u>8,256,455</u>	<u>7,714,434</u>
<u>540,347</u>	<u>519,170</u>	<u>27,686,742</u>	<u>29,984,355</u>
<u>589,445</u>	<u>519,170</u>	<u>33,385,903</u>	<u>36,104,046</u>

CITY OF HAYWARD

Non-major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2009

(with comparative information for the prior year)

	SPECIAL REVENUE FUNDS					
	Special Gasoline Tax	HCD Deferred Loans	Housing Mortgage Revenue Bonds	Park Dedication Ordinance	Business Improvement	Donation
REVENUES						
Other taxes	\$ 2,390,520	-	-	-	-	-
Licenses and permits	-	-	-	-	52,314	-
Fines and forfeitures	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	6,345	1,052	65,018	73,854	5,876	7,140
Rental income	-	-	125,146	-	-	-
Intergovernmental	138,206	-	-	-	-	-
Development fees	402	-	-	548,828	-	-
Other	16	-	1,000	-	254	17,911
Total revenues	<u>2,535,489</u>	<u>1,052</u>	<u>191,164</u>	<u>622,682</u>	<u>58,444</u>	<u>25,051</u>
EXPENDITURES						
Current:						
Public safety	-	-	-	-	-	35,861
Public works and transportation	1,582,669	-	-	-	-	-
Library and neighborhood services	-	-	148,289	30,000	-	99
Redevelopment	-	-	-	48,952	87,540	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal repayment	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,582,669</u>	<u>-</u>	<u>148,289</u>	<u>78,952</u>	<u>87,540</u>	<u>35,960</u>
EXCESS (DEFICIENCY) (OF REVENUES OVER (UNDER) EXPENDITURES)	<u>952,820</u>	<u>1,052</u>	<u>42,875</u>	<u>543,730</u>	<u>(29,096)</u>	<u>(10,909)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds of long term debt	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	-	55,000	6,000
Transfers out	(1,055,746)	-	(2,045)	-	-	-
Total other financing sources (uses)	<u>(1,055,746)</u>	<u>-</u>	<u>(2,045)</u>	<u>-</u>	<u>55,000</u>	<u>6,000</u>
NET CHANGE IN FUND BALANCES	(102,926)	1,052	40,830	543,730	25,904	(4,909)
BEGINNING FUND BALANCES	<u>1,520,105</u>	<u>33,058</u>	<u>2,035,732</u>	<u>1,969,610</u>	<u>178,435</u>	<u>231,849</u>
ENDING FUND BALANCES	<u>\$ 1,417,179</u>	<u>34,110</u>	<u>2,076,562</u>	<u>2,513,340</u>	<u>204,339</u>	<u>226,940</u>

SPECIAL REVENUE FUNDS

Federal Rental Rehabilitation Grant Program	Community Development Block Grant	Recycling	Narcotics Asset Seizure	Local Law Enforcement Block Grant	Citizens' Option For Public Safety Fund	Park Maintenance District	Motorola Police Radios
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	29,008	-	-	-	-
-	-	-	-	-	-	741,098	-
-	45,916	83,331	1,632	-	259	72,192	-
-	-	-	-	-	-	-	-
-	2,426,458	710,932	-	21,200	100,000	-	-
-	-	-	-	-	-	-	-
-	242,258	4,420	-	-	-	-	-
-	2,714,632	798,683	30,640	21,200	100,259	813,290	-
-	-	-	57,284	-	-	-	-
-	-	1,200,869	-	-	-	-	-
-	1,852,952	-	-	-	-	-	-
-	489,894	-	-	-	-	678,784	-
-	-	-	-	-	-	-	-
-	91,181	-	-	-	-	-	56,154
-	42,148	-	-	-	-	-	13,358
-	2,476,175	1,200,869	57,284	-	-	678,784	69,512
-	238,457	(402,186)	(26,644)	21,200	100,259	134,506	(69,512)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	69,512
-	(62,206)	(1,823,311)	-	(81,215)	(106,077)	-	-
-	(62,206)	(1,823,311)	-	(81,215)	(106,077)	-	69,512
-	176,251	(2,225,497)	(26,644)	(60,015)	(5,818)	134,506	-
28,456	1,794,396	4,508,539	81,054	60,015	5,818	2,260,240	-
28,456	1,970,647	2,283,042	54,410	-	-	2,394,746	-

CITY OF HAYWARD

Non-major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2009

(with comparative information for the prior year)

	<u>SPECIAL REVENUE FUND</u>			<u>DEBT SERVICE FUNDS</u>		<u>General Capital Projects</u>
	Measure B	Measure B	Measure B	Debt Service	Redevelopment	
	Retail Sales Tax	Paratransit	Pedestrian		Agency	
REVENUES						
Other taxes	\$ 42	-	-	-	-	153,176
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	73,690	2,159	-	5,259	110,240	150,136
Rental income	-	-	-	-	-	-
Intergovernmental	1,648,209	611,888	541,306	-	-	4,750,824
Development fees	255,822	-	6,351	-	-	193,540
Other	1,237	-	-	-	-	(184,456)
Total revenues	<u>1,979,000</u>	<u>614,047</u>	<u>547,657</u>	<u>5,259</u>	<u>110,240</u>	<u>5,063,220</u>
EXPENDITURES						
Current:						
Public safety	-	-	-	-	-	-
Public works and transportation	3,884,330	-	207,193	-	-	-
Library and neighborhood services	-	764,720	-	1,077	9,889	-
Redevelopment	-	-	-	1,840	-	-
Capital outlay	-	-	-	-	-	5,186,683
Debt service:						
Principal repayment	-	-	-	1,456,690	1,270,000	220,000
Interest and fiscal charges	-	-	-	1,310,943	2,662,272	4,400
Total expenditures	<u>3,884,330</u>	<u>764,720</u>	<u>207,193</u>	<u>2,770,550</u>	<u>3,942,161</u>	<u>5,411,083</u>
EXCESS (DEFICIENCY) (OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,905,330)</u>	<u>(150,673)</u>	<u>340,464</u>	<u>(2,765,291)</u>	<u>(3,831,921)</u>	<u>(347,863)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of long term debt	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-
Transfers in	377,000	-	-	2,775,018	3,833,103	1,720,000
Transfers out	-	-	-	(2,472)	(7,578)	(848,844)
Total other financing sources (uses)	<u>377,000</u>	<u>-</u>	<u>-</u>	<u>2,772,546</u>	<u>3,825,525</u>	<u>871,156</u>
NET CHANGE IN FUND BALANCES	<u>(1,528,330)</u>	<u>(150,673)</u>	<u>340,464</u>	<u>7,255</u>	<u>(6,396)</u>	<u>523,293</u>
BEGINNING FUND BALANCES	<u>3,020,352</u>	<u>278,046</u>	<u>60,435</u>	<u>187,804</u>	<u>4,017,559</u>	<u>6,673,645</u>
ENDING FUND BALANCES	<u>\$ 1,492,022</u>	<u>127,373</u>	<u>400,899</u>	<u>195,059</u>	<u>4,011,163</u>	<u>7,196,938</u>

CAPITAL PROJECTS FUNDS

Traffic Signal Construction	Special Assessments	Total Nonmajor Governmental Funds	
		2009	2008
-	-	2,543,738	2,614,570
-	-	52,314	-
-	-	29,008	29,105
-	-	741,098	1,051,269
16,687	16,016	736,802	1,316,171
-	-	125,146	153,855
-	-	10,949,023	8,550,728
-	-	1,004,943	904,061
-	-	82,640	2,247,516
<u>16,687</u>	<u>16,016</u>	<u>16,264,712</u>	<u>16,867,275</u>
-	-	93,145	103,735
-	-	6,875,061	4,038,803
-	-	2,807,026	3,591,927
-	-	1,307,010	845,170
232,393	-	5,419,076	5,974,504
-	-	3,094,025	2,931,918
-	-	4,033,121	5,119,539
<u>232,393</u>	<u>-</u>	<u>23,628,464</u>	<u>22,605,596</u>
<u>(215,706)</u>	<u>16,016</u>	<u>(7,363,752)</u>	<u>(5,738,321)</u>
-	-	-	33,162,011
-	-	-	(31,184,483)
220,000	-	9,055,633	12,277,976
-	-	(3,989,494)	(8,840,011)
<u>220,000</u>	<u>-</u>	<u>5,066,139</u>	<u>5,415,493</u>
4,294	16,016	(2,297,613)	(322,828)
<u>536,053</u>	<u>503,154</u>	<u>29,984,355</u>	<u>30,307,183</u>
<u>540,347</u>	<u>519,170</u>	<u>27,686,742</u>	<u>29,984,355</u>

CITY OF HAYWARD
Special Gasoline Tax
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance- Positive (Negative)	Prior Year Actual
REVENUES:				
Sales and use taxes	\$ 2,410,000	2,390,520	(19,480)	2,608,520
Investment income	2,000	6,345	4,345	37,036
Intergovernmental	120,000	138,206	18,206	-
Development fees	-	402	402	143,197
Other	-	16	16	-
Total revenues	<u>2,532,000</u>	<u>2,535,489</u>	<u>3,489</u>	<u>2,788,753</u>
EXPENDITURES:				
Public works and transportation	<u>1,019,021</u>	<u>1,582,669</u>	<u>563,648</u>	<u>503,545</u>
Total expenditures	<u>1,019,021</u>	<u>1,582,669</u>	<u>563,648</u>	<u>503,545</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,512,979</u>	<u>952,820</u>	<u>(560,159)</u>	<u>2,285,208</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,111,492)</u>	<u>(1,055,746)</u>	<u>1,055,746</u>	<u>(1,539,492)</u>
Total other financing sources (uses)	<u>(2,111,492)</u>	<u>(1,055,746)</u>	<u>1,055,746</u>	<u>(1,539,492)</u>
Change in fund balance	(598,513)	(102,926)	495,587	745,716
BEGINNING FUND BALANCES	<u>1,520,105</u>	<u>1,520,105</u>	<u>-</u>	<u>774,389</u>
ENDING FUND BALANCES	<u>\$ 921,592</u>	<u>1,417,179</u>	<u>495,587</u>	<u>1,520,105</u>

CITY OF HAYWARD
HCD Deferred Loans
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Investment income	\$ 400	1,052	652	1,576
Total revenues	<u>400</u>	<u>1,052</u>	<u>652</u>	<u>1,576</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>400</u>	<u>1,052</u>	<u>652</u>	<u>1,576</u>
Change in fund balance	400	1,052	652	1,576
BEGINNING FUND BALANCES	<u>33,058</u>	<u>33,058</u>	<u>-</u>	<u>31,482</u>
ENDING FUND BALANCES	<u>\$ 33,458</u>	<u>34,110</u>	<u>652</u>	<u>33,058</u>

CITY OF HAYWARD
Housing Mortgage Revenue Bonds
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance- Positive (Negative)	Prior Year Actual
REVENUES:				
Investment income	\$ 50,000	65,018	15,018	97,316
Rental income	143,390	125,146	(18,244)	153,855
Other	-	1,000	1,000	1,000
	<u>193,390</u>	<u>191,164</u>	<u>(2,226)</u>	<u>252,171</u>
Total revenues				
EXPENDITURES:				
Redevelopment	<u>136,734</u>	<u>148,289</u>	<u>(11,555)</u>	<u>167,573</u>
Total expenditures	<u>136,734</u>	<u>148,289</u>	<u>(11,555)</u>	<u>167,573</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>56,656</u>	<u>42,875</u>	<u>(13,781)</u>	<u>84,598</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(25,000)</u>	<u>(2,045)</u>	<u>22,955</u>	<u>(1,678)</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>(2,045)</u>	<u>22,955</u>	<u>(1,678)</u>
Change in fund balance	31,656	40,830	9,174	82,920
BEGINNING FUND BALANCES	<u>2,035,732</u>	<u>2,035,732</u>	<u>-</u>	<u>1,952,812</u>
ENDING FUND BALANCES	<u>\$ 2,067,388</u>	<u>2,076,562</u>	<u>9,174</u>	<u>2,035,732</u>

CITY OF HAYWARD
Park Dedication Ordinance
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Investment income	\$ -	73,854	73,854	149,125
Development fees	<u>-</u>	<u>548,828</u>	<u>548,828</u>	<u>904,061</u>
Total revenues	<u>-</u>	<u>622,682</u>	<u>622,682</u>	<u>1,053,186</u>
EXPENDITURES:				
Library and neighborhood services	-	30,000	(30,000)	350,000
Redevelopment	<u>-</u>	<u>48,952</u>	<u>(48,952)</u>	<u>329,224</u>
Total expenditures	<u>-</u>	<u>78,952</u>	<u>(78,952)</u>	<u>679,224</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>543,730</u>	<u>543,730</u>	<u>373,962</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,300,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,300,000)</u>
Change in fund balance	-	543,730	543,730	(926,038)
BEGINNING FUND BALANCES	<u>1,969,610</u>	<u>1,969,610</u>	<u>-</u>	<u>2,895,648</u>
ENDING FUND BALANCES	<u>\$ 1,969,610</u>	<u>2,513,340</u>	<u>543,730</u>	<u>1,969,610</u>

CITY OF HAYWARD
Business Improvement
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Licenses and permits	60,000	52,314	(7,686)	58,102
Investment income	\$ 2,000	5,876	3,876	8,717
Other	<u>-</u>	<u>254</u>	<u>254</u>	<u>142</u>
Total revenues	<u>62,000</u>	<u>58,444</u>	<u>(3,556)</u>	<u>66,961</u>
EXPENDITURES:				
Redevelopment	<u>118,775</u>	<u>87,540</u>	<u>31,235</u>	<u>101,633</u>
Total expenditures	<u>118,775</u>	<u>87,540</u>	<u>31,235</u>	<u>101,633</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(56,775)</u>	<u>(29,096)</u>	<u>27,679</u>	<u>(34,672)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>35,000</u>
Total other financing sources (uses)	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>35,000</u>
Change in fund balance	(1,775)	25,904	27,679	328
BEGINNING FUND BALANCES	<u>178,435</u>	<u>178,435</u>	<u>-</u>	<u>178,107</u>
ENDING FUND BALANCES	<u>\$ 176,660</u>	<u>204,339</u>	<u>27,679</u>	<u>178,435</u>

CITY OF HAYWARD

Donation

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

For the Year Ended June 30, 2009

(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Investment income	\$ -	7,140	7,140	11,391
Donations	<u>-</u>	<u>17,911</u>	<u>17,911</u>	<u>77,912</u>
Total revenues	<u>-</u>	<u>25,051</u>	<u>25,051</u>	<u>89,303</u>
EXPENDITURES:				
Public safety	182,215	35,861	146,354	22,987
Library and neighborhood services	<u>-</u>	<u>-</u>	<u>-</u>	<u>457</u>
Total expenditures	<u>182,215</u>	<u>35,960</u>	<u>146,255</u>	<u>23,444</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(182,215)</u>	<u>(10,909)</u>	<u>171,306</u>	<u>65,859</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Change in fund balance	(182,215)	(4,909)	177,306	65,859
BEGINNING FUND BALANCES	<u>231,849</u>	<u>231,849</u>	<u>-</u>	<u>165,990</u>
ENDING FUND BALANCES	<u>\$ 49,634</u>	<u>226,940</u>	<u>177,306</u>	<u>231,849</u>

CITY OF HAYWARD
Community Development Block Grant
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Investment income	\$ 60,381	45,916	(14,465)	70,803
Intergovernmental	2,382,244	2,426,458	44,214	1,385,935
Other	<u>297,202</u>	<u>242,258</u>	<u>(54,944)</u>	<u>309,789</u>
Total revenues	<u>2,739,827</u>	<u>2,714,632</u>	<u>(25,195)</u>	<u>1,766,527</u>
EXPENDITURES:				
Current:				
Library and neighborhood services	1,519,904	1,852,952	(333,048)	1,757,355
Redevelopment	-	489,894	(489,894)	237,169
Debt service:				
Principal	91,181	91,181	-	87,076
Interest and fiscal charges	<u>42,148</u>	<u>42,148</u>	<u>-</u>	<u>46,253</u>
Total expenditures	<u>1,653,233</u>	<u>2,476,175</u>	<u>(822,942)</u>	<u>2,127,853</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,086,594</u>	<u>238,457</u>	<u>(848,137)</u>	<u>(361,326)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,662,584)</u>	<u>(62,206)</u>	<u>1,600,378</u>	<u>(11,962)</u>
Total other financing sources (uses)	<u>(1,662,584)</u>	<u>(62,206)</u>	<u>1,600,378</u>	<u>(11,962)</u>
Change in fund balance	(575,990)	176,251	752,241	(373,288)
BEGINNING FUND BALANCE	<u>1,794,396</u>	<u>1,794,396</u>	<u>-</u>	<u>2,167,684</u>
ENDING FUND BALANCE	<u>\$ 1,218,406</u>	<u>1,970,647</u>	<u>752,241</u>	<u>1,794,396</u>

CITY OF HAYWARD
 Recycling
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2009
 (with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Investment income	\$ -	83,331	83,331	208,028
Intergovernmental	497,300	710,932	213,632	901,308
Donations	<u>8,600</u>	<u>4,420</u>	<u>(4,180)</u>	<u>2,515</u>
Total revenues	<u>505,900</u>	<u>798,683</u>	<u>292,783</u>	<u>1,111,851</u>
EXPENDITURES:				
Public works and transportation	<u>2,136,152</u>	<u>1,200,869</u>	<u>935,283</u>	<u>777,564</u>
Total expenditures	<u>2,136,152</u>	<u>1,200,869</u>	<u>935,283</u>	<u>777,564</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,630,252)</u>	<u>(402,186)</u>	<u>1,228,066</u>	<u>334,287</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(116,525)</u>	<u>(1,823,311)</u>	<u>(1,706,786)</u>	<u>(51,596)</u>
Total other financing sources (uses)	<u>(116,525)</u>	<u>(1,823,311)</u>	<u>(1,706,786)</u>	<u>(51,596)</u>
Change in fund balance	(1,746,777)	(2,225,497)	(478,720)	282,691
BEGINNING FUND BALANCES	<u>4,508,539</u>	<u>4,508,539</u>	<u>-</u>	<u>4,225,848</u>
ENDING FUND BALANCES	<u>\$ 2,761,762</u>	<u>2,283,042</u>	<u>(478,720)</u>	<u>4,508,539</u>

CITY OF HAYWARD

Narcotics Asset Seizure

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

For the Year Ended June 30, 2009

(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Fines and forfeitures	\$ -	29,008	29,008	29,105
Investment income	<u>-</u>	<u>1,632</u>	<u>1,632</u>	<u>6,383</u>
Total revenues	<u>-</u>	<u>30,640</u>	<u>30,640</u>	<u>35,488</u>
EXPENDITURES:				
Public safety	<u>126,314</u>	<u>57,284</u>	<u>69,030</u>	<u>80,748</u>
Total expenditures	<u>126,314</u>	<u>57,284</u>	<u>69,030</u>	<u>80,748</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(126,314)</u>	<u>(26,644)</u>	<u>99,670</u>	<u>(45,260)</u>
Change in fund balance	(126,314)	(26,644)	99,670	(45,260)
BEGINNING FUND BALANCES				
	<u>81,054</u>	<u>81,054</u>	<u>-</u>	<u>126,314</u>
ENDING FUND BALANCES				
	<u>\$(45,260)</u>	<u>54,410</u>	<u>99,670</u>	<u>81,054</u>

CITY OF HAYWARD
Local Law Enforcement Block Grant
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Investment income	\$ -	-	-	1,343
Intergovernmental	<u>60,000</u>	<u>21,200</u>	<u>(38,800)</u>	<u>60,015</u>
Total revenues	<u>60,000</u>	<u>21,200</u>	<u>(38,800)</u>	<u>61,358</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>60,000</u>	<u>21,200</u>	<u>(38,800)</u>	<u>61,358</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(60,000)</u>	<u>(81,215)</u>	<u>(21,215)</u>	<u>(41,138)</u>
Total other financing sources (uses)	<u>(60,000)</u>	<u>(81,215)</u>	<u>(21,215)</u>	<u>(41,138)</u>
Change in fund balance	-	(60,015)	(60,015)	20,220
BEGINNING FUND BALANCES	<u>60,015</u>	<u>60,015</u>	<u>-</u>	<u>39,795</u>
ENDING FUND BALANCES	<u>\$ 60,015</u>	<u>-</u>	<u>(60,015)</u>	<u>60,015</u>

CITY OF HAYWARD
Citizens' Option for Public Safety Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES:				
Investment income	\$ -	259	259	3,746
Intergovernmental	<u>284,292</u>	<u>100,000</u>	<u>(184,292)</u>	<u>284,292</u>
Total revenues	<u>284,292</u>	<u>100,259</u>	<u>(184,033)</u>	<u>288,038</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>284,292</u>	<u>100,259</u>	<u>(184,033)</u>	<u>288,038</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(284,292)</u>	<u>(106,077)</u>	<u>178,215</u>	<u>(282,220)</u>
Total other financing sources (uses)	<u>(284,292)</u>	<u>(106,077)</u>	<u>178,215</u>	<u>(282,220)</u>
Change in fund balance	-	(5,818)	(5,818)	5,818
BEGINNING FUND BALANCES	<u>5,818</u>	<u>5,818</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 5,818</u>	<u>-</u>	<u>(5,818)</u>	<u>5,818</u>

CITY OF HAYWARD
Park Maintenance District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year</u>
REVENUES:				
Investment income	\$ -	72,192	72,192	9,914
Special assessments	<u>898,570</u>	<u>741,098</u>	<u>(157,472)</u>	<u>1,051,269</u>
Total revenues	<u>898,570</u>	<u>813,290</u>	<u>(85,280)</u>	<u>1,061,183</u>
EXPENDITURES:				
Library and neighborhood services	<u>951,581</u>	<u>678,784</u>	<u>272,797</u>	<u>1,587,379</u>
Total expenditures	<u>951,581</u>	<u>678,784</u>	<u>272,797</u>	<u>1,587,379</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(53,011)</u>	<u>134,506</u>	<u>187,517</u>	<u>(526,196)</u>
Change in fund balance	(53,011)	134,506	187,517	(526,196)
BEGINNING FUND BALANCES	<u>2,260,240</u>	<u>2,260,240</u>	<u>-</u>	<u>2,786,436</u>
ENDING FUND BALANCES	<u>\$ 2,207,229</u>	<u>2,394,746</u>	<u>187,517</u>	<u>2,260,240</u>

CITY OF HAYWARD
 Motorola Police Radio
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2009
 (with comparative information for the prior year)

	<u>Final</u>	<u>Actual</u>	<u>Variance-</u> <u>Positive</u>	<u>Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>	
EXPENDITURES:				
Debt service:				
Principal repayment	56,154	56,154	-	128,592
Interest and fiscal charges	<u>13,358</u>	<u>13,358</u>	<u>-</u>	<u>43,170</u>
Total expenditures	<u>69,512</u>	<u>69,512</u>	<u>-</u>	<u>171,762</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(69,512)</u>	<u>(69,512)</u>	<u>-</u>	<u>(171,762)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>69,512</u>	<u>69,512</u>	<u>-</u>	<u>171,762</u>
Total other financing sources (uses)	<u>69,512</u>	<u>69,512</u>	<u>-</u>	<u>171,762</u>
Change in fund balance	-	-	-	-
BEGINNING FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF HAYWARD
Measure B Retail Sales Tax
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year</u>
REVENUES:				
Sales and use taxes	\$ -	42	42	6,050
Investment income	7,000	73,690	66,690	93,196
Intergovernmental	-	1,648,209	1,648,209	1,887,807
Development fees	-	255,822	255,822	520
	<u>-</u>	<u>1,237</u>	<u>1,237</u>	<u>-</u>
 Total revenues	 <u>7,000</u>	 <u>1,979,000</u>	 <u>1,972,000</u>	 <u>1,987,573</u>
 EXPENDITURES:				
Public works and transportation	<u>2,610,000</u>	<u>3,884,330</u>	<u>(1,274,330)</u>	<u>1,144,337</u>
 Total expenditures	 <u>2,610,000</u>	 <u>3,884,330</u>	 <u>(1,274,330)</u>	 <u>1,144,337</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(2,603,000)</u>	 <u>(1,905,330)</u>	 <u>697,670</u>	 <u>843,236</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	<u>430,000</u>	<u>377,000</u>	<u>(53,000)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>430,000</u>	 <u>377,000</u>	 <u>(53,000)</u>	 <u>-</u>
 Change in fund balance	 (2,603,000)	 (1,528,330)	 697,670	 843,236
 BEGINNING FUND BALANCES	 <u>3,020,352</u>	 <u>3,020,352</u>	 <u>-</u>	 <u>2,177,116</u>
 ENDING FUND BALANCES	 <u>\$ 417,352</u>	 <u>1,492,022</u>	 <u>697,670</u>	 <u>3,020,352</u>

CITY OF HAYWARD
Measure B Paratransit
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year</u>
REVENUES:				
Investment income	\$ 1,000	2,159	1,159	3,427
Intergovernmental	900,000	611,888	(288,112)	942,093
Other	<u>44,000</u>	<u>-</u>	<u>(44,000)</u>	<u>3,323</u>
Total revenues	<u>945,000</u>	<u>614,047</u>	<u>(330,953)</u>	<u>948,843</u>
EXPENDITURES:				
Library and neighborhood services	<u>969,132</u>	<u>764,720</u>	<u>204,412</u>	<u>893,375</u>
Total expenditures	<u>969,132</u>	<u>764,720</u>	<u>204,412</u>	<u>893,375</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,132)</u>	<u>(150,673)</u>	<u>(126,541)</u>	<u>55,468</u>
Change in fund balance	(24,132)	(150,673)	(126,541)	55,468
BEGINNING FUND BALANCES	<u>278,046</u>	<u>278,046</u>	<u>-</u>	<u>222,578</u>
ENDING FUND BALANCES	<u>\$ 253,914</u>	<u>127,373</u>	<u>(126,541)</u>	<u>278,046</u>

CITY OF HAYWARD
Measure B Pedestrian
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year</u>
REVENUES:				
Investment income	\$ 2,000	-	(2,000)	-
Intergovernmental	531,000	541,306	10,306	403,611
Development fees	<u>-</u>	<u>6,351</u>	<u>6,351</u>	<u>19,404</u>
Total revenues	<u>533,000</u>	<u>547,657</u>	<u>14,657</u>	<u>423,015</u>
EXPENDITURES:				
Public works and transportation	<u>605,595</u>	<u>207,193</u>	<u>398,402</u>	<u>662,455</u>
Total expenditures	<u>605,595</u>	<u>207,193</u>	<u>398,402</u>	<u>662,455</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(72,595)</u>	<u>340,464</u>	<u>413,059</u>	<u>(239,440)</u>
Change in fund balance	(72,595)	340,464	413,059	(239,440)
BEGINNING FUND BALANCES	<u>60,435</u>	<u>60,435</u>	<u>-</u>	<u>299,875</u>
ENDING FUND BALANCES	<u>\$ (12,160)</u>	<u>400,899</u>	<u>413,059</u>	<u>60,435</u>

CITY OF HAYWARD
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance- Positive (Negative)	Prior Year
REVENUES:				
Investment income	\$ -	5,259	5,259	128,462
Other revenue	-	-	-	50,095
Total revenues	<u>-</u>	<u>5,259</u>	<u>5,259</u>	<u>178,557</u>
EXPENDITURES:				
Library and neighborhood services	3,108	1,077	2,031	1,258
Redevelopment	-	1,840	(1,840)	2,000
Debt service:				
Principal repayment	1,456,690	1,456,690	-	846,380
Interest and fiscal charges	<u>1,310,943</u>	<u>1,310,943</u>	<u>-</u>	<u>2,146,433</u>
Total expenditures	<u>2,770,741</u>	<u>2,770,550</u>	<u>191</u>	<u>2,996,071</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,770,741)</u>	<u>(2,765,291)</u>	<u>5,450</u>	<u>(2,817,514)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,770,068	2,775,018	4,950	2,196,356
Transfers out	-	(2,472)	(2,472)	(4,574,055)
Proceeds from bond issuance	-	-	-	31,820,000
Payment to bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,931,872)</u>
Total other financing sources (uses)	<u>2,770,068</u>	<u>2,772,546</u>	<u>2,478</u>	<u>2,510,429</u>
Change in fund balance	(673)	7,255	7,928	(307,085)
BEGINNING FUND BALANCES	<u>187,804</u>	<u>187,804</u>	<u>-</u>	<u>494,889</u>
ENDING FUND BALANCES	<u>\$ 187,131</u>	<u>195,059</u>	<u>7,928</u>	<u>187,804</u>

CITY OF HAYWARD
Redevelopment Agency Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year</u>
REVENUES:				
Investment income	\$ -	110,240	110,240	204,867
Total revenues	<u>-</u>	<u>110,240</u>	<u>110,240</u>	<u>204,867</u>
EXPENDITURES:				
Redevelopment	8,500	9,889	(1,389)	7,572
Debt service:				
Principal repayment	1,270,000	1,270,000	-	1,210,000
Interest and fiscal charges	<u>2,662,272</u>	<u>2,662,272</u>	<u>-</u>	<u>2,722,771</u>
Total expenditures	<u>3,940,772</u>	<u>3,942,161</u>	<u>(1,389)</u>	<u>3,940,343</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,940,772)</u>	<u>(3,831,921)</u>	<u>108,851</u>	<u>(3,735,476)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,939,172	3,833,103	(106,069)	3,896,398
Transfers (out)	<u>-</u>	<u>(7,578)</u>	<u>(7,578)</u>	<u>(753,023)</u>
Total other financing sources (uses)	<u>3,939,172</u>	<u>3,825,525</u>	<u>(113,647)</u>	<u>3,143,375</u>
Change in fund balance	(1,600)	(6,396)	(4,796)	(592,101)
BEGINNING FUND BALANCES	<u>4,017,559</u>	<u>4,017,559</u>	<u>-</u>	<u>4,609,660</u>
ENDING FUND BALANCES	<u>\$ 4,015,959</u>	<u>4,011,163</u>	<u>(4,796)</u>	<u>4,017,559</u>

CITY OF HAYWARD
General Capital Projects
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance- Positive (Negative)	Prior Year
REVENUES:				
Other taxes	\$ -	153,176	153,176	-
Investment income	21,000	150,136	129,136	225,437
Intergovernmental	10,055,000	4,552,326	(5,502,674)	2,685,667
Development fees	-	193,540	193,540	6,080
Other	25,000	14,042	(10,958)	1,390,187
Total revenues	10,101,000	5,063,220	(5,037,780)	4,307,371
EXPENDITURES:				
Public works and transportation	-	-	-	-
Capital outlay	8,885,000	5,186,683	3,698,317	5,111,063
Debt service:	-	-	-	-
Principal repayment	220,000	220,000	-	240,000
Interest and fiscal charges	44,000	4,400	39,600	14,800
Total expenditures	9,149,000	5,411,083	3,737,917	5,365,863
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	952,000	(347,863)	(1,299,863)	(1,058,492)
OTHER FINANCING SOURCES (USES):				
Issuance of long term debt	-	-	-	1,342,011
Transfers in	-	1,720,000	1,720,000	808,000
Transfers out	-	(848,844)	(848,844)	(45,441)
Total other financing sources (uses)	-	871,156	871,156	2,104,570
Change in fund balance	952,000	523,293	(428,707)	1,046,078
BEGINNING FUND BALANCES	6,673,645	6,673,645	-	5,627,567
ENDING FUND BALANCES	\$ 7,625,645	7,196,938	(428,707)	6,673,645

CITY OF HAYWARD
Traffic Signal Construction
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance- Positive (Negative)	Prior Year
REVENUES:				
Investment income	\$ 5,000	16,687	11,687	30,704
Development fees	-	-	-	340
Other	-	-	-	238,518
Total revenues	<u>5,000</u>	<u>16,687</u>	<u>11,687</u>	<u>269,562</u>
EXPENDITURES:				
Capital outlay	<u>637,441</u>	<u>232,393</u>	<u>405,048</u>	<u>864,739</u>
Total expenditures	<u>637,441</u>	<u>232,393</u>	<u>405,048</u>	<u>864,739</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(632,441)</u>	<u>(215,706)</u>	<u>416,735</u>	<u>(595,177)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>350,000</u>
Total other financing sources (uses)	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>350,000</u>
Change in fund balance	(412,441)	4,294	416,735	(245,177)
BEGINNING FUND BALANCES	<u>536,053</u>	<u>536,053</u>	<u>-</u>	<u>781,230</u>
ENDING FUND BALANCES	<u>\$ 123,612</u>	<u>540,347</u>	<u>416,735</u>	<u>536,053</u>

CITY OF HAYWARD
Special Assessment
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>	<u>Prior Year</u>
REVENUES:				
Investment income	\$ -	16,016	16,016	23,855
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,493</u>
Total revenues	<u>-</u>	<u>16,016</u>	<u>16,016</u>	<u>28,348</u>
EXPENDITURES:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>16,016</u>	<u>16,016</u>	<u>28,348</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,850)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,850)</u>
Change in fund balance	-	16,016	16,016	18,498
BEGINNING FUND BALANCES	<u>503,154</u>	<u>503,154</u>	<u>-</u>	<u>484,656</u>
ENDING FUND BALANCES	<u>\$ 503,154</u>	<u>519,170</u>	<u>16,016</u>	<u>503,154</u>

CITY OF HAYWARD



Non-Major Enterprise Funds

NON-MAJOR ENTERPRISE FUNDS

Centennial Hall Maintenance and Operation Fund – Accounts for rental of the public facilities of Centennial Hall and the use of rental revenue to support Centennial Hall operation and maintenance.

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

CITY OF HAYWARD
Non-Major Enterprise Funds
Combining Statement of Net Assets
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Centennial Hall Maintenance and Operation	Stormwater	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
ASSETS				
Current assets:				
Cash and investments	\$ 16,436	1,657,212	1,673,648	862,346
Accounts receivable, net	-	2,857	2,857	85,574
Interest receivable	-	7,317	7,317	7,119
Due from other governments	-	108,698	108,698	-
Total current assets	<u>16,436</u>	<u>1,776,084</u>	<u>1,792,520</u>	<u>955,039</u>
Noncurrent assets				
Land	372,748	-	372,748	372,748
Capital assets being depreciated, net of accumulated depreciation	<u>486,950</u>	<u>5,852</u>	<u>492,802</u>	<u>535,927</u>
Total noncurrent assets	<u>859,698</u>	<u>5,852</u>	<u>865,550</u>	<u>908,675</u>
Total assets	<u>876,134</u>	<u>1,781,936</u>	<u>2,658,070</u>	<u>1,863,714</u>
LIABILITIES				
Current liabilities:				
Accounts payable	14,436	2,484	16,920	26,296
Accrued liabilities	4,685	18,048	22,733	22,934
Refundable deposits	28,900	-	28,900	59,768
Claims payable	4,436	-	4,436	22,034
Compensated absences	<u>17,766</u>	<u>68,640</u>	<u>86,406</u>	<u>93,352</u>
Total current liabilities	<u>70,223</u>	<u>89,172</u>	<u>159,395</u>	<u>224,384</u>
Total liabilities	<u>70,223</u>	<u>89,172</u>	<u>159,395</u>	<u>224,384</u>
NET ASSETS				
Invested in capital assets	859,698	5,852	865,550	940,079
Unrestricted	<u>(53,787)</u>	<u>1,686,912</u>	<u>1,633,125</u>	<u>699,251</u>
Total net assets	<u>\$ 805,911</u>	<u>1,692,764</u>	<u>2,498,675</u>	<u>1,639,330</u>

CITY OF HAYWARD
Non-Major Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Centennial Hall Maintenance and Operation	Stormwater	Totals	
			2009	2008
OPERATING REVENUES				
Charges for services	\$ 288,869	2,791,915	3,080,784	3,004,761
Other	<u>1,857</u>	<u>13,591</u>	<u>15,448</u>	<u>8,221</u>
Total operating revenues	<u>290,726</u>	<u>2,805,506</u>	<u>3,096,232</u>	<u>3,012,982</u>
OPERATING EXPENSES				
Salaries and related expenses	358,109	1,311,707	1,669,816	1,796,856
Materials, supplies and services	340,763	304,787	645,550	465,336
Repairs and maintenance	43,447	288,862	332,309	423,102
Depreciation	<u>40,190</u>	<u>2,934</u>	<u>43,124</u>	<u>43,163</u>
Total operating expenses	<u>782,509</u>	<u>1,908,290</u>	<u>2,690,799</u>	<u>2,728,457</u>
Operating income (loss)	<u>(491,783)</u>	<u>897,216</u>	<u>405,433</u>	<u>284,525</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	<u>-</u>	<u>31,799</u>	<u>31,799</u>	<u>24,249</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>31,799</u>	<u>31,799</u>	<u>24,249</u>
Income (loss) before transfers	<u>(491,783)</u>	<u>929,015</u>	<u>437,232</u>	<u>308,774</u>
Transfers in	628,450	-	628,450	391,136
Transfers out	<u>(112,102)</u>	<u>(94,235)</u>	<u>(206,337)</u>	<u>(298,618)</u>
Net transfers	<u>516,348</u>	<u>(94,235)</u>	<u>422,113</u>	<u>92,518</u>
Change in net assets	24,565	834,780	859,345	401,292
BEGINNING NET ASSETS	<u>781,346</u>	<u>857,984</u>	<u>1,639,330</u>	<u>1,238,038</u>
ENDING NET ASSETS	<u>\$ 805,911</u>	<u>1,692,764</u>	<u>2,498,675</u>	<u>1,639,330</u>

CITY OF HAYWARD
Non-Major Enterprise funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Centennial Hall Maintenance		Totals	
	<u>and Opeartion</u>	<u>Stormwater</u>	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 290,726	2,779,525	3,070,251	2,925,326
Payments to suppliers	(441,081)	(594,820)	(1,035,901)	(851,740)
Payments to employees	(354,932)	(1,321,830)	(1,676,762)	(1,806,232)
Cash flows from operating activities	<u>(505,287)</u>	<u>862,875</u>	<u>357,588</u>	<u>267,354</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	628,450	-	628,450	391,136
Transfers out	(112,102)	(94,235)	(206,337)	(298,618)
Cash flows from noncapital financing activities	<u>516,348</u>	<u>(94,235)</u>	<u>422,113</u>	<u>92,518</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	-	31,601	31,601	24,249
Cash flows from investing activities	<u>-</u>	<u>31,601</u>	<u>31,601</u>	<u>24,249</u>
Net increase (decrease) in cash and cash equivalents	11,061	800,241	811,302	384,121
Cash and cash equivalents at beginning of period	<u>5,375</u>	<u>856,971</u>	<u>862,346</u>	<u>478,225</u>
Cash and cash equivalents at end of period	<u>\$ 16,436</u>	<u>1,657,212</u>	<u>1,673,648</u>	<u>862,346</u>
Reconciliation of operating income (loss) to net cash provided				
by operating activities:				
Operating income (loss)	\$ (491,783)	897,216	405,433	284,525
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	40,190	2,934	43,124	43,163
Change in assets and liabilities:				
Accounts receivable	-	(25,981)	(25,981)	(87,656)
Accounts payable and other accrued expenses	(8,405)	(1,171)	(9,576)	(37,977)
Compensated absences	3,177	(10,123)	(6,946)	(9,376)
Claims payable	(17,598)	-	(17,598)	22,034
Refundable deposits	(30,868)	-	(30,868)	52,641
Cash flows from operating activities	<u>\$ (505,287)</u>	<u>862,875</u>	<u>357,588</u>	<u>267,354</u>

CITY OF HAYWARD



Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

CITY OF HAYWARD
Internal Service Funds
Combining Statement of Net Assets
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Workers'	General	Facilities	Fleet	Technology	Totals	
	Compensation Insurance	Liability	Management	Management	Services	2009	2008
ASSETS							
Current assets:							
Cash and investments	\$ 886,371	213,920	24,827	9,904	2,281,332	3,416,354	3,478,880
Cash and investments with fiscal agen	-	-	104,679	639,708	-	744,387	1,051,413
Accounts receivable	8,477	-	-	-	116,653	125,130	26,696
Interest receivable	4,484	4,391	-	-	333	9,208	9,995
Prepaid expenses	-	-	-	347,684	-	347,684	347,683
Total current assets	<u>899,332</u>	<u>218,311</u>	<u>129,506</u>	<u>997,296</u>	<u>2,398,318</u>	<u>4,642,763</u>	<u>4,914,667</u>
Noncurrent assets:							
Capital assets, net of accumulated depreciation	-	-	1,641,428	5,721,299	1,342,895	8,705,622	6,195,863
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>1,641,428</u>	<u>5,721,299</u>	<u>1,342,895</u>	<u>8,705,622</u>	<u>6,195,863</u>
Total assets	<u>899,332</u>	<u>218,311</u>	<u>1,770,934</u>	<u>6,718,595</u>	<u>3,741,213</u>	<u>13,348,385</u>	<u>11,110,530</u>
LIABILITIES							
Current liabilities:							
Accounts payable	7,285	33,493	133,028	468,067	76,059	717,932	509,319
Due to other funds	-	-	-	233,966	-	233,966	802,336
Advances from other funds	-	-	-	-	2,250,000	2,250,000	-
Long term debt - due within one year	-	-	105,000	888,343	599,905	1,593,248	1,027,204
Accrued liabilities	3,881	8,454	17,458	18,539	32,653	80,985	5,906,577
Total current liabilities	<u>11,166</u>	<u>41,947</u>	<u>255,486</u>	<u>1,608,915</u>	<u>2,958,617</u>	<u>4,876,131</u>	<u>8,245,436</u>
Noncurrent liabilities:							
Compensated absences	11,685	26,685	95,380	89,000	125,582	348,332	141,140
Long term debt - due in more than one year	<u>3,972,320</u>	<u>2,036,536</u>	<u>1,170,000</u>	<u>1,342,842</u>	<u>337,233</u>	<u>8,858,931</u>	<u>2,231,187</u>
Total noncurrent liabilities	<u>3,984,005</u>	<u>2,063,221</u>	<u>1,265,380</u>	<u>1,431,842</u>	<u>462,815</u>	<u>9,207,263</u>	<u>2,372,327</u>
Total liabilities	<u>3,995,171</u>	<u>2,105,168</u>	<u>1,520,866</u>	<u>3,040,757</u>	<u>3,421,432</u>	<u>14,083,394</u>	<u>10,617,763</u>
NET ASSETS							
Invested in capital assets, net of related debt	-	-	366,428	3,490,114	405,757	4,262,299	2,937,472
Unrestricted	<u>(3,095,839)</u>	<u>(1,886,857)</u>	<u>(116,360)</u>	<u>187,724</u>	<u>(85,976)</u>	<u>(4,997,308)</u>	<u>(2,444,705)</u>
Total net assets (deficit)	<u>\$ (3,095,839)</u>	<u>(1,886,857)</u>	<u>250,068</u>	<u>3,677,838</u>	<u>319,781</u>	<u>(735,009)</u>	<u>492,767</u>

CITY OF HAYWARD
Internal Services Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Workers'					Totals	
	Compensation Insurance	General Liability	Facilities Management	Fleet Management	Technology Services	2009	2008
OPERATING REVENUES							
Charges for services	\$ 4,526,686	-	2,701,160	4,531,207	3,709,443	15,468,496	8,607,880
Other	<u>9,750</u>	<u>190,945</u>	<u>-</u>	<u>733</u>	<u>134,501</u>	<u>335,929</u>	<u>17,947</u>
Total operating revenues	<u>4,536,436</u>	<u>190,945</u>	<u>2,701,160</u>	<u>4,531,940</u>	<u>3,843,944</u>	<u>15,804,425</u>	<u>8,625,827</u>
OPERATING EXPENSES							
Salaries and related expenses	253,010	475,812	1,101,800	1,191,096	1,904,660	4,926,378	2,064,893
Materials, supplies and services	11,406	1,029,407	1,210,403	1,043,134	1,121,212	4,415,562	2,979,901
Repairs and maintenance	10,205	65,576	358,491	172,750	326,510	933,532	318,709
Self-funded insurance expense	5,004,023	2,458,643	250,481	2,562	-	7,715,709	4,601,340
Depreciation	<u>-</u>	<u>-</u>	<u>51,429</u>	<u>1,210,465</u>	<u>228,413</u>	<u>1,490,307</u>	<u>1,273,514</u>
Total operating expenses	<u>5,278,644</u>	<u>4,029,438</u>	<u>2,972,604</u>	<u>3,620,007</u>	<u>3,580,795</u>	<u>19,481,488</u>	<u>11,238,357</u>
Operating income (loss)	<u>(742,208)</u>	<u>(3,838,493)</u>	<u>(271,444)</u>	<u>911,933</u>	<u>263,149</u>	<u>(3,677,063)</u>	<u>(2,612,530)</u>
NONOPERATING REVENUES (EXPENSES)							
Interest income	25,638	41,072	88,183	24,392	3,424	182,709	239,820
Intergovernmental	-	-	-	98,123	-	98,123	-
Interest expense	-	-	(62,663)	(118,070)	(60,079)	(240,812)	(133,830)
Gain on disposal of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,630</u>	<u>-</u>	<u>61,630</u>	<u>53,845</u>
Total nonoperating revenues (expenses)	<u>25,638</u>	<u>41,072</u>	<u>25,520</u>	<u>66,075</u>	<u>(56,655)</u>	<u>101,650</u>	<u>159,835</u>
Income (loss) before transfers	<u>(716,570)</u>	<u>(3,797,421)</u>	<u>(245,924)</u>	<u>978,008</u>	<u>206,494</u>	<u>(3,575,413)</u>	<u>(2,452,695)</u>
Transfers in	300,000	2,331,771	322,000	-	350,000	3,303,771	2,091,641
Transfers out	<u>(217,757)</u>	<u>(401,124)</u>	<u>(157,496)</u>	<u>(170,916)</u>	<u>(185,788)</u>	<u>(1,133,081)</u>	<u>(685,902)</u>
Net transfers	<u>82,243</u>	<u>1,930,647</u>	<u>164,504</u>	<u>(170,916)</u>	<u>164,212</u>	<u>2,170,690</u>	<u>1,405,739</u>
Change in net assets	(634,327)	(1,866,774)	(81,420)	807,092	370,706	(1,404,723)	(1,046,956)
BEGINNING NET ASSETS (DEFICITS)							
AS RESTATED	<u>(2,461,512)</u>	<u>(20,083)</u>	<u>331,488</u>	<u>2,870,746</u>	<u>(50,925)</u>	<u>669,714</u>	<u>1,539,723</u>
ENDING NET ASSETS (DEFICITS)	<u>\$ (3,095,839)</u>	<u>(1,886,857)</u>	<u>250,068</u>	<u>3,677,838</u>	<u>319,781</u>	<u>(735,009)</u>	<u>492,767</u>

CITY OF HAYWARD
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2009
(with comparative information for the prior year)

	Workers'	General Liability	Facilities Management	Fleet Management	Technology Services	Totals	
	Compensation Insurance					2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 4,867,507	208,434	2,701,160	4,700,815	3,843,947	16,321,863	8,587,085
Payments to suppliers	(223,007)	(3,777,125)	(1,333,874)	(1,428,882)	(1,285,370)	(8,048,258)	(3,153,947)
Payments to employees	(259,518)	(469,732)	(1,006,420)	(1,204,438)	(1,779,078)	(4,719,186)	(2,061,831)
Claims paid	(4,805,618)	-	-	-	-	(4,805,618)	(4,300,783)
Cash flows provided by (used for) operating activities	<u>(420,636)</u>	<u>(4,038,423)</u>	<u>360,866</u>	<u>2,067,495</u>	<u>779,499</u>	<u>(1,251,199)</u>	<u>(929,476)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	300,000	2,331,771	-	-	3,537,138	6,168,909	2,091,641
Transfers out	(217,757)	(401,124)	(360,496)	(739,286)	(185,788)	(1,904,451)	(756,911)
Cash flows provided by (used for) noncapital financing activities	<u>82,243</u>	<u>1,930,647</u>	<u>(360,496)</u>	<u>(739,286)</u>	<u>3,351,350</u>	<u>4,264,458</u>	<u>1,334,730</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	-	-	-	(505,760)	(1,792,529)	(2,298,289)	(1,274,649)
Proceeds from long term debt	-	-	-	-	-	-	242,433
Principal payments on long term debt	-	-	-	(1,027,206)	-	(1,027,206)	-
Interest paid on capital debt	-	-	(62,663)	(118,070)	(60,079)	(240,812)	(133,830)
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	53,845
Cash flows provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(62,663)</u>	<u>(1,651,036)</u>	<u>(1,852,608)</u>	<u>(3,566,307)</u>	<u>(1,112,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	-	-	(1,063)	-	-	(1,063)	-
Sale of investments	-	-	-	308,089	-	308,089	-
Interest	31,149	36,681	88,183	24,392	3,091	183,496	239,820
Cash flows provided by (used for) investing activities	<u>31,149</u>	<u>36,681</u>	<u>87,120</u>	<u>332,481</u>	<u>3,091</u>	<u>490,522</u>	<u>239,820</u>
Net increase (decrease) in cash and cash equivalents	(307,244)	(2,071,095)	24,827	9,654	2,281,332	(62,526)	(467,127)
Cash and cash equivalents at beginning of period	<u>1,193,615</u>	<u>2,285,015</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>3,478,880</u>	<u>3,946,007</u>
Cash and cash equivalents at end of period	<u>\$ 886,371</u>	<u>213,920</u>	<u>24,827</u>	<u>9,904</u>	<u>2,281,332</u>	<u>3,416,354</u>	<u>3,478,880</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ (742,208)	(3,838,493)	(271,444)	911,933	263,149	(3,677,063)	(2,612,530)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	-	-	51,429	1,210,465	228,413	1,490,307	1,273,514
Change in assets and liabilities:							
Receivables, net	(8,393)	17,489	-	9,122	(116,653)	(98,435)	(10,763)
Prepaid expenses	-	-	-	-	-	-	(347,683)
Other assets	-	-	-	-	-	-	326,136
Accounts and other payables	(2,991)	(20,885)	468,043	(46,986)	246,355	643,536	138,231
Compensated absences	(6,508)	6,080	95,380	(13,342)	125,582	207,192	3,062
Other accrued expenses	339,464	(202,614)	17,458	(3,697)	32,653	183,264	300,557
Net cash provided by (used for) operating activities	<u>\$ (420,636)</u>	<u>(4,038,423)</u>	<u>360,866</u>	<u>2,067,495</u>	<u>779,499</u>	<u>(1,251,199)</u>	<u>(929,476)</u>

CITY OF HAYWARD



Agency Funds

AGENCY FUNDS

Agency Funds, which are the only fiduciary funds the City has, are to be presented separately from the Government-wide and Fund financial statements.

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

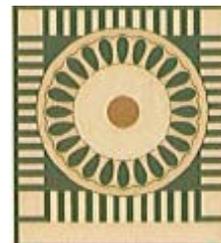
Local Improvement Districts Fund – Accounts for debt service activities for LIDs #14, #15, #16, #17 and Community Facilities District #1. The City has no commitment for the repayment of these Districts' debt.

Other Agency Funds – Accounts for activities of Hayward Coalition for Youth, volunteer recognition, Martin Luther King day fundraising, and economic development donations.

CITY OF HAYWARD
Agency Funds
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2009

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
<u>LOCAL IMPROVEMENT DISTRICTS</u>				
Assets:				
Cash and investments available for operations	\$ 2,287,544	1,485,879	-	3,773,423
Restricted cash and cash equivalents	844,391	-	26,037	818,354
Interest receivable	14,815	10,035	14,815	10,035
Due from other governments	-	11,752	-	11,752
Total assets	<u>\$ 3,146,750</u>	<u>1,507,666</u>	<u>40,852</u>	<u>4,613,564</u>
Liabilities:				
Accounts payable	\$ 1,250	853	1,250	853
Accrued liabilities	31	-	-	31
Refundable deposits	20,000	-	-	20,000
Due to assessment districts	3,125,469	1,467,211	-	4,592,680
Total liabilities	<u>\$ 3,146,750</u>	<u>1,468,064</u>	<u>1,250</u>	<u>4,613,564</u>
<u>OTHER AGENCY FUNDS</u>				
Assets:				
Cash and investments available for operations	\$ 9,414	-	3,213	6,201
Interest receivable	45	23	45	23
Total assets	<u>\$ 9,459</u>	<u>23</u>	<u>3,258</u>	<u>6,224</u>
Liabilities:				
Accounts payable	\$ 480	-	480	-
Refundable deposits	8,276	-	2,918	5,358
Due to others	703	163	-	866
Total liabilities	<u>\$ 9,459</u>	<u>163</u>	<u>3,398</u>	<u>6,224</u>
<u>TOTAL</u>				
Assets:				
Cash and investments available for operations	\$ 2,296,958	1,485,879	3,213	3,779,624
Restricted cash and cash equivalents	844,391	-	26,037	818,354
Interest receivable	14,860	10,058	14,860	10,058
Due from other governments	-	11,752	-	11,752
Total assets	<u>\$ 3,156,209</u>	<u>1,507,689</u>	<u>44,110</u>	<u>4,619,788</u>
Liabilities:				
Accounts payable	\$ 1,730	853	1,730	853
Accrued liabilities	31	-	-	31
Refundable deposits	28,276	-	2,918	25,358
Due to assessment districts and other	3,126,172	1,467,374	-	4,593,546
Total liabilities	<u>\$ 3,156,209</u>	<u>1,468,227</u>	<u>4,648</u>	<u>4,619,788</u>

CITY OF HAYWARD



Statistical Section

STATISTICAL SECTION

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

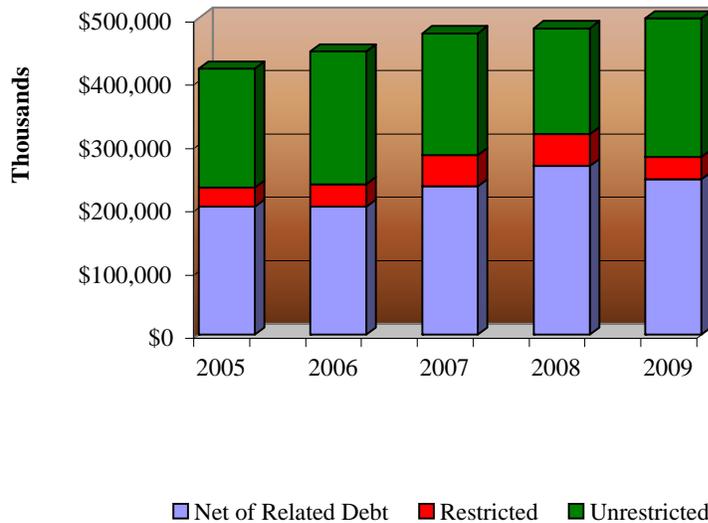
Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

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CITY OF HAYWARD
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Governmental activities</i>					
Invested in capital assets, net of related debt	\$105,543,242	\$100,174,478	\$126,446,824	\$165,674,448	\$144,524,328
Restricted	26,607,973	31,759,679	45,104,958	50,176,114	35,212,631
Unrestricted	91,426,581	100,340,730	79,057,083	33,506,242	94,996,600
Total governmental activities net assets	<u>\$223,577,796</u>	<u>\$232,274,887</u>	<u>\$250,608,865</u>	<u>\$249,356,804</u>	<u>\$274,733,559</u>
<i>Business-type activities</i>					
Invested in capital assets, net of related debt	\$96,826,953	\$102,076,570	\$108,163,977	\$100,748,593	\$100,949,049
Restricted	3,740,371	4,066,211	3,934,308	0 *	0
Unrestricted	96,273,748	109,237,767	113,683,272	134,111,663	139,593,608
Total business-type activities net assets	<u>\$196,841,072</u>	<u>\$215,380,548</u>	<u>\$225,781,557</u>	<u>\$234,860,256</u>	<u>\$240,542,657</u>
<i>Primary government</i>					
Invested in capital assets, net of related debt	\$202,370,195	\$202,251,048	\$234,610,801	\$266,423,041	\$245,473,377
Restricted	30,348,344	35,825,890	49,039,266	50,176,114	35,212,631
Unrestricted	187,700,329	209,578,497	192,740,355	167,617,905	234,590,208
Total primary government net assets	<u>\$420,418,868</u>	<u>\$447,655,435</u>	<u>\$476,390,422</u>	<u>\$484,217,060</u>	<u>\$515,276,216</u>

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

CITY OF HAYWARD
Changes in Net Assets
Last Five Fiscal Years
(Accrual Basis of Accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses					
Governmental Activities:					
General Government	\$13,654,224	\$14,609,331	\$14,937,511	\$15,432,428	\$12,844,106
Public Safety	67,222,703	70,477,309	73,909,494	83,609,438	89,391,667
Public Works and Transportation	17,390,733	14,323,266	19,796,435	6,896,062	5,097,319
Library and Neighborhood Services				9,654,552	9,448,832
Redevelopment				4,685,202	2,814,162
Planning and Building				5,524,642	6,383,986
Maintenance Services				7,202,019	3,899,394
Community Development	7,984,954	8,865,415	8,016,005		
Culture and Leisure	3,596,431	3,672,910	3,785,273		
Nondepartmental	1,433,854	1,874,955	1,379,106		
Interest on Long Term Debt	5,505,758	4,377,655	5,006,826	6,060,020	4,175,089
Total Governmental Activities Expenses	<u>116,788,657</u>	<u>118,200,841</u>	<u>126,830,650</u>	<u>139,064,363</u>	<u>134,054,555</u>
Business-Type Activities:					
Sewer	12,392,848	13,266,648	13,349,209	15,250,146	15,783,768
Water	22,701,995	30,543,073	24,582,923	25,585,042	27,602,545
Airport	2,299,811	2,628,720	2,442,805	2,644,168	3,568,997
Centennial Hall Maintenance and Operation	655,943	638,060	678,612	678,964	782,509
Stormwater	1,898,390	1,926,372	1,909,447	2,049,493	1,908,290
Total Business-Type Activities Expenses	<u>39,948,987</u>	<u>49,002,873</u>	<u>42,962,996</u>	<u>46,207,813</u>	<u>49,646,109</u>
Total Primary Government Expenses	<u>\$156,737,644</u>	<u>\$167,203,714</u>	<u>\$169,793,646</u>	<u>\$185,272,176</u>	<u>\$183,700,664</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$953,629	\$898,607	\$949,015	\$817,256	\$379,561
Public Safety	4,254,278	4,366,551	5,075,945	5,123,501	8,016,352
Public Works and Transportation	6,582,192	5,442,263	7,279,079	1,092,482	507,944
Library and Neighborhood Services				106,920	111,630
Redevelopment				103,864	166,223
Planning and Building				6,242,967	6,780,653
Maintenance Services				149,268	29,190
Community Development	936,424	439,991	525,981		
Culture and Leisure	109,454	112,009	96,406		
Nondepartmental	115,163				
Operating Grants and Contributions	17,200,534	14,349,003	18,296,402	15,332,573	14,294,205
Capital Grants and Contributions	14,963,874	3,800,451	2,596,202	2,856,295	22,570,080
Total Government Activities Program Revenues	<u>45,115,548</u>	<u>29,408,875</u>	<u>34,819,030</u>	<u>31,825,126</u>	<u>52,855,838</u>

* Due to City of Hayward department reorganization; Community Development and Culture and Leisure departments no longer exist. The new departments are Library and Neighborhood Services, Redevelopment, Planning and Building, and Maintenance Services

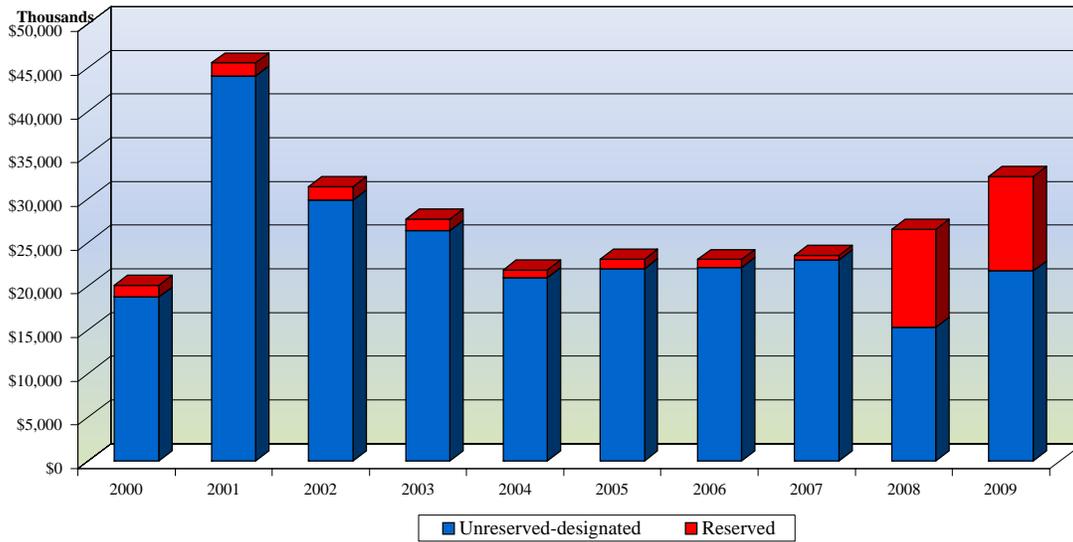
Source: City of Hayward Comprehensive Annual Financial Report (CAFR)

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Business-Type Activities:					
Charges for Services:					
Sewer	14,418,438	13,803,163	15,981,344	16,507,956	18,861,871
Water	29,781,593	32,666,971	23,287,599	24,550,837	29,246,643
Airport	2,567,609	2,863,279	3,179,495	2,049,105	2,843,185
Centennial Hall Maintenance & Operation	325,606	335,079	331,503	293,948	288,869
Stormwater	1,875,879	1,892,761	1,899,910	2,710,813	2,791,915
Operating Grants and Contributions	2,002,317	2,486,029	4,315,427	4,771,353	0
Capital Grants and Contributions	4,558,307	3,399,012	400,343	1,728,487	167,026
Total Business-Type Activities Program Revenue	<u>55,529,749</u>	<u>57,446,294</u>	<u>49,395,621</u>	<u>52,612,499</u>	<u>54,199,509</u>
Total Primary Government Program Revenues	<u>\$100,645,297</u>	<u>\$86,855,169</u>	<u>\$84,214,651</u>	<u>\$84,437,625</u>	<u>\$107,055,347</u>
Net (Expense)/Revenue					
Governmental Activities	(\$71,673,109)	(\$88,791,966)	(\$92,011,620)	(\$107,239,237)	(\$81,198,717)
Business-Type Activities	<u>15,580,762</u>	<u>8,443,421</u>	<u>6,432,625</u>	<u>6,404,686</u>	<u>4,553,400</u>
Total Primary Government Net Expense	<u>(\$56,092,347)</u>	<u>(\$80,348,545)</u>	<u>(\$85,578,995)</u>	<u>(\$100,834,551)</u>	<u>(\$76,645,317)</u>
Total Primary Government Net Expense from prior page	<u>(\$56,092,347)</u>	<u>(\$80,348,545)</u>	<u>(\$85,578,995)</u>	<u>(\$100,834,551)</u>	<u>(\$76,645,317)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property Taxes	\$18,979,828	\$21,644,158	\$24,652,905	\$38,464,255	\$40,699,344
Incremental Property Tax	7,035,684	9,154,816	11,465,642	10,729,476	10,657,184
Special Assessments	435,625	487,740	919,634	0	0
Sales Taxes	27,155,334	26,685,813	28,857,677	28,512,340	25,630,173
Real Property Transfer Tax	9,726,317	9,707,512	7,119,746	5,077,214	3,852,507
Franchise Tax	4,573,497	4,772,210	4,766,970	6,166,499	5,831,272
Business Tax	2,244,517	2,331,639	2,481,365	2,480,696	2,502,991
Excise Tax	1,682,266	1,942,949	1,918,155	1,931,187	1,858,267
Other Taxes	4,377,074	4,739,437	5,079,403	4,933,567	4,958,591
Motor Vehicle in lieu	9,336,645	12,886,423	10,821,864	671,084	522,508
Investment Earnings	1,378,102	1,976,795	3,135,049	3,638,001	2,132,768
Gain (Loss) from disposal of capital assets				53,845	2,362,950
Miscellaneous	1,980,050	704,136	6,906,996	2,889,548	2,289,663
Transfers	<u>2,241,969</u>	<u>455,429</u>	<u>2,220,192</u>	<u>2,829,378</u>	<u>3,277,254</u>
Total Governmental Activities General Revenues and Transfers	<u>91,146,908</u>	<u>97,489,057</u>	<u>110,345,598</u>	<u>108,377,090</u>	<u>106,575,472</u>
Business-Type Activities:					
Investment Earnings	2,199,979	2,702,484	6,078,001	5,245,152	3,720,221
Gain (Loss) from disposal of capital assets		7,849,000	110,575	251,354	0
Miscellaneous				437,661	686,034
Transfers	<u>(2,241,969)</u>	<u>(455,429)</u>	<u>(2,220,192)</u>	<u>(2,829,378)</u>	<u>(3,277,254)</u>
Total Business-Type Activities General Revenues and Transfers	<u>(41,990)</u>	<u>10,096,055</u>	<u>3,968,384</u>	<u>3,104,789</u>	<u>1,129,001</u>
Total Primary Government General Revenues and Transfers	<u>\$91,104,918</u>	<u>\$107,585,112</u>	<u>\$114,313,982</u>	<u>\$111,481,879</u>	<u>\$107,704,473</u>
Change in Net Assets					
Governmental Activities	\$19,473,799	\$8,697,091	\$18,333,978	\$1,137,853	\$25,376,755
Business-Type Activities	<u>15,538,772</u>	<u>18,539,476</u>	<u>10,401,009</u>	<u>9,509,475</u>	<u>5,682,401</u>
Total Primary Government	<u>\$35,012,571</u>	<u>\$27,236,567</u>	<u>\$28,734,987</u>	<u>\$10,647,328</u>	<u>\$31,059,156</u>

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

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



	Fiscal Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$1,346,708	\$1,514,988	\$1,550,636	\$1,267,228	\$913,353	\$1,063,439	\$925,067	\$502,204	\$11,213,927	\$10,827,978
Unreserved-designated	18,776,161	44,061,822	29,878,057	26,401,209	20,983,427	22,021,325	22,142,634	23,022,362	15,317,927	21,758,830
Total General Fund (a)	\$20,122,869	\$45,576,810	\$31,428,693	\$27,668,437	\$21,896,780	\$23,084,764	\$23,067,701	\$23,524,566	\$26,531,854	\$32,586,808
All Other Governmental Funds										
Reserved	\$14,119,508	\$12,208,419	\$12,359,973	\$16,130,182	\$53,422,372	\$49,019,982	\$62,656,549	\$55,418,227	\$4,154,570	\$19,356,635
Unreserved-designated	\$21,130,205	\$19,838,903	\$18,952,712	\$18,642,397						
Unreserved, reported in:										
Debt Service funds				11,488	11,488	11,488			4,308,979	4,206,222
Special revenue funds	521,293	2,394,910	419,182	6,117,979	12,410,301	15,497,821	16,667,600	16,985,069	18,065,349	15,211,686
Capital project funds	567,159	3,560,750	9,486,892	4,629,077	24,301,396	25,391,873	25,573,270	24,096,411	40,928,952	21,442,946
Undesignated funds	436,893	491,708	5,008,134							
Total all other governmental funds	\$36,775,058	\$38,494,690	\$46,226,893	\$45,531,123	\$90,145,557	\$89,921,164	\$104,897,419	\$96,499,707	\$67,457,850	\$60,217,489

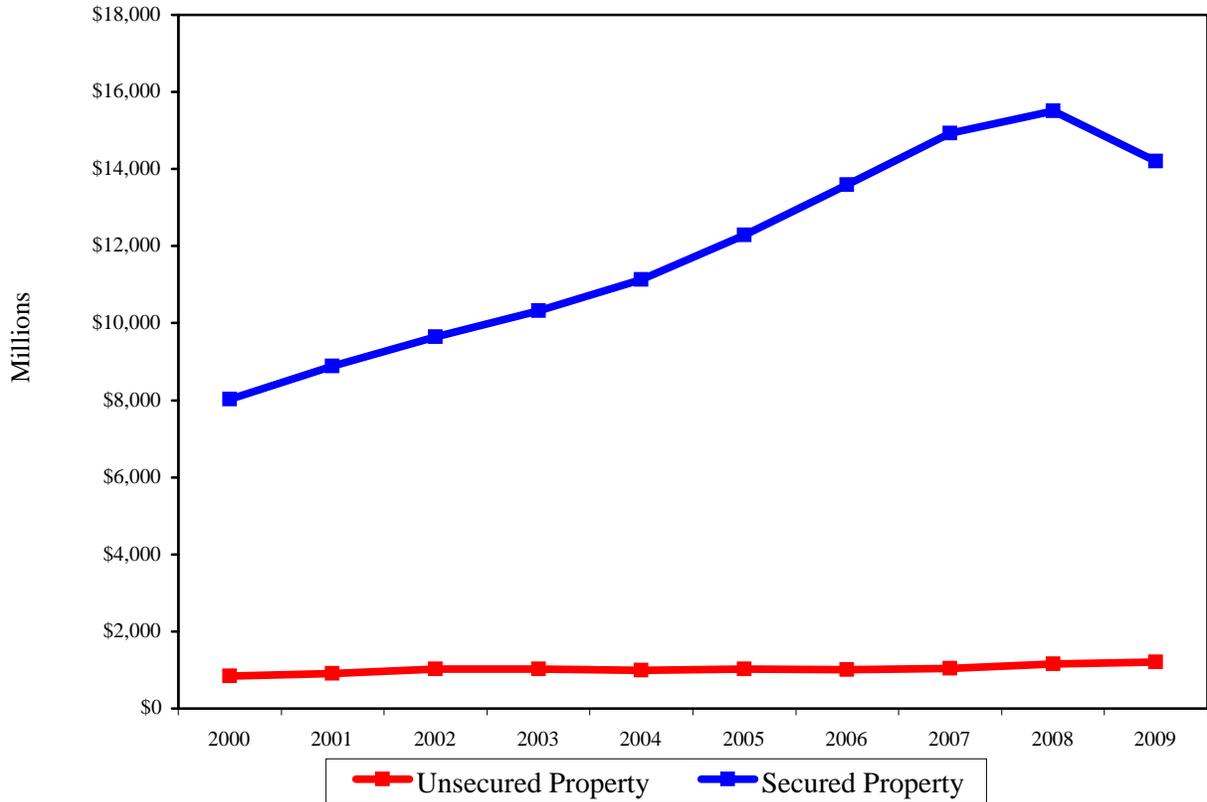
Source: City of Hayward Comprehensive Annual Financial Report (CAFR)

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

The detail of Reserved and Designated Fund balance is explained in Note 18 of the financial statement footnotes.

Fiscal Years Ended June 30:					
2004	2005	2006	2007	2008	2009
\$19,577,399	\$18,859,966	\$21,446,064	\$24,687,960	\$39,135,339	\$41,221,852
6,138,632	7,035,685	9,154,816	11,465,642	12,082,986	12,630,213
547,431	555,487	685,832	884,579	1,051,269	741,098
25,412,984	27,155,333	26,685,812	28,857,677	29,233,148	26,341,473
19,182,313	22,603,671	23,493,746	21,365,639	22,941,172	21,419,990
3,501,299	3,198,850	3,058,982	4,024,802	4,712,325	4,650,694
989,574	1,807,424	1,369,873	1,150,614	985,858	1,657,789
1,231,361	3,059,783	3,663,298	5,969,155	5,517,114	3,239,537
26,655,486	26,328,946	26,099,613	27,904,422	10,914,969	32,634,889
4,215,041	4,215,345	4,388,585	5,583,089	5,340,126	5,736,166
137,150	170,571	670,914	1,177,703	904,061	2,692,248
			5,000,000	1,813,604	381,868
4,799,061	7,092,766	7,418,334	4,823,715	3,782,765	1,781,740
<u>112,387,731</u>	<u>122,083,827</u>	<u>128,135,869</u>	<u>142,894,997</u>	<u>138,414,736</u>	<u>155,129,557</u>
8,985,611	10,083,636	10,595,772	10,729,759	11,639,480	10,421,821
62,511,746	63,399,896	67,486,231	71,172,116	79,941,250	79,537,953
11,310,705	11,728,493	12,282,568	13,037,745	6,186,587	9,558,688
7,046,871	10,378,197	6,880,898	7,533,647	8,511,524	8,771,317
3,386,153	3,421,821	3,520,852	3,628,763	6,039,172	4,810,371
				6,454,120	6,095,525
				7,160,250	3,723,200
				(b)	
				(b)	
652,406	1,433,854	1,874,955	1,379,106		
16,310,072	17,942,515	17,426,130	37,397,788	32,072,854	29,560,203
5,809,203	1,338,715	2,059,939	2,221,503	3,026,920	3,094,025
3,499,130	3,890,878	4,824,827	4,792,626	5,186,476	4,046,129
<u>119,511,897</u>	<u>123,618,005</u>	<u>126,952,172</u>	<u>151,893,053</u>	<u>166,218,633</u>	<u>159,619,232</u>
<u>(7,124,166)</u>	<u>(1,534,178)</u>	<u>1,183,697</u>	<u>(8,998,056)</u>	<u>(27,803,897)</u>	<u>(4,489,675)</u>
	2,500,000				2,301,320
	(3,443,016)				0
				31,820,000	0
				(31,184,483)	0
44,790,000	2,250,000	12,291,602	257,512	1,342,011	0
17,676,689	10,616,069	15,198,496	13,790,988	21,111,234	22,583,520
<u>(16,499,746)</u>	<u>(9,425,284)</u>	<u>(13,714,603)</u>	<u>(12,991,291)</u>	<u>(19,687,595)</u>	<u>(21,476,956)</u>
<u>45,966,943</u>	<u>2,497,769</u>	<u>13,775,495</u>	<u>1,057,209</u>	<u>3,401,167</u>	<u>3,407,884</u>
<u>\$38,842,777</u>	<u>\$963,591</u>	<u>\$14,959,192</u>	<u>(\$7,940,847)</u>	<u>(\$24,402,730)</u>	<u>(\$1,081,791)</u>
9.9%	5.2%	6.7%	6.5%	6.5%	5.8%

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

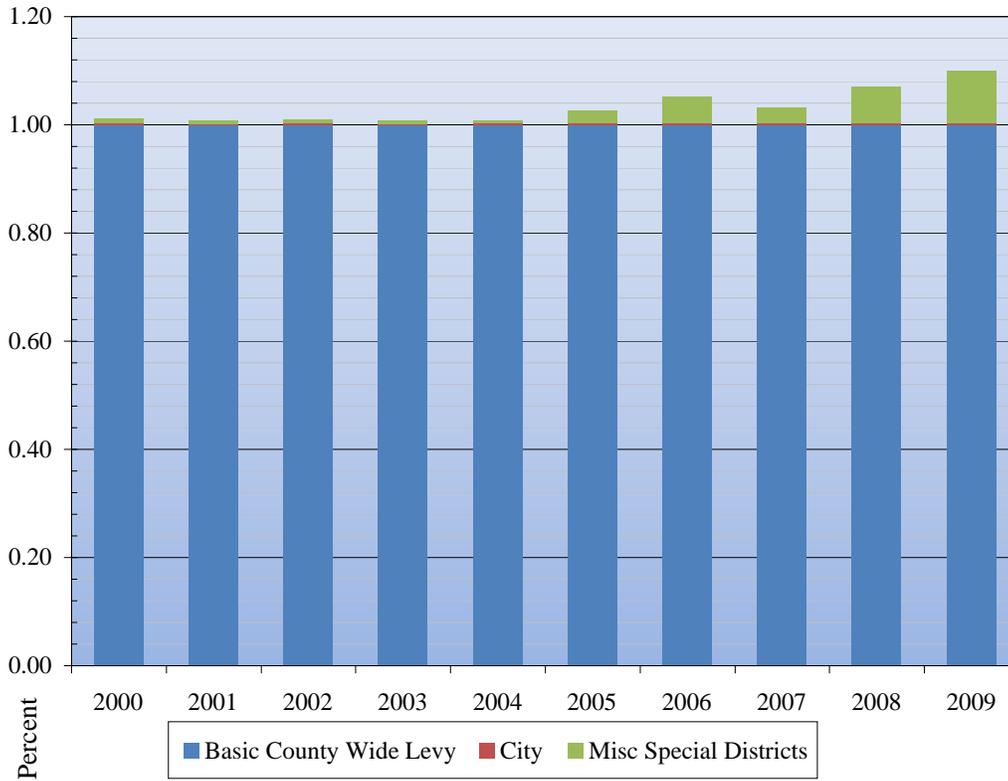


Fiscal Year	Total Secured Property	Total Unsecured Property	Total Assessed	Estimated Full Market (a)	Direct Tax Rate (b)
2000	8,032,875,841	842,933,934	8,875,809,775	8,875,809,775	1%
2001	8,886,868,948	908,109,523	9,794,978,471	9,794,978,471	1%
2002	9,648,053,727	1,030,843,430	10,678,897,157	10,678,897,157	1%
2003	10,319,487,654	1,024,667,076	11,344,154,730	11,344,154,730	1%
2004	11,122,042,996	986,816,539	12,108,859,535	12,108,859,535	1%
2005	12,288,165,552	1,027,365,069	13,315,530,621	13,315,530,621	1%
2006	13,597,846,461	1,007,627,707	14,605,474,168	14,605,474,168	1%
2007	14,934,382,599	1,032,847,525	15,967,230,124	15,967,230,124	1%
2008	15,511,405,943	1,162,782,433	16,674,188,376	16,674,188,376	1%
2009	14,205,256,130	1,202,570,890	15,407,827,020	15,407,827,020	1%

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

**CITY OF HAYWARD
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



Fiscal Year	Basic County Wide Levy	City	Misc Special Districts	Total
2000	1.0000	0.0018	0.0088	1.0106
2001	1.0000	0.0018	0.0065	1.0083
2002	1.0000	0.0018	0.0072	1.0090
2003	1.0000	0.0018	0.0065	1.0083
2004	1.0000	0.0018	0.0057	1.0075
2005	1.0000	0.0018	0.0243	1.0261
2006	1.0000	0.0018	0.0502	1.0520
2007	1.0000	0.0018	0.0294	1.0312
2008	1.0000	0.0018	0.0674	1.0692
2009	1.0000	0.0018	0.0976	1.0994

Source: Alameda County Assessor's Office

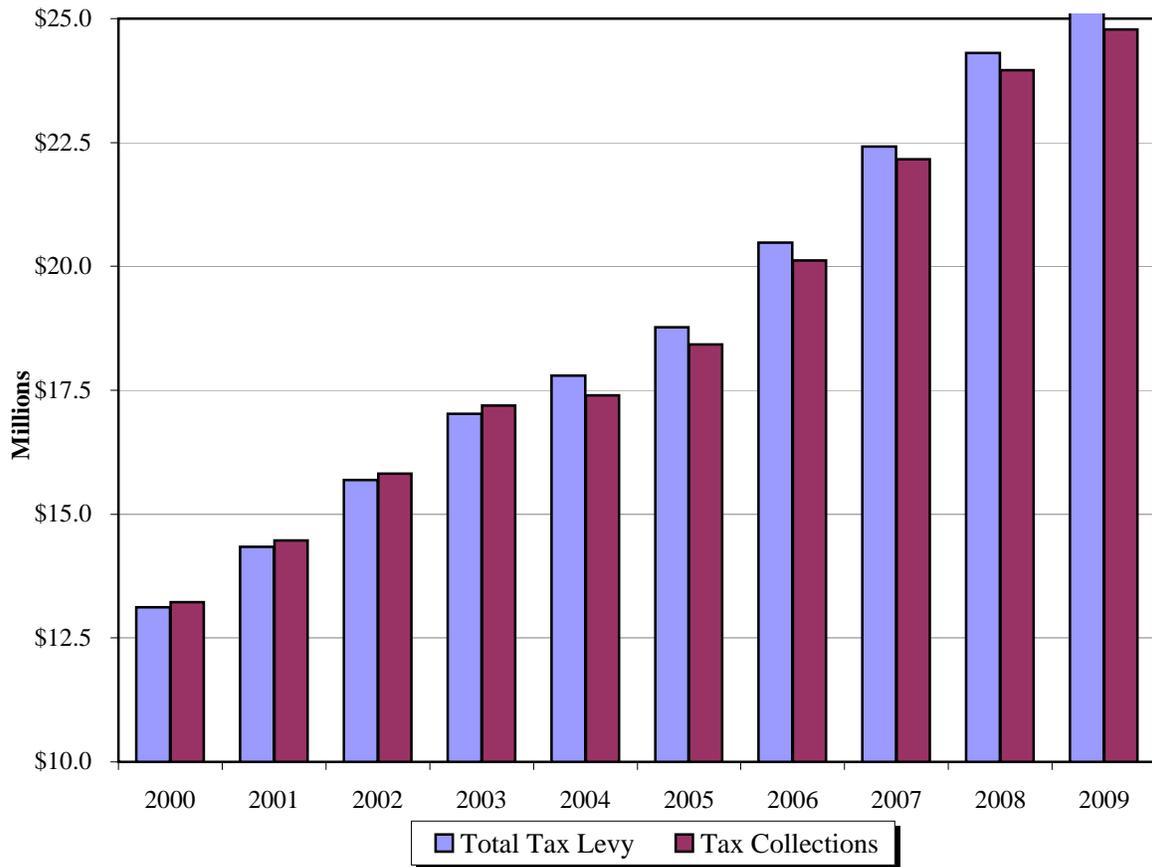
City of Hayward
Principal Property Tax Payers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2008-09</u>			<u>1999-00</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Northern Cal Industrial Portfolio	182,036,240	1	1.2%			
Kohls Department Stores Inc	123,267,837	2	0.8%			
Berkeley Farms Inc.	106,249,359	3	0.7%	81,307,696	3	0.9%
Hayward Point Eden I Ltd. Prt.	90,576,000	4	0.6%	51,597,120	6	0.6%
SCI Limited Partnership I	84,074,264	5	0.5%	69,597,706	4	0.8%
Impax Laboratories Inc.	74,435,621	6	0.5%			
Bottling Group LLC	73,359,107	7	0.5%	54,881,866	5	0.6%
North 3 Holding LLC	60,433,572	8	0.4%			
First American Title Co	57,382,168	9	0.4%			
Target Corporation	56,799,618	10	0.4%			
Equitable Life Assurance Soc.				106,417,053	1	1.2%
Speiiker Properties LP				92,177,782	2	1.0%
Essex Portfolio LP				45,988,634	8	0.5%
Kobe Precision Inc.				49,556,580	7	0.6%
Hayward Industrial Park Assoc.				39,989,380	9	0.5%
GE Credit Auto Auctions Inc.				17,763,129	10	0.2%
Subtotal	908,613,786		5.9%	609,276,946		6.9%

Total Net Assessed Valuation:
Fiscal Year 2008/2009 \$ 15,407,827,020
Fiscal Year 1999/2000 8,875,809,775

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.

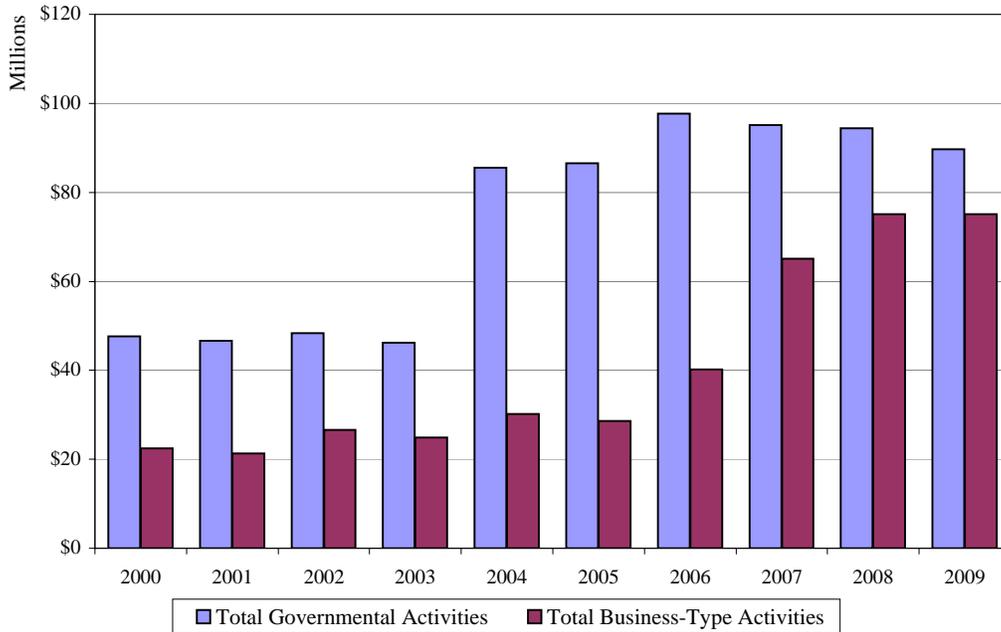
**CITY OF HAYWARD
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2000	13,121,398	12,858,874	98.00%	358,324	\$13,217,198	100.73%
2001	14,345,461	14,043,529	97.90%	421,843	14,465,372	100.84%
2002	15,690,705	15,281,762	97.39%	535,586	15,817,348	100.81%
2003	17,024,389	16,558,946	97.27%	628,813	17,187,759	100.96%
2004	17,798,479	16,847,330	94.66%	549,264	17,396,594	97.74%
2005	18,777,530	17,834,790	94.98%	585,811	18,420,601	98.10%
2006	20,479,673	19,465,790	95.05%	657,640	20,123,430	98.26%
2007	22,414,567	21,022,743	93.79%	1,133,169	22,155,912	98.85%
2008	24,307,591	22,564,833	92.83%	1,393,980	23,958,813	98.57%
2009	25,157,590	23,387,921	92.97%	1,396,493	24,784,414	98.52%

Source: Alameda County Assessor Office

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



Governmental Activities

Fiscal Year	Tax Allocation Bonds	Certificates of Participation	Revenue Bonds	Capital Lease Obligations	Total
2000	5,290,000	38,570,000		3,793,821	47,653,821
2001	5,025,000	37,765,000		3,888,592	46,678,592
2002	4,750,000	36,930,000	6,069,835	576,332	48,326,167
2003	4,460,000	36,050,000	5,513,235	236,367	46,259,602
2004	44,790,000	35,125,000	4,935,070	692,271	85,542,341
2005	44,790,000	34,160,000	4,334,710	3,218,896	86,503,606
2006	55,995,000	33,150,000	3,711,230	4,857,110	97,713,340
2007	55,385,000	32,095,000	3,068,590	4,506,396	95,054,986
2008	54,175,000	31,820,000	2,367,210	6,085,299	94,447,509
2009	52,905,000	30,430,000	1,785,520	4,536,751	89,657,271

Business-Type Activities

Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Total	Total Government	Ratio Government Debt Per Capita (a)
2000	6,160,098	16,235,000	22,395,098	70,048,919	1,643.76
2001	5,699,771	15,585,000	21,284,771	67,963,363	1,448.53
2002	10,937,028	15,607,583	26,544,611	74,870,778	1,451.32
2003	10,040,001	14,810,883	24,850,884	71,110,486	1,549.28
2004	16,154,965	14,019,965	30,174,930	115,717,271	2,462.38
2005	15,417,645	13,192,645	28,610,290	115,113,896	2,418.05
2006	14,646,885	25,490,235	40,137,120	137,850,460	2,693.60
2007	13,853,205	51,289,612	65,142,817	160,197,803	3,130.27
2008	12,502,790	62,618,065	75,120,855	169,568,364	3,313.37
2009	12,147,240	62,885,113	75,032,353	164,689,624	2,148.23

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

(a) Per Capita based on City population; refer to Demographic and Statistics Schedule for population data.

Sources: City of Hayward
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

CITY OF HAYWARD
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>General Bonded Debt Outstanding</u>				
<u>Fiscal Year</u>	<u>Tax Allocation Bonds</u>	<u>Total</u>	<u>Percentage of Debt To Taxable Property Value</u>	<u>General Bonded Debt Per Capita (a)</u>
2000	5,290,000	5,290,000	0.06%	40.81
2001	5,025,000	5,025,000	0.05%	34.89
2002	4,750,000	4,750,000	0.04%	32.92
2003	4,460,000	4,460,000	0.04%	30.82
2004	44,790,000	44,790,000	0.37%	309.68
2005	44,790,000	44,790,000	0.34%	306.72
2006	55,995,000	55,995,000	0.38%	382.48
2007	55,385,000	55,385,000	0.35%	374.62
2008	54,175,000	54,175,000	0.32%	363.09
2009	52,905,000	52,905,000	0.34%	350.65

Source: City of Hayward Long Term Debt Schedule

(a) Per Capita based on City population; see Schedule 13 Demographic and Statistics for population data.

**CITY OF HAYWARD
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2009**

2008-09 Assessed Valuation:	\$16,298,672,766
Redevelopment Incremental Valuation:	<u>\$1,232,470,365</u>
Adjusted Assessed Valuation:	\$15,066,202,401

	Net Debt Outstanding	Percentage Applicable to City of Hayward	Amount Applicable to City of Hayward
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Bay Area Rapid Transit District	\$441,360,000	3.418%	\$15,085,685
Chabot-Las Positas Community College District	470,174,226	18.351%	86,281,672
Castro Valley Unified School District	88,245,000	0.178%	157,076
Hayward Unified School District	100,000,000	86.140%	86,140,000
New Haven Unified School District	163,960,162	19.094%	31,306,553
Pleasanton Unified School District	107,519,429	0.030%	32,256
San Lorenzo Unified School District	73,430,000	19.404%	14,248,357
Washington Township Healthcare District	53,365,000	2.585%	1,379,485
East Bay Regional Park District	125,850,000	5.039%	6,341,582
City of Hayward Community Facilities District No. 1	9,650,000	100.000%	9,650,000
City of Hayward 1915 Act Bonds	2,631,000	100.000%	2,631,000
Alameda County Combined Reassessment District	655,000	100.000%	655,000
SUBTOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>253,908,666</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda County General Fund Obligations	445,402,000	8.616%	38,375,836
Alameda County Pension Obligations	203,020,721	8.616%	17,492,265
Alameda-Contra Costa Transit District Certificates of Participation	42,765,000	10.394%	4,444,994
Chabot-Las Positas Community College District Certificates of Participation	4,830,000	18.351%	886,353
Hayward Unified School District Certificates of Participation	21,205,000	86.140%	18,265,987
San Lorenzo Unified School District Certificates of Participation	22,960,000	19.404%	4,455,158
Castro Valley and Pleasanton Unified School District Certificates of Participation	18,355,000	0.178% & 0.030%	6,476
City of Hayward General Fund Obligations	36,155,000	100.000%	36,155,000
SUBTOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>120,082,069</u>
Less: City of Hayward Public Financing Authority Lease Revenue Bonds (100% self-supporting) and Association of Bay Area Governments, Series 2001-2 (20% self-supporting)			<u>\$2,911,000</u>
SUBTOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>117,171,069</u>
GROSS COMBINED TOTAL DEBT			373,990,735 (2)
NET COMBINED TOTAL DEBT			371,079,735

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

RATIOS TO 2008-09 ASSESSED VALUATION:

Subtotal Gross Direct and Overlapping Tax and Assessment Debt 1.56%

Source: California Municipal Statistics, Inc.

**CITY OF HAYWARD
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2009**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$15,407,827,020
-----------------------------------------------------------------	------------------

BONDED DEBT LIMIT (15.% OF ASSESSED VALUE)	\$2,311,174,053
--------------------------------------------	-----------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$89,657,271
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Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	89,657,271
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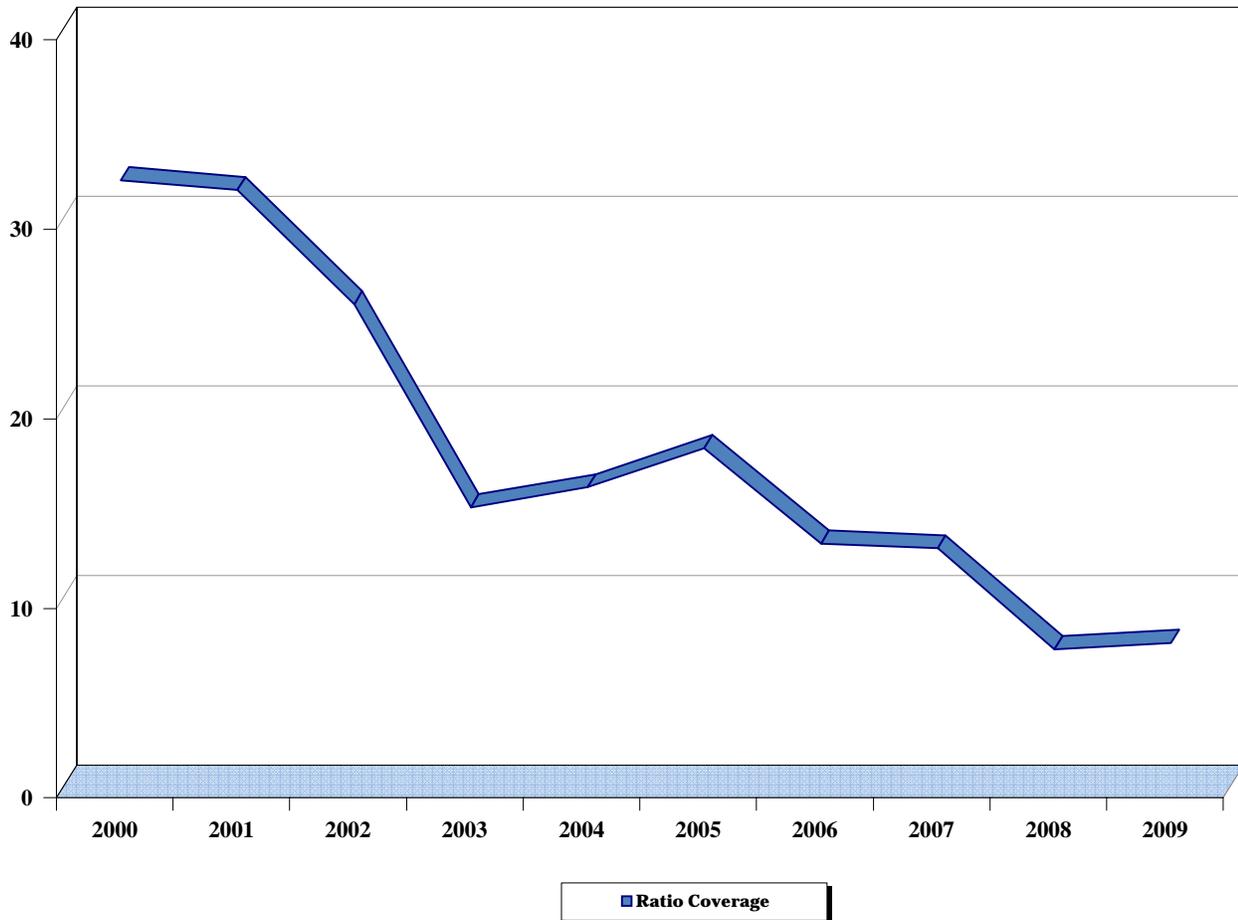
Amount of debt subject to limit	0
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LEGAL BONDED DEBT MARGIN	\$2,311,174,053
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2000	1,331,371,466	0	1,331,371,466	0.00%
2001	1,469,246,771	0	1,469,246,771	0.00%
2002	1,601,834,574	0	1,601,834,574	0.00%
2003	1,701,623,210	0	1,701,623,210	0.00%
2004	1,816,328,930	0	1,816,328,930	0.00%
2005	1,997,329,593	0	1,997,329,593	0.00%
2006	2,190,821,125	0	2,190,821,125	0.00%
2007	2,395,084,519	0	2,395,084,519	0.00%
2008	2,501,128,256	0	2,501,128,256	0.00%
2009	2,311,174,053	0	2,311,174,053	0.00%

Source: County of Alameda Auditors Office

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

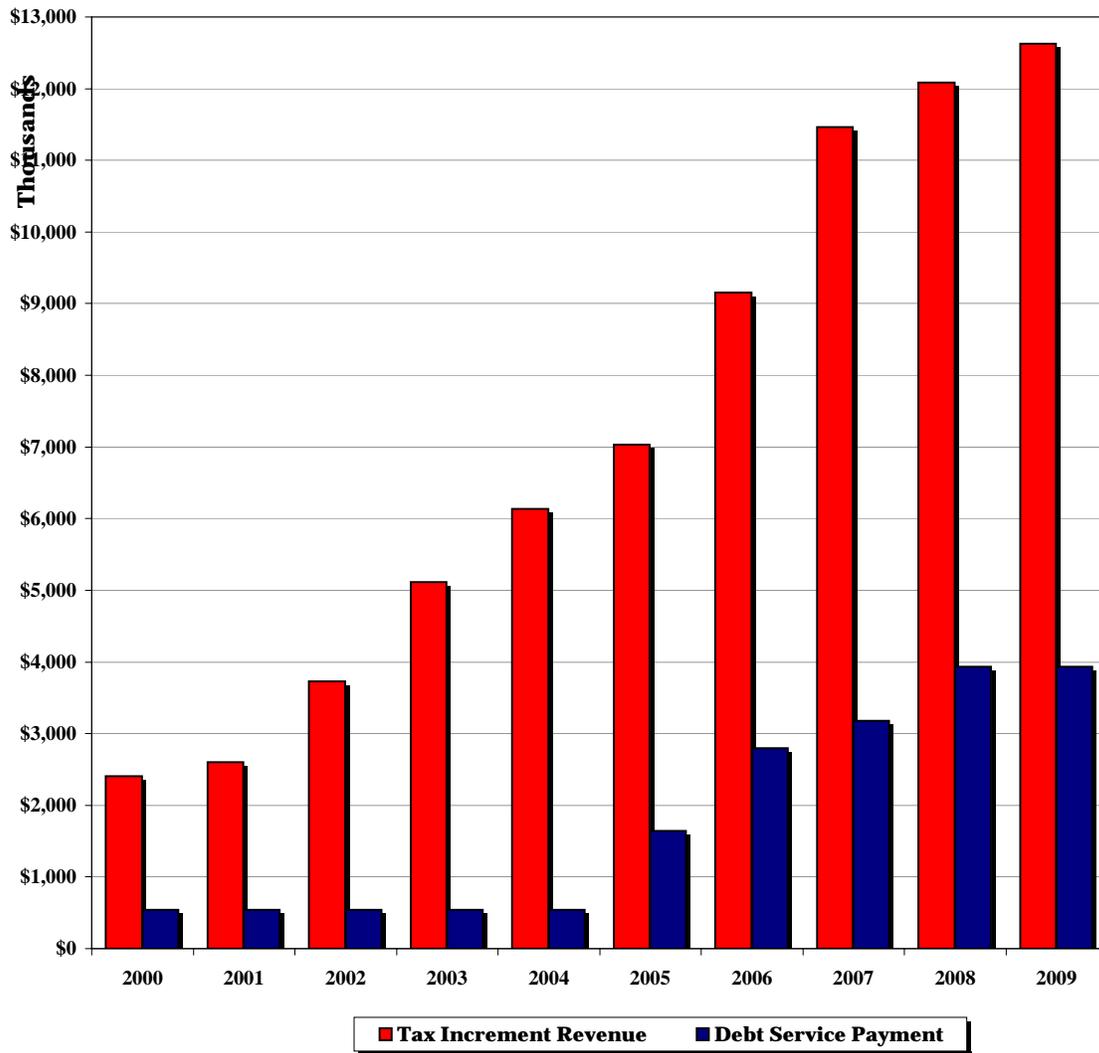


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio Coverage
				Principal	Interest	Total	
2000	36,970,003	20,241,739	\$16,728,264	255,000	266,450	\$521,450	32.08
2001	38,043,354	21,431,811	16,611,543	270,000	256,505	526,505	31.55
2002	37,008,979	22,336,686	14,672,293	260,000	315,000	575,000	25.52
2003	37,117,660	21,657,598	15,460,062	550,000	493,240	1,043,240	14.82
2004	45,157,589	28,749,172	16,408,417	560,000	474,167	1,034,167	15.87
2005	48,501,867	29,848,059	18,653,808	575,000	464,851	1,039,851	17.94
2006	40,424,483	27,212,260	13,212,223	595,000	429,960	1,024,960	12.89
2007	49,256,682	32,133,601	17,123,081	700,000	654,199	1,354,199	12.64
2008	50,796,313	34,331,143	16,465,170	1,630,000	615,493	2,245,493	7.33
2009	52,045,189	36,734,951	15,310,238	1,275,000	723,400	1,998,400	7.66

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

Source: City of Hayward Annual Financial Statements

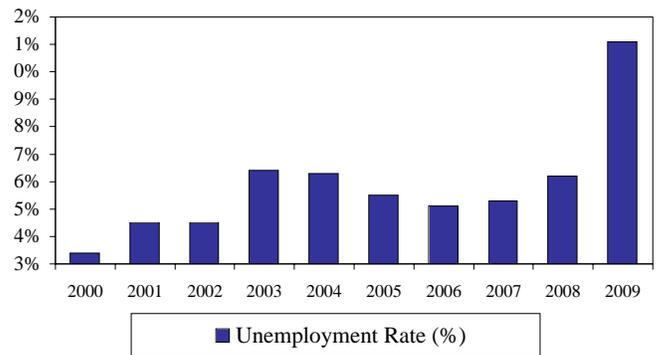
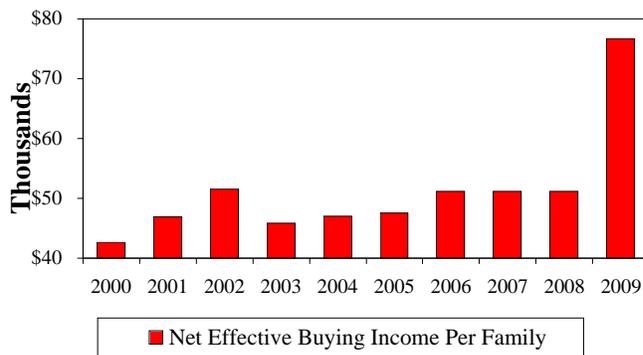
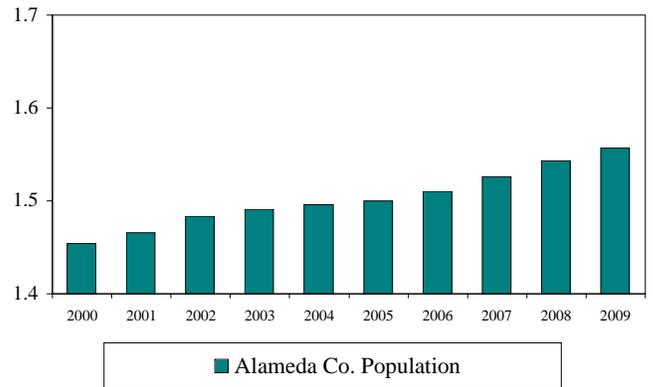
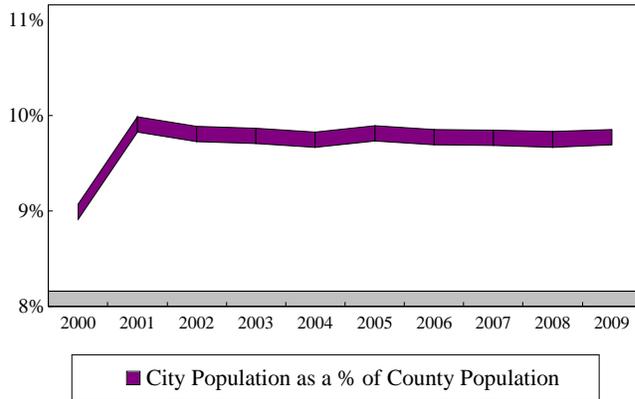
**CITY OF HAYWARD
 BONDED DEBT PLEDGED REVENUE COVERAGE
 TAX ALLOCATION BONDS
 LAST TEN FISCAL YEARS**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2000	2,404,938	250,000	289,019	539,019	4.46
2001	2,599,452	265,000	278,081	543,081	4.79
2002	3,728,173	275,000	266,156	541,156	6.89
2003	5,113,404	290,000	253,506	543,506	9.41
2004	6,138,632	305,000	239,876	544,876	11.27
2005	7,035,685	0	1,643,576	1,643,576	4.28
2006	9,154,816	595,000	2,199,581	2,794,581	3.28
2007	11,465,642	610,000	2,571,716	3,181,716	3.60
2008	12,082,986	1,210,000	2,722,771	3,932,771	3.07
2009	12,630,212	1,270,000	2,662,272	3,932,272	3.21

Source: City of Hayward Annual Financial Statements

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



<u>Fiscal Year</u>	<u>City Population</u>	<u>Net Effective Buying Income Per Family</u>	<u>City Unemployment Rate</u>	<u>Alameda Co. Population</u>	<u>City Population % of County</u>
2000	129,610	42,615	3.4%	1,454,302	8.91%
2001	144,037	46,919	4.5%	1,465,669	9.83%
2002	144,304	51,588	4.5%	1,483,438	9.73%
2003	144,721	45,899	6.4%	1,491,247	9.70%
2004	144,633	46,994	6.3%	1,495,775	9.67%
2005	146,027	47,606	5.5%	1,500,228	9.73%
2006	146,398	51,177	5.1%	1,510,303	9.69%
2007	147,845	51,177	5.3%	1,526,148	9.69%
2008	149,205	51,177	6.2%	1,543,000	9.67%
2009	150,878	76,663	11.1%	1,556,657	9.69%

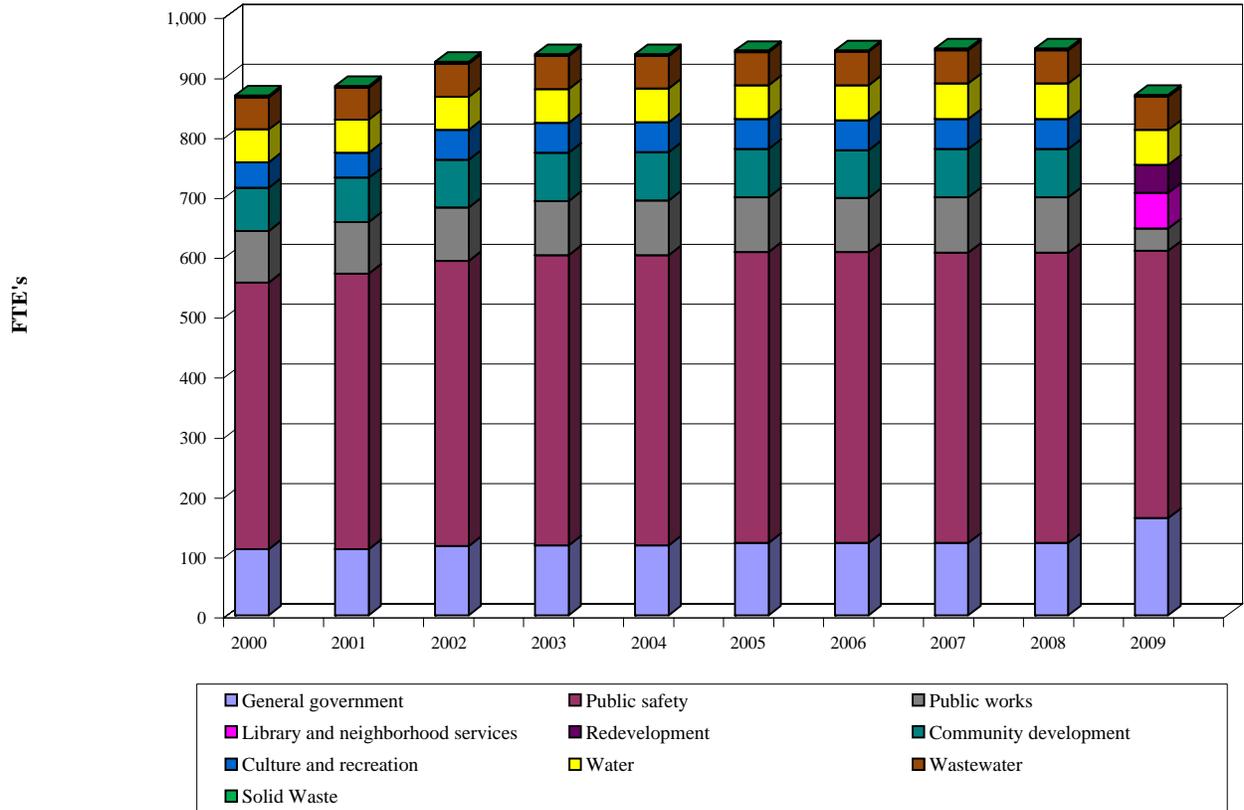
Source: California State Department of Finance

City of Hayward
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2008-09			1999-00		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Hayward Unified School District	1776	1	1.2%	2100	1	1.5%
California University East Bay	1600	2	1.1%	1600	3	1.1%
Kaiser Permanente Medical Center	1200	3	0.8%	1200	4	0.9%
City of Hayward	1178	4	0.8%	835	6	0.6%
St. Rose	842	5	0.6%	660	8	0.5%
Gillig Corporation	700	6	0.5%	600	10	0.4%
Chabot College	615	7	0.4%	763	7	6.1%
Merelich Mechanical	500	8	0.3%			
Bay Cities Auto Auction	500	9	0.3%			
Kobe Precision	450	10	0.3%	440	11	3.5%
Alameda Newspaper Group	425	11	0.3%			
Pepsi Cola	400	12	0.3%	350	12	2.8%
Injex Industries, Inc.	375	13	3.6%			
Mervyn's				2000	2	1.4%
Pacific Bell				940	5	0.7%
Etec Systems, Inc.				600	9	0.4%
Neopost				350	13	0.2%
Subtotal	10,561		7.0%	12,438		8.9%
Total City Populatio Using Census Data	<u>150,878</u>			<u>140,030</u>		

* Mervyns filed for bankruptcy as of November 2008

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



	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function										
General government	111.00	110.50	116.00	117.00	117.00	121.00	121.00	121.00	121.00	162.50
Public safety	445.00	460.20	476.20	484.20	484.20	486.20	485.20	484.70	484.70	446.70
Public works	85.75	85.75	88.75	90.75	91.75	90.75	90.75	92.75	92.75	36.50
Library and neighborhood services										59.85
Redevelopment										46.50
Community development	72.50	74.00	79.50	80.50	80.50	80.50	79.50	80.50	80.50	*
Culture and recreation	41.95	41.95	49.85	49.85	49.85	49.85	49.85	49.85	49.85	*
Water	55.00	55.00	56.00	56.00	56.00	57.00	59.00	59.00	59.00	58.25
Wastewater	53.50	53.50	54.50	55.50	54.50	54.50	55.50	55.50	55.50	55.50
Solid Waste	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total	<u>867.70</u>	<u>883.90</u>	<u>923.80</u>	<u>936.80</u>	<u>936.80</u>	<u>942.80</u>	<u>943.80</u>	<u>946.30</u>	<u>946.30</u>	<u>868.80</u>

Source: City of Hayward Adopted Operating Budget

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

CITY OF HAYWARD
Operating Indicators by Function/Program

Function/Program	Fiscal Year		
	2007	2008	2009
Public safety:			
Fire alarms	13,600	14,500	14,537
Police: (Uniform Crime Reporting Statistics)			
Property crime calls	5,360	4,901	4,445
Violent crime calls	1,521	1,389	991
Arson calls	71	72	60
Public works			
Pavement Condition Index (PCI)*	70	70	70
*Industry measure of street condition with 100 ideal score			
Annual pavement improvement projects	11	10	11
Airport operations count/flights	125,516	148,052	133,941
Airport reported based aircraft	487	480	480
Redevelopment			
Housing Units Developed in the Vicinity of Downtown Hayward BART Station	305	60	0
Social Services Projects Funded	24	23	24
Facilities Projects Funded	8	8	7
Economic Development Projects Funded	1	1	4
New Housing/Rehab Projects Funded	2	2	2
Public Services Projects Funded	10	10	12
Planning			
Active Subdivisions	13	44	51
Active Parcel Maps	14	11	9
Building Permits	2,522	2,654	1,534
Residential Rental Inspections	3,554	4,608	4,106
Library and neighborhood services			
Library Materials in Collection	156,168	154,799	160,022
Library Circulation (Items checked out)	746,442	958,145	1,005,053
Community Preservation Cases	1,599	2,410	2,520
Water			
Water service connections	31,537	32,288 (a)	32,352 (a)
Water main breaks	43	28 (a)	56 (a)
Average daily consumption (thousands of gallons)	18,401	19,334 (a)	18,568 (a)
Wastewater			
Sewer service connections	30,518	31,829 (a)	31,139 (a)
Average daily treatment (thousands of gallons)	12,733	12,900 (a)	12,250 (a)
Solid Waste			
Landfilled waste recycled and diversion rate*	50%	65% (b)	55%-60% (b)
*Diversion rate beginning in calendar year 2000 and each year thereafter.			

Source: City of Hayward

Data older than FY2007 was not readily available -- will be included in next year's CAFR

CITY OF HAYWARD
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003
Public safety:				
Fire stations (a)	9	9	9	9
Number of firefighters and officers (b)	120	127	128	125
Police stations	1	1	1	1
Number of police officers (c)	182	197	204	204
Public works				
Miles of streets	252	253	255	258
Street lights	6,850	6,900	6,950	7,000
Traffic Signals	99	100	101	103
Airport	1	1	1	1
Library and neighborhood services				
City Libraries	2	2	2	2
Water				
Number of consumers	126,000	126,000	130,000	130,000
Average daily consumption (gallons)	18,717,410	18,360,735	17,608,073	17,688,993
Miles of water mains	300	325	325	325
Storage capacity (gallons)	25,250,000	25,250,000	25,250,000	25,250,000
Wastewater				
Miles of sewers	301	325	325	325
Number of treatment plants	1	1	1	1
Treatment capacity (gallons)	16,500,000	16,500,000	16,500,000	16,500,000

(a) Includes Fairview Fire District Station under contract

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

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

Sources: City of Hayward

Fiscal Year

2004	2005	2006	2007	2008	2009
9	9	9	9	9	9
115	119	118	120	121	116
1	1	1	1	1	1
196	188	192	186	186	181
258	258	258	258	260	260
7,000	7,300	7,300	7,300	7,700	7,700
105	106	107	107	108	108
1	1	1	1	1	1
2	2	2	2	2	2
130,000	140,000	140,000	140,000	140,000	140,000
19,647,860	18,500,000	18,300,000	18,200,000	19,300,000	18,600,000
325	325	325	340	340	350
25,250,000	28,100,000	28,100,000	28,100,000	28,100,000	28,100,000
325	325	325	340	340	320
1	1	1	1	1	1
16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000

CITY OF HAYWARD

777 B STREET

HAYWARD, CA 94541

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