

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CITY OF VALLEJO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

PREPARED BY THE
FINANCE DEPARTMENT

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OFFICE OF THE FINANCE DIRECTOR · 555 Santa Clara Street · Vallejo · CA · 94590 · 707.648.4592

December 6, 2021

To the Honorable Mayor, Members of the City Council And Citizens of the City of Vallejo, California

It is our pleasure to present to you the 2021 Annual Comprehensive Financial Report (ACFR) for the City of Vallejo, California. The Finance Department has prepared this ACFR in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). The Finance Department has prepared this report to present the City of Vallejo's financial position as of June 30, 2021, the results of its operations, and the cash flows of its proprietary funds for the year then ended in accordance with Generally Accepted Accounting Principles (GAAP).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, we believe the data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the City's financial position and changes in financial position. All disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

Lance, Soll & Lunghard, LLP have audited the City's basic financial statements, a fully licensed public accounting firm qualified to perform audits of the state and local governments within the State of California. The independent audit's goal was to provide reasonable assurance that the City's basic financial statements for the fiscal year ended June 30, 2021, are free of material misstatement. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

PROFILE OF GOVERNMENT

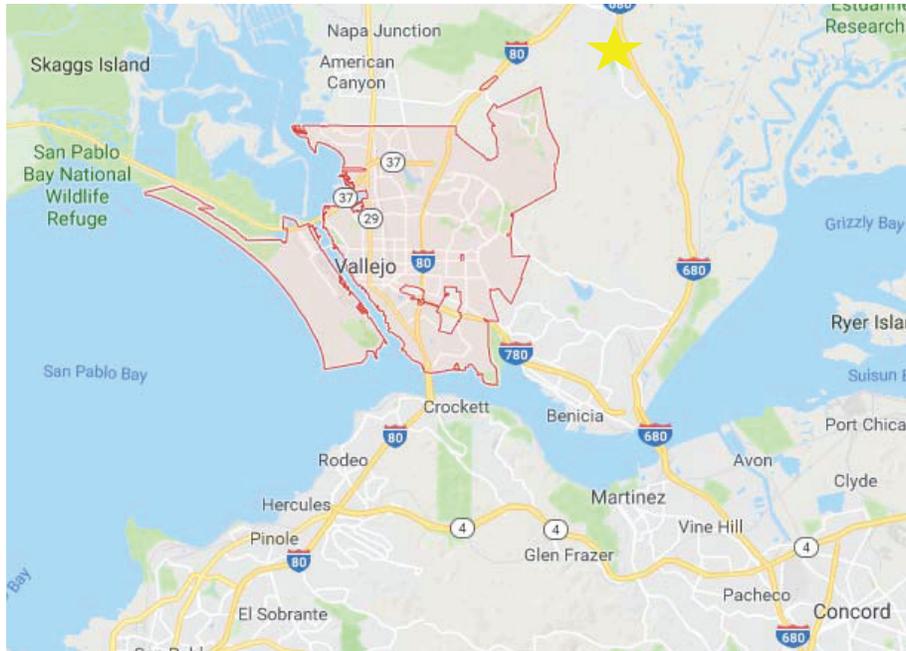
The City of Vallejo is a municipal corporation incorporated in March 1868, under the laws of the State of California. A Charter City located within Solano County in Northern California, the City operates under a City Charter initially adopted in 1911 and last amended in November 2013. The Charter provides for a Council-Manager form of government in which the City Manager recommends policy, program, and budget priorities to the City Council, which in turn develops legislation and policies to direct the City.

The citizens elect the City of Vallejo's governing body in a general, popular election. The Mayor, elected by the community-at-large to a four-year term, acts as the City's formal representative and presides over Council meetings. The City Council, elected on a nonpartisan basis, consists of six members elected by the community to four-year, staggered terms. Three Council members are elected every two years. The City has recently voted to move to elections "by-district" beginning with the 2020 election year, in which three of the six districts will be electing Council representatives.

With a population of just over 118,000 (estimated as of 2021), Vallejo is the largest City in Solano County and the tenth most populous City in the San Francisco Bay Area. Vallejo is the site of Mare Island Naval Shipyard, the first United States naval base established on the Pacific Ocean. Established in 1854, the shipyard began building ships the following year. More than 500 naval vessels were constructed, and thousands were overhauled at Mare Island before the base closure in 1996.

The Sacramento, Napa, and San Joaquin Rivers all flow into the San Francisco Bay at Vallejo. Rolling hills surround the City, protecting it from fog and wind typical of many coastal towns. Vallejo enjoys a mild Mediterranean climate. It is connected to the Greater Bay Area, the Pacific Rim, and the rest of the world by ship, rail, automobile, and air.

Vallejo is located in Northern California, 30 miles northeast of San Francisco, Approximately 60 miles southwest of Sacramento, 70 miles north of Silicon Valley, and 385 miles north of Los Angeles.



*Map Source: Google Maps

The City provides a wide range of municipal services, including public safety (police and fire protection), a municipal water system, street maintenance, and other public works infrastructure functions, housing assistance, golf courses, planning, building inspection, public marina, and general administration. The separate Greater Vallejo Recreation District (GVRD) provides for Parks and Recreation programs and services, Water Emergency Transport Agency (WETA) provides for ferry services, and Solano County Transit (SolTrans) provides bus services.

This report includes all organizations and activities for which elected City officials exercise financial accountability. The notes to the financial statements further discuss the City as a financial reporting entity.

Accordingly, the following entities, although legally separate, are component units and are incorporated in the accompanying financial statements:

- Housing Authority of the City of Vallejo (Blended Component Unit)
- Marine World Joint Powers Authority (Blended Component Unit)
- Parking Authority of the City of Vallejo (Blended Component Unit)
- Public Financing Authority of the City of Vallejo (Blended Component Unit)
- Empress Investment Fund, LLC (EIF) (Blended Component Unit)
- Vallejo Homeless Navigation Center JPA (Blended Component Unit)
- Vallejo Flood and Wastewater District (Discrete Component Unit)
- Vallejo Flood and Wastewater District Financing Corporation (Discrete Component Unit)

ECONOMIC CONDITION AND OUTLOOK

Prior to the COVID-19 Pandemic, the City was experiencing a cross-sector upward trend. Unemployment in Vallejo had dipped below 4%, its lowest point in a quarter-century, and nearly 1,000 jobs had been created across the City since January 2018. In March of 2020, the Governor of California announced a restrictive 'Stay at Home' order statewide to mitigate the Pandemic's impacts and pre-empt the impact on the Health Care system. This order shut down all non-essential businesses and seriously impacted the service industry (Hospitality, Restaurants, Health Clubs, and many more). The City also closed City Hall, and all non-essential employees worked remotely. As the State recovers from the pandemic, the City is moving to more in-person meetings, returning employees to their offices and some level of normalizing into 2022.

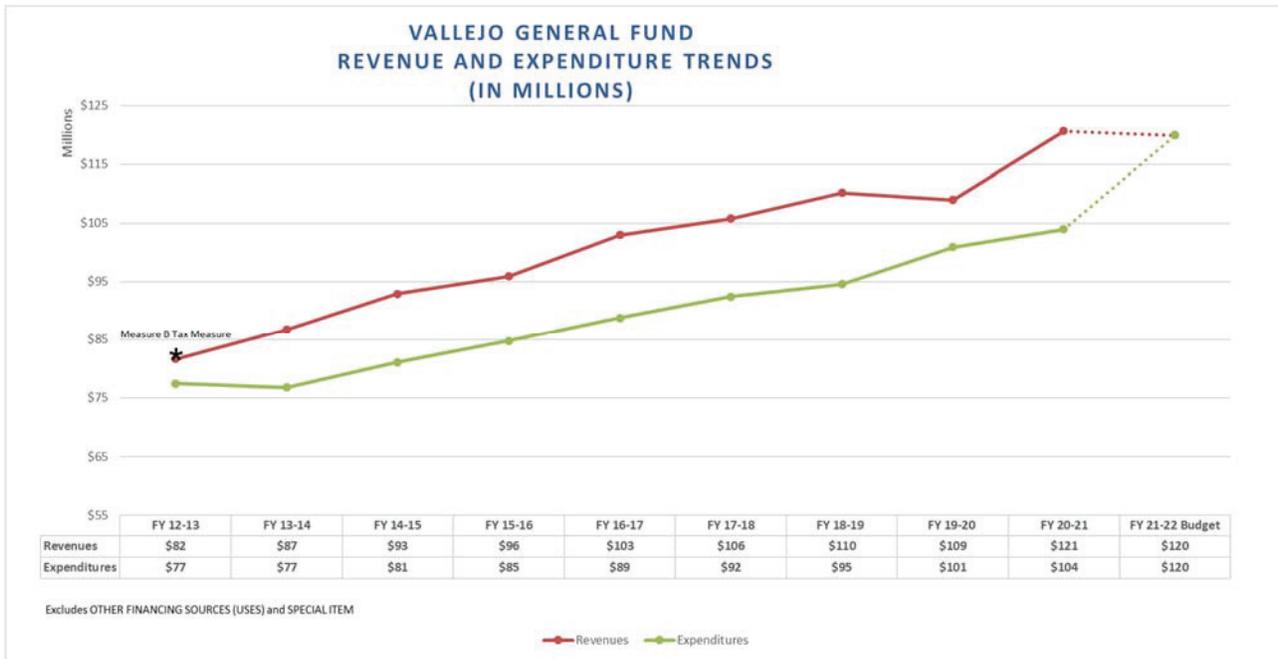
The economic impact has been felt throughout the City, and has impacted many small businesses very seriously. The unemployment rates in Solano County spiked at a high of 14.9% in April 2020, and unemployment in Vallejo came in at 16.6%. These challenging numbers were reduced slightly by the Federal CARES act funding and the eventual slow reopening of businesses in the summer. The Pandemic's economic impact on the small businesses is still felt but there are encouraging signs for additional recovery in the coming year. As many look to 2022, there is hope that some normalization to our citizens' lives can occur, but predicting how it can improve the economic future is challenging.

Even in the midst of the pandemic, and through 2021, Bay Area real estate is still trending positively - leading to continued upward movement in property values; Vallejo continues to be an affordable location and up-and-coming Bay Area city for young professionals and working-class families. A healthy housing stock, new residential development projects, and the ease of commute to San Francisco via ferry put Vallejo in a prime position to offer home-seekers a unique opportunity to settle down in a region that can otherwise be cost-prohibitive.

During the pandemic and current economic rebound, the City has seen negative impacts on revenue sources. Even with some positive signs of development opportunities, some of the looming fiscal challenges include the rising costs for employee salaries and benefits that threaten nearly all small businesses and California municipalities. In addition, critical pieces of City infrastructure are showing their age and would require significant capital expenditures to remedy. In the next year, the City will focus on support for small businesses, retaining jobs, streamlining new development, planning for future infrastructure, and updating City's Economic Development strategic plan.

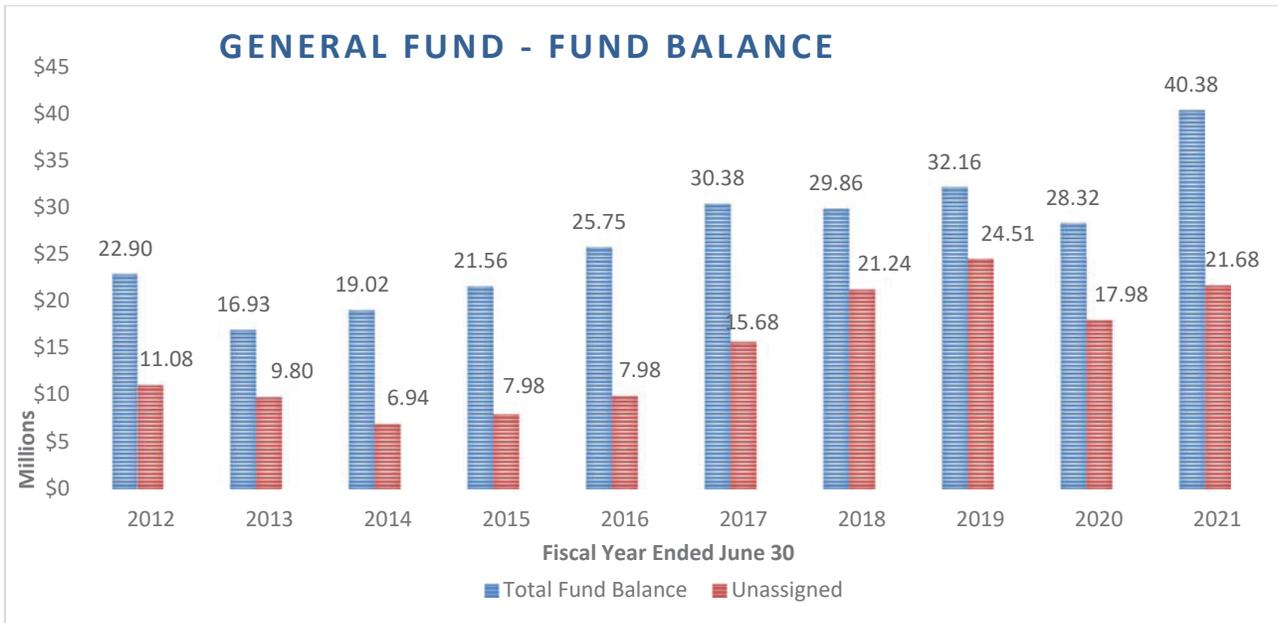
State Budget – Prudent fiscal planning is supporting the state's recovery from the nationwide COVID-19 Recession that began in February 2020. The California 21-22 State Budget is roughly in balance. The state currently has historically high reserve levels and increased revenues allow for elimination of \$2 billion in program suspensions. According to the Budget, funding is being targeted towards "one-time spending over ongoing spending." One-time federal funding and a significant increase in state funds allowed the State to invest in children and youth and improve the educational outcomes of the next generations of Californians. It includes an expansion of the Golden State Stimulus and Golden State Grant programs and improves Health Care Equity by expanding Medi-Cal eligibility. The budget also contains the most significant investment to combat homelessness in the state's history. These expenditures could positively impact Vallejo houseless people, as well as working families, students and residents, as Vallejo has historically contained a more middle and working class constituency than many of our Bay Area neighbors.

Revenues and Local Sales Tax Increase - In November 2016, the Vallejo voters approved a sales tax measure, known as "Measure V," that permanently extended the City's 2011 Measure B one-cent per dollar transaction and use tax. This tax continues to provide around \$19.8 million annual revenues to the City. These revenues are strategically allocated towards specific projects, targeted staffing, and the rebuilding of reserves under the direction of the City Council. Also, these revenues have positioned the City to restore services previously reduced during the resource challenges of the past several years. The following chart tracks the improvement in the total General Fund revenues available for public safety and other services.



CURRENT FINANCIAL CONDITIONS

Current Financial Condition - The graph below illustrates the City's current financial condition and its improved fiscal stability since the passage of the 2011 Measure B/V tax. It presents the changes in fund balance for the General Fund for the fiscal year ended June 30, 2021, as compared with the ten prior years.



In fiscal year 2020-21 the General Fund revenues had not been as drastically impacted by the pandemic as originally projected primarily due to strong sales and Measure B/V tax revenues. As a result, the City was able to maintain General Fund unassigned fund balance (budget reserves) over the City Council's established level of 15% of expenditures. The City is committed to maintaining and growing these fund balance reserves to provide additional strength and assurance for ongoing City operations and future obligations.

Pension and Other Post-Employment Benefit (OPEB) Obligations – A continued concern for California cities are notable obligations for pensions and OPEB for retiree health care. The California Public Employees' Retirement System (CalPERS) continues to address pension plan risk and funding levels by updating its actuarial demographics assumptions and phasing in contribution increases to address significant investment

losses dating back to 2009. As a result, employer contribution rates are projected to continue to rise in future years.

During fiscal year 2020-21, the City contributed 22.584% and 11.535% of employee salary towards the standard cost for its Safety and Miscellaneous pension plans, respectively. In addition, in July 2020, the City made its \$21.5 million required annual payment on the Unfunded Accrued Liabilities (UAL). Projections utilizing July 2021 CalPERS data show City's FY 2027-28 standard rates for its Safety and Miscellaneous plans decreasing to 18.9% and 9.3% respectively and its total required annual payment on the UAL increasing to \$32.3 million.

The City has previously taken steps to mitigate both this CalPERS rate increase and its OPEB retiree health obligations. In 2013, the City proactively made a supplemental contribution of \$6.5 million to CalPERS to begin plan stabilization. In August 2017, the City established an Internal Revenue Code (IRC) Section 115 Trust with the Public Agency Retirement Services (PARS) organization to further mitigate against future CalPERS increases. At June 30, 2021, the General Fund reported \$10.9 million in total contributions to the PARS Pension Trust Fund, including investment earnings.

During 2013-14, the City made an initial \$10 million contribution to a dedicated and irrevocable retiree health benefits trust fund to begin to provide the resources necessary to ensure long-term funding for its OPEB obligation. On June 30, 2021, the City's total contributions to the California Employer' Retiree Benefit Trust (CERBT) were \$29 million including investment earnings, funding 74% of the City's total OPEB liabilities of \$39 million as of June 30, 2020 measurement date.

LONG RANGE FINANCIAL FORECASTING

General Fund Long-Term Financial Forecast – The City regularly utilizes the General Fund long-term financial forecast to help the City plan for the future by providing an understanding of available funding while evaluating financial risks and identifying future commitments and resource demands. The table below provides the current five-year view of the City's fiscal condition and incorporates both operating and capital needs in the community.

	FY 21/22 Adopted	FY 22/23 Projected	FY 23/24 Projected	FY 24/25 Projected	FY 25/26 Projected
Revenues/ Transfers In	\$ 120.0	\$ 124.5	\$ 126.3	\$ 129.8	\$ 131.4
Expenses/ Transfers Out	120.0	126.6	127.4	129.9	131.3
(Deficit)/ Surplus for Year	-	(2.1)	(1.1)	(0.1)	0.1
Ending Available Balance	\$ 18.0	\$ 15.9	\$ 14.8	\$ 14.7	\$ 14.8

While the City operates with a structurally balanced budget in fiscal year 2021-22, overall, the City is currently projecting deficits beginning in fiscal year 2022-23. This is primarily due to rising pension, health care and general liability costs. The City continues to look for ways to develop a more sustainable fiscal framework and implement long-term solutions that will address these ongoing budgetary challenges.

Capital Improvement Project Planning – The City's Capital Improvement Program (CIP) is planned for five years and analyzed using City-specific prioritization criteria. This is updated regularly to reflect changing needs, funding availability and removal of projects which have been completed. The CIP budget for 2021-22 is \$26 million. Funding comes from multiple sources, including General fund transfers, fees, grants and bond proceeds.

MAJOR INITIATIVES

Each year the City is provided with a new opportunity to identify, address, and resolve issues facing the community and its residents.

Small Business Support Initiatives – The City recognized that the Pandemic had significant impacts on its small local businesses. This impact is felt by these business owners and neighbors and fellow citizens employed locally, as well as through the City's tax revenues. As the general economy recovers, the City has recognized the need to continue to support its small businesses and provide support materials to businesses from early days of the pandemic through the on-going recovery – including support for Payroll Protection,

access to the Solano Workforce Development Board (WDB), Small Business Development Center (SBDC) resources, Chamber resources, State support services, essential business determinations, business reopening guidelines, outdoor dining, and personal service permits, hybrid permitting options, and much more.

Small Business Grant Program – Pandemic Relief

The City implemented a successful Small Business Grant program that supported over 40 Vallejo businesses. The City Council approved the use of American Rescue Plan Act (ARPA) funds to provide a second round of grant funds to function as a direct support to small businesses in Vallejo. The staff and partners, Solano WDB, look forward to implementing a second round of grant programs for small businesses and enhancing the program with recovery support similar to other programs in Solano County and throughout the state.

Development Initiatives – The City continues to focus on economic development with a commitment to advance job growth, create sustainable revenue, and to maintain an excellent quality of life for all residents.

Several exciting Economic and Community Improvement Projects on key pieces of property are seeing movement over the past year with a list of opportunities in the coming year. The City continues to see many business and development inquiries, and staff are working diligently to expedite these projects with the vision that their success will ripple through the community and help bolster future development opportunities. Some of these projects include:

Mare Island – Proposed Mixed-Use Development

The Nimitz group took ownership of the majority of Mare Island and contracted with a development partner Southern Land Company the end of 2019. The Nimitz Group and Southern Land Company embarked on a program of hiring a development team, facilitating business in their core commercial area, assessing current buildings for upgrades, providing security and improvements, analyzing the infrastructure costs on the island, and the costs for North Mare Island. They also have added to their design and planning team to develop an island-wide master plan to create Mare Island as a place for a community of manufacturing, business, employment, housing, and recreation. Over the past year they have held monthly community meetings to keep all informed of plans and progress as well as meeting regularly with the City staff to implement the North Mare Island exclusive negotiating agreement into a full development agreement (DA). The DA is expected to be approved in the first quarter of 2022 and will guide development of the island over the next several years.

Cooke Property – New Costco and Housing Development in Process

Vallejo Fairview Developers/Lewis Group received entitlement approval for a Master Plan to construct a new, expanded Costco, additional retail and 178 new single-family homes on the 50-acre parcel formerly known as the Cooke Property on Admiral Callahan Lane adjacent to I-80 in 2020. The long-vacant site's size and visibility make it an ideal relocation site for Costco, and it allows the City to retain this major employer and sales tax collector, as well as provides much needed housing to the community housing stock. Agreements to implement this project are complete and the developer is preparing to move forward in the coming year.

Blue Rock Springs – Proposed Golf and Housing Development

Currently, under an Exclusive Negotiating Agreement with the Greg Norman Company and Lewis Group, the proposed Project Concept would transform two fiscally unsustainable City golf courses and an aging clubhouse on 225 acres of City-owned land into a new community of approximately 600 single-family homes designed within a single 18-hole Greg Norman golf course and state-of-the-art clubhouse. Revenues from the proposed project would cover construction of the new course and clubhouse and eliminate \$350,000-\$750,000 in annual General Fund subsidies, but the golf component would remain public/City-owned. The Pandemic, neighbor concerns, and other challenges have slowed this project process, but the coming year should see increased movement as we move forward the proposed development agreement.

Solano360 – Solano Fairgrounds

The overall site consists of 149.1 acres in the Vallejo City limits. The City and the County worked together on a Request for Qualifications (RFQ) process that selected two primary development groups to propose on a Request for Proposals (RFP) to amend the 2009 Specific Plan. The City and County selected one master developer based on their proposal in October 2020. The County has signed an agreement with the preferred developer to facilitate their vision for the development of the area as an iconic region-serving public entertainment destination and private-mixed use development, and an integrated "Fair of the Future". A proposed Specific Plan Amendment envisions that the site would develop with a mix of region-serving entertainment uses along with restaurant, retail and hospitality uses that complement the existing Solano County Fairgrounds and the adjacent Six Flags Discovery Kingdom facility. Development kick off

meetings began in 2021 and the County and developer are preparing detailed plans to be submitted to the City in preparation of moving this project forward in the coming year.

Downtown Ferry Ridership, Parking Improvements and Enforcement

The pandemic's impact on Ferry ridership and parking demand started to ease in FY 20/21 but remains about 60% below pre-pandemic levels. Parking revenue reflects this low demand and staff have scaled down parking operations to better align costs with revenue as well. The Parking Enterprise will run a deficit in FY 20/21. Program revenues are expected to continue their slow rebound as San Francisco reopens and commuter traffic returns. The City's efforts to develop the second phase of the Vallejo Station Parking Structure have been impacted by the State's Surplus Lands Act requirements. Planning, Economic Development, and City Attorney staff are working through these hurdles. The consolidation of parking into the Phase A & Phase B structures would allow the City to leverage its current lots along the waterfront for use in targeted economic development projects.

Participatory Budgeting – In 2012, the Vallejo City Council established the first citywide Participatory Budgeting (PB) process in the United States, where residents have the opportunity to propose how to spend a portion of the city budget. Through the PB process, Vallejo residents and stakeholders share ideas, develop project proposals, and residents vote on projects. The approved list of projects that receive the most votes are submitted to City Council for consideration. By Fiscal Year 2020-21, over 64 projects have been approved through the PB process, totaling more than \$10.6 million in funding. Although Participatory Budgeting was placed on pause in Fiscal Year 2020-21, an additional \$500,000 was allocated towards the program. These funds will go towards eight new projects in the upcoming Fiscal Year.

Eden Supportive Housing Project

The City worked collaboratively with Eden Housing to create 74 units of permanently affordable housing units in a supportive housing project on Sacramento Street. This project required the efforts of multiple Departments and leveraging HUD funds to make the project a reality. The project broke ground in November of 2021.

Improving Technology – The City of Vallejo deployed the new public safety communication system in June 2021. The antiquated Motorola system owned by the City was replaced with new modern Motorola 700/800 MHz digital system. Rather than investing in a stand-alone system wholly owned and operated by the City, the city leadership decided to join EBRCSA (East Bay Regional Communications Systems Authority). EBRCSA operates a two county (Contra Costa and Alameda) public safety radio system. This partnership and system upgrade gave our first responders new digital Motorola hand-held radios and equipped all police and fire cars with new radio equipment. New dispatch communication MCC7500 consoles were installed as part of this project. Funding for the MCC7500 consoles was approved by Participatory Budgeting Committee in Cycle 4. Currently, Information Technology Department is in the process of extending EBRCSA radio communications in the Hiddenbrooke area. This new communication site is expected to be online and fully operational in early December.

Information Technology continues to make strides in several areas of the City to improve technology and enhance communication. Following are projects that greatly enhance the City's operation and represent a considerable benefit for our citizens:

- As pandemic persists, Information technology continues to support a hybrid mode of operation for our internal and external users. Many improvements have been made to the City Council Chambers to support hybrid meetings. These improvements give our elected officials, staff, and citizens to seamlessly participate in the public process.
- Through the pandemic for over 18 months, Information Technology has accommodated and facilitated to conduct all city council, commission, and many town hall meetings virtually. Over 200 virtual public meetings were held via tele-conference with full participation from our citizens.
- Information Technology in close partnership with Finance and Human Resource department have embarked on upgrading our antiquated enterprise resource planning financial (ERP) system. The system in use today to manage City's financials, utility billing, payroll, and warehouse inventory was installed in 1998. This upgrade will take place in 2022 and expected to be fully completed by the summer of 2023.

Staffing and Collective Bargaining – The City remains focused on attracting dedicated professionals to fill critical vacant positions while developing and retaining current staffing in a very competitive employment

market. The City now has existing agreements in place with both the safety employee unions and is close to finalizing a three-year contract with IBEW and CAMP.

BUDGETARY CONTROL

The City maintains budgetary controls through the City Council's adoption of an annual budget and by maintaining an encumbrance accounting system. The Vallejo Municipal Code requires the City Manager to present the Annual Budget to the City Council for approval 45 days prior to the start of the new fiscal year. Expenditures for City operations and other purposes identified in the annual budget cannot legally exceed the budgeted amounts approved by the City Council. The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency by resolution by the City Council.

Ultimate budgetary control resides at the fund level; however, the City has adopted several budgetary appropriation and transfer procedures to provide strong internal controls while encouraging improved accountability and administrative responsiveness. All budgetary transfers require the Finance Director's or designee's review and approval. All transfers of appropriations affecting salaries and benefits also require the City Manager's or designee's review and approval.

Budgetary control is established at the following levels: a) General Fund – Department level; b) Other Funds – Fund level; and Capital Projects – at Department level with City Manager signature approval. The City Manager may authorize line item budget transfers within a General Fund department or within a fund other than the General Fund, consistent with the City Charter, the Vallejo Municipal Code, and budget resolution.

The City also uses encumbrance accounting as another technique for accomplishing budgetary control. An encumbrance is a commitment of a future expenditure earmarked for a particular purpose and reduces the amount of budget available for general spending. At the end of the fiscal year, encumbered appropriations, appropriations for uncompleted capital, Participatory Budgeting, and grant projects are carried forward and become part of the following year's budget while appropriations that have not been encumbered lapse.

The City continues to meet its responsibility for sound financial management, as demonstrated by the statements and schedules included in this report's financial section.

INTERNAL CONTROL

In developing and enhancing the City's accounting system, significant consideration is given to the adequacy of the City's system of internal accounting controls. Internal controls are designed to provide reasonable assurance regarding the safeguarding of assets against the loss from unauthorized use or disposition and the reliability of financial records to prepare financial statements and maintain accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

AWARDS

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

We are once again pleased to report that 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 Vallejo for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City believes the ACFR as of fiscal year ended June 30, 2021 continues to conform to the Certificate of Achievement Program requirements.

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report would not have been possible without the outstanding efforts, dedication, and teamwork throughout the year of the entire Finance Department, in particular the Accounting and Audit team, with the cooperation and assistance of all City departments.

I also recognize the professional support and guidance of the City's audit firm, Lance, Soll & Lunghard, LLP. Finally, I would like to express my gratitude to the Mayor Robert McConnell, City Council and Interim City Manager Mike Malone, for their vision and continued support in leading the City to economic prosperity and the goal of attaining long-term fiscal stability.

Respectively submitted,



Rekha Nayar
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
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Reporting

Presented to

**City of Vallejo
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF VALLEJO

Public Officials

City Council

	<u>Term Expires</u>
Robert H. McConnell, Mayor	January 2025
Rozzana Verder-Aliga, EdD, Vice Mayor (District 1)	January 2025
Cristina Arriola, Councilmember (District 6)	January 2025
Hakeem Brown, Councilmember (at-Large District 5)	January 2023
Pippin Dew, Councilmember (at-Large District 1)	January 2023
Mina Diaz, Councilmember (District 3)	January 2025
Katy Miessner, Councilmember (at-Large District 4)	January 2023

City Manager

Greg Nyhoff

City Attorney

Veronica A.F. Nebb

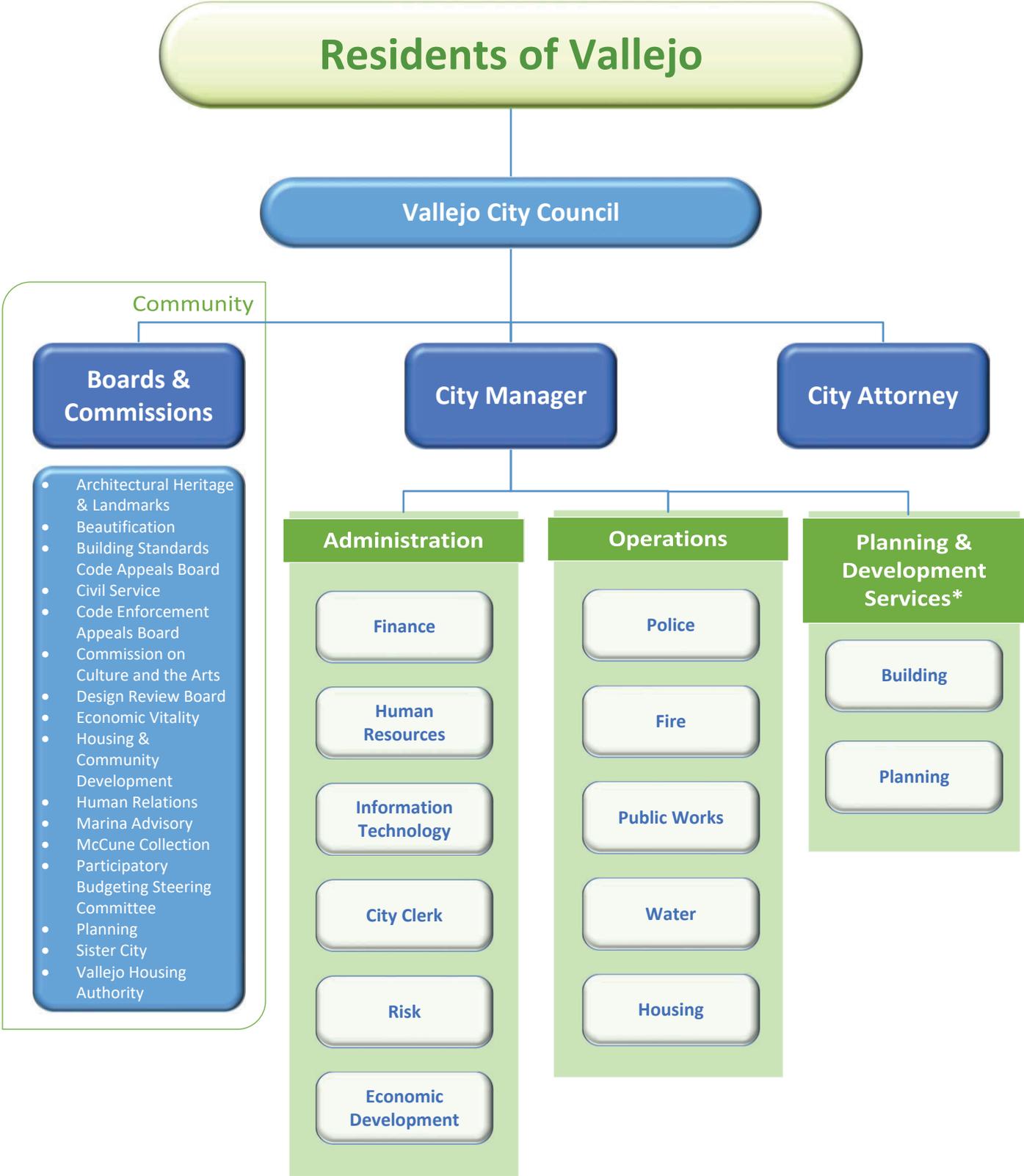
City Clerk

Dawn G. Abrahamson

Department Head

Anne Cardwell, Assistant City Manager
Rekha Nayar, Finance Director
Vacant, Human Resources Director
Shawny Williams, Police Chief
Vacant, Fire Chief
Terrance Davis, Public Works Director
Michael Malone, Water Director
Gillian Hayes, Planning & Development Services Director
Naveed Ashraf, Chief Innovation Officer

Citywide Organizational Chart



* Proposed change in department title from Economic Development to Planning & Development Services requires formal authorization of the City Council by ordinance in accordance with City Charter Section 601.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Vallejo, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Vallejo, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 Vallejo, California, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We did not audit the financial statements of Vallejo Flood and Wastewater District. Those component unit financial statements were audited by other auditors whose reports have been furnished to





To the Honorable Mayor and Members of the City Council
City of Vallejo, California

us, and our opinion, insofar as it relates to the amounts included for Vallejo Flood Water and Wastewater District, is based solely on the reports of the other auditors. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council
City of Vallejo, California

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 6, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2021

This narrative of the City of Vallejo's financial performance provides an overview and analysis of the City's financial activities for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Transmittal Letter, the Basic Financial Statements, and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Government-wide (full accrual basis)

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$287.9 million (net position). This amount improved by \$22.9 million from the prior year.
- The City's total outstanding bonded debt increased from prior year by \$49.4 million. The increase is associated with the Series of 2021A Water Revenue Bonds issued by the City in February 2021 to finance \$51.3 million in drinking water system improvement projects.
- The City received various fundings from the Coronavirus Aid, Relief, and Economic Act (CARES). During the fiscal year, \$5.2 million had been spent with the assistance of numerous community partners.
- The City was allocated \$25.7 million through the American Rescue Plan Act (ARPA). Half of it (\$12.9 million) was received in fiscal year 2020-21 and earmarked for homeless programs, broadband infrastructure, fire station tonal safety alert system, street safety crime reduction, economic development, community COVID recovery and reopening the Glen Cove fire station.

Fund level (modified accrual basis)

- As of June 30, 2021, the City's governmental funds reported combined fund balance of \$143.9 million, \$23.1 million higher than the prior year balance. Approximately 15% of this amount or \$21.7 million is unassigned and available for spending at the City's discretion.
- The General Fund had a total ending fund balance of \$40.4 million, up by \$12.1 million or 43%, from fiscal year 2020. Of the total fund balance, \$21.7 million (54%) is unassigned. This balance represents 18% of Fiscal Year 2021-22 budgeted expenditures (including Measure B programs), which exceeds the City's goal and GFOA recommended reserve level of 15%.
- The Water Fund reported an unrestricted net position of \$7.1 million which may be used to support the Water Fund's operating and capital requirements.

Detailed discussion of the changes in net position and fund balances can be found in the subsequent sections.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report is presented in the following sections:

- 1) This introductory commentary, *Management's Discussion and Analysis*
- 2) *Basic Financial Statements*, including:
 - a. Government-wide financial statements
 - b. Fund financial statements
 - c. Notes
- 3) *Required Supplementary Information*
 - a. Net OPEB Liability and Contribution Schedules
 - b. Net Pension Liability and Contribution Schedules
- 4) *Supplemental Information*:
 - a. Non-major governmental funds
 - b. Internal service funds
 - c. Custodial funds

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as introduction to the City's Basic Financial Statements, comprised of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position.

Government-wide Financial Statements

The Government-wide Financial Statements provide a long-term view of the City's activities as a whole. The Statement of Net Position provides information about financial position, including capital assets and long-term liabilities on a full accrual basis, similar to that used by commercial enterprises. The Statement of Activities provides information about the City's revenues and expenses, also on a full accrual basis, with emphasis on measuring the net revenues and expenses of City programs. Information is presented both in total and separately for governmental activities, which are generally supported by taxes and grants, and for business-type activities, which are generally supported by user fees. The City's activities include the activities of multiple legal entities, and the Vallejo Flood and Wastewater District (VFWD, formerly Vallejo Sanitation and Flood Control District), a discretely presented component unit, because the City is either financially accountable for these entities or has control of the governing board of these entities.

Fund Financial Statements

The Fund Financial Statements report the City's operations in more detail than the government-wide statements. The focus is on the individual funds that are used to report the status of restricted or otherwise segregated resources and also to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories:

Governmental Funds – Governmental funds 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 (Modified Accrual Basis of Accounting). Such information may be useful in evaluating the City's near-term financing requirements. To understand the long-term impact of the City's near-term financing decisions, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- **Proprietary Funds** – The City maintains two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise Funds report the same functions presented as business-type activities in the Government-wide Financial Statements. The City has five enterprise funds, which are all reported as major funds.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City’s internal service funds account for fleet maintenance and replacement, risk management and insurance, payroll and retiree health benefits. Since these services predominantly benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Government-wide Financial Statements.

Proprietary funds provide the same type of information as the Government-wide Financial Statements, but in more detail. The proprietary funds financial statements provide separate information for each of the enterprise funds. Data for the five internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

- **Fiduciary Funds** – Fiduciary funds 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. Fiduciary fund accounting is similar to proprietary fund accounting. The City has two types of fiduciary funds: the custodial funds and the private purpose trust funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the Financial Statements follow the basic financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding its obligation to provide pension and retiree medical benefits to its employees. Required Supplementary Information follows the notes to the financial statements. Supplementary information on non-major governmental funds and internal service funds are also presented immediately following the required supplementary information on pensions.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Below is a summary of the City's government-wide net position as of June 30, 2021 and 2020, as measured on a full accrual basis of accounting. Over time, increases or decreases in net position may serve as a useful indicator as to whether the City's financial position is improving or weakening.

Statement of Net Position
as of June 30, 2021 and 2020
(In millions)

	Governmental Activities		Business-type Activities		Government-wide Totals		Increase/ (Decrease)
	2021	2020	2021	2020	2021	2020	
Assets							
Current and other assets	\$228.7	\$196.4	\$102.4	\$43.6	\$331.1	\$240.0	\$91.1
Capital assets	355.8	348.5	109.2	111.6	465.0	460.1	4.9
Total assets	<u>584.5</u>	<u>544.9</u>	<u>211.6</u>	<u>155.2</u>	<u>796.1</u>	<u>700.1</u>	<u>96.0</u>
Deferred Outflows of Resources							
Unamortized loss on refunding of debt	-	-	1.5	1.8	1.5	1.8	(0.3)
Related to pensions	31.2	29.2	3.9	3.2	35.1	32.4	2.7
Related to OPEB	3.3	2.4	0.8	0.5	4.1	2.9	1.2
Total deferred outflows	<u>34.5</u>	<u>31.6</u>	<u>6.2</u>	<u>5.5</u>	<u>40.7</u>	<u>37.1</u>	<u>3.6</u>
Liabilities							
Current and other liabilities	61.0	42.3	14.4	12.9	75.4	55.2	20.2
Net pension liability	278.6	266.9	34.7	33.1	313.3	300.0	13.3
Other long-term liabilities	53.3	51.3	100.3	54.0	153.6	105.3	48.3
Total liabilities	<u>392.9</u>	<u>360.5</u>	<u>149.4</u>	<u>100.0</u>	<u>542.3</u>	<u>460.5</u>	<u>81.8</u>
Deferred Inflows of Resources							
Related to pensions	0.9	6.3	0.1	0.8	1.0	7.1	(6.1)
Related to OPEB	4.5	3.6	1.1	0.9	5.6	4.5	1.1
Total deferred inflows	<u>5.4</u>	<u>9.9</u>	<u>1.2</u>	<u>1.7</u>	<u>6.6</u>	<u>11.6</u>	<u>(5.0)</u>
Net position							
Net investment in capital assets	336.1	331.8	59.2	59.6	395.3	391.4	3.9
Restricted	98.1	91.7	0.0	0.5	98.1	92.2	5.9
Unrestricted	(213.5)	(217.4)	8.0	(1.2)	(205.5)	(218.6)	13.1
Total net position	<u>\$220.7</u>	<u>\$206.1</u>	<u>\$67.2</u>	<u>\$58.9</u>	<u>\$287.9</u>	<u>\$265.0</u>	<u>\$22.9</u>

As noted earlier, the City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$287.9 million (net position). This amount increased by \$22.9 million, or 9%, from prior year and is comprised of the following major components:

- Net investment in capital assets increased \$3.9 million to \$395.3 million. This represents the largest portion of the City's net position. The City uses these capital assets to provide services to its residents and other stakeholders. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, as the capital assets themselves could not be used to liquidate these liabilities.
- Restricted net position increased by \$5.9 million to \$98.1 million. These assets are subject to agreements with creditors, developers, grantors, or laws or regulations of other governments. By definition, the City cannot remove these restrictions as they are imposed by parties outside the City.

- The unrestricted net deficit improved from \$218.6 million in 2020 to \$205.5 million in 2021. This deficit is primarily due to the net pension liability for the Safety and Miscellaneous plans. Additional information on the net pension liability can be found in Note 10 to the Financial Statements.

Governmental Activities

The following analysis focuses on the changes in net position of the City's governmental activities for the years ended June 30, 2021 and 2020.

Statement of Activities
for the years ended June 30, 2021 and 2020
(In millions)

	Governmental Activities		Increase/(Decrease)	
	2021	2020	Amount	%
Revenues				
Program revenues				
Charges for services	\$26.1	\$24.1	\$2.0	8%
Operating grants and contributions	45.8	38.9	6.9	18%
Capital grants and contributions	7.1	2.8	4.3	154%
Total program revenues	<u>79.0</u>	<u>65.8</u>	<u>13.2</u>	<u>20%</u>
General revenues				
Property related taxes	34.0	32.8	1.2	4%
Sales and transaction taxes	38.2	32.4	5.8	18%
Utility users tax and others	28.9	27.6	1.3	5%
Investment earnings and other	5.4	9.1	(3.7)	-41%
Total general revenues	<u>106.5</u>	<u>101.9</u>	<u>4.6</u>	<u>5%</u>
Total revenues	<u>185.5</u>	<u>167.7</u>	<u>17.8</u>	<u>11%</u>
Expenses				
Administration	10.5	10.7	(0.2)	-2%
Community development	35.5	31.6	3.9	12%
Planning and development services	4.0	4.6	(0.6)	-13%
Fire services	34.6	34.9	(0.3)	-1%
Police services	56.1	54.9	1.2	2%
Public works	29.5	31.9	(2.4)	-8%
Interest on long-term debt	0.4	0.4	-	-
Total expenses	<u>170.6</u>	<u>169.0</u>	<u>1.6</u>	<u>1%</u>
Excess before transfers	14.9	(1.3)	16.2	-1246%
Transfers	(0.3)	(1.6)	1.3	-81%
Change in net position	<u>14.6</u>	<u>(2.9)</u>	<u>17.5</u>	<u>-603%</u>
Net position - beginning	206.1	209.0	(2.9)	-1%
Net position - ending	<u>\$220.7</u>	<u>\$206.1</u>	<u>\$14.6</u>	<u>7%</u>

Governmental activities increased the City's net position by \$14.6 million, mainly due to the 11% increase in total revenues.

Revenues

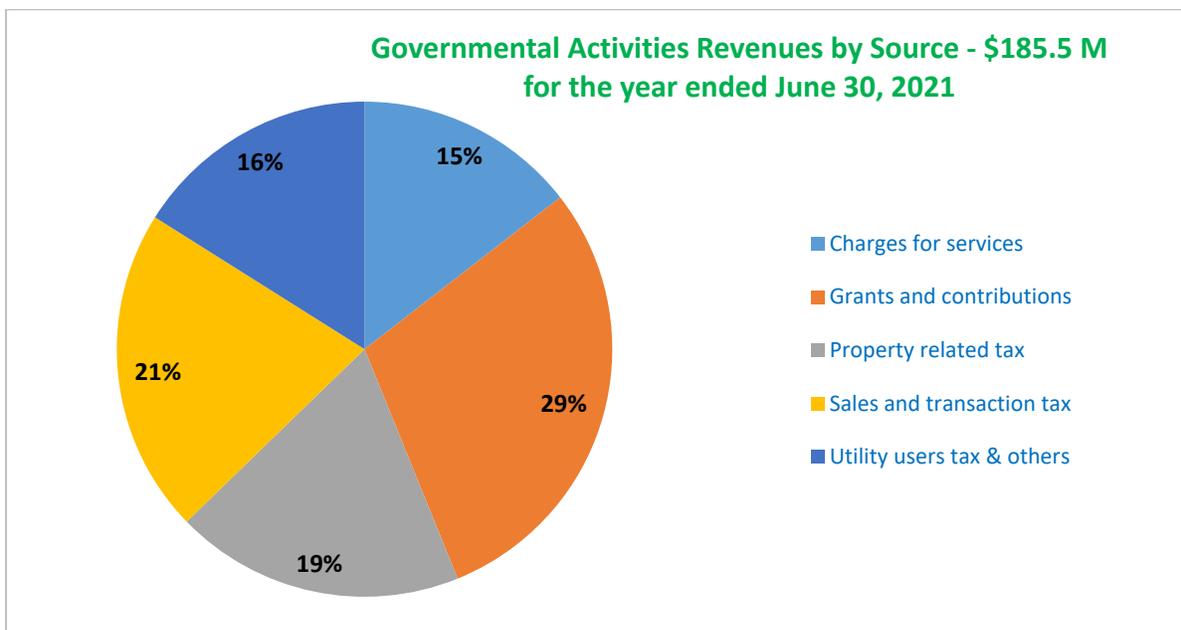
Total revenues for the City’s governmental activities had an overall increase from the prior year of \$17.8 million, or 11%. Revenues are divided into two categories: Program Revenues, which are the revenues derived directly from the functional programs or from parties outside the City’s taxpayers or citizenry; and General Revenues, which are the revenues that do not meet the requirements of program revenue, most of which are taxes.

Program Revenues were up \$13.2 million, or 20%, to \$79.0 million. The biggest factors were the federal money that was pumped into the economy to address the COVID-19 pandemic and funds received from State and Federal government sources for streets, roads and bike paths.

Total General Revenues of \$106.5 million improved by \$4.6 million from prior year. These revenues included general taxes, which provided the City Council with the most discretionary spending ability. The most significant factors in the year-over-year change in General Revenues were as follows:

- Property tax revenues increased \$1.2 million, or 4.0%, to \$34.0 million as property values continued to rise from new construction and increased property sales prices.
- Sales and transaction tax revenues increased significantly by \$5.8 million, or 18%, to \$38.2 million, as a result of implementation of AB147/Wayfair act and increased online shopping.
- Investment earnings and others decreased \$3.7 million. This was reduced by GASB 31 market value adjustments.

The pie chart below illustrates the distribution of the governmental activities revenues by source. The largest revenue source for governmental activities is grants and contributions at \$52.9 million (28%) followed by sales tax (21%) and property tax (18%). The City’s reliance upon grant and tax revenues is evident from the chart, which is consistent with the nature and purpose of governmental funds, particularly in the General Fund, where programs are largely supported by general taxes.

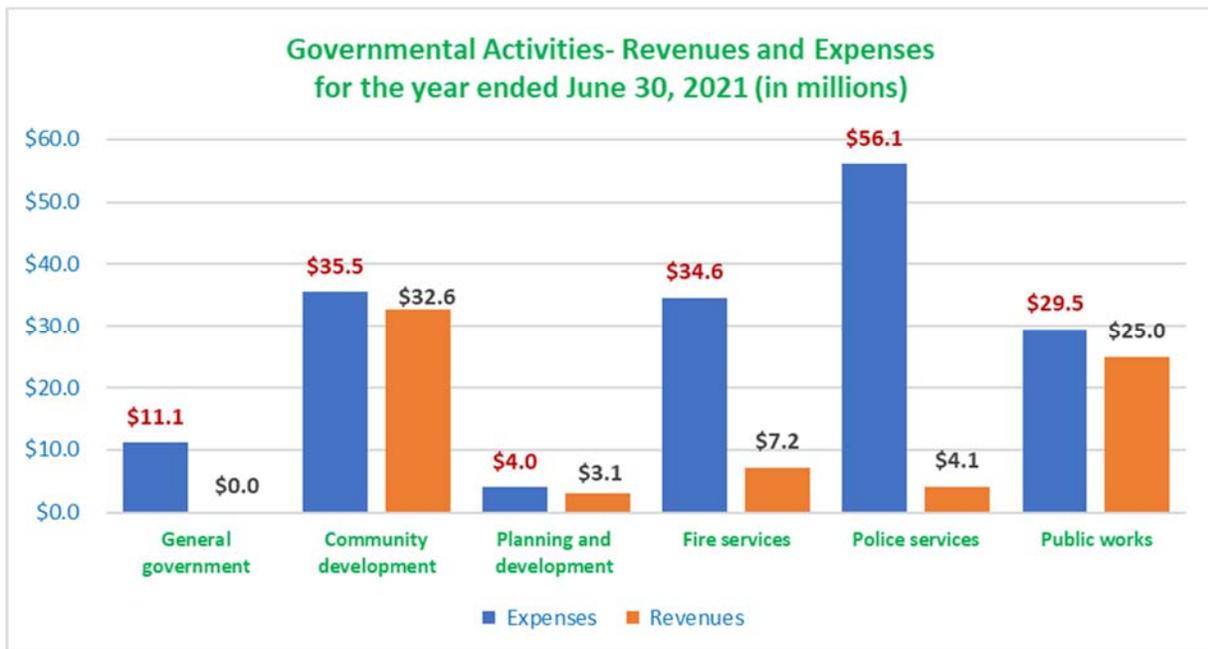


Expenses

Overall costs of services for governmental activities continued to grow from \$169.0 million in the prior year to \$170.6 million in the current fiscal year. The increase can be attributed to spending of Federal CARES funds. This showed up as an increase in community development expenses. Every other expense category decreased this year except Police as the City controlled its costs to minimize the impacts of the COVID-19 pandemic. The Police department had an increase in expenses primarily due to the additional police officers hired through the Citizens Option for Public Safety (COPS) grant.

Net Revenues (Expenses)

Program revenues associated with Governmental Activities totaled \$79.0 million, or 46%, of program expenses (\$170.6 million). Expenses not covered by program revenues must be funded from non-program sources like general tax revenues. The table below illustrates the gap between program revenues and expenses by major activity. Public safety programs rely heavily on taxes to support operations. General government programs provide benefit to both business-type and governmental activities and receive some funding through internal indirect cost allocations to supplement program and general tax revenues.



Detailed analysis of the General Fund and other major governmental funds are discussed in the subsequent sections.

Business-type Activities

The following analysis focuses on the changes in net position of the City's business-type activities for the years ended June 30, 2021 and 2020.

Statement of Activities
for the years ended June 30, 2021 and 2020
(In millions)

	Business-type Activities		Increase/(Decrease)	
	2021	2020	Amount	%
Revenues				
Program revenues				
Charges for services	\$55.3	\$50.2	\$5.1	10%
Capital grants and contributions	0.4	0.2	0.2	100%
Total Program revenues	<u>55.7</u>	<u>50.4</u>	<u>5.3</u>	<u>11%</u>
General revenues				
Investment earnings and other	-	1.6	(1.6)	-100%
Total revenues	<u>55.7</u>	<u>52.0</u>	<u>3.7</u>	<u>7%</u>
Expenses				
Water	40.6	38.6	2.0	5%
Marina	2.1	3.3	(1.2)	-36%
Golf	4.2	3.3	0.9	27%
Vallejo Station Parking	0.8	1.4	(0.6)	-43%
Total expenses	<u>47.7</u>	<u>46.6</u>	<u>1.1</u>	<u>2%</u>
Excess before transfers	8.0	5.4	2.6	48%
Transfers	0.3	1.7	(1.4)	-82%
Change in net position	<u>8.3</u>	<u>7.1</u>	<u>1.2</u>	<u>17%</u>
Net position - beginning	58.9	51.8	7.1	14%
Net position - ending	<u><u>\$67.2</u></u>	<u><u>\$58.9</u></u>	<u><u>\$8.3</u></u>	<u><u>14%</u></u>

Business-type activities increased the City's net position by \$8.3 million, or 14%, to \$67.2 million.

Charges for services were up by \$5.1 million, or 10%, primarily in Water Fund. Water charges for services increased \$4.7 million from prior year. This reflects a full year of the 10% rate increase that took effect July 1, 2020. The Vallejo Station Parking Fund and Marina Fund saw their revenues fall as a direct result of COVID-19.

Similar to the governmental activities, investment income dropped by \$1.6 million due to GASB 31 market value adjustments.

Overall expenses of \$47.7 million increased from the previous year by \$1.1 million. However, there was a decline in the Marina and Parking funds' expenses. The Marina Fund decrease was due to the \$1.0 million dredging costs in 2020. No such expenses were incurred in 2021. Parking Fund's operation was limited due to the COVID-19 pandemic, resulting in a reduction in costs.

The table on the following page provides a visual representation of the net program cost information for business-type activities for the year ended June 30, 2021. In these programs, annual surpluses or deficits are retained in the programs as an increase or decrease in the program's net position.

Net Revenue (Expense) of Business-type Activities
As of June 30, 2021
(in millions)

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Water	(\$40.6)	\$49.6	\$9.0
Marina	(2.1)	1.5	(0.6)
Golf	(4.2)	4.4	0.2
Vallejo Station Parking	(0.8)	0.2	(0.6)
	(\$47.7)	\$55.7	\$8.0

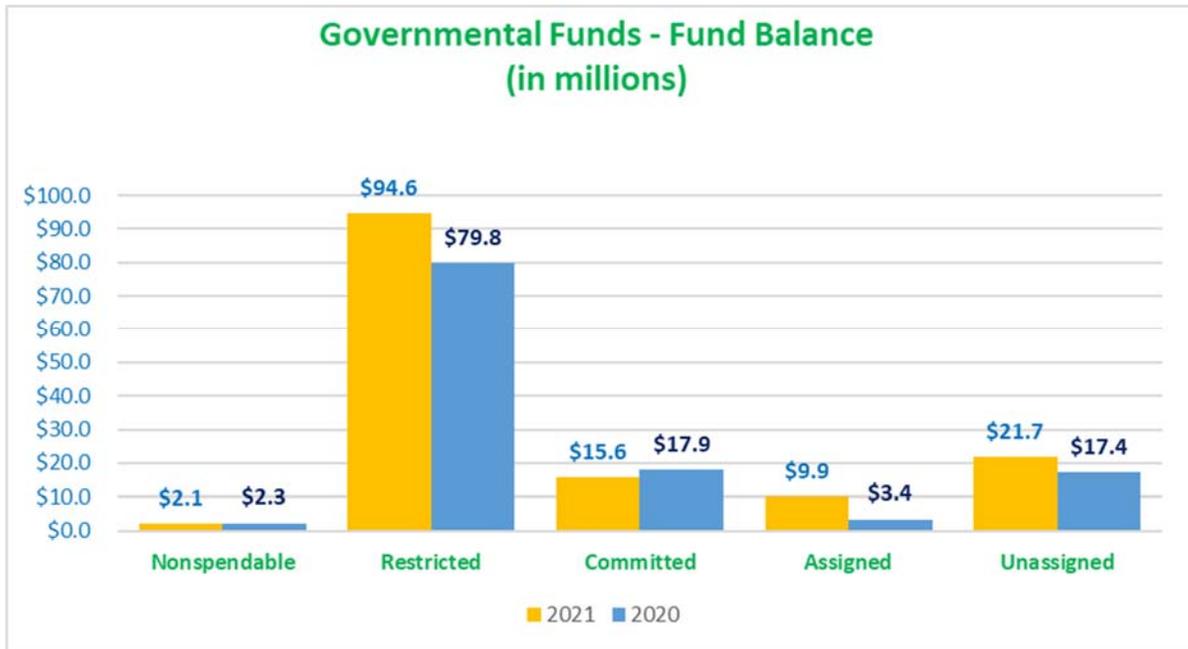
In total, the program revenues for these business-type operations were generally intended to cover operating, debt service, and capital reinvestment requirements. For the current year, Water operations contributed \$9.0 million. The other business-type activities funds combined, lost \$1.0 million. Although each of these programs collected user fees, the fees did not fully cover their annual costs. The General Fund and State Lands Fund transferred a combined \$0.6 million to supplement the Marina and Golf enterprise operations.

Detailed analysis of each of the business-type operations are discussed in the Enterprise Funds section.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

In addition to the full accrual-basis government-wide statements described above, the City also maintains financial records at the fund level for budgetary control. Individual funds are generally established to track the resources and operating results for specific, restricted programs. The results for governmental funds below differ from the results reported above in the government-wide statements. Here, the focus is to provide information on near-term inflows, outflows, and balances of spendable resources, which can be useful in assessing the City's financing requirements. Specifically, unassigned fund balance can serve as an informative measure of a government's net resources available for discretionary use at the end of the fiscal year.

At June 30, 2021, the City's Governmental Funds reported combined ending fund balances of \$143.9 million, a \$23.1 million increase in comparison with the prior year's total ending fund balances. The chart showing the components of City's governmental total fund balance are presented on the next page.



- Nonspendable Fund Balance decreased \$0.2 million to \$2.1 million. These amounts are not spendable in form, or are legally or contractually required to be maintained intact, and are mostly made up of General Fund long-term receivables and prepaid expenses and deposits.
- Restricted Fund Balance increased \$14.7 million to \$94.6 million. This consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations or enabling legislation.
- Committed Fund Balance decreased \$2.3 million to \$15.6 million. This includes amounts for specific purposes determined by the City Council, which are binding unless removed by the Council in the same manner.
- Assigned Fund Balance increased \$6.6 million to \$9.9 million. The City intends for these amounts to be used for a specific purpose, but they are neither restricted nor committed.
- Unassigned Fund Balance increased \$4.3 million to \$21.7 million. This represents the residual balance for the City’s General Fund.

For more information on governmental fund balances, please refer to Note 12 of the Basic Financial Statements.

Presented on the next pages are the major funds that either qualified under the reporting criteria or were considered to be important to financial statement users.

GENERAL FUND

The City’s General Fund provides police, fire, community development, public works, and administrative services to the City’s 117,846 residents, other funds, businesses and visitors. The General Fund is distinct from other funds because it is the only source of unrestricted funds that can be allocated, at the discretion of the City Council, for any municipal purpose. For financial reporting purposes, the scope of General Fund balances and activities includes the City’s unrestricted Measure B and Contingency Reserve Funds.

During fiscal year 2020-21, the General Fund expended \$90.5 million in labor costs to provide these services, funding 482.50 authorized full-time equivalent positions. Labor costs comprised 83% of General Fund's total expenditures and transfers out.

Current Year Increase in General Fund Revenues – The General Fund revenues excluding transfers improved substantially by \$11.7 million, or 11%, from the prior fiscal year to \$120.6 million. The largest revenue increase from prior year was experienced in sales tax revenues, which remained solid despite COVID-19 due to increased online shopping. The city also received new Citizens Option for Public Safety (COPS) and Staffing for Adequate Fire and Emergency Response (SAFER) grants during the year. These grants compensated for the declining program revenues as a direct result of COVID-19.

Current Year Increase in General Fund Expenditures

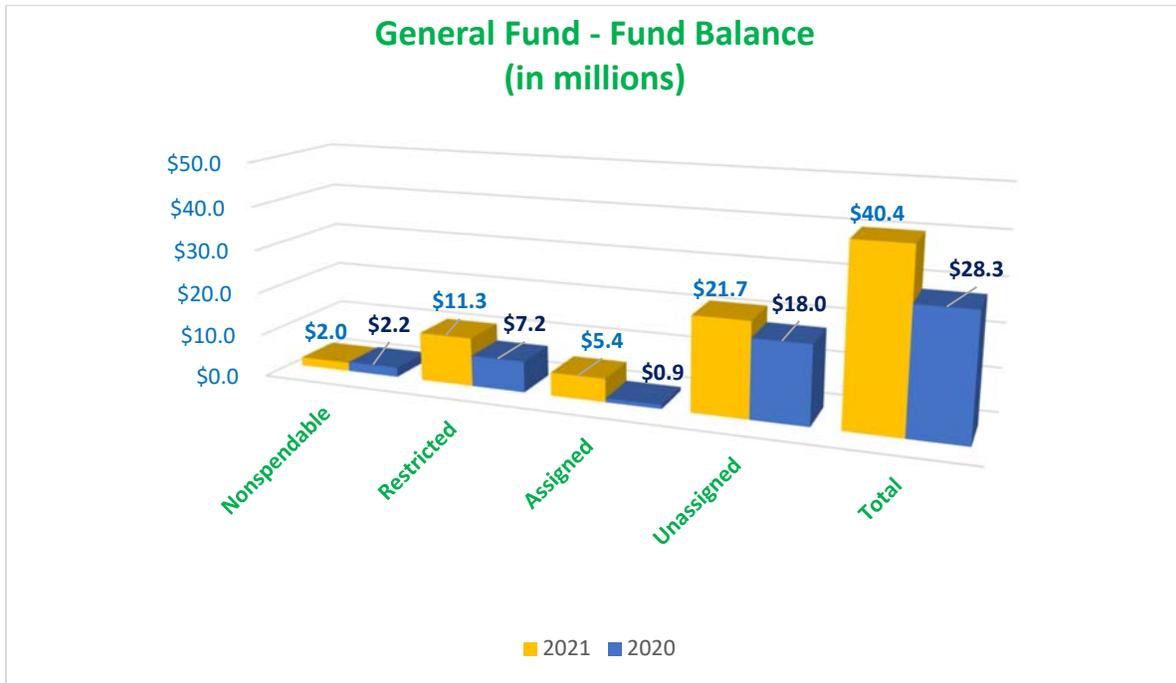
General Fund expenditures excluding transfers totaled \$103.9 million for FY 2020-21 compared to \$100.9 million in the prior fiscal year. The increase was \$3.0 million, or 3%, as a result of filling vacancies, negotiated wage increases for safety employees and increased benefit costs. Transfers out to fund capital projects, debt service and city operations were \$5.1 million compared to \$12.4 million in the prior year.

Budgetary Highlights – During the year ended June 30, 2021, there was a \$6.8 million increase in the budgeted revenues and transfers in between the FY 2020-21 original budget and the final budget. The increase was generally in sales, property and marijuana taxes. There was also a \$6.2 million increase in the budgeted expenditures. These amendments were mostly additional appropriations for salaries and benefits and contract services funded from current year revenues.

Through careful fiscal management, the General Fund final year-end results were better than those anticipated in the budget. Actual revenues and transfers totaled \$121.0 million, \$10.7 million, or 9.7%, above the revised budget, attributable to strong sales tax revenues and operating grants received. Actual expenditures and transfers out for the General Fund were \$109.0 million, \$7.5 million, or 6.4%, below appropriations, mainly as the result of departments' diligence in holding non-essential position vacancies (\$4.4 million) and controlling services and supplies spending (\$2.8 million). In total, the higher than expected revenues of \$10.7 million and expenditure savings of \$7.5 million resulted in budget surplus of \$18.2 million for FY 2020-21.

Fund balance –As of June 30, 2021, the General Fund reported a total fund balance of \$40.4 million, \$12.1 million higher than prior year. Additions to the fund balance included the \$18.2 million year-end budget surplus discussed above which includes the \$2.5 million pension trust fund contribution reported as restricted investment rather than employer costs. These additions were offset by the \$6.1 million set-aside adjustments made by the City for PARS trust fund investment earnings (\$1.6 million) and additional funding for general liability and homeless programs (\$4.5 million). Of the total fund balance, unassigned fund balance was \$21.7 million which represents 18% of the subsequent year's General Fund annual operating budget (including Measure B programs).

The chart on the following page illustrates the changes in the components of the General Fund balance from June 30, 2020 to June 30, 2021.



OTHER MAJOR GOVERNMENTAL FUNDS

Housing Authority Fund –The Fund received \$22.6 million in federal HUD grant allocations and other revenues during the year to support its \$22.4 million Section 8 Housing Assistance Voucher Program expenditures. The Fund also collected \$0.2 million interest on loans from affordable housing loans. As of June 30, 2021, the Housing Authority Fund reported a combined fund balance of \$16.5 million, consistent with prior fiscal year. Of the total fund balance, \$14.4 million is restricted and committed. Most of these funds are invested in loans and mortgages and are not available for spending.

Mare Island Conversion Fund – As of June 30, 2021, this fund held \$16.0 million of restricted federal funds to pay for the environmental remediation of the former Mare Island Naval base. \$3.3 million was expended during the year on this effort.

Capital Outlay Fund – The total fund balance declined by \$4.0 million to \$13.1 million; all is restricted and committed for current and future capital projects. During the current fiscal year, the fund received additional funding of \$3.9 million from fees and interfund transfers and incurred \$7.9 million in capital project spending. The Fund was also used to account for the \$4.2 million in capital leases with Motorola for a radio system and VAR Tech for Information Technology servers.

ENTERPRISE FUNDS

The City’s enterprise fund statements provide the same information found in the government-wide financial statements but in more detail.

As of June 30, 2021, total enterprise funds' net position increased to \$67.2 million, up \$8.3 million from \$58.9 million in the prior year. The significant changes by enterprise fund are discussed below:

Net Position by Fund			
(in millions)			
	2021	2020	Increase (Decrease)
Water	\$68.1	\$59.3	\$8.8
Marina	0.2	0.7	(0.5)
Golf	(0.7)	(1.4)	0.7
Vallejo Parking	(0.1)	0.6	(0.7)
Fiber	(0.3)	(0.3)	0.0
Total	\$67.2	\$58.9	\$8.3

Water – Total net position of the Water Fund at June 30, 2021 was up \$8.8 million from the previous year to \$68.1 million. The Water Fund generated \$49.7 million in total revenues during the year to support \$40.9 million in total expenses for an overall net increase in net position of \$8.8 million. The rate structures adopted in June 2017 and October 2019 continued to provide for user fee increases during the year to help generate sufficient revenues to operate and maintain the Vallejo Municipal Water System in a fiscally sound manner.

Marina – Total net position of the Marina Fund at June 30, 2021 was down \$0.5 million from the previous year. The Marina Fund generated \$1.5 million in total revenues and received a \$0.2 million transfer from the State Land Fund during the year to support \$2.2 million in total expenses for an overall net decrease in net position of \$0.5 million. The 3% annual CPI increases for berth rents and live aboard fees are projected to steadily improve the net position over the next several years. Beginning in FY 2021-22, the City entered into a management agreement with F3 in order to improve both financial operations and customer service for berthers.

Golf – The total net position of the Golf Fund is negative \$0.7 million, a significant improvement of \$0.7 million from the negative \$1.4 million net position from previous year. The City is seeing positive results from hiring Touchstone Golf in 2018 to manage golf operations. During the current fiscal year, the Blue Rock Springs golf courses generated \$4.4 million in user fees, which covered its program costs and was up \$1.5 million over last year's user fees. Also, the City has entered into an ENA (Exclusive Negotiating Agreement) with Greg Norman Company and the Lewis Group to explore the future revitalization and redevelopment of the Blue Rock Springs golf courses.

Vallejo Station Parking – The total net position of the Vallejo Station Parking Fund was negative \$0.1 million, a \$0.7 million decrease from previous year. The \$0.8 million in operating costs were partially funded by user fees of \$0.2 million. The \$1.0 million decrease in user fees is attributed to the COVID-19 pandemic; more people worked from home and did not park and ride the ferry to work. However, user fees are forecasted to improve for FY 2021-22, as some people will return to utilizing the parking lots as they return to commuting to work.

Fiber Optic – In May 2017 in an effort to leverage City assets and promote economic development, the Fiber Optic Fund was established with a \$0.8 million interfund loan from the General Fund for working capital. The initial project to construct and connect a physical network was completed. However, infrastructure and marketing challenges have stalled the expected growth of service revenue. In October 2021, the City has contracted with CTC Technology & Energy Group to update the Fiber plan.

CAPITAL ASSETS

The capital assets of the City are those assets that are used in the performance of the City’s functions, including infrastructure assets. The following is a summary of these assets as June 30, 2021 and 2020.

City of Vallejo
Capital Assets (net of depreciation)
(in millions)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2021	2020	2021	2020	2021	2020	
Land	\$145.8	\$145.8	\$12.3	\$12.3	\$158.1	\$158.1	\$0.0
Building and improvement	73.5	79.0	27.8	29.0	101.3	108.0	(6.7)
Machinery and equipment	17.9	13.5	11.8	12.0	29.7	25.5	4.2
Infrastructure	102.5	104.0	49.1	43.8	151.6	147.8	3.8
Construction in progress	16.1	6.2	8.2	14.5	24.3	20.7	3.6
Total	\$355.8	\$348.5	\$109.2	\$111.6	\$465.0	\$460.1	\$4.9

Governmental capital assets (net of depreciation) increased by \$7.3 million during the year. Major capital asset events include construction in progress activities related to street improvements (\$11.2 million) and acquisition of a Motorola radio system for the Vallejo Police and Fire Departments (\$4.0 million), and are offset by depreciation.

Business-type capital assets (net of depreciation) decreased by \$2.4 million due to depreciation. Capital additions include various pipeline replacement and repairs, equipment upgrades at treatment plants and pump stations (\$2.9 million), and ADA improvements at City parking lots (\$0.5 million). The City has also completed and put in service the Mare Island Force Main Pipeline Project (\$7.7 million) during the year.

Overall, net capital assets increased by \$4.9 million during the year to \$465.0 million at June 30, 2021. Further detail about the City’s capital assets can be found in Note 5 to the Financial Statements.

DEBT ADMINISTRATION

The following is a summary of the City’s long-term debt obligations at June 30, 2021 and 2020.

City of Vallejo
Outstanding Debt
Long-Term Debt
(in millions)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2021	2020	2021	2020	2021	2020	
Certificates of Participation	\$2.3	\$2.5	\$ -	\$ -	\$2.3	\$2.5	(\$0.2)
Capital Lease Obligations	3.2	0.1	0.5	0.6	3.7	0.7	3.0
Revenue Bonds	-	-	83.5	35.2	83.5	35.2	48.3
Loans & Notes Payable	13.7	14.6	18.1	18.9	31.8	33.5	(1.7)
Total	\$19.2	\$17.2	\$102.1	\$54.7	\$121.3	\$71.9	\$49.4

Annual Activity – The City’s total long-term debt obligations increased by \$49.4 million as of June 30, 2021. The net increase was primarily related to the 2021A Water Revenue Bonds which were issued to fund capital improvements in water infrastructure and facilities. The City made all scheduled debt service payments. Each of the City’s debt issues is discussed in detail in Note 6 to the Financial Statements.

Bond Rating – The City maintains a Standard & Poor’s ‘BBB’ rating with a positive outlook for the 1999 Certificates of Participation. The City also received a Standard & Poor’s ‘AA’ rating for the Series of 2021A Water Revenue Refunding Bonds with a stable outlook. The credit report highlighted the water system’s very strong enterprise and financial profiles.

Net Debt - The percentage of net bonded debt to taxable property valuation, and the amount of bonded debt per capita, are useful indicators of the City’s net debt position to management, citizens, and investors. A comparison of these indicators follows. Per capita debt outstanding increased to \$1,030 at June 30, 2021, from \$604 in the prior fiscal year.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Net debt (in millions)	\$121.3	\$71.9
Net debt per capita	\$1,030	\$604
Net debt per capita as a percentage of per capita personal income	3.30%	2.02%
Net debt as a percentage of net assessed value	1.05%	0.66%

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Economic Factors

As the pandemic continues into FY 2021-22, the City is faced with a new level of uncertainty as to its financial impacts in the City’s future finances and operations as well as its local economy. The economy and the City’s major initiatives for next year are discussed in detail in the accompanying Transmittal Letter.

Next Year’s Budget

The total of all funds revenue for Fiscal Year 2021-22 is budgeted at \$261.00 million with General Fund revenues totaling \$120.0 million. Due to strong real estate growth and positive forecast from sales tax, the City is anticipating a continuation of moderate growth for next year, supported by federal and state grants.

The City’s total expenditure budget for next year is \$264.00 million of which \$120 million is in the General Fund. The City is restoring service levels diminished during the COVID-19 pandemic, rebuilding reserves and implementing capital projects postponed during the pandemic. The General Fund revenue budget provides \$120.00 million to cover the expenditures; there is no shortfall forecasted for next year. The City continues to maintain General Fund reserves at least equal to 15% of General Fund expenditures to guard against a significant economic downturn, disaster or major unanticipated expense.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This Annual Comprehensive Financial Report (ACFR) is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. For the convenience of the public, a copy of this report is posted on the City’s website (https://www.cityofvallejo.net/city_hall/departments_divisions/finance). If you have questions about this report, separate reports of the City’s component units, or need any additional financial information, contact the Finance Department at 555 Santa Clara Street, Vallejo, California, 94590, phone 707-648-4592.

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CITY OF VALLEJO

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Vallejo Flood and Wastewater District
Assets:				
Cash and investments (Note 2)	\$ 142,867,566	\$ 41,257,853	\$ 184,125,419	\$ 39,560,314
Receivables:				
Accounts	4,378,753	9,322,909	13,701,662	1,967,107
Notes and loans (Note 4)	30,756,346	7,285	30,763,631	272,875
Interest receivable	436,491	-	436,491	141,208
Grants	-	-	-	1,746,817
Internal balances (Note 3b and Note 3c)	968,159	(968,159)	-	-
Prepays and deposits (Note 1g)	316,455	599,142	915,597	2,180,563
Due from other governments	20,026,647	70,298	20,096,945	-
Materials, parts and supplies (Note 1e)	205,157	796,418	1,001,575	786,064
Land held for redevelopment (Note 1f)	499,684	-	499,684	-
Restricted assets:				
Cash and investments (Note 2)	27,998,600	3,404	28,002,004	1,492,101
Cash with fiscal agent (Note 2)	260,514	51,298,033	51,558,547	-
Capital assets not being depreciated (Note 5)	161,908,084	20,469,298	182,377,382	19,454,650
Capital assets, net of depreciation (Note 5)	193,839,782	88,700,040	282,539,822	173,414,748
Total Assets	584,462,238	211,556,521	796,018,759	241,016,447
Deferred Outflows of Resources:				
Related to pensions (Note 10)	31,182,115	3,877,054	35,059,169	5,694,882
Related to OPEB (Note 11)	3,322,441	782,559	4,105,000	4,163,597
Deferred charge on refunding (Note 6)	-	1,588,400	1,588,400	882,702
Total Deferred Outflows of Resources	34,504,556	6,248,013	40,752,569	10,741,181
Liabilities:				
Accounts payable and accrued liabilities	12,467,237	2,618,542	15,085,779	2,338,910
Accrued interest	180,208	452,345	632,553	235,702
Unearned revenue	29,334,055	762,881	30,096,936	-
Deposits payable	2,878,743	4,217,200	7,095,943	264,468
Due to other governments	33,032	-	33,032	-
Employee benefits payable due within one year (Note 9)	7,931,989	1,186,802	9,118,791	777,594
Long-term debt due within one year (Note 6)	1,995,300	5,249,601	7,244,901	2,492,083
Claims due within one year (Note 13)	6,136,888	-	6,136,888	-
Other current liabilities	-	-	-	477,400
Noncurrent liabilities:				
Employee benefits payable due in more than one year (Note 9)	4,535,713	355,455	4,891,168	1,166,393
Claims due in more than one year (Note 13)	18,559,112	-	18,559,112	-
Long-term debt due in more than one year (Note 6)	17,244,533	96,877,628	114,122,161	27,999,106
Net pension liability (Note 10)	278,637,814	34,663,403	313,301,217	26,104,014
Net OPEB liability (Note 11)	12,954,914	3,019,086	15,974,000	9,016,731
Total Liabilities	392,889,538	149,402,943	542,292,481	70,872,401
Deferred Inflows of Resources:				
Related to pensions (Note 10)	861,359	105,903	967,262	832,308
Related to OPEB (Note 11)	4,527,001	1,054,999	5,582,000	2,148,118
Total Deferred Inflows of Resources	5,388,360	1,160,902	6,549,262	2,980,426
Net Position (Note 12):				
Net investment in capital assets	336,111,810	59,196,628	395,308,438	163,260,911
Restricted for:				
Capital projects	20,515,410	-	20,515,410	20,790,891
Debt service	260,514	27,358	287,872	1,492,101
Housing programs	26,459,865	-	26,459,865	-
Mare Island programs	12,154,109	-	12,154,109	-
Landscape maintenance district services	19,811,008	-	19,811,008	-
Other special projects and programs	18,840,012	-	18,840,012	-
Nonexpendable- McCune Endowment	64,625	-	64,625	-
Unrestricted	(213,528,457)	8,016,703	(205,511,754)	(7,639,102)
Total Net Position	\$ 220,688,896	\$ 67,240,689	\$ 287,929,585	\$ 177,904,801

CITY OF VALLEJO

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
Legislative and advisory	\$ 260,517	\$ 850	\$ -	\$ -
Executive	5,155,236	-	-	-
Finance	1,718,818	-	-	-
Human resources	2,106,513	-	-	-
Law	1,268,519	-	-	-
Community development	35,519,702	1,436,410	37,964,573	-
Planning and development services	3,966,578	3,334,834	-	-
Fire services	34,564,660	4,849,324	2,402,944	-
Police services	56,088,783	3,494,991	570,489	-
Public works	29,512,952	12,959,912	4,892,660	7,133,919
Interest on long-term debt	413,217	-	-	-
Total Governmental Activities	170,575,495	26,076,321	45,830,666	7,133,919
Business-Type Activities:				
Water Fund	40,603,545	49,249,577	-	389,891
Marina Fund	2,133,775	1,393,997	59,791	-
Golf Fund	4,171,623	4,438,264	-	-
Vallejo Station Parking Fund	846,189	221,982	-	-
Fiber Optic Fund	28,161	27,016	-	-
Total Business-Type Activities	47,783,293	55,330,836	59,791	389,891
Total Primary Government	\$ 218,358,788	\$ 81,407,157	\$ 45,890,457	\$ 7,523,810
Component Unit:				
Vallejo Flood and Wastewater District	\$ 38,814,971	\$ 39,487,677	\$ -	\$ 2,230,766

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Utility users tax
- Other taxes
- Investment earnings
- Other
- Gain (loss) on sale of capital asset

Transfers (Note 3a)

**Total General Revenues,
and Transfers**

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Vallejo Flood and Wastewater District
\$ (259,667)	\$ -	\$ (259,667)	\$ -
(5,155,236)	-	(5,155,236)	-
(1,718,818)	-	(1,718,818)	-
(2,106,513)	-	(2,106,513)	-
(1,268,519)	-	(1,268,519)	-
3,881,281	-	3,881,281	-
(631,744)	-	(631,744)	-
(27,312,392)	-	(27,312,392)	-
(52,023,303)	-	(52,023,303)	-
(4,526,461)	-	(4,526,461)	-
(413,217)	-	(413,217)	-
(91,534,589)	-	(91,534,589)	-
-	9,035,923	9,035,923	-
-	(679,987)	(679,987)	-
-	266,641	266,641	-
-	(624,207)	(624,207)	-
-	(1,145)	(1,145)	-
-	7,997,225	7,997,225	-
(91,534,589)	7,997,225	(83,537,364)	-
-	-	-	2,903,472
33,955,537	-	33,955,537	1,303,856
1,578,486	-	1,578,486	-
38,189,547	-	38,189,547	-
5,729,137	-	5,729,137	-
13,005,333	-	13,005,333	-
8,556,526	-	8,556,526	-
1,878,276	(18,397)	1,859,879	81,822
3,546,379	42,841	3,589,220	408,309
11,600	(7,943)	3,657	-
(342,579)	342,579	-	-
106,108,242	359,080	106,467,322	1,793,987
14,573,653	8,356,305	22,929,958	4,697,459
206,115,243	58,884,384	264,999,627	173,207,342
\$ 220,688,896	\$ 67,240,689	\$ 287,929,585	\$ 177,904,801

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**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

The City reported four major governmental funds in fiscal year 2020-21. These major funds were presented in their respective columns and described in Note 1.d. The remaining funds were combined into a column titled "Other Governmental Funds". Individual fund data for each of these non-major funds may be found in the Supplemental Information section.

CITY OF VALLEJO

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Special Revenue Fund	Capital Projects Funds	
		Housing Authority	Mare Island Conversion #106	Capital Outlay Fund #201
Assets:				
Cash and investments	\$ 34,288,590	\$ 5,007,384	\$ 1,452,373	\$ 13,865,474
Receivables:				
Accounts	3,548,975	36,969	-	108,106
Notes and loans	1,049,867	14,888,992	-	-
Accrued interest	436,491	-	-	-
Prepays and deposits	80,749	-	-	-
Due from other governments	10,085,950	-	-	-
Advances to other funds	680,000	-	-	-
Materials, parts, and supplies	1,947	-	-	-
Land held for redevelopment	499,684	-	-	-
Restricted assets:				
Cash and investments	10,879,120	1,166,919	15,952,561	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 61,551,373	\$ 21,100,264	\$ 17,404,934	\$ 13,973,580
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 6,006,772	\$ 158,929	\$ 585,861	\$ 845,611
Unearned revenues	13,902,840	656,943	13,619,603	-
Deposits payable	898,625	356,456	-	-
Due to other governments	25,679	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	20,833,916	1,172,328	14,205,464	845,611
Deferred Inflows of Resources:				
Unavailable revenues	333,011	3,476,590	-	-
Total Deferred Inflows of Resources	333,011	3,476,590	-	-
Fund Balances (Note 12):				
Nonspendable	2,063,422	-	-	-
Restricted	11,272,510	12,416,902	3,199,470	2,511,857
Committed	-	1,996,686	-	10,616,112
Assigned	5,365,698	2,037,758	-	-
Unassigned	21,682,816	-	-	-
Total Fund Balances	40,384,446	16,451,346	3,199,470	13,127,969
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 61,551,373	\$ 21,100,264	\$ 17,404,934	\$ 13,973,580

CITY OF VALLEJO

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Cash and investments	\$ 59,255,821	\$ 113,869,642
Receivables:		
Accounts	653,462	4,347,512
Notes and loans	14,817,487	30,756,346
Accrued interest	-	436,491
Prepays and deposits	-	80,749
Due from other governments	9,940,697	20,026,647
Advances to other funds	-	680,000
Materials, parts, and supplies	-	1,947
Land held for redevelopment	-	499,684
Restricted assets:		
Cash and investments	-	27,998,600
Cash and investments with fiscal agents	260,514	260,514
Total Assets	\$ 84,927,981	\$ 198,958,132
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 4,488,516	\$ 12,085,689
Unearned revenues	1,154,669	29,334,055
Deposits payable	1,623,662	2,878,743
Due to other governments	7,353	33,032
Due to other funds	4,604,746	4,604,746
Total Liabilities	11,878,946	48,936,265
Deferred Inflows of Resources:		
Unavailable revenues	2,329,767	6,139,368
Total Deferred Inflows of Resources	2,329,767	6,139,368
Fund Balances (Note 12):		
Nonspendable	64,625	2,128,047
Restricted	65,163,589	94,564,328
Committed	2,975,697	15,588,495
Assigned	2,515,357	9,918,813
Unassigned	-	21,682,816
Total Fund Balances	70,719,268	143,882,499
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 84,927,981	\$ 198,958,132

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CITY OF VALLEJO

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund balances of governmental funds \$ 143,882,499

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 347,121,075

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

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

Cash and investments	\$ 28,997,924	
Accounts receivable	31,241	
Materials, parts, and supplies	203,210	
Due from other funds	4,892,905	
Prepays	235,706	
Capital assets	8,626,791	
Accounts payable	(381,548)	
Claims payable	(24,696,000)	
Net pension liability and pension-related deferred outflows/inflows of resources	(2,985,618)	
Net OPEB liability and OPEB-related deferred outflows/inflows of resources	(14,159,474)	
Employee benefits payable	<u>(849,809)</u>	(84,672)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 6,139,368

LONG-TERM LIABILITIES

The liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt		(19,239,833)
Net pension liability and pension-related deferred outflows/inflows of resources		(245,331,440)
Interest payable		(180,208)
Compensated absences		<u>(11,617,893)</u>

Net Position of Governmental Activities \$ 220,688,896

CITY OF VALLEJO

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Special	Capital Projects Funds	
		Revenue Fund	Mare Island Conversion #106	Capital Outlay Fund #201
		Housing Authority		
Revenues:				
Taxes	\$ 99,139,292	\$ -	\$ -	\$ -
Licenses and permits	3,232,541	-	-	274,847
Intergovernmental	5,297,633	22,628,363	3,342,297	-
Charges for services	8,616,195	-	-	-
Use of money and property	2,971,203	152,564	41,026	203,694
Fines and forfeitures	923,414	-	-	-
Contributions	-	-	-	-
Other	454,776	7,213	-	99
Total Revenues	120,635,054	22,788,140	3,383,323	478,640
Expenditures:				
Current:				
Legislative and advisory	223,806	-	-	-
Executive	4,793,079	-	-	-
Finance	1,593,385	-	-	-
Human resources	1,991,104	-	-	-
Law	1,203,502	-	-	-
Community development	-	22,361,402	3,434,640	-
Planning and development services	3,486,088	-	-	-
Fire services	28,965,292	-	-	39,496
Police services	49,167,598	-	-	-
Public works	6,249,963	-	-	445,753
Non departmental	5,873,876	-	-	-
Capital outlay	-	-	-	10,633,305
Debt service:				
Principal retirement	339,250	-	-	1,043,250
Interest and fiscal charges	12,662	-	-	-
Total Expenditures	103,899,605	22,361,402	3,434,640	12,161,804
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,735,449	426,738	(51,317)	(11,683,164)
Other Financing Sources (Uses):				
Transfers in (Note 3a)	397,781	95,000	-	3,438,764
Transfers out (Note 3a)	(5,069,476)	(94,389)	-	-
Capital lease	-	-	-	4,197,652
Total Other Financing Sources (Uses)	(4,671,695)	611	-	7,636,416
Net Change in Fund Balances	12,063,754	427,349	(51,317)	(4,046,748)
Fund Balances, Beginning of Year, as previously reported	28,320,692	16,023,997	3,250,787	17,174,717
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	28,320,692	16,023,997	3,250,787	17,174,717
Fund Balances, End of Year	\$ 40,384,446	\$ 16,451,346	\$ 3,199,470	\$ 13,127,969

CITY OF VALLEJO

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 3,995,203	\$ 103,134,495
Licenses and permits	309,676	3,817,064
Intergovernmental	19,183,463	50,451,756
Charges for services	10,420,123	19,036,318
Use of money and property	395,664	3,764,151
Fines and forfeitures	42,565	965,979
Contributions	3,075,979	3,075,979
Other	523,905	985,993
Total Revenues	37,946,578	185,231,735
Expenditures:		
Current:		
Legislative and advisory	-	223,806
Executive	165,404	4,958,483
Finance	-	1,593,385
Human resources	-	1,991,104
Law	250	1,203,752
Community development	7,574,779	33,370,821
Planning and development services	401,530	3,887,618
Fire services	2,153,000	31,157,788
Police services	1,499,473	50,667,071
Public works	9,361,788	16,057,504
Non departmental	-	5,873,876
Capital outlay	9,839,878	20,473,183
Debt service:		
Principal retirement	920,776	2,303,276
Interest and fiscal charges	249,262	261,924
Total Expenditures	32,166,140	174,023,591
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,780,438	11,208,144
Other Financing Sources (Uses):		
Transfers in (Note 3a)	1,626,046	5,557,591
Transfers out (Note 3a)	(986,305)	(6,150,170)
Capital lease	-	4,197,652
Total Other Financing Sources (Uses)	639,741	3,605,073
Net Change in Fund Balances	6,420,179	14,813,217
Fund Balances, Beginning of Year, as previously reported	56,047,917	120,818,110
Restatements	8,251,172	8,251,172
Fund Balances, Beginning of Year, as restated	64,299,089	129,069,282
Fund Balances, End of Year	\$ 70,719,268	\$ 143,882,499

CITY OF VALLEJO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net change in fund balances - total governmental funds \$ 14,813,217

Amounts reported for governmental activities in the statement of activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental funds report capital outlays as expenditures. However, in the statement in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay and other capital expenditures are therefore added back to fund balance 16,136,551

Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$1,587,105 which has already been allocated to serviced funds) (8,994,431)

Retirement of prior construction-in-progress (121,976)

LONG TERM DEBT PROCEEDS AND PAYMENTS

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

Initiation of capital leases is deducted from fund balance (4,197,652)

Repayment of debt principal is added back to fund balance 2,303,276

Interest accrued to principal is deducted from fund balance (3,460)

Negative Interest is deducted from fund balance (95,127)

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):

Interest payable (52,706)

Unavailable revenue 264,038

Compensated absences 543,103

Net pension liability and pension-related deferred outflows/(inflows) of resources (4,121,948)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds.

The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds (1,899,232)

Change in Net Position of Governmental Activities \$ 14,573,653

**FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS**

The City reported all enterprise funds as major funds in fiscal year 2020-21. These funds were presented in their respective columns and described in Note 1.d. All internal service funds were combined into a single, aggregated presentation. Individual fund data for each of the internal service funds may be found in the Supplemental Information section.

CITY OF VALLEJO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water Fund	Marina Fund	Golf Fund	Vallejo Station Parking Fund
Assets:				
Current:				
Cash and investments	\$ 37,945,417	\$ 1,134,357	\$ 2,125,223	\$ -
Receivables:				
Accounts	9,255,159	25,256	30,993	11,501
Prepaid costs	466,654	-	127,592	4,896
Due from other governments	-	70,298	-	-
Due from other funds	-	-	-	-
Materials, parts and supplies	711,665	23,121	61,632	-
Total Current Assets	48,378,895	1,253,032	2,345,440	16,397
Noncurrent:				
Restricted:				
Cash and investments	3,404	-	-	-
Cash with fiscal agent	51,298,033	-	-	-
Notes and loans receivable	7,285	-	-	-
Capital assets - net of accumulated depreciation	91,789,156	12,127,894	4,292,076	622,084
Total Noncurrent Assets	143,097,878	12,127,894	4,292,076	622,084
Total Assets	191,476,773	13,380,926	6,637,516	638,481
Deferred Outflows of Resources:				
Related to pensions	3,738,845	96,392	-	41,817
Related to OPEB	742,740	32,019	-	7,800
Unamortized loss on refunding of debt	1,588,400	-	-	-
Total Deferred Outflows of Resources	6,069,985	128,411	-	49,617
Liabilities:				
Current:				
Accounts payable and accrued liabilities	2,001,326	171,381	409,380	36,455
Accrued interest	407,365	30,740	14,240	-
Unearned revenues	577,123	33,866	151,892	-
Deposits payable	3,945,870	121,330	150,000	-
Due to other funds	-	-	-	288,159
Employee benefits payable	1,174,842	3,195	-	8,765
Accrued claims and judgments	-	-	-	-
Bonds, notes, and capital leases	4,106,131	638,521	504,949	-
Total Current Liabilities	12,212,657	999,033	1,230,461	333,379
Noncurrent:				
Advances from other funds	-	-	-	-
Employee benefits payable	343,519	-	-	11,936
Accrued claims and judgments	-	-	-	-
Net pension liability	33,398,810	891,990	-	372,603
Net OPEB liability	2,864,138	124,597	-	30,351
Bonds, notes, and capital leases	79,504,812	11,229,767	6,143,049	-
Total Noncurrent Liabilities	116,111,279	12,246,354	6,143,049	414,890
Total Liabilities	128,323,936	13,245,387	7,373,510	748,269
Deferred Inflows of Resources:				
Related to pensions	102,040	2,725	-	1,138
Related to OPEB	1,000,853	43,540	-	10,606
Total Deferred Inflows of Resources	1,102,893	46,265	-	11,744
Net Position:				
Net investment in capital assets	61,040,692	(195,342)	(2,608,934)	622,084
Restricted for debt service	27,358	-	-	-
Unrestricted	7,051,879	413,027	1,872,940	(693,999)
Total Net Position	\$ 68,119,929	\$ 217,685	\$ (735,994)	\$ (71,915)

CITY OF VALLEJO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Fiber Optic Fund	Totals	
Assets:			
Current:			
Cash and investments	\$ 52,856	\$ 41,257,853	\$ 28,997,924
Receivables:			
Accounts	-	9,322,909	31,241
Prepaid costs	-	599,142	235,706
Due from other governments	-	70,298	-
Due from other funds	-	-	4,892,905
Materials, parts and supplies	-	796,418	203,210
Total Current Assets	52,856	52,046,620	34,360,986
Noncurrent:			
Restricted:			
Cash and investments	-	3,404	-
Cash with fiscal agent	-	51,298,033	-
Notes and loans receivable	-	7,285	-
Capital assets - net of accumulated depreciation	338,128	109,169,338	8,626,791
Total Noncurrent Assets	338,128	160,478,060	8,626,791
Total Assets	390,984	212,524,680	42,987,777
Deferred Outflows of Resources:			
Related to pensions	-	3,877,054	400,709
Related to OPEB	-	782,559	3,322,441
Unamortized loss on refunding of debt	-	1,588,400	-
Total Deferred Outflows of Resources	-	6,248,013	3,723,150
Liabilities:			
Current:			
Accounts payable and accrued liabilities	-	2,618,542	381,548
Accrued interest	-	452,345	-
Unearned revenues	-	762,881	-
Deposits payable	-	4,217,200	-
Due to other funds	-	288,159	-
Employee benefits payable	-	1,186,802	471,197
Accrued claims and judgments	-	-	6,136,888
Bonds, notes, and capital leases	-	5,249,601	-
Total Current Liabilities	-	14,775,530	6,989,633
Noncurrent:			
Advances from other funds	680,000	680,000	-
Employee benefits payable	-	355,455	378,612
Accrued claims and judgments	-	-	18,559,112
Net pension liability	-	34,663,403	3,376,012
Net OPEB liability	-	3,019,086	12,954,914
Bonds, notes, and capital leases	-	96,877,628	-
Total Noncurrent Liabilities	680,000	135,595,572	35,268,650
Total Liabilities	680,000	150,371,102	42,258,283
Deferred Inflows of Resources:			
Related to pensions	-	105,903	10,315
Related to OPEB	-	1,054,999	4,527,001
Total Deferred Inflows of Resources	-	1,160,902	4,537,316
Net Position:			
Net investment in capital assets	338,128	59,196,628	8,626,791
Restricted for debt service	-	27,358	-
Unrestricted	(627,144)	8,016,703	(8,711,463)
Total Net Position	\$ (289,016)	\$ 67,240,689	\$ (84,672)

CITY OF VALLEJO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water Fund	Marina Fund	Golf Fund	Vallejo Station Parking Fund
Operating Revenues:				
Sales and service charges	\$ 49,249,577	\$ 1,362,042	\$ 4,438,264	\$ 221,982
Other	42,841	31,955	-	-
Total Operating Revenues	49,292,418	1,393,997	4,438,264	221,982
Operating Expenses:				
General and administrative	12,423,643	136,757	1,600,770	519,305
Operations expenses	21,323,595	1,722,662	1,829,469	309,547
Insurance and claims	-	-	-	-
Depreciation expense	5,232,061	58,384	627,271	17,337
Total Operating Expenses	38,979,299	1,917,803	4,057,510	846,189
Operating Income (Loss)	10,313,119	(523,806)	380,754	(624,207)
Nonoperating Revenues (Expenses):				
Intergovernmental revenue	-	59,791	-	-
Investment income (loss)	(16,780)	(896)	(513)	(108)
Interest expense and fiscal charges	(1,624,246)	(215,972)	(114,113)	-
Gain (loss) on disposal of capital assets	-	(7,943)	-	-
Total Nonoperating Revenues (Expenses)	(1,641,026)	(165,020)	(114,626)	(108)
Income (Loss) Before Transfers and Contributions	8,672,093	(688,826)	266,128	(624,315)
Transfers in	-	237,913	354,666	-
Transfers out	(250,000)	-	-	-
Capital contributions	389,891	-	-	-
Changes in Net Position	8,811,984	(450,913)	620,794	(624,315)
Net Position:				
Beginning of Year	59,307,945	668,598	(1,356,788)	552,400
End of Fiscal Year	\$ 68,119,929	\$ 217,685	\$ (735,994)	\$ (71,915)

CITY OF VALLEJO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Fiber Optic Fund	Totals	
Operating Revenues:			
Sales and service charges	\$ 27,016	\$ 55,298,881	\$ 19,437,909
Other	-	74,796	56,901
Total Operating Revenues	27,016	55,373,677	19,494,810
Operating Expenses:			
General and administrative	-	14,680,475	-
Operations expenses	19,080	25,204,353	7,308,514
Insurance and claims	-	-	12,866,353
Depreciation expense	9,081	5,944,134	1,587,105
Total Operating Expenses	28,161	45,828,962	21,761,972
Operating Income (Loss)	(1,145)	9,544,715	(2,267,162)
Nonoperating Revenues (Expenses):			
Intergovernmental revenue	-	59,791	-
Investment income (loss)	(100)	(18,397)	(15,646)
Interest expense and fiscal charges	-	(1,954,331)	-
Gain (loss) on disposal of capital assets	-	(7,943)	133,576
Total Nonoperating Revenues (Expenses)	(100)	(1,920,880)	117,930
Income (Loss) Before Transfers and Contributions	(1,245)	7,623,835	(2,149,232)
Transfers in	-	592,579	250,000
Transfers out	-	(250,000)	-
Capital contributions	-	389,891	-
Changes in Net Position	(1,245)	8,356,305	(1,899,232)
Net Position:			
Beginning of Year	(287,771)	58,884,384	1,814,560
End of Fiscal Year	\$ (289,016)	\$ 67,240,689	\$ (84,672)

CITY OF VALLEJO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water Fund	Marina Fund	Golf Fund	Vallejo Station Parking Fund
Cash Flows from Operating Activities:				
Receipts from customers	\$ 49,168,683	\$ 1,389,602	\$ 4,449,886	\$ 218,070
Payments to suppliers	(19,382,187)	(1,161,326)	(3,442,226)	(726,538)
Payments to or on behalf of employees	(14,816,715)	(414,840)	-	(172,251)
Claims paid	-	-	-	-
Net Cash Provided (Used) by Operating Activities	14,969,781	(186,564)	1,007,660	(680,719)
Cash Flows from Non-Capital Financing Activities:				
Interfund receipts	-	237,913	354,666	288,159
Interfund payments	(250,000)	-	-	-
Intergovernmental receipts	3,750	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(246,250)	237,913	354,666	288,159
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sales of bonds	42,600,000	-	-	-
Premium on bonds issued	9,384,863	-	-	-
Capital grants and contributions	389,891	-	-	-
Acquisition of capital assets	(2,839,468)	(105,616)	-	(516,754)
Principal payments on capital debt	(3,209,706)	(632,453)	(541,684)	-
Interest paid on capital debt	(1,633,998)	(76,814)	(36,436)	-
Proceeds from sales of capital assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	44,691,582	(814,883)	(578,120)	(516,754)
Cash Flows from Investing Activities:				
Investment income (losses)	(16,780)	(896)	(513)	(108)
Net Cash Provided by Investing Activities	(16,780)	(896)	(513)	(108)
Net Increase (Decrease) in Cash and Cash Equivalents	59,398,333	(764,430)	783,693	(909,422)
Cash and Cash Equivalents at Beginning of Year	29,848,521	1,898,787	1,341,530	909,422
Cash and Cash Equivalents at End of Year	\$ 89,246,854	\$ 1,134,357	\$ 2,125,223	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 10,313,119	\$ (523,806)	\$ 380,754	\$ (624,207)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:				
Depreciation	5,232,061	58,384	627,271	17,337
Changes in pension related items	(28,337)	130,847	-	(22,547)
Changes in OPEB related items	(385,252)	119,490	-	(8,867)
(Increase) decrease in accounts receivable, net	(308,930)	6,078	(30,827)	(3,912)
(Increase) decrease in inventory and prepaids	(138,181)	(10,329)	(59,197)	(4,896)
Increase (decrease) in accounts payable and other accrued expenses	(41,406)	59,470	47,210	(36,421)
Increase (decrease) in deposits payable	119,011	1,749	42,449	-
Increase (decrease) in unearned revenue	66,184	(12,222)	-	-
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in employee benefits payable	141,512	(16,225)	-	2,794
Total Adjustments	4,656,662	337,242	626,906	(56,512)
Net Cash Provided (Used) by Operating Activities	\$ 14,969,781	\$ (186,564)	\$ 1,007,660	\$ (680,719)
Non-Cash Investing, Capital, and Financing Activities:				
Loss on disposition of capital assets	\$ -	\$ (7,943)	\$ -	\$ -
Initiation of capital leases	97,367	-	-	-
Accreted interest	-	146,826	81,655	-
Amortization of bond premium	499,498	-	-	-
Amortization of loss on refunding of debt	(226,915)	-	-	-

See Notes to Financial Statements.

CITY OF VALLEJO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Fiber Optic Fund	Totals	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 27,016	\$ 55,253,257	\$ 94,883,646
Payments to suppliers	(20,575)	(24,732,852)	(6,332,661)
Payments to or on behalf of employees	-	(15,403,806)	(79,862,656)
Claims paid	-	-	(4,786,824)
Net Cash Provided (Used) by Operating Activities	6,441	15,116,599	3,901,505
Cash Flows from Non-Capital Financing Activities:			
Interfund receipts	-	880,738	250,000
Interfund payments	(150,000)	(400,000)	(2,569,833)
Intergovernmental receipts	-	3,750	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(150,000)	484,488	(2,319,833)
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sales of bonds	-	42,600,000	-
Premium on bonds issued	-	9,384,863	-
Capital grants and contributions	-	389,891	-
Acquisition of capital assets	-	(3,461,838)	(1,838,394)
Principal payments on capital debt	-	(4,383,843)	-
Interest paid on capital debt	-	(1,747,248)	-
Proceeds from sales of capital assets	-	-	156,977
Net Cash Provided (Used) by Capital and Related Financing Activities	-	42,781,825	(1,681,417)
Cash Flows from Investing Activities:			
Investment income (losses)	(100)	(18,397)	(15,645)
Net Cash Provided by Investing Activities	(100)	(18,397)	(15,645)
Net Increase (Decrease) in Cash and Cash Equivalents	(143,659)	58,364,515	(115,390)
Cash and Cash Equivalents at Beginning of Year	196,515	34,194,775	29,113,314
Cash and Cash Equivalents at End of Year	\$ 52,856	\$ 92,559,290	\$ 28,997,924
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (1,145)	\$ 9,544,715	\$ (2,267,162)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation	9,081	5,944,134	1,587,105
Changes in pension related items	-	79,963	282,935
Changes in OPEB related items	-	(274,629)	(1,913,371)
(Increase) decrease in accounts receivable, net	-	(337,591)	38,952
(Increase) decrease in inventory and prepaids	-	(212,603)	(18,551)
Increase (decrease) in accounts payable and other accrued expenses	(1,495)	27,358	20,110
Increase (decrease) in deposits payable	-	163,209	-
Increase (decrease) in unearned revenue	-	53,962	-
Increase (decrease) in claims payable	-	-	5,680,000
Increase (decrease) in employee benefits payable	-	128,081	491,487
Total Adjustments	7,586	5,571,884	6,168,667
Net Cash Provided (Used) by Operating Activities	\$ 6,441	\$ 15,116,599	\$ 3,901,505
Non-Cash Investing, Capital, and Financing Activities:			
Loss on disposition of capital assets	\$ -	\$ (7,943)	\$ -
Initiation of capital leases	-	97,367	-
Accreted interest	-	228,481	-
Amortization of bond premium	-	499,498	-
Amortization of loss on refunding of debt	-	(226,915)	-

See Notes to Financial Statements.

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**FUND FINANCIAL STATEMENTS
FIDUCIARY FUNDS**

The City has two types of fiduciary funds: the custodial funds and private purpose trust funds. The custodial funds were combined into a single column. Individual fund data of each of the custodial funds may be found in Supplemental Information section.

CITY OF VALLEJO

STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2021

	Private-Purpose Trust Fund	
	Successor Agency	Custodial Funds
Assets:		
Cash and investments	\$ 528,211	\$ 4,662,211
Restricted cash and investments with fiscal agents	285,010	3,585,179
Capital assets:		
Capital assets, not being depreciated	189,226	-
Capital assets, net of accumulated depreciation	48,223	-
Total Assets	1,050,670	8,247,390
Liabilities:		
Accounts payable	3,090	-
Accrued interest	46,025	-
Long-term liabilities		
Due in one year	240,000	825,000
Due in more than one year	7,106,741	12,605,000
Total Liabilities	7,395,856	13,430,000
Net Position (Deficit):		
Unrestricted	(6,345,186)	(5,182,610)
Total Net Position	\$ (6,345,186)	\$ (5,182,610)

CITY OF VALLEJO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021

	<u>Private- Purpose Trust Fund</u>	
	<u>Successor Agency</u>	<u>Custodial Funds</u>
Additions:		
Investment earnings	\$ 43	\$ (1,573)
Taxes	902,927	-
Collections for assessment districts	-	2,225,070
Total Additions	902,970	2,223,497
Deductions:		
Benefits	194,416	-
Administrative expenses	-	82,313
Interest expense	202,088	821,844
Depreciation expense	4,193	-
Total Deductions	400,697	904,157
Net Increase in Fiduciary Net Position	502,273	1,319,340
Net Position (Deficit) - Beginning	(6,847,459)	-
Restatement of Net Position (Deficit)	-	(6,501,950)
Net Position (Deficit) - Beginning, as Restated	(6,847,459)	(6,501,950)
Net Position (Deficit) - Ending	\$ (6,345,186)	\$ (5,182,610)

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies

a. Financial Reporting Entity

The City was incorporated in 1868 as a charter City, with a Council-Manager form of Government, and provides all municipal services, excluding garbage disposal and electricity.

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. 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. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government.

The City's component units are described below:

- Housing Authority of the City of Vallejo (Blended Component Unit)
- Marine World Joint Powers Authority (Blended Component Unit)
- Parking Authority of the City of Vallejo (Blended Component Unit)
- Public Financing Authority of the City of Vallejo (Blended Component Unit)
- Empress Investment Fund, LLC (EIF) (Blended Component Unit)
- Vallejo Homeless Navigation Center JPA (Blended Component Unit)
- Vallejo Flood and Wastewater District (Discrete Component Unit)
- Vallejo Flood and Wastewater District Financing Corporation (Discrete Component Unit)

Additional financial information for each of these entities can be obtained from the Finance Department City of Vallejo, 555 Santa Clara Street, Vallejo, California 94590.

PRIMARY GOVERNMENT

The financial statements of the primary government of the City of Vallejo include the activities of the City as well as the Housing Authority of the City of Vallejo, the Marine World Joint Powers Authority, the Parking Authority of the City of Vallejo, the Public Financing Authority of the City of Vallejo, the Empress Investment Fund LLC, and the Vallejo Homeless Navigation Center JPA, all of which are controlled by and dependent on the City. While these are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed "blended") with those of the primary government of the City in the accompanying financial statements.

Blended Component Units

The Housing Authority of the City of Vallejo -- was formed in June 1942 and is organized under the California Health and Safety Code. The objectives of the Housing Authority are to aid low-income families in obtaining decent, safe and sanitary housing through federal assistance programs and mortgage revenue bond programs. On February 1, 2012, the Housing Authority also elected to assume the responsibilities of the Housing Successor for the low/moderate income housing programs of the former Redevelopment Agency. The Housing Authority is governed by a Board of Commissioners composed of the City Council members and two tenants of the Housing Authority. The operations of the Housing Authority are reported in the Housing Authority Special Revenue Fund. Management of the City has operational responsibility for the Authority. Separate financial

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

statements for the Housing Authority may responsibility for the Authority. Separate financial statements for the Housing Authority may be obtained by contacting the office of the Finance Director at 555 Santa Clara Street, Vallejo, California, 94590, phone 707-648-4592.

The Marine World Joint Powers Authority — was formed in October 1996, pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California for the purpose of assuming ownership of the Marine World Africa USA theme park from the Marine World Foundation. The City Council is the governing body of the Marine World JPA. The City has full accountability for the Authority's fiscal affairs. The Authority had no activity and had no assets or liabilities during the year ended June 30, 2021. The Authority does not issue separate financial statements.

The Parking Authority of the City of Vallejo — was formed in May 1975, pursuant to the provisions of California statutes. Operations of the Parking Authority began in May 1977, with the execution of a joint powers agreement with the City. The purpose of this agreement was to provide the acquisition, construction, financing and operation of parking facilities in the downtown area of the City. The City Council is the governing board of the Parking Authority. The City has full accountability for the Authority's fiscal affairs. The Authority's parcels of land had a carrying value of \$72,800 as of June 30, 2021. The Authority is inactive and had no activity during the year ended June 30, 2021. The Authority does not issue separate financial statements.

The Public Financing Authority of the City of Vallejo — was formed in July 1990. The primary purpose of the Financing Authority is to provide financing for City projects. The City Council is the governing board of the Financing Authority. The City has full accountability for the Authority's fiscal affairs. The activities of the Authority are blended with the Certificates of Participation Debt Service Fund, Marina Enterprise Fund, Golf Enterprise Fund and fiduciary funds. The Authority does not issue separate financial statements.

The Empress Investment Fund, LLC (EIF) — is a limited liability corporation formed in 2007 to leverage New Market Tax Credits as a source of additional private investment in the historic Empress Theater (Theater). After seven years, in October 2014, the tax credit program matured and the private investor exercised its put option which transferred ownership of the EIF to the Successor Agency. In 2017, ownership of the EIF was transferred by the Successor Agency to the City.

The Empress Theater property is owned, leased, and operated through a series of limited liability corporations. Through the EIF, the City holds 100% ownership of the Empress Theater Master Tenant, LLC (ETMT), which in turn holds a 49% ownership position in Empress Theater Associates, LLC, (ETA). ETA holds title to the Empress Theater property.

Vallejo Homeless Navigation Center Joint Powers Authority (JPA) — is a joint powers authority formed in 2020 under Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with section 6500) in order to provide the City's homeless population with access to vital services via temporary shelter at a navigation center. This center will also provide the City's homeless population with access to vital services, with temporary housing at a navigation center, which will include an opportunity to be connected to permanent housing, jobs and an income so that they may become self-sufficient. The Authority does not issue separate financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

DISCRETELY PRESENTED COMPONENT UNITS

Vallejo Flood and Wastewater District (VFWD) — was created by an act of the California legislature and began operations in April 1952 as the Vallejo Sanitation and Flood Control District (VSFCD). VSFCD changed its name to the Vallejo Flood and Wastewater District during fiscal year 2018. The purpose of the Act was to give autonomous authority to VFWD to provide for the collection, treatment and disposal of wastewater and to control and dispose of storm waters. From 1993 to 1999 VFWD was part of the City's operations. Commencing July 1, 1999 the VFWD became a separate district from the City. The Board now consists of the seven elected City Council members and one member appointed by the Solano County Board of Supervisors. Although the City Council exercises control over the Board of VFWD, there is no operational responsibility or financial benefit or burden relationship with the primary government.

Separate financial statements for VFWD may be obtained by contacting 450 Ryder Street, Vallejo, California 94590.

Vallejo Flood and Wastewater District Financing Corporation (VFWDFC) — is a non-profit public benefit corporation organized in July 1993 as the Vallejo Sanitation and Flood Control District Financing Corporation (VSFCDFC) and was renamed to the Vallejo Flood and Wastewater District Financing Corporation in March 2018. The VFWDFC was organized under the laws of the State of California for the purpose of assisting the VFWD in funding certain projects and other matters relating to the purpose of VFWD. Members of the Board for VFWD serve as Directors of the VFWDFC. The activities of the VFWDFC are blended with the VFWD and separate financial statements are not prepared for the VFWDFC.

b. Basis of Presentation

These *Basic Financial Statements* are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The City's financial position and results of operations are presented from two perspectives in the following two sets of financial statements:

Government-wide Statements: The government-wide financial statements, including the *Statement of Net Position* and the *Statement of Activities*, report the financial activities of the primary government (the City) and its blended and discretely presented component units.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary activities of the City, which are custodial in nature, are not included in these statements and are presented separately. Eliminations have been made to minimize the double counting of internal activities. All internal balances in the *Statement of Net Position* have been eliminated except those representing balances between the governmental and business-type activities.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each function of the City. Direct expenses are those that are specifically associated with a program or function. Certain indirect costs are included in program expenses reported for individual functions and activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) operating grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) capital fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

The City may pay for its programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be 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.

Fund Financial Statements: In addition to the government-wide statements described above, the City also presents *Fund Financial Statements*. The accounts of the City are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. The City accounts for its operations in governmental, proprietary and fiduciary funds, which include the following categories:

Governmental Funds:

General Fund – To account for resources traditionally associated with general government operations of the City, including Measure B Transaction tax and the related expenditures, and pre-1990 Successor Agency loans and the related revenues, that are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources that are legally restricted to be expended for specified purposes.

Debt Service Funds – To account for the servicing of long-term debt not being financed by business-type funds.

Capital Projects Funds – To account for the acquisition and construction of capital improvements.

Permanent Funds – To account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs — that is, for the benefit of the government or its citizenry.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Proprietary Funds:

Enterprise Funds – To account for operations that are financed substantially through user fees and are operated in a manner similar to private business enterprises.

Internal Service Funds – To account for the financing of goods and services provided by one City department to other departments on a cost reimbursement basis.

Fiduciary Funds:

Custodial Funds - Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement.

Private – Purpose Trust Funds – Private – Purpose Trust funds account for assets held by the City as an agent for various functions. The Successor Agency to the Vallejo Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. As discussed in Note 15, all California redevelopment agencies were dissolved as of January 31, 2012 and replaced with Successor Agencies responsible for winding down the affairs of the redevelopment agencies including disposing of their assets. This fund continues payments on the Enforceable Obligation Schedule and disposes of assets and property of the former Redevelopment Agency for the benefit of taxing agencies.

The financial activities of these funds are excluded from the government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

c. 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: Governmental funds are used to report the majority of the City's programs. These funds are reported in the *Fund Financial Statements* on the modified accrual basis of accounting, with a focus on current financial resources. This basis differs from the accrual basis of accounting used to report the government-wide financial statements and proprietary and fiduciary fund financial statements.

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 ninety days after year-end. This period is extended to one year for grant programs. Revenues susceptible to accrual include taxes, intergovernmental revenues, charges for services and interest revenue. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences and claims payable, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Proprietary Funds: The proprietary funds of the City are reported on the accrual basis of accounting in the *Fund Financial Statements*. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the funds. All other expenses are reported as non-operating expenses.

d. Major Funds

The *Fund Financial Statements* focus on the individual *major* funds of the City, each of which is displayed in a separate column, and the aggregate of remaining funds, which are labeled as *non-major* funds. *Major* funds are defined as funds with assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, expenditures, or expenses equal to ten percent of their fund-type total, and five percent of the grand total, or other funds of reporting significance.

The City reports the following major governmental funds in the accompanying *Fund Financial Statements*:

General Fund – This is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Housing Authority Special Revenue Fund – is used to account for monies received and expended on housing assistance to low and moderate income families and the assets and liabilities assumed from the Housing Fund of the Former Redevelopment Agency upon the dissolution as of February 1, 2012. Funds are provided by receipts from the Federal Section 8 Housing and Urban Development (HUD) programs.

Mare Island Conversion Capital Projects Fund – accounts for monies received from federal grants which are used for activities relating to the conversion of the Mare Island Naval Shipyard to civilian use.

Capital Outlay Capital Projects Fund – accounts for all capital projects, including acquisitions and improvements of public property, public works projects, facilities, equipment and systems, except those required to be accounted for in another fund.

The City reports all its enterprise funds as major funds in the accompanying *Fund Financial Statements*:

Water Fund – is used to account for the production and distribution of water to residents and businesses located within the City. Water service is also provided to Lakes District and Travis Air Force Base customers outside the City limits.

Marina Fund – is used to account for the operations, improvement and management of the City marina operations.

Golf Fund – is used to account for the capital assets of the City’s municipal golf course and the course operator’s pass-through revenues that service the City debt used to acquire and improve the assets of the fund.

Vallejo Station Parking Fund – is used to account for the operations, maintenance and management of the Vallejo Station Parking Structure.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Fiber Optic Fund – is used to account for the operations, maintenance, and distribution of bandwidth and retail internet services throughout the City's fiber optic network.

The City also reports the following fund types:

Internal Service Funds: These funds account for fleet maintenance and replacement, workers' compensation and general liability self-insurance programs, payroll and retiree health benefits, all of which are provided to other departments on a cost- reimbursement basis. Revenues are recognized based on cycle billings rendered to customers.

Fiduciary Funds: Trust funds account for assets held by the City as an agent for various functions. Custodial funds are used to account for assets held by the City as a fiduciary for the bondholders of the improvement and assessment land-based debt districts within the City. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. The financial activities of these funds are excluded from the government-wide financial statements but are presented in separate Fiduciary Fund financial statements.

e. Materials, Parts, and Supplies

City materials, parts and supplies are held for consumption and are valued at average cost. Enterprise fund supplies consist of materials and supplies which are held for future use. General Fund supplies are recorded as an expenditure at the time individual supply items are consumed.

VFWD supplies inventories are valued at cost and follow a first-in-first-out (FIFO) flow. This flow approximates market because ending inventory consists of the most recent items purchased. Inventories are recorded as expenses when consumed rather than when purchased.

f. Land Held for Redevelopment

Land held for redevelopment is stated at the lower of historical cost or net realizable value, if estimable. Net realizable value equals the agreed-upon sales price when a disposition agreement has been reached with a developer.

g. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

(expense/expenditure) until then. The City has three types of items that qualify for reporting in this category. An unamortized loss on refunding of debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows and inflows of resources related to pensions and OPEB as discussed in Note 10 and 11, respectively.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from accounts receivable, inter-agency reimbursements, and interest from notes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has two items, which arise only under the full-accrual basis of accounting that are reported in this category, which are deferred inflows of resources related to pensions and OPEB as discussed in Notes 10 and 11, respectively.

i. Property Tax Revenues

Solano County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on January 1. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

j. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

k. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

I. New Accounting Pronouncement

In FY 2020/21, the City of Vallejo implemented the provisions of GASB Statement No. 84, Fiduciary Activities. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with Custodial Funds. Under this guidance, all fiduciary funds will now report a net position and a statement of changes in net position.

The change in accounting principle resulted in a prior period adjustment in the amount of \$6,501,950 being reported for the custodial funds in the Statement of Changes in Fiduciary Net Position.

The following pronouncement has been postponed as a temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date is reflected in the following fiscal year:

GASB 87 – Leases – The requirements of this statement are effective for the fiscal year ending June 30, 2022.

m. Budgeting Procedures

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Charter requires the City Manager to submit to the City Council a proposed operating budget by May 16 for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the financing sources for all funds. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through passage of a resolution. All appropriations lapse at fiscal year-end, except capital appropriations which remain in effect until the project is completed or modified.

Level of Budgetary Control - Budgetary control is established at the following levels: a) General Fund – Department level; b) Other Funds – Fund level; and c) Capital Projects – Department level. The City Manager may authorize line item budget transfers within a General Fund department, or within a fund other than the General Fund.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Budget Amendments - City Council authorization is required to transfer appropriations between General Fund departments, or between funds. City Council authorization is also required to establish or amend capital project budgets. The Budget may be amended at such times as the City Council may deem necessary, in accordance with the requirements and procedures contained in the City Charter and Municipal Code.

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles.

Expenditures in Excess of Budget

The following funds had fund expenditures in excess of budget as follows:

Administrative Trust Fund	\$5,979
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The excess expenditures were covered by revenues received during the fiscal year.

Note 2: Cash and Investments

a. Administration

Investments are administered separately by the City and by its blended component unit, the Housing Authority of the City of Vallejo, and by the discrete component unit, the VFWD. The respective cash and investment positions as of June 30, 2021 for each of these legal entities is as follows:

	Primary Government			Subtotal	Component Unit	Total
	City	Housing	Fiduciary Funds			
Cash on Hand	\$ 8,500	\$ 450	\$ -	\$ 8,950	\$ 12,728	\$ 21,678
Deposits (Overdraft)	21,804,195	5,817,397	-	27,621,592	1,158,516	28,780,108
Investments	236,055,428	-	9,060,611	245,116,039	39,881,171	284,997,210
	<u>\$ 257,868,123</u>	<u>\$ 5,817,847</u>	<u>\$ 9,060,611</u>	<u>\$ 272,746,581</u>	<u>\$ 41,052,415</u>	<u>\$ 313,798,996</u>

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

b. Classification

Cash and investments are classified in the financial statements as shown below:

<u>Reported on the Statement of Net</u>	
Primary	
Cash and Investments: ¹	
City	
General Fund, including Measure B	\$ 34,288,590
Other Funds	144,829,445
Total, City	<u>\$ 179,118,035</u>
Housing Authority	<u>5,007,384</u>
	<u>184,125,419</u>
Restricted Cash and Investments (held by fiscal agents): ²	
City	78,393,632
Housing Authority	<u>1,166,919</u>
	79,560,551
Subtotal Primary Government Cash and Investments	<u>263,685,970</u>
Discrete Component Unit (VFWD):	
Cash and Investments	39,560,314
Restricted Cash and Investments (held by fiscal agents): ³	<u>1,492,101</u>
Subtotal Component Unit Cash and Investments	<u>41,052,415</u>
<u>Reported on the Statement of Fiduciary Net Position</u>	
Custodial Funds	
Cash and Investments	4,662,211
Restricted Investments (held by fiscal agents)	<u>3,585,179</u>
Total Custodial Funds	<u>8,247,390</u>
Successor Agency to the Redevelopment Agency	
Private-Purpose Trust Fund	
Cash and Investments	528,211
Restricted Investments (held by fiscal agents)	<u>285,010</u>
Total, Successor Agency to the Redevelopment Agency	813,221
Private-Purpose Trust Fund	<u>813,221</u>
Subtotal Fiduciary Funds Cash and Investments	<u>9,060,611</u>
Total Cash and Investments	<u>\$ 313,798,996</u>

¹ These balances are available for operations of the City's various programs and funds subject to their respective grant, fee, assessment, contract, or other restrictions.

² These balances are held by the City or third party fiscal agents pursuant to debt covenants or other agreements.

³ These balances are held by third party fiscal agents pursuant to debt covenants or other agreements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

c. Policies

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 idle cash from all sources and all funds, except Cash with Fiscal Agents, Housing Authority, and the VFWD, so that it can be invested to achieve a reasonable rate of return, consistent with safety and liquidity.

Cash receipts and disbursements, including payroll, are processed by City staff which administers activities for the following separate legal entities: the City, the Successor Agency to the Redevelopment Agency, the Housing Authority, and the Vallejo Homeless Navigation Center.

These cash transactions are recorded in the City's main checking account with transactions allocated to each applicable general ledger fund of the City and its blended component units pending periodic reimbursement and settlement of inter-agency balances. As of June 30, 2021, the City held balances of cash for each of the above entities representing their equity in the City's checking account.

Investment income is allocated among funds on the basis of average month-end cash and investment balances in these funds.

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 market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *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 increase security, the City employs the Trust Department of a bank as the custodian of certain 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.

Cash and cash equivalents, including restricted cash, are considered to be liquid assets for purpose of measuring cash flows.

d. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policies and the California Government Code permit the following investments, provided the credit ratings of the issuers are acceptable and approved percentages and maturities are not exceeded. The tables below also identify certain provisions of the California Government Code, or Investment Policies if more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements, rather than the general provisions of the California Government Code or investment policies.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

City and Housing Authority

The City's investment policy and the California Government Code allow the City and the Housing Authority to invest in the following investments:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
U.S. Government Treasury Bills, Bonds and Notes	5 Years	No Limit	No Limit	No Limit
U.S. Government Agencies and Government Sponsored Enterprises	5 Years	No Limit	50%	No Limit
Repurchase Agreements	N/A	No Limit	20%	No Limit
Bankers Acceptances	180 Days	A	5%	\$ 1,000,000
Commercial Paper	270 Days	Highest Rating	25%	\$ 1,000,000
Corporate Medium Term Notes	5 Years	A	30%	5%
Certificates of Deposit	5 Years	No Limit	5%	No Limit
Negotiable Certificates of Deposit	5 Years	A	30%	No Limit
			Up To Statutory	
Local Agency Investment Fund State Pool	On Demand	No Limit	Limits	No Limit
State of California or Local Agency Bonds	5 Years	A	10%	No Limit
Mutual Funds	4 Years	Highest Rating	10%	10%
Money Market Mutual Funds	4 Years	Highest Rating	20%	20%
Asset Backed Securities	5 Years	AA	20%	No Limit
Mortgage Backed Securities or Collateralized Mortgage Obligations	5 Years	AA	20%	No Limit
Local Government Investment Pools	On Demand	No Limit	No Limit	No Limit
Municipal Bonds of Other States	5 Years	A	10%	5%
Supranationals	5 years	No Limit	0%	No Limit

VFWD

VFWD's investment policy and the California Government Code allow the VFWD to invest in the following investments:

Authorized Investment Type	Limits
Government Agency Obligations (callable)	20%
Medium Term Corporate Notes, Rate A or better	30%
Certificates of Deposit - Non-negotiable	None
California Local Agency Investment Fund	None
Shares in Beneficial Interest Money Market Funds, two highest ratings	20%
United States Treasury Securities	None
Certificates of Deposit - Non-negotiable	30%
Bankers' Acceptances	40%
Commerical Paper of "Prime" Quality	25%
Repurchase Agreements	None
Municipal Securities	30%
Asset Backed Securities	20%
Supranationals	30%

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments (Continued)

e. Public Agencies Post-Employment Trust

On August 22, 2017, the City Council adopted resolution 17-094 N.C. approving the adoption of the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code or the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk tolerance, under the Moderate HighMark PLUS Mutual Fund investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

f. Investments Authorized by Debt Agreements

The City and VFWD 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 these entities fail to meet their obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with resolutions, bond indentures or State statutes. The table below identifies, by entity, the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements.

City Debt Agreements

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	No Limit	No Limit	No Limit	No Limit
U.S. Government Agency Obligation	No Limit	Two Highest Ratings	No Limit	10%
Money Market Funds	No Limit	Prime-1/AA-m	No Limit	No Limit
Government Money Market Funds	360 Days	Highest Rating	No Limit	No Limit
Insured FDIC Deposits	No Limit	No Limit	No Limit	No Limit
Interest-Bearing & Time Deposits - Banks or Savings and Loans or Mutual Savings Banks	No Limit	A-1	No Limit	No Limit
Bankers Acceptances	180 Days	Two Highest Ratings	No Limit	No Limit
Commercial Paper	270 Days	A-1+	No Limit	No Limit
Repurchase Agreements	180 Days	A	No Limit	No Limit
Tax-Exempt Obligations	No Limit	Two Highest Ratings	No Limit	No Limit
Rated Investment Agreements and Contracts	No Limit	Three Highest Ratings	No Limit	No Limit
State (or Municipality) Bonds/Notes	No Limit	Two Highest Ratings	No Limit	No Limit
Local Agency Investment Fund	No Limit	No Limit	No Limit	No Limit
Local Government Investment Pools	No Limit	No Limit	No Limit	No Limit
Taxable Bonds	No Limit	A-1	No Limit	No Limit

g. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of these investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following tables that show the distribution of these investments by maturity date or earliest call date at June 30, 2021.

City and Housing Authority

Investment Type	Less than 1			Total
	Year	1 -3 Years	3 - 5 Years	
Held by the City and its Blended Component Units:				
U.S. Government Agencies	\$ 4,675,228	\$ 10,103,216	\$ 20,065,025	\$ 34,843,469
Asset Backed Securities	9,693	2,970,033	4,734,578	7,714,304
Corporate Medium Term Notes	2,442,033	7,558,214	9,014,629	19,014,876
U.S. Treasury Notes	4,117,490	13,977,507	14,812,685	32,907,682
California Local Agency Investment Fund	67,968,041	-	-	67,968,041
Money Market Mutual Funds	407,250	-	-	407,250
Held by Fiscal Agents:				
PARS Pension Trust - HighMark PLUS Mutual Fund	10,879,120	-	-	10,879,120
Money Market Mutual Funds	71,381,297	-	-	71,381,297
Total Investments	\$ 161,880,152	\$ 34,608,970	\$ 48,626,917	\$ 245,116,039

VFWD

Investment Type	Less than 1		Total
	Year	1 -5 Years	
Government Agency Obligations	\$ 250,372	\$ 2,573,266	\$ 2,823,638
US Treasury	-	2,612,588	2,612,588
Supranational	-	236,537	236,537
Medium Term Corporate Notes	1,000,240	2,242,347	3,242,587
Certificates of Deposit - non-negotiable	1,526,198	-	1,526,198
California Local Agency Investment Fund	27,929,040	-	27,929,040
Money Market Mutual Funds	18,482	-	18,482
Held by Trustee:			
Money Market Mutual Funds (U.S. Securities)	1,492,101	-	1,492,101
Total Investments	\$ 32,216,433	\$ 7,664,738	\$ 39,881,171

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

Local Agency Investment Fund

The City and the VFWD are participants 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 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, however, each account is limited to fifteen transactions per month. 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.

h. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the actual rating as of June 30, 2021 for the City and Housing Authority by investment type as provided by Moody's investment rating system.

City and Housing Authority

Investment Type	Aaa	AA1 to AA3	A1 to A3	Total
Held by the City and its Blended Component Units:				
U.S. Government Agencies				
Non-Callable	\$ 34,843,469	\$ -	\$ -	\$ 34,843,469
Asset Backed Securities	7,714,304	-	-	7,714,304
Corporate Medium Term Notes	-	2,451,548	16,563,328	19,014,876
Money Market Mutual Funds	407,250	-	-	407,250
Held by Fiscal Agents:				
Money Market Mutual Funds	71,381,297	-	-	71,381,297
Total Rated Investments	\$ 114,346,320	\$ 2,451,548	\$ 16,563,328	133,361,196
Exempt:				
U.S. Treasury Notes				32,907,682
Non-Rated:				
California Local Agency Investment Fund				67,968,041
PARS Pension Trust - HighMark PLUS Mutual Fund				10,879,120
Total Investments				\$ 245,116,039

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

VFWD

Presented below is the actual rating as of June 30, 2021 for the VFWD by investment type as provided by Standard and Poor's investment rating system:

Investment Type	AAA/AAAm	AA+/AA+AA-	Total
Government Agency Obligations	\$ -	\$ 2,823,638	\$ 2,823,638
US Treasury	-	2,612,588	2,612,588
Supranational	236,537	-	236,537
Medium Term Corporate Notes	1,000,240	2,242,347	3,242,587
Money Market Funds	18,482	-	18,482
Money Market Mutual Funds	1,492,101	-	1,492,101
	\$ 2,747,360	\$ 7,678,573	10,425,933
Non-Rated:			
Certificates of Deposit - Non-negotiable			1,526,198
California Local Agency Funds			27,929,040
Total Investments			\$ 39,881,171

i. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

City and Housing Authority

The following is a summary of the fair value hierarchy of the fair value of investments of the City and Housing Authority as of June 30, 2021:

	Level 1	Level 2	Total
Investments by Fair Value Level:			
U.S. Government Agencies	\$ -	\$ 34,843,469	\$ 34,843,469
Asset Backed Securities	-	7,714,304	7,714,304
Corporate Medium Term Notes	-	19,014,876	19,014,876
U.S. Treasury Notes	-	32,907,682	32,907,682
Subtotal	\$ -	\$ 94,480,331	94,480,331
Investments Measured at Amortized Cost:			
Money Market Mutual Funds			407,250
PARS Pension Trust- HighMark PLUS Mutual Fund			10,879,120
Held with Fiscal Agent:			
Money Market Mutual Funds			71,381,297
Investments Not Subject to Fair Value Hierarchy:			
California Local Agency Investment Fund			67,968,041
Total Investments			\$ 245,116,039

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments (Continued)

U.S. Treasury Notes, classified in Level 1 of the fair value hierarchy, are valued using IDC Institutional Bond Pricing. Asset Backed Securities, classified in Level 2 of the fair value hierarchy, are valued using IDC CMO pricing service. Negotiable Certificates of Deposit, classified in Level 2 of the fair value hierarchy, are valued using IDC CD Pricing. Corporate Medium Term Notes, classified in Level 2 of the fair value hierarchy, are valued using IDC Institutional Bond Pricing. Municipal Bonds, classified in level 2 of the fair value hierarchy, are valued using JJ Kenny Municipal. These prices are obtained from various pricing sources by our custodian bank. Fair value is defined as the quoted market value on the last trading day of the period.

VFWD

The following is a summary of the fair value hierarchy of the fair value of investments of the VFWD as of June 30, 2021:

	<u>Level 2</u>	<u>Total</u>
Investments by Fair Value Level:		
Held by the District		
Governmental Agency Obligations	\$ 2,823,638	\$ 2,823,638
US Treasury	2,612,588	2,612,588
Supranational	236,537	236,537
Medium Term Corporate Notes	3,242,587	3,242,587
Subtotal	<u>\$ 8,915,350</u>	<u>8,915,350</u>
Investments Measured at Amortized Cost:		
Held by the District		
Money Market Funds		18,482
Held by Trustee		
Money Market Mutual Funds		1,492,101
Investments Measured at Cost:		
Certificates of Deposit - Non-Negotiable		1,526,198
Investments Exempt from Fair Value Hierarchy		
California Local Agency Investment Fund		<u>27,929,040</u>
Total Investments		<u>\$ 39,881,171</u>

U.S. Treasury Notes, classified in Level 1 of the fair value hierarchy, are valued using quoted prices in active markets. U.S. government agencies, corporate notes and bonds, certificates of deposit, and money market mutual funds, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The California Local Agency Investment Fund, exempt from the fair value hierarchy, is valued based on the fair value factor provided by the Treasurer of the State of California, which is calculated as the fair value divided by the amortized cost of the investment pool. Fair value is defined as the quoted market value on the last trading day of the period.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments (Continued)

j. Concentration Risk

The City and the VFWD investment policies regarding the amount that can be invested in any one issuer are stipulated by the California Government Code. However, these entities are required to disclose investments that represent a concentration of 5% or more of investments in any one issuer, held by individual Funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools.

At June 30, 2021, these entities' investments that represent a concentration of investments in the securities of any individual issuers, other than U.S. Treasury securities, mutual funds or external investment parts, are set forth below.

City Concentration Risk

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	U.S. Government Agencies	\$ 14,093,081
Federal Home Loan Bank	U.S. Government Agencies	13,327,035

VFWD Concentration Risk

Issuer	Investment Type	Reported Amount
None		\$ -

k. Custodial Credit Risk

The custodial credit risk for cash deposits is the risk that, in the event of the failure of the financial institution holding the deposits, the depositor will not be able to recover the value of its deposits.

At June 30, 2021, the VFWD deposit and investment balances were exposed to custodial risk as follow:

Deposits - uninsured and collateralized with securities held by the pledging bank's trust department or agent not in the District's name \$993,256.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Interfund Transactions

a. Transfers Between Funds

Transfers between funds during the fiscal year ended June 30, 2021, were as follows:

Fund Making Transfers	Fund Receiving Transfers	Amount Transferred
General Fund, including Measure B:	Capital Outlay Capital Projects Fund	\$ 3,438,764 (A)(C)(D)(F)
	Golf Course Enterprise Fund	354,666 (B)
	Other Governmental Funds	1,276,046 (A)(B)
Special Revenue Funds:		
Housing Authority Special Revenue Fund	General Fund	94,389 (A)
Other Governmental Funds	Marina Enterprise Fund	237,913 (A)
	Other Governmental Funds	350,000 (C)
Capital Projects Funds:		
Other Governmental Funds	Housing Authority Special Revenue Fund	95,000 (E)
	General Fund	303,392 (A)
Proprietary Funds:		
Water Fund	Internal Service Funds	250,000 (C)
Total		<u>\$ 6,400,170</u>

- (A) To Fund City Operations
- (B) To Fund Debt Service Payments
- (C) To Fund Capital Program Projects
- (D) To Transfer Technology Surcharge Fees to Capital Projects Fund
- (E) To Fund Affordable Housing
- (F) To Fund Participatory Budgeting Projects

b. Current Interfund Balances

As of June 30, 2021, the City's Workers' Compensation Insurance Internal Service Fund had provided short-term lending to the following funds with deficit cash positions. It is the City's practice to use the City's Workers' Compensation Insurance Internal Service Fund to cover temporary cash shortfalls, as this fund is primarily funded by the General Fund. Additionally, the Workers' Compensation Insurance Internal Service Fund has built a sufficient cash reserve to be able to cover the temporary cash shortfalls in other funds. These balances are expected to be repaid shortly after the end of the fiscal year upon receipt of grant or other reimbursements.

	Due from Other Funds	Due to Other Funds
Special Revenue Funds:		
Community Development Block	\$ -	\$ 210,194
Office of Traffic Safety	-	27,763
Justice Assistance Grant	-	321,563
State Lands	-	3,513
Emergency Disaster	-	629,104
Capital Projects Funds:		
Vallejo Station	-	83,712
Capital Grant & Contribution	-	3,328,897
Enterprise Fund:		
Vallejo Station Parking	-	288,159
Internal Service Fund:		
Workers' Comp	4,892,905	-
Total	<u>\$ 4,892,905</u>	<u>\$ 4,892,905</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 3: Interfund Transactions (Continued)

c. Long-Term Interfund Advances

At June 30, 2021 the funds below made advances that are not expected to be repaid within the next year:

(Asset)	(Liability)	
Fund Making Advance	Funds Receiving Advance	Amount
General Fund	Fiber Optic Enterprise Fund	\$ 680,000
	Marina Enterprise Fund	6,037,451
	Golf Enterprise Fund	4,706,950
	Vallejo Station Parking Enterprise Fund	1,359,984
	Allowance for Collectability	(12,104,385)
Net Advances		<u>\$ 680,000</u>

Fiber Optic Master Plan

In Fiscal Year 2018, the General Fund advanced \$830,000 to the Fiber Optic Enterprise Fund in coordination with the City's adopted Fiber Optic Master Plan. The Fiber Optic Enterprise Fund requires initial funds to provide a capital and operating reserve, allowing the project to move forward until revenues commence. The long-term advance is expected to be repaid once City Council determines the Fiber Optic Enterprise Fund has reached sustainability. Payments of \$150,000 are due annually on June 30, 2021 through June 30, 2024 and one final payment of \$230,000 on June 30, 2025.

Subsidies Allowance

Cumulative to June 30, 2021, the General Fund has advanced \$6,037,451 to the Marina Enterprise Fund, \$4,706,950 to the Golf Enterprise Fund and \$1,359,984 to the Vallejo Station Parking Enterprise Fund. These General Fund advances are offset with a 100% allowance for collectability since there are currently no repayment plans established for these loans. However, the City is anticipating that these funds would have sufficient resources to make repayments in the future with the increased user fees, proposed Golf and Housing development, and downtown parking improvements and enforcements.

d. Internal Balances

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

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 4: Notes & Loans Receivable

a. Summary of Notes and Loans Receivable

The following notes and loans receivable were outstanding as of June 30, 2021. These loans are not anticipated to be fully collected within the year:

Type of Loans	Fund Type	Amounts
Primary Government and Blended Component		
<u>Housing Programs</u>		
Housing Authority Programs	Major Governmental	
Affordable Housing (20% Set Aside)		
Eden Housing		\$ 1,360,483
Avian Glen		3,093,750
Citizen Housing/Sereno Village		2,500,000
Simpson/Bayview		1,265,642
Marina Towers		711,470
Simpson/Solano Vista I		600,000
Single Family Residential		311,933
Temple Arts Lofts		750,000
Accrued Interest		3,376,590
Residential Rehabilitation		246,592
Vallejo Housing Collaborative		672,532
		<u>14,888,992</u>
HOME Program	Non-Major Governmental	
Avian Glen		900,000
Marina Towers		500,000
Temple Arts Lofts		495,734
Vallejo Housing Collaborative		100,000
Solano-Napa Habitat for Humanity		93,735
Vallejo PSH, LP		1,691,481
Single Family Residential		1,927,678
		<u>5,708,628</u>
Community Development Block Grant	Non-Major Governmental	
Reynnaissance Family Center		920,362
Youth & Family Services		240,000
Temple Art Lofts		400,000
Single Family Residential		328,987
		<u>1,889,349</u>
Neighborhood Stabilization Program	Non-Major Governmental	
Temple Arts Lofts		1,437,844
Community Housing Development Program		454,305
Single Family Residential		288,448
		<u>2,180,597</u>

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 4: Notes & Loans Receivable (Continued)

Type of Loans	Fund Type	Amounts
<u>Development Programs</u>		
Sereno Village Apartments		
General Fund	Major Governmental	1,026,046
Neighborhood Parks Fund	Non-Major Governmental	183,864
		<u>1,209,910</u>
<u>Other Programs</u>		
General Fund- Temple Arts Lofts	Major Governmental	23,821
Water Fund- Trailer City	Major Enterprise	7,285
Transportation Impact Mitigation Fund-		
Temple Art Lofts	Non-Major Governmental	89,088
Empress Theater Fund-		
Empress Theatre Associates, LLC	Non-Major Governmental	49,220
		<u>169,414</u>
<u>Advances to Former Redevelopment Agency (Successor Agency)</u>		
Empress Theater		
Hiddenbrooke Overpass Fund	Non-Major Governmental	473,160
Arts and Convention Center Fund	Non-Major Governmental	3,765,595
Georgia Street Extension		
Bridge Construction Fund	Non-Major Governmental	477,986
		<u>4,716,741</u>
		<u>30,763,631</u>
Total Primary Government Notes and Loans Receivable		
VFWD		
<u>Development Program</u>		
Sereno Village Apartments		249,419
Employee Computer Loans		23,456
		<u>272,875</u>
Total Component Unit Notes and Loans Receivable		
Total Notes and Loans Receivable		<u><u>\$ 31,036,506</u></u>

b. Affordable Housing and Residential Rehabilitation

Under the provisions of AB 1484, the City's Housing Authority elected to become the Housing Successor and retain the housing assets of the former Redevelopment Agency, including the affordable housing loans.

These various residential purchase and rehabilitation loan programs were offered to qualifying low- to moderate- income individuals by the former Redevelopment Agency through the Affordable Housing Special Revenue Fund. These loans are secured by first or second mortgages on the residential property and are insured by private guaranty mortgage

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 4: Notes & Loans Receivable (Continued)

insurance. The terms vary greatly depending on the ability of the property owner to repay the loan. Interest rates on these loans range from 3.0% to 8.0% and the principal maturity dates range from 5 years to 30 years. Deferred interest loans are offered as well as below-market-rate 30-year loans. Interest income is recorded as payments are received. In addition, the former Redevelopment Agency had entered into agreements with developers to assist in the development of affordable housing. The notes receivable are secured by deeds of trust and bear varying interest rates.

Additionally, in June 30, 2018, the Housing Authority entered into a loan agreement with Eden Housing, Inc., in the amount of \$1,600,000. The proceeds of the loan will be used to plan, develop and construct seventy-six housing units on Sacramento Street for extremely low-income individuals and households. The loan bears simple interest of 2% and is repayable from residual receipts as defined in the agreement. The loan will be secured by a deed of trust on the property and unpaid principal and interest is due on or before the fifty-fifth anniversary of the promissory note. As of June 30, 2021, the developer had drawn down \$1,360,483 of the loan proceeds.

The residential rehabilitation loan is a single loan to Temple Art Lofts with an agreement that the principal shall be due and payable in full upon the 55th anniversary of the date of the note which is December 15, 2011. As long as no Event of Default occurs prior to the maturity date, borrower shall not be obliged to pay periodic payments of principal and or interest on the principal amount. The outstanding balance at June 30, 2021 remains at \$246,592 and recorded in the Section 8 Operating Reserve Fund.

In July 2014, the Housing Authority entered into a loan agreement with Vallejo Housing Collaborative, LLC, in the amount of \$900,000. The proceeds of the loan will be used to acquire, rehabilitate and operate from ten to twelve properties that are improved with housing to provide permanent housing for extremely low-income individuals and households transitioning from homelessness. The loan bears simple interest of 3% and is repayable from residual receipts as defined in the agreement. The loan is secured by up to two deeds of trust on the properties and unpaid principal and interest is due on or before the thirtieth anniversary of the promissory note. As of June 30, 2021, the developer had drawn down \$672,532 of the loan proceeds. This amount is recorded in the Section 8 Operation Reserve Fund.

c. HOME Program, CDBG Program, and NSP Program

Various residential purchase and rehabilitation loan programs are offered to qualifying low-to moderate- income individuals by the City through the, HOME, CDBG and NSP Programs. These loans are secured by first or second mortgages on the residential property and are insured by private guaranty mortgage insurance. The terms vary greatly depending on the ability of the property owner to repay the loan. Interest rates on these loans range from 3.0% to 5.0% and the principal maturity dates range from 5 years to 30 years. The loan portfolio also includes loans made to affordable housing developers for rental housing projects. The outstanding balances at June 30, 2021 were \$5,708,628, \$1,889,349, and \$2,180,597 in the HOME Program, CDBG Program and NSP Program, respectively.

In July 2014, the City also entered into a loan agreement with Vallejo Housing Collaborative, LLC, in the amount of \$100,000 for the same project discussed in B. above. The loan was funded with HOME funds and is included in the balance of HOME Program loans receivable above. The loan bears simple interest of 3% and is repayable from residual receipts as defined in the agreement. The loan is secured by a deed of trust on the property and unpaid principal and interest is due on or before the thirtieth anniversary of the promissory note.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 4: Notes & Loans Receivable (Continued)

In July 2016, the City entered into a loan agreement with Solano-Napa Habitat for Humanity in the amount of \$93,735. Solano-Napa Habitat for Humanity has drawn down \$93,735 of the loan for the acquisition of real property for development of owner-occupied affordable housing of a single-family home located at 760 Tregaskis Avenue in Vallejo. This loan was funded with HOME Investment Partnerships Program Funds and is included in the balance of HOME Program loans receivable above. The loan bears simple interest of 0%, and principal payments are deferred. The loan is secured by a deed of trust on the property, and the entire loan is due and payable no later than July 1, 2021. This project was completed in 2018, and the house has been sold to a qualified first-time homebuyer.

In May 2019, the City entered into a loan agreement with Community Housing Development Corporation in the amount of \$969,612. The Community Housing Development Corporation has drawn down \$454,305 of the loan for the acquisition of real property located at 759, 747, 720, and 726 Sonoma Boulevard in Vallejo for low-income owner-occupied housing project. The loan bears simple interest of 0% and principal payments are deferred. The loan is secured by the deed of trust on the property, and the entire loan is due and payable by no later than May 14, 2024; however, the lender may, at its option, extend the note for an additional five-year term(s) subject to continuing compliance with Neighborhood Stabilization Program requirements.

d. Sereno Village Apartments

In May 2003, the City entered into a \$1,400,000 loan agreement with Sereno Village Associates for the development of a 125 unit very low-income rental housing project. The note bears 3% simple interest and will be due in full to the City in 15 years. The loan is secured by a deed of trust. To the extent there is excess cash flow from the project, the developer is required to repay all accrued interest and principal annually. At June 30, 2021 the outstanding balance of this loan, including accrued interest, was \$1,209,910 comprised of \$1,026,046 funded by the General Fund and \$183,864 funded by the Neighborhood Parks Capital Project Fund.

During fiscal 2002, the Vallejo Flood and Wastewater District loaned \$351,635 to Sereno Village Association. The loan is secured by deed of trust, bearing simple interest at 3% and it is due in 15 years. The outstanding balance at June 30, 2021 was \$249,419.

e. Temple Art Loft Impact Fee Loan

In December 2011, the City entered into a \$112,909 loan agreement with Temple Art Lofts Associates to pay certain impact fees, permit fees, and administrative fees for the 707-715 Marin Street Project. The loan bears zero interest and will be due and payable in full upon the 55th anniversary of the date of the loan which is December 15, 2066. The loan is recorded in the General Fund and the Transportation Impact Mitigation Fund.

f. Trailer City Water Loan

In April 2004, the City entered into a \$68,080 loan agreement with Trailer City Sales Company for the construction of improvements allowing Trailer City Sales Company to be connected to the City's water system. The loan also provides assistance for payments of water connection and facilities fees. The note bears zero interest and will be due in full to the City in 20 years. The loan is secured by a deed of trust. At June 30, 2021 the outstanding balance of this loan was \$7,285. This loan is recorded in the City's Water Enterprise Fund.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 4: Notes & Loans Receivable (Continued)

g. Golf Cart Storage

During fiscal year 2007, the City loaned \$350,000 to Vallejo Golf Club, Inc. for the construction of a golf cart storage building. During fiscal year 2011, the City established an allowance for collectability equal to the total amount owed of \$180,843. At June 30, 2021, the outstanding balance of this loan and the offsetting allowance were \$180,843.

h. Long-Term Loans – Former Redevelopment Agency

From 2003 to 2006, the City had advanced \$4,296,000 to the Vallejo Central Debt Service Fund which the Agency, in turn, loaned to Empress Investment Fund, LLC, for the purpose of theater improvements, and in fiscal year 2003, the City advanced \$500,000 to the Marina Vista Debt Service Fund for the Georgia Street extension project. Repayment of these loans were contingent upon the Successor Agency receiving a Finding of Completion, as defined in Health and Safety Code Section 34179.6. After the Successor Agency receives a Finding of Completion, under the provisions of Health and Safety Code Section 34191.4(b)(2)(A), the loans can be repaid by the Successor Agency. However, the Successor Agency must apply for approval of the loans by the Oversight Board including a finding that the loans were for legitimate redevelopment purposes.

On February 12, 2015 the Oversight Board to the Successor Agency of the former Vallejo Redevelopment Agency approved these pre-dissolution loans between the City and the former Vallejo Redevelopment Agency as enforceable obligations. The DOF approved these loans as enforceable obligations in March 2015.

During the early years of the Agency (pre-1990), the City advanced start-up funds to the Agency. As of January 31, 2012, the date of dissolution of the former Redevelopment Agency, the balance of these advances, including accrued interest at that date totaled \$9,042,032. On February 12, 2015, the Oversight Board also approved these pre-1990 loans between the City and the former Vallejo Redevelopment Agency as enforceable obligations, but the DOF overturned the approval. However, a change in Health and Safety Code Section 34191.4 during fiscal year 2016 provided for the reestablishment of these prior loans as enforceable obligations so long as they were approved by the Oversight Board. On January 28, 2016, the Oversight Board passed resolution OB 16-002 to reaffirm its approval of the Pre-1990 loans.

However, the DOF continued to deny approval of the pre-1990 loans as enforceable obligations during the Recognized Obligation Payment Schedule (ROPS) process. Due to the uncertainty of State approval, the City reports these loans their full value of \$3,346,424, with an offsetting allowance as of June 30, 2021.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 4: Notes & Loans Receivable (Continued)

The loan balances as of June 30, 2021 are as follows:

	Principal	Accrued Interest	Total
Hiddenbrooke Overpass Capital Projects Fund	\$ 272,443	\$ 200,717	\$ 473,160
Bridge Construction Capital Projects Fund	240,022	237,964	477,986
Arts and Convention Center Capital Projects Fund	1,992,582	1,773,013	3,765,595
General Fund:			
Waterfront	162,805	875,263	1,038,068
Marina Vista	-	647,510	647,510
Central	708,372	952,474	1,660,846
Less Allowance for Doubtful Accounts	<u>(871,177)</u>	<u>(2,475,247)</u>	<u>(3,346,424)</u>
	<u>\$ 2,505,047</u>	<u>\$ 2,211,694</u>	<u>\$ 4,716,741</u>

The loans bear simple interest of 3%. Repayment of these loans is governed by Health and Safety Code Section 34176(e)(6) and the maximum annual repayment is limited based on calculations in that Code Section. Repayment installments were approved by the State Department of Finance starting fiscal year 2016-17 through the annual ROPS process.

i. Investment in Empress Theater Project through the Empress Investment Fund, LLC

In September 2016, the Successor Agency and the Oversight Board approved the transfer of the Successor Agency's interests in the Empress Theater to the City with the long-term objective of preserving this historic property for the community. The Oversight Board action was approved by the State DOF in January 2017. Through this action, the City acquired a loan receivable from Empress Theater Associates that was previously held by the Successor Agency.

The City holds its Empress Theater loan receivable through its 100% ownership interest in the Empress Investment Fund, LLC (EIF), a limited liability corporation formed in 2007 to leverage New Market Tax Credits as a source of additional private investment in the historic Empress Theater (Theater). After seven years, in October 2014, the tax credit program matured and the private investor exercised its put option which transferred ownership of the EIF to the Successor Agency. In 2017, ownership of the EIF was transferred by the Successor Agency to the City.

The Empress Theater property is owned, leased, and operated through a series of limited liability corporations. Through the EIF, the City holds 100% ownership of the Empress Theater Master Tenant, LLC (ETMT), which in turn holds a 49% ownership position in Empress Theater Associates, LLC, (ETA). ETA holds title to the Empress Theater property.

As of June 2021, the EIF holds loan receivable assets, including accumulated interest, of \$6,513,997 due from ETA, and carries a loan payable obligation, with accumulated interest payable, of \$212,670 due to Triad Communities LP, the site development partner. Cash flow from Theater development and operations have been pledged to ultimately settle these loans receivable and payable. The loan receivable carries an interest rate of 0.5%, with quarterly payments scheduled through 2047. The loan payable carries an interest rate of 1.15%, with quarterly payments also scheduled through 2047. However, current Theater cash flow does not support amortization of these obligations, and as such, the net assets of the EIF are reported net of an allowance for doubtful accounts

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 4: Notes & Loans Receivable (Continued)

of \$6,464,777, leaving a net loan receivable balance of \$49,220 in the accompanying financial statements. After deducting loans payable and accumulated interest payable, the net reported value of the City's interests in the Empress Theater is zero.

j. VFWD Employee Computer Loans

VFWD has a Computer Literacy program that allows employees to borrow, in an amount approved by the District Manager, to purchase personal computers. The principal balance amount, with the rate of interest equal to the rate of interest being earned by VFWD that shall not exceed 9%, is to be paid off within 36 months from the date of the loan.

k. City Manager Housing Assistance

As a part of the City Manager Employment Agreement approved by City Council on December 14, 2017, the City Manager is authorized to receive housing assistance from the City. Under the terms of the agreement, the City Manager receives a monthly allowance of \$1,500 for a primary residence in Vallejo. If the City Manager opts out of receiving housing assistance, he may receive a zero-interest loan of up to \$130,000. As of June 30, 2021, the City Manager has not drawn down on any loan funds.

Note 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 acquisition value on the date contributed.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is determined using the half year convention 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, but only half of the full year depreciation is charged in the first year, while the other half is charged in the last year of depreciation or in the year the asset is sold or retired.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 5: Capital Assets (Continued)

The City has assigned the useful lives and capitalization thresholds listed below to capital assets.

	<u>Useful Lives</u>	<u>Capitalization Threshold</u>
Land	N/A	Capitalize All
Easements	N/A	\$ 500,000
Land Improvements	25 to 60 Years	50,000
Buildings and Improvements	5 to 50 Years	50,000
Machinery and Equipment	5 to 25 Years	5,000
Internally Developed Software	2 to 5 Years	500,000
Purchased Software	2 to 5 Years	50,000
Infrastructure:		
Traffic Signals	5 to 25 Years	50,000
Street Lights	15 to 50 Years	50,000
Bridges and Culverts	15 to 60 Years	50,000
Sidewalks, Curbs and Gutters	15 to 40 Years	50,000
Streets and Roads	15 to 40 Years	50,000

Improvements to existing infrastructure assets in excess of \$50,000 are capitalized if: the estimated useful life of the existing asset has been extended by at least 25%; or the capacity of the existing asset has been substantially improved; or the quality of the output of the existing asset has been substantially improved.

The VFWD capitalizes applicable assets greater than \$5,000 and the VFWD has assigned the useful lives listed below to capital assets:

Wastewater Treatment Plant and Facilities	5 to 40 Years
Wastewater and Storm Warm Pump Stations	5 to 25 Years
Wastewater Collection and Storm Water Transmissions Systems	5 to 50 Years
Buildings and Improvements	5 to 40 Years
Machinery and Equipment	5 to 25 Years

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

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 5: Capital Assets (Continued)

a. Government Capital Asset Activity

	Balance at June 30, 2020	Additions	Retirements	Transfers	Balance at June 30, 2021
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 145,797,035	\$ -	\$ -	\$ -	\$ 145,797,035
Construction in Progress	6,171,765	11,213,276	(121,977)	(1,152,015)	16,111,049
Total Capital Assets Not Being Depreciated	151,968,800	11,213,276	(121,977)	(1,152,015)	161,908,084
Capital Assets Being Depreciated:					
Buildings and Improvements	129,596,592	-	-	820,710	130,417,302
Machinery and Equipment	44,865,345	6,761,669	(1,040,725)	300,000	50,886,289
Infrastructure	276,750,954	-	-	31,305	276,782,259
Total Capital Assets Being Depreciated	451,212,891	6,761,669	(1,040,725)	1,152,015	458,085,850
Less Accumulated Depreciation for:					
Buildings and Improvements	(50,596,278)	(6,429,058)	-	-	(57,025,336)
Machinery and Equipment	(31,349,117)	(2,629,156)	1,017,324	-	(32,960,949)
Infrastructure	(172,736,461)	(1,523,322)	-	-	(174,259,783)
Total Accumulated Depreciation	(254,681,856)	(10,581,536)	1,017,324	-	(264,246,068)
Net Capital Assets Being Depreciated	196,531,035	(3,819,867)	(23,401)	1,152,015	193,839,782
Governmental Activities Capital Assets, Net	\$ 348,499,835	\$ 7,393,409	\$ (145,378)	\$ -	\$ 355,747,866

b. Business-Type Capital Asset Activity

	Balance at June 30, 2020	Additions	Retirements	Transfers	Balance at June 30, 2021
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 12,298,805	\$ -	\$ -	\$ -	\$ 12,298,805
Construction in Progress	14,524,139	3,307,875	-	(9,661,521)	8,170,493
Total Capital Assets Not Being Depreciated	26,822,944	3,307,875	-	(9,661,521)	20,469,298
Capital Assets Being Depreciated:					
Buildings and Improvements	94,870,978	-	-	624,350	95,495,328
Machinery and Equipment	24,712,390	251,330	(10,591)	926,814	25,879,943
Infrastructure	156,714,256	-	-	8,110,357	164,824,613
Total Capital Assets Being Depreciated	276,297,624	251,330	(10,591)	9,661,521	286,199,884
Less Accumulated Depreciation for:					
Buildings and Improvements	(65,881,416)	(1,814,181)	-	-	(67,695,597)
Machinery and Equipment	(12,709,063)	(1,365,195)	2,648	-	(14,071,610)
Infrastructure	(112,967,879)	(2,764,758)	-	-	(115,732,637)
Total Accumulated Depreciation	(191,558,358)	(5,944,134)	2,648	-	(197,499,844)
Net Capital Assets Being Depreciated	84,739,266	(5,692,804)	(7,943)	9,661,521	88,700,040
Business-Type Activity Capital Assets, Net	\$ 111,562,210	\$ (2,384,929)	\$ (7,943)	\$ -	\$ 109,169,338

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 5: Capital Assets (Continued)

c. Vallejo Flood and Wastewater District Capital Asset Activity

	Balance at June 30, 2020	Additions	Retirements	Transfers	Balance at June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 2,810,716	\$ -	\$ -	\$ -	\$ 2,810,716
Construction in Progress	27,093,305	6,743,110	(30,886)	(17,161,595)	16,643,934
Total Capital Assets, Not Being Depreciated	29,904,021	6,743,110	(30,886)	(17,161,595)	19,454,650
Capital Assets Being Depreciated:					
Buildings and Improvements	3,895,863	-	(27,714)	-	3,868,149
Machinery and Equipment	13,969,265	-	(912,395)	716,285	13,773,155
Infrastructure	347,791,778	-	(232,507)	16,445,310	364,004,581
Total Capital Assets Being Depreciated	365,656,906	-	(1,172,616)	17,161,595	381,645,885
Less Accumulated Depreciation for:					
Buildings and Improvements	(2,595,121)	(100,126)	27,716	-	(2,667,531)
Machinery and Equipment	(9,579,024)	(819,495)	898,448	-	(9,500,071)
Infrastructure	(188,498,773)	(7,797,269)	232,507	-	(196,063,535)
Total Accumulated Depreciation	(200,672,918)	(8,716,890)	1,158,671	-	(208,231,137)
Net Capital Assets Being Depreciated	164,983,988	(8,716,890)	(13,945)	17,161,595	173,414,748
Capital Assets, Net	\$ 194,888,009	\$ (1,973,780)	\$ (44,831)	\$ -	\$ 192,869,398

d. Depreciation Allocation

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

Governmental Activities

Executive	\$ 49,843
Finance	1,749
Community Development	244,052
Fire Services	133,228
Police Services	696,254
Public Works	7,869,305
Capital Assets Held by the City's Internal Service	
Funds are Charged to the Various Functions Based on Their Usage of the Assets	1,587,105
	<u>\$ 10,581,536</u>

Business-Type Activities

Water	\$ 5,232,061
Marina	58,384
Golf	627,271
Parking	17,337
Fiber	9,081
	<u>\$ 5,944,134</u>

VFWD:

Vallejo Flood and Wastewater District	<u>\$ 8,716,890</u>
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 6: Long-Term Debt

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financing source gross of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred. Any differences between proprietary refunded debt and the debt issued to refund it is recorded as Deferred Outflows/Inflows of Resources and amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt (Continued)

a. Current Year Transactions and Balances

The City's long-term debt issues and transactions were as follows:

	Original Issue Amount	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
1999 COPs						
(Restructured, see Note 6C)	\$ 4,815,000	\$ 2,526,517	\$ -	\$ (190,000)	\$ 2,336,517	\$ 200,000
Total Certificates of Participation	4,815,000	2,526,517	-	(190,000)	2,336,517	200,000
Governmental Activity Debt - Direct Borrowing:						
1999 COPs Shortfall Indebtedness						
(Restructured, see Note 6C)	75,860	86,348	3,460	(43,150)	46,658	-
UBOC Reimbursement Obligations:						
UBOC Tranche A - General Fund	7,813,780	3,091,931	-	(569,802)	2,522,129	584,047
UBOC Tranche B - General Fund	9,155,272	9,115,459	-	(117,824)	8,997,635	119,738
Less: Negative interest	(1,248,593)	(491,350)	95,127	-	(396,223)	-
Total Loans & Note Payable	15,720,459	11,716,040	95,127	(687,626)	11,123,541	703,785
Capital Lease Obligation:						
2001 Site & Facility Lease						
(Restructured, see Note 6G)	710,248	101,464	-	(101,464)	-	-
City Hall Security Cart Capital Lease	5,716	5,001	-	(1,786)	3,215	1,429
Motorola Equipment Lease (Police)	3,997,967	-	3,999,967	(1,000,000)	2,999,967	818,095
VAR Tech Equipment Lease (IT&Police)	197,685	-	197,685	(43,250)	154,435	35,991
Total Capital Lease Obligations	4,911,616	106,465	4,197,652	(1,146,500)	3,157,617	855,515
Housing & Urban Development Section 108 Loan						
Variable, due 8-1-2026	1,700,000	2,769,000	-	(236,000)	2,533,000	236,000
Other Obligation:						
Loans Payable to Triad Communities LP	42,500	42,500	-	-	42,500	-
Total Direct Borrowings	22,450,435	14,720,353	4,296,239	(2,113,276)	16,903,316	1,795,300
Total Governmental Activity Debt	\$ 27,265,435	\$ 17,246,870	\$ 4,296,239	\$ (2,303,276)	\$ 19,239,833	\$ 1,995,300

	Original Issue Amount	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Current Portion
Business-Type Activity Debt:						
Revenue Bonds:						
2020A Water Revenue Refunding Bonds, 4%, due 5/1/30	\$ 16,750,000	\$ 13,180,000	\$ -	\$ (3,185,000)	\$ 9,995,000	\$ 3,310,000
Plus: Unamortized Bond Premium	-	1,967,600	-	(196,760)	1,770,840	-
2020B Water Revenue Refunding Bonds, var. rate, due 5/1/28	20,075,000	20,075,000	-	-	20,075,000	-
2021A Water Revenue Bonds, var.rate, due 5/1/51	42,600,000	-	42,600,000	-	42,600,000	775,000
Plus: Unamortized Bond Premium	-	-	9,384,863	(302,738)	9,082,125	-
Total Revenue Bonds	79,425,000	35,222,600	51,984,863	(3,684,498)	83,522,965	4,085,000
Business Activity Debt - Direct Borrowing:						
UBOC Reimbursement Obligations:						
UBOC Tranche A - Golf Course	4,269,641	1,457,458	-	(318,230)	1,139,228	326,186
UBOC Tranche A - Marina	7,916,579	2,633,068	-	(595,198)	2,037,870	610,078
UBOC Tranche B - Golf Course	5,359,564	5,024,899	81,655	-	5,106,554	-
UBOC Tranche B - Marina	10,368,842	9,711,580	146,826	(27,988)	9,830,418	28,443
Other Loans & Notes Payable:						
State Safe Drinking Water 0%, due 1/1/25	68,080	15,317	-	(3,404)	11,913	3,404
Capital Lease						
Marina Utility Cart Capital Lease	10,591	9,267	-	(9,267)	-	-
Golf Course Cart Capital Lease	715,051	625,670	-	(223,454)	402,216	178,763
VAR Tech Equipment Lease	97,367	-	97,367	(21,302)	76,065	17,727
Total Direct Borrowings	28,805,715	19,477,259	325,848	(1,198,843)	18,604,264	1,164,601
Total Business Activity Debt	\$ 108,230,715	\$ 54,699,859	\$ 52,310,711	\$ (4,883,341)	\$ 102,127,229	\$ 5,249,601

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt (Continued)

VFWD:	Original Issue Amount	Balance at June 30, 2020	Retirements	Balance at June 30, 2021	Current Portion
Revenue Bonds:					
2014 Revenue Bonds, 4-5%, due 5/1/36	\$ 34,294,966	\$ 27,604,253	\$ (1,223,953)	\$ 26,380,300	\$ 1,070,000
2011 Revenue Bonds, 2-5%, due 5/1/25	3,345,000	1,428,183	(262,727)	1,165,456	270,000
Total Revenue Bonds	37,639,966	29,032,436	(1,486,680)	27,545,756	1,340,000
Other Loans & Notes Payable - Direct Borrowings:					
State Clean Water (2004) 2.5%, due 2023	13,798,201	2,590,618	(842,306)	1,748,312	863,364
State Clean Water (2008) 2.4%, due 2025	4,406,072	1,479,073	(281,952)	1,197,121	288,719
Total Loans & Notes Payable	18,204,273	4,069,691	(1,124,258)	2,945,433	1,152,083
Total VFWD Debt	\$ 55,844,239	\$ 33,102,127	\$ (2,610,938)	\$ 30,491,189	\$ 2,492,083

b. Debt Service Requirements

Annual debt service requirements to maturity are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities			
	1999 COPs		Direct Borrowings	
	Principal	Interest	Principal ^(a)	Interest
2022	\$ 200,000	\$ 112,612	\$ 1,795,300	\$ 266,257
2023	210,000	101,849	1,414,960	184,096
2024	225,000	90,432	1,440,867	152,397
2025	235,000	78,357	1,302,204	120,046
2026	245,000	65,757	1,179,995	194,285
2027-2031	1,221,517	122,589	4,473,611	678,598
2032-2036	-	-	4,908,135	268,323
2037-2041	-	-	388,244	6,309
Total	\$ 2,336,517	\$ 571,596	\$ 16,903,316	\$ 1,870,311

^(a) Includes accreted interest on the UBOC Retirement Obligations - Tranche B for (\$396,223).

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt (Continued)

For the Year Ending June 30	Business-Type Activities			
	Revenue Bonds		Direct Borrowings	
	Principal	Interest	Principal ^(a)	Interest
2022	\$ 4,085,000	\$ 2,428,100	\$ 1,164,601	\$ 93,535
2023	4,235,000	2,272,450	1,189,302	68,833
2024	4,320,000	2,198,066	1,080,564	43,500
2025	4,405,000	2,111,961	816,456	261,215
2026	4,405,000	2,021,210	809,920	244,746
2027-2031	17,760,000	8,413,476	4,251,350	1,021,983
2032-2036	6,090,000	6,223,800	4,608,183	665,151
2037-2041	7,400,000	4,905,400	4,287,004	278,368
2042-2046	9,010,000	3,301,200	396,884	6,469
2047-2051	10,960,000	1,349,200	-	-
Total	72,670,000	\$ 35,224,863	18,604,264	\$ 2,683,800
Plus: Unamortized Bond Premium (discount)	10,852,965		-	
Net Long-Term Debt	\$ 83,522,965		\$ 18,604,264	

(a) Includes accreted interest on the UBOC Retirement Obligations - Tranche B for (\$707,960).

For the Year Ending June 30	VFWD			
	Revenue Bonds and Certificates of Participation		Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 1,340,000	\$ 1,298,676	\$ 1,152,083	\$ 72,439
2023	1,400,000	1,231,676	1,180,596	43,926
2024	1,475,000	1,161,675	302,744	14,706
2025	1,550,000	1,087,925	310,010	7,440
2026	1,305,000	1,010,425	-	-
2027-2031	7,575,000	3,983,900	-	-
2032-2036	9,865,000	1,685,475	-	-
Total	24,510,000	\$ 11,459,752	2,945,433	\$ 138,511
Plus: Unamortized Bond Premium (discount)	3,035,756		-	
Net Long-Term Debt	\$ 27,545,756		\$ 2,945,433	

c. Certificates of Participation (COPs)

1999 COPs – In July 1999, the City issued \$4,815,000 of Certificates of Participation (1999 Capital Improvements Project) to finance City capital improvements. Principal payments are payable annually on July 15. Interest payments are due semiannually on January 15 and July 15.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 6: Long-Term Debt (Continued)

Due to the failure of the City to pay the scheduled amounts due under the original agreement, on January 25, 2011, the City, National Public Finance Guarantee Corporation (National) and the Controller for the State of California (the "Controller") entered into a Settlement Agreement (the Settlement Agreement).

Commencing July 1, 2013, the City was to pay the Trustee the full scheduled amount when due and commencing on January 15, 2014, to pay National, on January 15 and July 15 of each year, an amount equal to 100% of all MVLF to which the City would be entitled under the California Revenue and Taxation Code during the previous six months, minus the amount paid to the Trustee for the same period, provided that the MVLF exceed the total amounts due for that period. The City's obligation to pay amounts is not dependent on its receipt of MVLF in any amount.

The MVLF catch-up payment is to be applied to the shortfall indebtedness until paid in full. To the extent that the shortfall indebtedness is not paid in full by the last scheduled payment under the Lease Agreement, the City is to pay the remaining balance of the shortfall indebtedness to National no later than January 15, 2030. During the year ended June 30, 2021, the City paid \$43,150 to reduce the shortfall principal balance and accrued interest of \$3,460 was added to the principal balance.

Bond Insurer Rating Downgrade – On December 1, 2017, Standard and Poor's announced that it affirmed its rating on the bond insurer National Public Finance Guarantee Corporation (NPFGC) at "A," but that its withdrawing its rating on NPFGC as it relates to issuers. As a result, certain of the City's bonds insured by NPFGC will be rated at the "underlying" rating, not the insurer rating.

d. UBOC Reimbursement Obligations

On August 2, 2011, Union Bank and the City reached a restructuring agreement regarding series 2000, 2001, 2002, and 2003 Certificates of Participation (COPs) which amended and replaced the COPs as follows:

There are two tranches: the "A" obligation and the "B" obligation. The starting principal balance of the "A" obligation is \$18,049,887 and the "B" obligation has a starting principal of \$21,367,933. No interest accrued on either the "A" or the "B" obligation from the effective date of November 1, 2011, through December 31, 2014, and interest commenced accrual on both obligations on January 1, 2015. The "A" obligation has a fixed annual interest rate of 2.5% and the "B" obligation has a fixed annual interest rate of 1.625%. Interest is payable annually on the first business day of each calendar year, in a single annual payment, in advance. Interest payments on the obligations commence in the calendar years 2015 and 2018 for obligations "A" and "B", respectively, and continuing, in each case, until the principal balance of that obligation has been paid in full.

Principal is payable annually on the first business day of each calendar year, in a single annual payment, commencing with the 2012 calendar year for the "A" obligation and 2025 for the "B" obligation. The outstanding principal balance, all accrued but unpaid interest, and all other amounts due under the New Union Bank Reimbursement Agreement Payment Agreement with respect to the "A" obligation is due and payable on January 1, 2026; and the "B" obligation is due and payable on January 1, 2042.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt (Continued)

e. Revenue Bonds

2020 Water Revenue Refunding Bonds – On March 31, 2020, the City issued \$36,825,000 in Water Revenue Refunding Bonds to refund the outstanding 2006 and 2013 Water Revenue Bonds. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5,583,330.

The Series 2020 A & B Bonds and the interest thereon are payable solely from a first lien on and pledge of the Net Revenues (the amount of the gross revenues less operating expenses) derived by the City from the operation of the City's water system. Interest is payable on May 1 and November 1. Annual principal payments are due on May 1. The debt is secured and serviced by water system operations. The 2020 Series A&B Bonds were given an AA rating by Standard & Poor's.

2021 Water Revenue Bonds Series A – On February 2, 2021, the City issued \$42,600,000 in Water Revenue Bonds to provide funds to finance capital facilities needed to operate and improve the City's water system. The Series 2021A Bonds are secured by a pledge of Net Revenues on a parity with the Series 2020A Bonds, the Series 2020B Bonds, and the 2004 SDWSRF Loan. The Series 2021A Bonds will not be secured by amounts on deposit in the Parity Reserve Fund established under the Indenture, or by any other reserve fund, and amounts on deposit in the Parity Reserve Fund are not pledged to the payment of the Series 2021A Bonds. Interest is payable on May 1 and November 1 of each year. Annual principal payments are due on May 1. The debt is secured and serviced by water system operations. The 2021 Series A Bonds were given an A+ rating by Standard & Poor's.

The pledge of future net revenues ends upon repayment of the \$73,864,950 in remaining debt service on the bonds and loans which is scheduled to occur in 2041. Under the terms of the indenture, net revenues are required to provide a 1.25 debt service coverage ratio.

For fiscal year 2021, operating revenues, investment income, and capital grants and contributions amount to \$49,665,529 and operating costs including operating expenses, but not interest, amounted to \$33,747,238. Net Revenues available for debt service amounts to \$15,918,291, which represents coverage of 3.64 over the \$4,369,815 in combined debt service for the 2020 Series A & B Water Revenue Refunding Bonds, 2021 Series A Water Revenue Bonds and State Safe Drinking Water loans debt service.

2011 Revenue Bonds – the VFWD and the Water Reuse Finance Authority issued 2011 Revenue Bonds in the principal amount of \$3,345,000 at a premium of \$38,409 in a current refunding (1) to prepay the outstanding principal of 2001 Certificates of Participation, (2) to fund a reserve fund for the bonds, and (3) to pay certain costs of issuing the bonds. The bonds are fully registered with principal due annually on May 1, and interest payable semi-annually on May 1 and November 1. The bonds maturing on or after May 1, 2025 are subject to optional redemption on any date on or after May 1, 2024, together with accrued interest to the redemption date, without a premium.

The transaction paid scheduled principal due on the 2001 Certificates of Participation in the amount of \$145,000 and redeemed the remaining principal amounting to \$3,315,000 pursuant to notice and exercise of optional prepayment of the Certificates for a total of \$3,460,000. The transaction resulted in a deferred amount on refunding of \$53,447 and a decrease in total cash flows of \$262,952. The deferred amount on refunding is carried as a deferred outflow of resources, and the premium is carried as a net reduction of the 2011 Revenue Bonds. The deferred amount on refunding and the premium are amortized on a straight-line basis over the life of the bonds as components of interest expense.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt (Continued)

2014 Revenue Bonds – the VFWD and the Water Reuse Finance Authority issued 2014 Revenue Bonds in the principal amount of \$29,825,000 at premium of \$4,469,967 in an advance refunding (1) to prepay the outstanding principal of 2006 Certificates of Participation, (2) to fund a reserve fund for the Bonds, and (3) to pay certain costs of issuing the Bonds. The Bonds are fully registered with principal due annually on May 1, and interest payable semi-annually on May 1 and November 1. The Bonds maturing on or after May 1, 2022 are subject to optional redemption on any date on or after May 1, 2021, together with accrued interest to the redemption date, without a premium.

The transaction resulted in a deferred amount on refunding of \$1,282,720, a decrease in total cash flows of \$2,024,106, and an economic gain of \$323,440. The deferred amount on refunding is carried as a deferred outflow of resources, and the premium is carried as a net reduction to the 2014 Revenue Bonds. The deferred amount on refunding and the premium are amortized on a straight-line basis over the life of the Bonds as components of interest expense.

f. Other Notes and Loans Payable

Vallejo Flood and Wastewater State Clean Water (2004) – In August 2004 the VFWD entered into a loan agreement with the Division of Financial Assistance of the State Water Resources Control Board under the Clean Water State Revolving Fund loan program in the amount of \$13,798,201. Payments in the amount of \$907,072 with interest at 2.5% commencing May 1, 2005 and are due annually thereafter until maturity in 2023.

Vallejo Flood and Wastewater State Clean Water (2008) – During the fiscal year ended June 30, 2008, the District completed a second loan agreement with the State Water Resources Control Board's Division of Financial Assistance. The loan is dated January 24, 2008 and is in the principal amount of \$4,406,072. Payments in the amount of \$317,450 with interest at 2.4% commence January 24, 2009 and are due annually thereafter until maturity in 2025.

State Safe Drinking Water, Water Fund – The loan, with original amount of \$68,080, from the State of California, Department of Water Resources was used to finance construction of a project which enables the City to meet safe drinking water standards. The interest rate is 0%. Semiannual principal payments are due on July 1 and January 2, through 2025.

HUD Section 108 Loan – On April 18, 2019, the City entered into a loan agreement with the U.S. Department of Housing and Urban Development (HUD) for the demolition of vacant buildings on North Mare Island. The planned source of repayment is the General Fund and proceeds from the sale of the North Mare Island property. The loan was issued as a variable rate loan, with interest calculated daily. Annual principal payments are due on August 1 commencing 2019 through 2026. Interest is payable quarterly on August 1, November 1, February 1 and May 1. If the City fails to make any scheduled payments, HUD will use CDBG (Community Development Block Grant) funds which are the primary security of this loan to cover the payment.

g. Capital Lease Obligations

2001 Site & Facility Lease – The City entered into a long-term contract for the lease of the John F. Kennedy Library, part of the Vallejo Public Library System, and certain parcels of real property within the City which cost \$1,385,248.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 6: Long-Term Debt (Continued)

As part of its Plan for the Adjustment of Debts confirmed in August 2011, on December 28, 2011, a Notice of Subordination replaced the original payment schedule of the lease. Under the new schedule, commencing on December 1, 2014, payments of \$50,732 are payable semi-annually on December 1 and June 1. As of June 30, 2021 the lease was fully paid off.

Golf Carts and Utility Carts Capital Lease Agreement – In August 2019, the City entered into three 4-year lease agreements with PNC Equipment Finance, LLC for the lease of golf and utility carts at Blue Rock Springs golf course, the Vallejo Marina, and City Hall. The three leases were for a total of \$731,358. Under the agreement beginning on October 15, 2019, monthly payments of \$14,897 are payable from the Golf fund, \$221 from the Marina fund, and \$119 from the General Fund. During FY 20-21, debt for the Marina cart was fully paid off.

Radio Equipment Capital Lease Agreement

On May 2020, City entered into a lease agreement in the amount of \$3,997,967 with Motorola Solutions Inc., for the purchase of radio equipment. The City agreed to make a \$1.0 million down payment and annual payments of \$425,000 commencing June 26, 2021 until maturity in 2017.

Servers Capital Lease Agreement

During fiscal year 2021, City entered into a lease agreement for five year term with VAR Technology Finance, for the lease of servers. Annual payments of \$43,250 from the General Fund and \$21,302 from the Water Fund are due each September 20th until maturity in 2024.

Note 7: Debt without City Commitment

Assessment and Improvement Districts

Special Assessment and Improvement Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts but has no direct or contingent liability for the payment of this debt. Therefore, this debt is not reported as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2021 is as follows:

Improvement Bonds	
2004 Hiddenbrooke Improvement District Series A	\$ 8,835,000
Northeast Improvement District 2003-1	4,595,000
Total	<u>\$ 13,430,000</u>

Note 8: Conduit Debt

The following bonds do not constitute or create a debt or pledge of the general credit or taxing power of the City, and, accordingly, are not reported as long-term debt of the City.

Mortgage Revenue Bonds

Solano Vista II – Multifamily Housing Revenue Bonds, Series 2001A (Solano Vista II Senior Apartments) in the amount of \$10,600,000. The bonds bear interest at the rate of 5.45%.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 8: Conduit Debt (Continued)

Interest payments are due semiannually through November 1, 2034. The bonds are dated August 1, 2001 and were issued to provide funding for a mortgage loan for the acquisition and construction of a multifamily housing project. On June 30, 2021, \$7,080,000 of these bonds remained outstanding.

Note 9: Employee Benefits Payable

Employee Benefits Payable reported in the Statement of Net Position includes compensated absences as discussed below.

Compensated absences consist of vested vacation leave, sick leave and compensatory time off. For governmental activities, the portion reported as a liability in the Internal Service Funds primarily represents balances due within 60 days of year end. The remaining governmental activities portion is reported on the Statement of Net Position. The long-term portion of governmental activities employee benefits payable is liquidated primarily by the General Fund. For proprietary activities, which are reported on the accrual basis at the fund level, all earned but unpaid benefits are recorded as an expense and liability of the fund in which it is earned.

Compensated absences have been recorded at the contractual salary rates due to employees at June 30, 2021. Compensated absences activity for the City and VFWD for the year ended June 30, 2021 is as follows:

	Governmental Activities	Business-Type Activities	Total	VFWD
Compensated Absences Activity:				
Beginning Balance	\$ 12,519,318	\$ 1,414,175	\$ 13,933,493	\$ 1,632,241
Additions	8,101,174	1,343,626	9,444,800	1,414,320
Deletions	(8,152,790)	(1,215,544)	(9,368,334)	(1,102,574)
Ending Balance	<u>\$ 12,467,702</u>	<u>\$ 1,542,257</u>	<u>\$ 14,009,959</u>	<u>\$ 1,943,987</u>
Compensated Absences				
Classification Presentation:				
Current Portion:				
Internal Service Funds - City	\$ 471,197	\$ -	\$ 471,197	\$ -
Entity-Wide	7,460,792	1,186,802	8,647,594	-
Vallejo Flood and Wastewater District	-	-	-	777,594
Current Portion	<u>7,931,989</u>	<u>1,186,802</u>	<u>9,118,791</u>	<u>777,594</u>
Noncurrent Portion:				
Internal Service Funds - City	7,181	-	7,181	-
Entity-Wide	4,157,101	355,455	4,512,556	-
Vallejo Flood and Wastewater District	-	-	-	1,166,393
Noncurrent Portion	<u>4,164,282</u>	<u>355,455</u>	<u>4,519,737</u>	<u>1,166,393</u>
Total	<u>\$ 12,096,271</u>	<u>\$ 1,542,257</u>	<u>\$ 13,638,528</u>	<u>\$ 1,943,987</u>
Noncurrent Employee Benefits Payable:				
Compensated Absences	\$ 4,164,282	\$ 355,455	\$ 4,519,737	\$ 1,166,393
Other Employee Benefits (1.5% RHTA Contribution set aside by City)	371,431	-	371,431	-
Noncurrent Portion	<u>\$ 4,535,713</u>	<u>\$ 355,455</u>	<u>\$ 4,891,168</u>	<u>\$ 1,166,393</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 10: Pension Plan**a. General Information about the City's Pension Plans**

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

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

The Plans' provisions and benefits in effect as of the measurement date, are summarized as follows:

	Miscellaneous	
	Classic Tier I	PEPRA
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required Employee Contribution Rates	8.00%	6.25%
Required Employer Contribution Rates (Normal Cost)	21.071%	13.330%
Required Unfunded Accrued Liability Contribution (Monthly Basis)	\$7,724,972	

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Pension Plan (Continued)

	Safety - Fire		
	Classic Tier I	Classic Tier II	PEPRA
	Prior to December 28, 2012	On or After December 28, 2012	On or After January 1, 2013
Hire Date			
Benefit Formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50 - 55	50 - 57
Monthly Benefits, as a % of eligible compensation	3.00%	2.0% - 2.7%	2.0% - 2.7%
Required Employee Contribution Rates	9.00%	9.00%	12.25%
Required Employer Contribution Rates (Normal Cost)	29.252%	30.536%	23.659%
Required Unfunded Accrued Liability Contribution (Monthly Basis)		\$12,999,881	

	Safety - Police	
	Classic Tier I	PEPRA
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	50 - 57
Monthly Benefits, as a % of eligible compensation	3.00%	2.0% - 2.7%
Required Employee Contribution Rates	9.00%	12.25%
Required Employer Contribution Rates (Normal Cost)	34.727%	26.236%
Required Unfunded Accrued Liability Contribution (Monthly Basis)	Included in Fire table above	

Employees Covered – At the June 30, 2019 actuarial valuation date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous		
	Classic Tier I	Classic Tier II	PEPRA Plan
Inactive employees or beneficiaries currently receiving	572	-	5
Inactive employees eligible to, but not yet receiving benefits	177	-	19
Inactive employees ineligible to, but not yet receiving benefits	58	-	110
Active employees	136	-	178
Total	943	-	312

	Safety		
	Classic Tier I	Classic Tier II	PEPRA Plan
Inactive employees or beneficiaries currently receiving	388	-	-
Inactive employees eligible to, but not yet receiving benefits	41	1	8
Inactive employees ineligible to, but not yet receiving benefits	5	-	14
Active employees	123	1	55
Total	557	2	77

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Pension Plan (Continued)

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for each Plan as a percentage of payroll for the normal cost portion and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are either billed on a monthly basis, or may be paid in a lump sum at discount. During the measurement period, the City's required UAL contributions were made under the lump sum option.

b. Net Pension Liability

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

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 10: Pension Plan (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liabilities were determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous ¹	Safety ¹
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	Varies by entry age and service	Varies by entry age and service
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return	7.25% ²	7.25% ²
Mortality	Derived using CalPERS Membership Data for all Funds ³	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	

¹ Actuarial assumptions are the same for all benefit tiers (Classic Tier I, Classic Tier II, and PEPRA)

² Net of pension plan investment and administration expenses, including inflation

³ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 10: Pension Plan (Continued)

short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

¹ In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An Expected Inflation of 2.0% used for this period.

³ An Expected Inflation of 2.92% used for this period.

Subsequent Events

On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next four years, while at the same time retaining the reduction of discount rate from 7.0% to 6.8%. Notable changes for employers include a decrease in median total employer contribution rates, from less than 1% in miscellaneous plans to a decrease of more than 2% in some safety plans. Contribution changes will take effect in fiscal year 2023-24 for public agencies.

c. Changes in the Net Pension Liability

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

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2019	\$ 291,431,971	\$ 182,074,181	\$ 109,357,790
Changes in the Year:			
Service Cost	4,388,206	-	4,388,206
Interest on the Total Pension Liability	20,357,309	-	20,357,309
Differences Between Actual and Expected Experience	(7,463)	-	(7,463)
Contribution - Employer	-	10,258,622	(10,258,622)
Contribution - Employee	-	2,184,791	(2,184,791)
Net Investment Income	-	8,999,002	(8,999,002)
Administrative Expenses	-	(256,680)	256,680
Benefit Payments, Including Refunds of Employee Contributions	(17,801,978)	(17,801,978)	-
Net Changes	6,936,074	3,383,757	3,552,317
Balance at June 30, 2020 (Measurement Date)	\$ 298,368,045	\$ 185,457,938	\$ 112,910,107

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Pension Plan (Continued)

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2019	\$ 505,051,516	\$ 314,420,564	\$ 190,630,952
Changes in the Year:			
Service Cost	6,916,858	-	6,916,858
Interest on the Total Pension Liability	35,436,006	-	35,436,006
Differences Between Actual and Expected Experience	1,732,575	-	1,732,575
Contribution - Employer	-	16,867,013	(16,867,013)
Contribution - Employee	-	2,495,800	(2,495,800)
Net Investment Income	-	15,405,724	(15,405,724)
Administrative Expenses	-	(443,256)	443,256
Benefit Payments, Including Refunds of Employee Contributions	(29,268,078)	(29,268,078)	-
Net Changes	14,817,361	5,057,203	9,760,158
Balance at June 30, 2020 (Measurement Date)	\$ 519,868,877	\$ 319,477,767	\$ 200,391,110
Grand Total Balance at June 30, 2020 (Measurement Date) (Miscellaneous and Safety Plan)	\$ 818,236,922	\$ 504,935,705	\$ 313,301,217

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

	Miscellaneous	Safety	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 148,465,095	\$ 267,180,062	\$ 415,645,157
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 112,910,107	\$ 200,391,110	\$ 313,301,217
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 83,259,023	\$ 145,348,042	\$ 228,607,065

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 10: Pension Plan (Continued)**d. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the City recognized pension expense of \$10,194,186 \$23,622,106 for the Miscellaneous and Safety Plans, respectively, for total pension expense of \$33,816,292. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 10,944,409	\$ -
Differences Between Actual and Expected Experience	-	(344,964)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,395,670	-
Total	<u>\$ 12,340,079</u>	<u>\$ (344,964)</u>

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 18,444,829	\$ -
Differences Between Actual and Expected Experience	1,666,203	(332,038)
Changes in Assumptions	-	(290,260)
Net Differences Between Projected and Actual Earnings on Plan Investments	2,608,058	-
Total	<u>\$ 22,719,090</u>	<u>\$ (622,298)</u>
Total Miscellaneous and Safety Plans	<u>\$ 35,059,169</u>	<u>\$ (967,262)</u>

\$29,389,238 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization		
	Miscellaneous	Safety	Total
2022	\$ (1,114,464)	\$ (1,049,530)	\$ (2,163,994)
2023	463,166	1,508,368	1,971,534
2024	947,081	1,863,614	2,810,695
2025	754,923	1,329,511	2,084,434
Total	<u>\$ 1,050,706</u>	<u>\$ 3,651,963</u>	<u>\$ 4,702,669</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 10: Pension Plan (Continued)**e. Vallejo Flood and Wastewater District Pension Plan****i. General Information about the District's Pension Plan**

Plan Descriptions – Eligible employees of the District are provided with pensions through the District's Miscellaneous Plan, a cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. The District's Miscellaneous Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The District sponsors two rate plans within the miscellaneous risk pool. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor

Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Classic Tier I	PEPRA
	Prior to	On or After
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required Employee Contribution Rates	8.00%	6.25%
Required Employer Contribution Rates*	36.571%	8.150%

*The required employer contribution rate includes the normal cost rate plus the employer unfunded accrued liability contribution amount.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Pension Plan (Continued)

Required Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the District’s contributions to the Plan were \$3,026,216.

ii. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

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

As of June 30, 2021, the District reported its proportionate share of the net pension liability of the Plan of \$26,104,014.

The District’s net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2020	0.60568%
Proportion - June 30, 2021	0.61886%
Change - Increase (Decrease)	<u>0.01318%</u>

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Pension Plan (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$3,887,611. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan - VFWD

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 3,026,216	\$ -
Change in employer's proportion	547,988	63,184
Difference between expected and actual experience	1,345,217	-
Changes in assumptions	-	186,184
Difference between employer contributions and the employer's proportional share of the risk pool's contribution	-	582,940
Net Differences between projected and actual earnings on plan investments	775,461	-
Total	<u>\$ 5,694,882</u>	<u>\$ 832,308</u>

\$3,026,216 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended	Annual Amortization
June 30	
2022	\$ 156,595
2023	720,837
2024	586,993
2025	371,933
Total	<u>\$ 1,836,358</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 10: Pension Plan (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liabilities were determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

	<u>Miscellaneous</u>
Valuation	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies By Entry Age and Service ¹
Investment Rate of Return	7.15% ²
Mortality	Derived Using CalPERS Membership Data for all Funds ³
Post Retirement Benefits Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter.

¹ Depending on age, service and type of employment

² Net of pension plan investment expenses, including inflation

³ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the CalPERS December 2017 experience study report available on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Changes in assumptions – For measurement period June 30, 2020, there were no changes of assumptions.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability for the Plan.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 10: Pension Plan (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for the assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective December 19, 2017.

Asset Class ¹	New Strategic Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.90%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

¹ In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An Expected Inflation of 2.0% used for this period.

³ An Expected Inflation of 2.92% used for this period.

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

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$ 38,620,491
Current Discount Rate	7.15%
Net Pension Liability	\$ 26,104,014
1% Increase	8.15%
Net Pension Liability	\$ 15,762,042

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Pension Plan (Continued)

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

iii. Temporary and Seasonal Employees

Federal law requires that employees not covered by an employer retirement system be covered by Social Security or an alternative plan. The District hires temporary employees whose positions are exempt from PERS membership and utilizes Social Security for these positions.

Note 11: Post-Employment Benefits

a. Post Retirement Health Benefits - City

i. Plan Description

The City's Post-Employment Benefit Plan is an Agent Multiple-Employer Plan. Employees and their dependents are eligible for the CalPERS post-retirement health benefits if they retire directly from the City retaining the Public Employees Medical and Hospital Care Act (PEMHCA) health benefits. The City pays the retiree and eligible dependent premiums up to benefit level established in the collective bargaining agreement for each employee organization.

CITY OF VALLEJO

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 11: Post-Employment Benefits (Continued)

The following is a summary of benefits by employee group as of June 30, 2021:

Employee Group	Contractual Benefit at June 30, 2021
Vallejo Police Officers Association (VPOA) (imposed)	Retired prior to 7/1/2000 - up to 75% of Kaiser Bay Area non-Medicare Premium Retired on or after 7/1/2000 and hired before 1/1/2014 - up to \$300 per month, but not less than PEMHCA minimum Hired on or after 1/1/14 - PEMHCA minimum plus 1.5% of employee's base monthly salary Retiree Health Savings Account (RHSA) contribution
International Association of Fire Fighters (IAFF)	Retired prior to 7/1/2000 - up to 75% of Kaiser Bay Area non-Medicare Premium Retired on or after 7/1/2000 - up to \$300 per month, but not less than PEMHCA minimum
Council and Unrepresented	Up to \$300 per month, not not less than PEMHCA minimum
Confidential, Administrative, Management, and Professional Employees Association (CAMP)	Hired before 7/1/2013 - up to \$300 per month, but not less than PEMHCA minimum (with the option of electing, no later than 7/1/2016, the RHSA benefit available to CAMP employees hired on or after 7/1/2013) Hired on or after 7/1/2013 - PEMHCA minimum plus 1.5% of employee's base monthly salary RHSA contribution
International Brotherhood of Electrical Workers (IBEW)	Hired before 7/1/2014 - up to \$300 per month, but not less than PEMHCA minimum (with the option of electing, no later than 7/1/2016, the RHSA benefit available to CAMP employees hired on or after 7/1/2014) Hired on or after 7/1/2014 - PEMHCA minimum plus 1.5% of employee's base monthly salary RHSA contribution

The PEMHCA minimum in 2021 is \$143 per month.

ii. Funding Policy

In 2013, the City has established an irrevocable trust with California Employer's Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS. CERBT is funded by employer contributions for the purpose of prefunding the City's OPEB obligations. CERBT provides an annual financial report that may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, California 94229-2703.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Benefits (Continued)

For the year ended June 30, 2021, the City's contributions to the Plan were \$2,919,000.

iii. General Information About City's OPEB Plan

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2020:

Active Employees	505
Inactive Employees or beneficiaries currently receiving benefit payments	479
Inactive Employees entitled to but not yet receiving benefit payments	174
Total	<u>1,158</u>

Actuarial Methods and Assumptions – The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

The actuarially determined contribution (ADC) was determined as part of a June 30, 2020 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 6.75% investment rate of return, (b) 2.75% general inflation rate, and (c) 7.00% (non-Medicare) and 6.10% (Medicare) in 2022, decreasing to an ultimate rate of 4.0% in 2076 medical trend. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The actuarial accrued liability (AAL) representing the present value of future benefits, is being amortized as a level percentage of projected payroll using a 30-year amortization period.

The underlying mortality assumptions were based on the CalPERS 1997-2015 experience study and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of the actuarial experience study for the period.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 11: Post-Employment Benefits (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation* CERBT - Strategy 1	Expected Real Rate of Return
Global Equity	59.0%	4.82%
Fixed Income	25.0%	1.47%
TIPS	5.0%	1.29%
Commodities	3.0%	0.84%
REITs	8.0%	3.76%
Assumed Long-Term Rate of Inflation	0.0%	2.75%
Expected Long-Term Net Rate of Return	0.0%	6.75%

* Policy target effective October 1, 2018

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

iv. Changes in Net OPEB Liability

The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at 6/30/19 (Measurement Date)	\$ 40,040,000	\$ 21,959,000	\$ 18,081,000
Changes Recognized for the Measurement Period:			
Service Cost	912,000	-	912,000
Interest	2,668,000	-	2,668,000
Actual vs. Expected Experience	(2,947,000)	-	(2,947,000)
Assumption Changes	911,000	-	911,000
Contributions from the Employer	-	2,914,000	(2,914,000)
Net Investment Income	-	776,000	(776,000)
Administrative Expenses	-	(39,000)	39,000
Benefit Payments	(2,886,000)	(2,886,000)	-
Net Changes	(1,342,000)	765,000	(2,107,000)
Balance at 6/30/20 (Measurement Date)	\$ 38,698,000	\$ 22,724,000	\$ 15,974,000

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds noted above include implied subsidy benefit payments in the amount of \$919,000.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 11: Post-Employment Benefits (Continued)

- v. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

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

Net OPEB Liability		
Discount Rate -1% (5.75%)	Discount Rate (6.75%)	Discount Rate +1% (7.75%)
\$ 20,031,000	\$ 15,974,000	\$ 12,552,000

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability		
Healthcare Trend Rate		
1% Decrease	Current Trend (7.5% to 4.0%)	1% Increase
\$ 13,436,000	\$ 15,974,000	\$ 19,377,000

- vi. OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$731,000. At June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions made Subsequent to the Measurement Date	\$ 2,919,000	\$ -
Differences Between Expected and Actual Experience	-	(5,065,000)
Changes in Assumptions	762,000	(517,000)
Net Differences Between Projected and Actual Earnings on Plan Investments	424,000	-
Total	\$ 4,105,000	\$ (5,582,000)

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 11: Post-Employment Benefits (Continued)

\$2,919,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2022	\$ (1,404,000)
2023	(1,296,000)
2024	(1,138,000)
2025	(192,000)
2026	(334,000)
Thereafter	(32,000)
Total	<u>\$ (4,396,000)</u>

b. Post-Retirement Health Benefits - VFWD

i. Plan Description

The District's defined benefit postemployment healthcare plan, Public Agency Post-Retirement Health Care Plan (the Plan), provides medical benefits to eligible retired employees and their beneficiaries. The Public Agency Retirement System (PARS) administers the Plan's Trust, an agent multiple-employer trust arrangement established to provide economies of scale and efficiency of administration to public agencies that hold assets used to fund OPEB obligations. Plan benefits were established in accordance with Board policy and Memorandums of Understanding for respective employee groups and may be amended by the Board of Trustees. PARS provides an annual financial report for the aggregate Plan that may be obtained from PARS, 3961 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660.

ii. Funding Policy

The Plan is funded by employer contributions plus a retirement for employee matching in the amount of 2% of gross salary for all employees. As the plan's sponsor, the District establishes and may amend employee and employer contribution requirements.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 11: Post-Employment Benefits (Continued)

iii. Benefits Provided

The following is a summary of Plan benefits by employee group as of June 30, 2021:

Eligibility	Attained age 50 Completed 5 years of District service (if hired after 11/1/13) Retire concurrently from both District and CalPERS after leaving District employment
Benefit	The District will pay the retired employee's entire monthly medical premium which may include his/her spouse and/or dependents, up to the highest costs local HMO. Kaiser Permanente - Bay Area premiums represent the highest cost local HMO
Hired prior to 11/1/2013	
Hired on or after 11/1/2013	Follows State of California Vesting Schedule, employer pays: 10 years (PERS covered service): 50% Each additional year, add: 5% 20+ years: 100%

Membership in the plan consisted of the following at the measurement date of June 30, 2020:

Active plan member electing coverage	70
Active plan members waiving coverage	22
Retiree electing coverage	84
	<u>176</u>

iv. Net OPEB Liability

Actuarial Assumptions – The District's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated January 1, 2021 that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2021 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Method
Actuarial Assumptions:	
Discount Rate	5.75%
Inflation	2.25%
Investment Rate of Return	5.75%
Mortality Rate	Based on assumptions for Public Agency Miscellaneous members published in December 2017 CalPERS Experience Study. These tables include 15 years of static mortality improvement using 90% of scale MP-2016.
Healthcare Trend Rate	6.70% initially, gradually decreasing over several decades to an ultimate rate of 3.8% in FY 2076 and later years

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 11: Post-Employment Benefits (Continued)

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

Expected future asset class returns were published in the 2021 Survey of Capital Market Assumptions produced by Horizon Actuarial Services. The expected returns, along with expected asset class standard deviations and correlation coefficients, are based on Horizon's annual survey of investment advisory firms. The expected inflation assumption was developed based on an analysis of the historical experience blended with forward-looking expectations available in market data.

Estimated geometric real and nominal rates of return for each major asset class included in the OPEB Plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class (CERBT Strategy 1)	Target Allocation at Measurement Date	Expected Rate of Return	Long-Term Expected Nominal Rate of Return ¹
Equity	59.00%	4.42%	6.67%
Fixed Income	25.00%	1.00%	3.25%
TIPS	5.00%	1.15%	2.40%
Commodities	3.00%	1.73%	3.98%
REITs	8.00%	3.98%	6.23%
Total ²	100.00%		5.84%
Reductions for assumed investment expense ³			-0.10%
Net long-term expected investment return (rounded to 1/4%)			5.74%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.75% as of the June 30, 2020 valuation. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at the current contribution rate (2% of base pay) until 2023, and that District contributions will be made equal to \$500,000 per year in addition to the benefits paid. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return – For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 3.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Benefits (Continued)

Changes in Net OPEB Liability – The changes in the net OPEB liability were as follows:

	Increase (Decrease)		NetOPEB Liability/(Asset) (a)-(b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balance at June 30, 2020 (Measurement Date)	\$ 20,371,536	\$ 11,162,347	\$ 9,209,189
Changes Recognized for the Measurement Period:			
Service Cost	352,376	-	352,376
Interest on the total OPEB Liability	1,456,214	-	1,456,214
Differences between expected and actual experience	(603,460)	-	(603,460)
Changes of assumptions	3,681,452	-	3,681,452
Contributions from the Employer	-	1,776,392	(1,776,392)
Contributions from the	-	214,047	(214,047)
Net Investment Income	-	3,091,825	(3,091,825)
Administrative Expenses	-	(2,635)	2,635
Other changes in net position	-	(589)	589
Benefit Payments	(1,276,392)	(1,276,392)	-
Net Changes	3,610,190	3,802,648	(192,458)
Balance at June 30, 2021 (Measurement Date)	\$ 23,981,726	\$ 14,964,995	\$ 9,016,731

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

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (4.75%)	Discount Rate (5.75%)	Discount Rate +1% (6.75%)
\$ 11,919,912	\$ 9,016,731	\$ 6,598,990

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Healthcare Cost Trend Rate		
Discount Rate -1%	(6.70% to 3.80%)	Discount Rate +1%
\$ 6,126,277	\$ 9,016,731	\$ 12,544,689

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Benefits (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources related to OPEB -

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,261,089. At June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,147,869	\$ 496,413
Changes in Actual Assumptions	3,015,728	-
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	-	1,651,705
Total	<u>\$ 4,163,597</u>	<u>\$ 2,148,118</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Net Deferred Outflows of Resources
2022	\$ 480,930
2023	381,367
2024	469,466
2025	388,719
2026	294,997
Total	<u>\$ 2,015,479</u>

Note 12: Net Position and Fund Balances

a. Net Position – Statement of Net Position

Net Position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, proprietary fund level, and fiduciary fund level and are described below:

Net investment in capital assets, describes the portion of Net Position which is represented by the current net book value of capital assets, less the outstanding balance of any debt issued to finance these assets.

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

Unrestricted describes the portion of Net Position which is not restricted to use.

b. Fund Balance – Governmental Funds Balance Sheet

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 12: Net Position and Fund Balances (Continued)

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of non-spendable assets are restricted, committed or assigned, then non-spendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and non-spendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by resolution of the City Council. Encumbrances and non-spendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; non-spendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

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

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 12: Net Position and Fund Balances (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2021, are below:

Fund Balance Classifications	General Fund	Housing Authority Fund	Mare Island Conversion Fund	Capital Outlay Fund	Non Major Governmental Funds	Total
Nonspendable:						
Items not in spendable form:						
Prepays and deposits	\$ 80,749	\$ -	\$ -	\$ -	\$ -	\$ 80,749
Notes Receivable	801,042	-	-	-	-	801,042
Advance to other funds	680,000	-	-	-	-	680,000
Land Held for Redevelopment	499,684	-	-	-	-	499,684
Materials, Parts and Supplies	1,947	-	-	-	-	1,947
Subtotal	2,063,422	-	-	-	-	2,063,422
Amounts required to be maintained intact:						
Permanent Funds	-	-	-	-	64,625	64,625
Total Nonspendable Fund Balances	2,063,422	-	-	-	64,625	2,128,047
Restricted for:						
Bond indentures	-	-	-	-	260,514	260,514
Streets and Highways	-	-	-	-	29,673,265	29,673,265
Community Development and Housing	-	12,416,902	3,199,470	-	10,566,373	26,182,745
Pension Benefits	10,879,120	-	-	-	-	10,879,120
Public Safety Programs	393,390	-	-	-	479,493	872,883
Public Facilities Projects	-	-	-	2,511,857	16,132,948	18,644,805
Hiddenbrooke Overpass	-	-	-	-	8,050,996	8,050,996
Total Restricted Fund Balances	11,272,510	12,416,902	3,199,470	2,511,857	65,163,589	94,564,328
Committed to:						
Mare Island Development	-	-	-	-	436,114	436,114
Public Facilities Projects (funded by General Fund)	-	-	-	10,616,112	-	10,616,112
Community Development and Housing	-	1,996,686	-	-	-	1,996,686
Public Facilities Projects (funded by other funds)	-	-	-	-	2,539,583	2,539,583
Total Committed Fund Balances	-	1,996,686	-	10,616,112	2,975,697	15,588,495
Assigned to:						
Arts and Convention Center	-	-	-	-	2,072,900	2,072,900
General Liability Program	3,000,000	-	-	-	-	3,000,000
Homeless program	1,500,000	-	-	-	-	1,500,000
Public Facilities Maintenance	-	-	-	-	413,184	413,184
Solid Waste Disposal	-	-	-	-	29,273	29,273
Community Development and Housing	-	2,037,758	-	-	-	2,037,758
Other Contracts	865,698	-	-	-	-	865,698
Total Assigned Fund Balances	5,365,698	2,037,758	-	-	2,515,357	9,918,813
Unassigned:						
General Fund	21,682,816	-	-	-	-	21,682,816
Empress Theater Fund	-	-	-	-	-	-
Total Unassigned Fund Balances	21,682,816	-	-	-	-	21,682,816
Total Fund Balances	\$ 40,384,446	\$ 16,451,346	\$ 3,199,470	\$ 13,127,969	\$ 70,719,268	\$ 143,882,499

c. Minimum Fund Balances

The City's Budget and Fiscal Policy requires the City to strive to maintain 15% of annual appropriations in the General Fund's Unassigned Fund Balance. As of June 30, 2021, the Unassigned Fund Balance reached \$21,682,816, which is 18% of 2021-22 annual appropriations of \$120 million, including Measure B.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 12: Net Position and Fund Balances (Continued)

d. Deficits

The funds below had fund balance or net position deficits at June 30, 2021:

Internal Service Funds:

Retiree Health Benefits	13,749,946
General Liability	1,947,354

The Retiree Health Benefits Internal Service Fund had a net position deficit of \$13,749,946 due to recognition of the net OPEB liability. The City had established an irrevocable trust plan to prefund the liability and reduce the deficit.

The General Liability Internal Service Fund had a net position deficit of \$1,947,354 due to significant increase in actuarially estimated liability for outstanding claims. The City's annual budget process includes funding the general liability programs at 80% confidence level to improve the net position.

e. Restatement of Fund Balance/Net Position

Beginning fund balance of the following funds were restated in fiscal year 2020-21 for a combined total of \$8,251,172. Unavailable revenue previously recorded to offset notes and loans receivables were reevaluated and reclassified as component of fund balance at June 30, 2021. The net effect of this restatement to the beginning net position of governmental activities was \$0.

	Community Development Block Grant Fund #101	HOME Program Fund #102	Neighborhood Stabilization Program Fund #103
Fund Balances, Beginning of Year	\$ (405,732)	\$ 1,634,194	\$ 47,027
Restatements	1,932,925	4,169,025	2,149,222
Fund Balances, Beginning of Year, as Restated	<u>\$ 1,527,193</u>	<u>\$ 5,803,219</u>	<u>\$ 2,196,249</u>

Note 13: Self-Insurance Program

The City manages risk by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by members beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 13: Self-Insurance Program

a. Risk Coverage

City – The City of Vallejo has operated a self-insured liability program for many years. Its self-insured retention (SIR) for 2020-21 was \$1,000,000, with an additional \$1,000,000 corridor deductible. Public Risk Innovation, Solutions and Management (PRISM), formerly known as the California State Association of Counties Excess Insurance Authority (CSAC-EIA) provides coverage in excess of the City's SIR. During the fiscal year ended June 30, 2021, the City contributed \$1,400,082 for general liability coverage during the current year.

PRISM also covers the City's workers' compensation claims up to statutory limits. The City has an SIR of \$500,000 per claim. During the fiscal year ended June 30, 2021, the City contributed \$415,105 for current year coverage.

The contributions made to each risk pool equal the ratio of their respective payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

The City has also purchased a Difference in Conditions insurance policy that includes earthquake coverage and provides coverage up to \$25,000,000 per occurrence with a general deductible of \$25,000 for claims other than flood and earthquake. Flood claims are subject to a minimum of \$100,000 and earthquake claims have a deductible of 5% of the insured value with a minimum deductible of \$100,000. The City also has ancillary insurance policies, including Cyber Liability.

Vallejo Flood and Wastewater District—VFWD is a member of the California Sanitation Risk Management Authority which provides coverage up to \$500,000 for general liability claims, subject to a deductible of \$2,500. Excess public entity general liability insurance is obtained for coverage up to \$15,000,000 associated with either sanitary sewer or storm drain operations. Auto liability is subject to a deductible of \$1,000 with coverage up to \$3,563,285.

California Sanitation Risk Management Authority also provides coverage up to \$750,000 for workers' compensation. Excess workers compensation insurance provides coverage up to \$1,000,000. Pollution remediation insurance provides coverage up to \$1,000,000 and \$5,000,000 in the aggregate, with a deductible of \$25,000. Property insurance provides coverage up to \$187,777,466 with a deductible of \$10,000.

b. Liability for Uninsured Claims

The following is a summary of changes in the City's recorded claims liabilities during the years ended June 30:

	2021	2020
Beginning Balance	\$ 19,016,000	\$ 17,131,000
Current year claims and increase (decrease) in prior estimates	10,466,820	4,751,959
Claims paid	(4,786,820)	(2,866,959)
Ending Balance	<u>\$ 24,696,000</u>	<u>\$ 19,016,000</u>
Current Portion	<u>\$ 6,136,888</u>	<u>\$ 4,339,080</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 13: Self-Insurance Program (Continued)

The claims payable are reported at their present value using expected future investment yield assumption of 3%. The undiscounted claims totaled \$28,458,000 at June 30, 2021.

The City and VFWD have not significantly reduced insurance coverage from the prior year. Furthermore, settlements have not exceeded insurance coverage for the past three fiscal years.

Note 14: Commitments and Contingencies

a. Litigation

The City is involved in various claims and litigation resulting from its normal operations. The ultimate outcome of these matters is not presently determinable. In City management's opinion these matters will not have significant adverse effect of the City's financial position.

b. Federal and State Grant Programs

The City participates in several federal and State grant programs. These programs are subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

c. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding by fund as of June 30, 2021 were as follows:

Major Governmental Funds:	
General Fund	\$ 865,697
Housing Authority	279,867
Capital Outlay	1,806,350
Non-Major Governmental Funds	1,743,559

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 14: Commitments and Contingencies (Continued)

d. Long Term Construction Contracts

In addition to the encumbrances discussed above, the City and Vallejo Flood and Wastewater District have various ongoing capital projects that involve long-term construction contracts with progress payments billed and paid on a percentage-of-completion basis. Material outstanding construction commitments related to these contracts, excluding grant-funded projects, at June 30, 2021 of City and VFWD amounted to approximately \$5.2 million and \$3.2 million, respectively.

e. COVID-19 Global Pandemic

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is a considerable uncertainty around the duration of the pandemic and its ultimate financial impact on the City's financial condition.

f. American Rescue Plan Act (ARPA)

On March 11, 2021, President Biden signed into law the ARPA, which includes \$350 billion in additional funding for state and local governments to provide economic relief in the wake of the COVID-19 pandemic and financial slowdown that resulted from it. The City was awarded \$25.7 million of ARPA funds, with the first distribution of \$12.9 million received in June 2021. The second distribution is expected in June 2022. The funds are subject to guidance specified in U.S. Department of Treasury's ARPA Interim Final Rule.

Note 15: Redevelopment Agency Dissolution and Successor Agency Activities

The City Council assumed the duties of the Successor Agency to the Former Vallejo Redevelopment Agency (Successor Agency) upon State redevelopment dissolution on February 1, 2012. Amendments to the State Health and Safety Code, enacted through ABx1 26 on June 28, 2011, AB1484 on June 27, 2012, and SB107 on September 11, 2015 suspended most redevelopment activities and charged successor agencies to retire redevelopment obligations and dispose of assets.

The activities of the Successor Agency are subject to review and approval of an Oversight Board, which is comprised of seven members, including one member representing the City Council, one representing the former Redevelopment Agency (RDA) employees, and five members representing other taxing agencies within the County. Oversight Board actions are further subject to review and approval by the State Department of Finance (DOF).

The activities of the Successor Agency are reported in the Successor Agency to the Former Redevelopment Agency Private-Purpose Trust Fund, because activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 15: Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

Cash and investments of the Successor Agency as of June 30, 2021 are discussed in Note 2. Information about other assets and liabilities of the Successor Agency as of June 30, 2021 is presented on the following pages.

a. Notes and Loans Receivable

Meyer Cookware Industries, Inc.

Pursuant to a Disposition and Development Agreement between the RDA and Meyer Cookware Industries, Inc., the former RDA paid certain development fees on behalf of Meyer totaling \$1,500,000. Meyer agreed to repay \$500,000 of these fees to the RDA over a 24-year period commencing in 1998. This loan to Meyer is secured by a corporate guarantee and is non-interest bearing. The final payment was made in the fiscal year ending June 30, 2018.

The obligation of Meyer to repay the remaining \$1,000,000 is contingent upon either on the sale of the property or the refinancing of the existing debt. As a result, the \$1,000,000 is not included as a receivable in the accompanying basic financial statements. Meyer has agreed to pay the RDA either 9% of the net sale proceeds upon any sale of the property as satisfaction in full of the development contribution, or net refinancing proceeds if such a refinancing should occur. Ten years following the issuance of the Certificate of Occupancy (1995), the participation in proceeds from the sale of property or refinancing has been reduced from 9% to 5%.

b. Capital Assets

The Successor Agency assumed the capital assets of the RDA as of February 2012. 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 Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

Capital assets at June 30, 2021 were comprised of land of \$189,226 and \$269,300 Building and Improvements, net of accumulated depreciation, of \$221,077. Current year additions to accumulated depreciation were \$4,193.

c. Long-Term Obligations

The Successor Agency assumed the long-term obligations of the former RDA as of February 2012.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 15: Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

i. Current Year Transactions and Balances

	<u>Original Issue Amount</u>	<u>Balance June 30, 2020</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>
Tax Allocation Bonds:					
Marina Vista Project					
6.0-7.5%, due 9/1/20	\$ 3,335,000	\$ 260,000	\$ 260,000	\$ -	\$ -
Vallejo Central Project					
6.0-7.5%, due 9/1/20	1,900,000	215,000	215,000	-	-
Aside					
7.0%, due 10/1/31	5,410,000	2,850,000	220,000	2,630,000	240,000
Total Tax Allocation Bonds	<u>10,645,000</u>	<u>3,325,000</u>	<u>695,000</u>	<u>2,630,000</u>	<u>240,000</u>
Other Obligations					
Advances from the City of Vallejo	4,436,351	5,109,465	392,724	4,716,741	-
Total Other Obligations	<u>4,436,351</u>	<u>5,109,465</u>	<u>392,724</u>	<u>4,716,741</u>	<u>-</u>
Total Successor Agency Debt	<u>\$ 15,081,351</u>	<u>\$ 8,434,465</u>	<u>\$ 1,087,724</u>	<u>\$ 7,346,741</u>	<u>\$ 240,000</u>

ii. Tax Allocation Bonds

Marina Vista and Vallejo Central Projects – In August 1990, the Vallejo Public Financing Authority (PFA) issued Tax Allocation Bonds in the amount of \$5,235,000 to provide funds to the RDA for use in the Marina Vista Project (\$3,335,000) and in the Vallejo Central Project (\$1,900,000). Net proceeds allocated to the Marina Vista Project were used to defease all future debt service payments on certain lease revenue bonds used to finance the construction of City Hall. Net proceeds allocated to the Vallejo Central Project were used to fund infrastructure improvements in the project area.

The bonds are secured by loan agreements between the former RDA and the PFA. The semi-annual loan payments by the RDA are expected to meet all debt service requirements of the bonds. Semi-annual interest payments are due on March 1 and September 1 and annual principal payments are due September 1. The loan payments are made solely from the tax increment revenues within the redevelopment project areas, and the bonds are reflected as a liability of the Successor Agency.

Vallejo Housing Set Aside – In August 2001, the RDA issued Tax Allocation Bonds in the amount of \$5,410,000 to finance housing activities of the RDA and to repay a loan from the PFA. Semi-annual interest payments are due on April 1 and October 1 and annual principal payments are due October 1. The bonds are subject to mandatory sinking fund redemption and payment is made solely from, and secured by, housing set-aside tax increment revenues generated within the redevelopment project areas.

Pledge of Tax Revenues – As discussed above, the RDA has pledged all future tax increment revenues, less amounts required to be set aside in the RDA's Low and Moderate Income Housing Fund, for the repayment of the Tax Allocation Bonds. The pledge of all future tax increment revenues ends upon repayment of \$3,702,050 remaining debt service on the Bonds above, which is scheduled to occur in 2032. With the dissolution of the RDA discussed above, Tax Increment is no longer distributed

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 15: Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In fiscal year 2021, the Successor Agency received sufficient RPTTF distributions to meet all bond obligations for the year.

iii. Advances from the City

The loan balances as of June 30, 2021 are as follows:

	Principal	Accrued Interest	Total
Hiddenbrooke Overpass Capital Project Fund	\$ 272,443	\$ 200,717	\$ 473,160
Bridge Construction Capital Projects Fund	240,022	237,964	477,986
Arts and Convention Center Capital Projects	1,992,582	1,773,013	3,765,595
General Fund:			
Waterfront	162,805	875,263	1,038,068
Marina Vista	-	647,510	647,510
Central	708,372	952,474	1,660,846
Less Allowance for Doubtful Accounts	(871,177)	(2,475,247)	(3,346,424)
	<u>\$ 2,505,047</u>	<u>\$ 2,211,694</u>	<u>\$ 4,716,741</u>

The loans bear simple interest of 3.00%. Repayment of these loans is governed by Health and Safety Code Section 34176(e)(6) and the maximum annual repayment is limited based on calculations in that Code Section. Repayment installments were approved by the State Department of Finance starting fiscal year 2016-17 through the annual ROPS process. Additional information about these advances can be found in Note 4h.

iv. Debt Service Requirements

Debt service requirements to maturity are shown below for all long-term debt, except the advances from the City, because the ultimate repayment terms cannot be determined at this time, as discussed above:

Ending June 30	Principal	Interest
2022	\$ 240,000	\$ 175,700
2023	255,000	158,375
2024	180,000	143,150
2025	190,000	130,200
2026	205,000	116,375
2027-2031	1,255,000	337,575
2032-2036	305,000	10,675
Total	<u>\$ 2,630,000</u>	<u>\$ 1,072,050</u>

d. Commitments and Contingencies

i. Oversight Board and State Approval of Enforceable Obligations

The Successor Agency prepares an annual Recognized Obligation Payment Schedule (ROPS) that contains proposed expenditures for the upcoming fiscal year. All payment obligations are subject to annual review and re-approval by the Oversight Board and the State DOF. The City expects future adjustments by the Oversight Board and State DOF, if any, to be immaterial.

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 83,756,989	\$ 89,722,036	\$ 99,139,292	\$ 9,417,256
Licenses, permits and fees	3,935,076	2,781,950	3,232,541	450,591
Intergovernmental	3,263,028	5,946,081	5,297,633	(648,448)
Charges for services	8,340,623	8,334,236	8,616,195	281,959
Use of money and property	1,732,205	1,480,015	2,971,203	1,491,188
Fines and forfeitures	1,643,000	1,059,687	923,414	(136,273)
Other	569,018	624,325	454,776	(169,549)
Total Revenues	103,239,939	109,948,330	120,635,054	10,686,724
EXPENDITURES:				
Current:				
Legislative and advisory	286,646	323,771	223,806	99,965
Executive	6,180,947	6,191,672	4,793,079	1,398,593
Finance	2,275,624	2,307,948	1,593,385	714,563
Human resources	2,379,607	2,444,121	1,991,104	453,017
Law	1,531,212	1,653,344	1,203,502	449,842
Planning and development services	4,058,012	4,142,203	3,486,088	656,115
Fire services	29,290,445	30,705,909	28,965,292	1,740,617
Police services	50,596,002	53,274,468	49,167,598	4,106,870
Public works	9,364,900	9,299,101	6,249,963	3,049,138
Non departmental (a)	(1,458,854)	563,726	5,873,876	(5,310,150)
Debt service:				
Principal	451,464	451,464	339,250	112,214
Interest and fiscal charges	-	-	12,662	(12,662)
Total Expenditures	104,956,005	111,357,727	103,899,605	7,458,122
EXCESS REVENUES OVER EXPENDITURES	(1,716,066)	(1,409,397)	16,735,449	18,144,846
OTHER FINANCING SOURCES (USES)				
Transfers in	314,392	408,781	397,781	11,000
Transfers (out)	(5,348,885)	(5,138,672)	(5,069,476)	(69,196)
Total Other Financing Sources (Uses)	(5,034,493)	(4,729,891)	(4,671,695)	(58,196)
NET CHANGE IN FUND BALANCES	\$ (6,750,559)	\$ (6,139,288)	12,063,754	\$ 18,086,650
Fund Balance, July 1			28,320,692	
Fund Balance, June 30			\$ 40,384,446	

(a) The City's labor budget includes all authorized persons. The anticipated savings accruing from vacancies is captured separately in the City's Five Year Plan as a contra-expense for a total of \$6,500,000.

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 23,747,648	\$ 24,558,627	\$ 22,628,363	\$ (1,930,264)
Use of money and property	12,690	12,690	152,564	139,874
Other	36,000	36,000	7,213	(28,787)
Total Revenues	23,796,338	24,607,317	22,788,140	(1,819,177)
EXPENDITURES:				
Current:				
Community development	24,477,651	26,552,241	22,361,402	4,190,839
Total Expenditures	24,477,651	26,552,241	22,361,402	4,190,839
EXCESS REVENUES OVER EXPENDITURES	(681,313)	(1,944,924)	426,738	2,371,662
OTHER FINANCING SOURCES (USES)				
Transfers in	95,000	95,000	95,000	-
Transfers out	-	(94,389)	(94,389)	-
Total Other Financing Sources (Uses)	95,000	611	611	-
NET CHANGE IN FUND BALANCES	\$ (586,313)	\$ (1,944,313)	427,349	\$ 2,371,662
Fund Balance, July 1			16,023,997	
Fund Balance, June 30			\$ 16,451,346	

CITY OF VALLEJO

REQUIRED SUPPLEMENTARY INFORMATION
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

City's Retiree Medical Benefits (OPEB)
Schedule of Changes in the Net OPEB Liability and Related Ratios
Agent Multiple-Employer Plan

Measurement Period	2021	2020	2019	2018
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability				
Service cost	\$ 912,000	\$ 889,000	\$ 988,000	\$ 965,000
Interest on the total OPEB liability	2,668,000	2,624,000	2,886,000	2,831,000
Differences between expected and actual experiences	(2,947,000)	-	(5,289,000)	-
Changes in assumptions	911,000	-	(1,054,000)	-
Benefit payments	(2,886,000)	(2,909,000)	(2,997,000)	(2,957,000)
Net change in total OPEB liability	(1,342,000)	604,000	(5,466,000)	839,000
Total OPEB liability - beginning	40,040,000	39,436,000	44,902,000	44,063,000
Total OPEB liability - ending (a)	38,698,000	40,040,000	39,436,000	44,902,000
Plan Fiduciary Net Position				
Contribution - employer	2,914,000	2,941,000	4,340,000	6,468,000
Net investment income	776,000	1,277,000	1,437,000	1,479,000
Benefit payments	(2,886,000)	(2,909,000)	(2,997,000)	(2,957,000)
Administrative expense	(39,000)	(36,000)	(76,000)	(42,000)
Net change in plan fiduciary net position	765,000	1,273,000	2,704,000	4,948,000
Plan fiduciary net position - beginning	21,959,000	20,686,000	17,982,000	13,034,000
Plan fiduciary net position - ending (b)	22,724,000	21,959,000	20,686,000	17,982,000
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 15,974,000	\$ 18,081,000	\$ 18,750,000	\$ 26,920,000
Plan fiduciary net position as a percentage of the total OPEB liability	58.72%	54.84%	52.45%	40.05%
Covered-employee payroll	\$ 61,630,000	\$ 58,767,558	\$ 55,348,748	\$ 54,537,858
Net OPEB liability as a percentage of covered-employee payroll	25.92%	30.77%	33.88%	49.36%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF VALLEJO

**REQUIRED SUPPLEMENTARY INFORMATION
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

City's Retiree Medical Benefits (OPEB) Schedule of Contributions Agent Multiple-Employer Plan				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 2,442,000	\$ 2,382,000	\$ 2,321,000	\$ 2,994,000
Contribution in Relation to the Actuarially Determined Contributions	(2,919,000)	(2,914,000)	(2,941,000)	(4,340,000)
Contribution Deficiency (Excess)	<u>\$ (477,000)</u>	<u>\$ (532,000)</u>	<u>\$ (620,000)</u>	<u>\$ (1,346,000)</u>
Covered-employee payroll	\$ 64,879,000	\$ 61,630,000	\$ 58,767,558	\$ 55,348,748
Contributions as a percentage of covered-employee payroll	4.50%	4.73%	5.00%	7.84%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2021 were from the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal, level percent of payroll
Amortization Method	Level percent of pay
Amortization Period	19-year fixed period on average for FY2020/21
Asset Valuation Method	Investment gains and losses spread over 5 year rolling period
Discount rate	6.75%
Inflation	2.75%
Medical Trend	Non-Medicare -7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Medicare -6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Post-retirement mortality projected fullygenerational with Scale MP-2018
All Other Assumptions	Same as those used to determine the total OPEB liability

REQUIRED SUPPLEMENTARY INFORMATION
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Vallejo Flood and Wastewater District
Schedule of Changes in the Net OPEB Liability and Related Ratios
Agent Multiple-Employer Plan

Measurement Period	2021	2020	2019	2018	2017
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB Liability					
Service cost	\$ 352,376	\$ 362,299	\$ 351,747	\$ 341,502	\$ 323,479
Interest on the total OPEB liability	1,456,214	1,296,524	1,252,722	1,209,603	1,166,959
Differences between expected and actual experiences	(603,460)	1,721,805	-	(6,230)	-
Changes in assumptions	3,681,452	-	-	-	-
Benefit payments	(1,276,392)	(1,041,544)	(981,223)	(940,234)	(836,221)
Net change in total OPEB liability	3,610,190	2,339,084	623,246	604,641	654,217
Total OPEB liability - beginning	20,371,536	18,032,452	17,409,206	16,804,565	16,150,348
Total OPEB liability - ending (a)	23,981,726	20,371,536	18,032,452	17,409,206	16,804,565
Plan Fiduciary Net Position					
Contribution - employer	1,776,392	1,541,544	1,481,223	1,440,234	1,336,221
Contribution - member	214,047	191,439	173,100	156,902	171,665
Net investment income	3,091,825	352,141	1,070,440	83,311	794,510
Benefit payments	(1,276,392)	(1,041,544)	(981,223)	(940,234)	(836,221)
Administrative expense	(2,635)	(2,780)	(2,348)	(3,094)	(36,633)
Other changes in net position	(589)	(84,912)	-	-	-
Net change in plan fiduciary net position	3,802,648	955,888	1,741,192	737,119	1,429,542
Plan fiduciary net position - beginning	11,162,347	10,206,459	8,465,267	7,728,148	6,298,606
Plan fiduciary net position - ending (b)	14,964,995	11,162,347	10,206,459	8,465,267	7,728,148
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 9,016,731	\$ 9,209,189	\$ 7,825,993	\$ 8,943,939	\$ 9,076,417
Plan fiduciary net position as a percentage of the total OPEB liability	62.40%	54.79%	56.60%	48.63%	45.99%
Covered-employee payroll	\$ 10,393,617	\$ 9,670,727	\$ 10,102,073	\$ 8,334,837	\$ 8,022,329
Net OPEB liability as a percentage of covered-employee payroll	86.75%	95.23%	77.47%	107.31%	113.14%

Notes to Schedule:

Changes of assumptions: For measurement period ended June 30, 2021, the discount rate was changed from 7.25 percent (net of administrative expenses) to 5.75 percent and the inflation rate changed from 2.75 percent to 2.25 percent. The discount rate was changed from 5.09 percent (net of administrative expense) to 5.52 percent for the measurement period ended June 30, 2018. To maintain consistency with CalPERS demographic rates, rates of retirement, termination disability, and mortality were updated for the measurement period ended June 30, 2020.

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF VALLEJO

REQUIRED SUPPLEMENTARY INFORMATION
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Vallejo Flood and Wastewater District Schedule of Contributions Agent Multiple-Employer Plan					
	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 1,143,845	\$ 1,110,529	\$ 1,082,230	\$ 1,050,709	\$ 1,092,974
Contribution in Relation to the Actuarially Determined Contributions	(1,776,392)	(1,541,544)	(1,481,223)	(1,440,234)	(1,336,221)
Contribution Deficiency (Excess)	<u>\$ (632,547)</u>	<u>\$ (431,015)</u>	<u>\$ (398,993)</u>	<u>\$ (389,525)</u>	<u>\$ (243,247)</u>
Covered-employee payroll	\$ 10,393,617	\$ 9,670,727	\$ 10,102,073	\$ 8,334,837	\$ 8,022,329
Contributions as a percentage of covered-employee payroll	17.09%	15.94%	14.66%	17.28%	16.66%

(1) Schedule is intended to show information for ten years. Fiscal year 2017 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

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REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Vallejo Flood and Wastewater District
Schedule of Investment Returns
Last 10 Years**

For the Fiscal Year Ended June 30	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	27.42%	3.40%	12.40%	5.70%	12.20%

Notes to Schedule:

**Fiscal year 2017 was the first year of implementation

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Changes in the Net Pension Liability and Related Ratios
During the Measurement Period

Measurement Period	2021	2020	2019	2018
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability				
Service Cost	\$ 4,388,206	\$ 4,029,310	\$ 4,397,962	\$ 4,404,558
Interest on total pension liability	20,357,309	19,881,349	19,468,568	19,104,676
Differences between expected and actual experience	(7,463)	(1,474,483)	(1,082,338)	(2,220,738)
Changes in assumptions	-	-	(1,680,478)	14,463,351
Benefit payments, including refunds of employee contributions	(17,801,978)	(17,049,717)	(15,819,384)	(15,488,076)
Net change in total pension liability	6,936,074	5,386,459	5,284,330	20,263,771
Total Pension Liability-beginning	291,431,971	286,045,512	280,761,182	260,497,411
Total Pension Liability-ending (a)	\$ 298,368,045	\$ 291,431,971	\$ 286,045,512	\$ 280,761,182
Plan Fiduciary Net Position				
Contributions-employer	\$ 10,258,622	\$ 9,173,697	\$ 7,923,395	\$ 7,619,965
Contributions-employee	2,184,791	1,863,321	1,839,196	1,922,977
Net investment income	8,999,002	11,419,992	14,227,594	17,221,783
Benefit payments	(17,801,978)	(17,049,717)	(15,819,384)	(15,488,076)
Plan to plan resource movement	-	(150,117)	(413)	-
Other miscellaneous expense	-	413	(501,696)	-
Administrative expense	(256,680)	(126,270)	(264,187)	(230,440)
Net change in plan fiduciary net position	3,383,757	5,131,319	7,404,505	11,046,209
Plan Fiduciary Net Position-beginning	182,074,181	176,942,862	169,538,357	158,492,148
Plan Fiduciary Net Position-ending (b)	\$ 185,457,938	\$ 182,074,181	\$ 176,942,862	\$ 169,538,357
Net pension liability-ending (a) - (b)	\$ 112,910,107	\$ 109,357,790	\$ 109,102,650	\$ 111,222,825
Plan fiduciary net position as a percentage of the total pension liability	62.16%	62.48%	61.86%	60.39%
Covered payroll	\$ 26,137,221	\$ 22,605,141	\$ 22,403,043	\$ 20,887,797
Net pension liability as a percentage of covered payroll	431.99%	483.77%	487.00%	532.48%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2019. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2019 and 2020, there were no changes. In 2018, demographic assumptions and inflation rates were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2017	2016	2015
June 30, 2016	June 30, 2015	June 30, 2014
\$ 3,796,340	\$ 3,687,869	\$ 3,707,801
18,913,669	18,270,528	17,746,245
1,132,193	(1,151,730)	-
-	(4,077,633)	-
(15,103,869)	(14,371,625)	(13,630,142)
8,738,333	2,357,409	7,823,904
251,759,078	249,401,669	241,577,765
\$ 260,497,411	\$ 251,759,078	\$ 249,401,669
\$ 6,951,327	\$ 5,947,979	\$ 5,801,786
1,920,952	1,825,329	1,849,941
810,323	3,661,248	24,872,487
(15,103,869)	(14,371,625)	(13,630,142)
(576)	-	-
-	-	-
(99,958)	(184,697)	-
(5,521,801)	(3,121,766)	18,894,072
164,013,949	167,135,715	148,241,643
\$ 158,492,148	\$ 164,013,949	\$ 167,135,715
\$ 102,005,263	\$ 87,745,129	\$ 82,265,954
60.84%	65.15%	67.01%
\$ 21,778,435	\$ 20,358,941	\$ 19,462,126
468.38%	430.99%	422.70%

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Plan Contributions**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial Determined Contribution	\$ 10,944,409	\$ 10,259,296	\$ 9,183,028	\$ 7,920,957
Contribution in relation to the Actuarially Determined Contribution	(10,944,409)	(10,259,296)	(9,183,028)	(7,920,957)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 27,081,533	 \$ 26,137,221	 \$ 22,605,141	 \$ 22,403,043
Contributions as a percentage of covered payroll	40.41%	39.25%	40.62%	35.36%

Notes to Schedule:

Valuation date June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method

Entry age normal cost method
Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method
Inflation
Salary increases
Payroll growth
Investment rate of return
Retirement age

Market Value
2.50%
Varies by Entry Age and Service
2.75%
7.00%, net of pension plan investment expenses, including inflation.
All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.
The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

Mortality

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2017	2016	2015
\$ 7,641,298	\$ 6,951,327	\$ 5,947,949
(7,641,298)	(6,951,327)	(5,947,949)
\$ -	\$ -	\$ -
\$ 20,887,797	\$ 21,778,435	\$ 20,358,941
36.58%	31.92%	29.22%

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Safety Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Changes in the Net Pension Liability and Related Ratios
During the Measurement Period

Measurement Period	2021	2020	2019	2018
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability				
Service Cost	\$ 6,916,858	\$ 6,733,397	\$ 6,785,852	\$ 7,141,768
Interest on total pension liability	35,436,006	34,420,847	33,457,665	32,842,161
Differences between expected and actual experience	1,732,575	1,076,363	(2,324,275)	(8,355,331)
Changes in assumptions	-	-	(2,031,814)	26,697,946
Benefit payments, including refunds of employee contributions	(29,268,078)	(28,292,968)	(27,352,200)	(26,330,644)
Net change in total pension liability	14,817,361	13,937,639	8,535,228	31,995,900
Total Pension Liability-beginning	505,051,516	491,113,877	482,578,649	450,582,749
Total Pension Liability-ending (a)	\$ 519,868,877	\$ 505,051,516	\$ 491,113,877	\$ 482,578,649
Plan Fiduciary Net Position				
Contributions-employer	\$ 16,867,013	\$ 15,651,082	\$ 13,510,984	\$ 12,539,589
Contributions-employee	2,495,800	2,495,658	2,402,540	2,468,689
Net investment income	15,405,724	19,716,865	24,365,266	29,790,194
Benefit payments	(29,268,078)	(28,292,968)	(27,352,200)	(26,330,644)
Plan to plan resource movement	-	150,117	(712)	-
Other miscellaneous expense	-	712	(867,978)	-
Administrative expense	(443,256)	(217,595)	(457,067)	(400,264)
Net change in plan fiduciary net position	5,057,203	9,503,871	11,600,833	18,067,564
Plan Fiduciary Net Position-beginning	314,420,564	304,916,693	293,315,860	275,248,296
Plan Fiduciary Net Position-ending (b)	\$ 319,477,767	\$ 314,420,564	\$ 304,916,693	\$ 293,315,860
Net pension liability-ending (a) - (b)	\$ 200,391,110	\$ 190,630,952	\$ 186,197,184	\$ 189,262,789
Plan fiduciary net position as a percentage of the total pension liability	61.45%	62.26%	62.09%	60.78%
Covered payroll	\$ 21,941,307	\$ 21,152,620	\$ 20,349,393	\$ 19,733,377
Net pension liability as a percentage of covered payroll	913.31%	901.22%	915.00%	959.10%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2019. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2020 and 2019, there were no changes. In 2018, demographic assumptions and inflation rates were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2017	2016	2015
June 30, 2016	June 30, 2015	June 30, 2014
\$ 6,037,920	\$ 5,665,531	\$ 5,410,714
32,721,025	31,830,406	30,833,294
(675,259)	463,336	-
-	(7,623,305)	-
(25,766,118)	(24,963,470)	(23,513,099)
<u>12,317,568</u>	<u>5,372,498</u>	<u>12,730,909</u>
438,265,181	432,892,683	420,161,774
\$ 450,582,749	\$ 438,265,181	\$ 432,892,683
\$ 12,077,355	\$ 10,188,345	\$ 9,034,348
2,498,407	2,574,737	2,517,611
1,329,651	6,292,622	43,593,695
(25,766,118)	(24,963,470)	(23,513,099)
-	(115)	-
-	-	-
(173,865)	(320,958)	-
(10,034,570)	(6,228,839)	31,632,555
<u>285,282,866</u>	<u>291,511,705</u>	<u>259,879,150</u>
\$ 275,248,296	\$ 285,282,866	\$ 291,511,705
\$ 175,334,453	\$ 152,982,315	\$ 141,380,978
61.09%	65.09%	67.34%
\$ 21,563,045	\$ 20,922,604	\$ 19,082,521
813.12%	731.18%	740.89%

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Safety Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Plan Contributions

	2021	2020	2019	2018
Actuarial Determined Contribution	\$ 18,444,829	\$ 16,924,131	\$ 15,641,590	\$ 13,511,840
Contribution in relation to the Actuarially Determined Contribution	(18,444,829)	(16,924,131)	(15,641,590)	(13,511,840)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 23,926,199	 \$ 21,941,307	 \$ 21,152,620	 \$ 20,349,393
 Contributions as a percentage of covered payroll	 77.09%	 77.13%	 73.95%	 66.40%

Notes to Schedule:

Valuation date June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method

Entry age normal cost method
Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method
Inflation
Salary increases
Payroll growth
Investment rate of return
Retirement age

Market Value
2.50%
Varies by Entry Age and Service
2.75%
7.00%, net of pension plan investment expenses, including inflation.
All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 12,582,017	\$ 12,077,355	\$ 10,188,345
(12,582,017)	(12,077,355)	(10,188,345)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,733,377	\$ 21,563,045	\$ 20,922,604
63.76%	56.01%	48.70%

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Vallejo Flood and Wastewater District
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of the Plan's Proportionate Share
of the Net Pension Liability and Related Ratios

Measurement Period	2021	2020	2019	2018
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Plan Proportion of the Net Pension Liability	0.61886%	0.60568%	0.59373%	0.57650%
Plan Proportionate Share of the Net Pension Liability	\$ 26,104,014	\$ 24,254,485	\$ 22,376,039	\$ 22,725,984
Plan Covered Payroll	\$ 8,773,461	\$ 10,102,073	\$ 8,773,484	\$ 8,334,837
Plan Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	297.53%	240.09%	255.04%	272.66%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	75.10%	75.30%	73.69%	73.31%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2020 and 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2017	2016	2015
June 30, 2016	June 30, 2015	June 30, 2014
0.56725%	0.14712%	0.18915%
\$ 19,705,443	\$ 15,432,136	\$ 11,769,980
\$ 8,022,329	\$ 7,940,275	\$ 7,602,013
245.63%	194.35%	154.83%
74.06%	78.40%	79.82%

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

**Vallejo Flood and Wastewater District
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Plan Contributions**

	2020	2020	2019	2018
Actuarially Determined Contribution	\$ 3,026,216	\$ 2,668,281	\$ 984,716	\$ 911,598
Contribution in Relation to the Actuarially Determined Contribution	(3,026,216)	(2,668,281)	(984,716)	(911,598)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 10,393,617	\$ 9,670,727	\$ 8,773,484	\$ 8,334,837
Contributions as a Percentage of Covered Payroll	29.12%	27.59%	11.22%	10.94%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

(2) The District is required to contribute to the Safety Rate Plan even though there is no Covered Payroll.

Note to Schedule:

Valuation Date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal Cost Method
Amortization method: Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method
Inflation
Payroll Growth
Projected Salary Increases
Investment Rate of Return
Retirement Age

Direct rate smoothing
2.63%
2.88%
Varies by Entry Age and Service
7.00% (net of pension plan investment and administrative expenses, includes inflation)
All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 899,758	\$ 1,064,678	\$ 1,274,837
(899,758)	(1,064,678)	(1,274,837)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,022,329	\$ 7,924,588	\$ 7,693,775
11.22%	13.44%	16.57%

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Solid Waste Disposal Fund #135 accounts for monies received from garbage collection fines and expended on enforcing major portions of the mandatory garbage subscription ordinance. This fund is also used for the mandatory city-wide recycling program and related recycling program grants.

Assets Seizure Fund #139 accounts for monies received from police confiscated drug money and property. Funds are held until final court disposition is received. The funds are then restricted for police related activities only.

State Gas Tax Fund #133 accounts for monies received from the state gas tax allocation and expended on construction, improvement and maintenance of public streets and related infrastructure.

Community Development Block Grant Fund #101 accounts for monies received and expended by the City as a participant in the Federal Community Development Block Grant program.

HOME Program Fund #102 accounts for monies received and expended by the City as a participant in the Federal HOME Grant program.

Hiddenbrooke Community Services District Fund #138 accounts for monies collected as the result of special taxes which are used to fund a variety of municipal services provided to the residents of the Hiddenbrooke development.

Mare Island Base Reuse Fund #107 accounts for monies received from tenants placed on the former Mare Island Naval Shipyard during the conversion process. It also accounts for operating costs to support ongoing development programs on the island. Funds are restricted for use on the island.

Mare Island CFD 2002 Fund #112 accounts for monies received from general taxes and from property owner assessments for maintenance and repair of infrastructure and facilities on the former Mare Island Naval Shipyard.

Mare Island CFD 2005 1A (State) Fund #113 accounts for transactions of this district formed under state statute to provide municipal services within the district.

Mare Island CFD 2005 1B (Local) Fund #114 accounts for transactions of this district formed under local statute to provide municipal services within the district.

Hazmat Revolving Fund #143 accounts for monies received and expended for hazardous material removal.

Justice Assistance Grant Fund #149 accounts for revenues received from the Justice Assistance Grant.

Supplemental Law Enforcement Grant Fund #151 accounts for revenues received from the Supplemental Law Enforcement Services Grant.

Traffic Offender/Vehicle Impound Program Fund #140 accounts for monies received and expended from vehicle impound fees.

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

Landscape Maintenance Districts Fund #161-188 accounts for special assessments on property within district boundaries for the restricted purpose of providing landscape services within the specified districts.

Emergency Disaster Fund #109 accounts for monies received and expended for activities related to damages from the 2014 South Napa earthquake and other emergency disaster funds, including federal and State grant revenues.

Office of Traffic Safety Fund #146 accounts for the award and expenditure of grants from the California Office of Traffic Safety.

Outside Services Fund #129 accounts for one-time billings to third parties and the related expenditures of these funds. The primary activity is development review.

Administrative Trust Fund #601 accounts for funds held for special programs, including performance bonds for construction projects.

State Lands Fund #134 accounts for lease rentals generated from City-owned waterfront property subject to State Lands Commission restrictions.

Neighborhood Stabilization Program Fund #103 accounts for monies received and expended by the City as a participant in the Federal NSP Grant.

Navigation Center Fund #191 accounts for monies received and administration of the Vallejo Homeless Navigation Center.

NLP Nuisance Abatement Fund #147 accounts for monies received and used to demolish dangerous buildings or prevent escalating nuisance conditions.

CAPITAL PROJECTS FUNDS

Transportation Impact Mitigation Fund #203 accounts for monies received from the Transportation Impact fee imposed on commercial and residential development and expended on transportation improvements necessitated by such development.

Hiddenbrooke Overpass Fund #211 accounts for monies received from the Hiddenbrooke Overpass fee imposed on commercial and residential development within the Hiddenbrooke development area. These funds will be used to renovate the existing Hiddenbrooke overpass.

Bridge Construction Fund #204 accounts for monies received from the Bridge Construction Development Tax Ordinance.

Northgate Fee & Benefit District #94-1 Fund #208 accounts for monies received from the development of the Northgate District #94-1 and expended for public improvements within that development area.

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

Arts and Convention Center Fund #206 accounts for the Empress Theatre advances to the former Redevelopment Agency.

Mare Island CFD 2005 1A Facilities Fund #213 accounts for transactions of this district formed under state statute to provide municipal facilities within the district.

Traffic Congestion Relief Fund #219 accounts for street maintenance and capital expenditures to be paid from State Proposition 42 allocations.

Capital Grants & Contributions Fund #221 accounts for capital project expenditures to be reimbursed from by granting agencies, developers, or other third parties.

Neighborhood Parks (GVRD) Fund #137 accounts for park development impact fee revenue and for contributions to the Greater Vallejo Recreation District for park improvements.

Vallejo Station Capital Projects Fund #222 accounts for grants received to support construction of a new Transit Center and related parking structure in downtown Vallejo.

Long-Term Maintenance Fund #223 accounts for revenues received from cell tower leases for use on long term repairs and maintenance expenditures.

Columbus Parkway Improvements Fund #224 accounts for monies received from a developer for the Columbus Parkway widening project.

Empress Theater Fund #225 accounts for the maintenance of Empress Theater.

Road Maintenance and Rehabilitation Act Fund #226 accounts for street maintenance and capital projects to be paid from Senate Bill (SB) 1 allocation.

Waterfront History Park Capital Project Fund #227 accounts for the administration of funds allocated by City Council and donations made to the Waterfront History Park Project.

DEBT SERVICE FUND

Certificates of Participation Fund #-Various accounts for the accumulation of lease revenue and the payments of annual General Fund debt service requirements. Debt issues include the 1999, 2000, 2002, and 2003 certificates of participation, which were restructured in 2011 into UBOC Reimbursement Loan Obligations A and B.

PERMANENT FUND

McCune Collection Fund #603 accounts for monies held for the Library which consists of donations and sales of rare books to maintain the McCune book collection. The principal is invested and interest earnings are available to support the McCune Fund Activities.

CITY OF VALLEJO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Solid Waste Disposal Fund #135	Asset Seizure Fund #139	State Gas Tax Fund #133	Community Development Block Grant Fund #101
Assets:				
Cash and investments	\$ 260,622	\$ 388,996	\$ 893,278	\$ -
Receivables:				
Accounts	35,492	-	367,014	511
Notes and loans	-	-	-	1,889,349
Due from other governments	-	-	70,724	955,399
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 296,114	\$ 388,996	\$ 1,331,016	\$ 2,845,259
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 22,187	\$ 3,366	\$ 46,612	\$ 745,716
Unearned revenues	244,654	-	-	-
Deposits payable	-	306,145	-	-
Due to other governments	-	7,353	-	-
Due to other funds	-	-	-	210,194
Total Liabilities	266,841	316,864	46,612	955,910
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	72,132	1,284,404	1,889,349
Committed	-	-	-	-
Assigned	29,273	-	-	-
Total Fund Balances	29,273	72,132	1,284,404	1,889,349
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 296,114	\$ 388,996	\$ 1,331,016	\$ 2,845,259

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	HOME Program Fund #102	Hiddenbrooke Community Services District Fund #138	Mare Island Base Reuse Fund #107	Mare Island CFD 2002 Fund #112
Assets:				
Cash and investments	\$ 180,024	\$ 3,876,365	\$ 476,646	\$ 5,465,257
Receivables:				
Accounts	29,805	-	888	129,495
Notes and loans	5,708,628	-	-	-
Due from other governments	714,750	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 6,633,207	\$ 3,876,365	\$ 477,534	\$ 5,594,752
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 135,506	\$ 86,676	\$ 2,587	\$ 20,098
Unearned revenues	-	274,214	31,048	7,354
Deposits payable	-	-	7,785	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	135,506	360,890	41,420	27,452
Deferred Inflows of Resources:				
Unavailable revenues	23,750	-	-	-
Total Deferred Inflows of Resources	23,750	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	6,473,951	3,515,475	-	5,567,300
Committed	-	-	436,114	-
Assigned	-	-	-	-
Total Fund Balances	6,473,951	3,515,475	436,114	5,567,300
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,633,207	\$ 3,876,365	\$ 477,534	\$ 5,594,752

CITY OF VALLEJO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Mare Island CFD 2005 1A (State) Fund #113	Mare Island CFD 2005 1B (Local) Fund #114	Hazmat Revolving Fund #143	Justice Assistance Grant Fund #149
Assets:				
Cash and investments	\$ 289,391	\$ 1,447,598	\$ 25,144	\$ -
Receivables:				
Accounts	-	-	11,179	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	322,063
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 289,391	\$ 1,447,598	\$ 36,323	\$ 322,063
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 25,715	\$ 3,635	\$ 4,021	\$ 500
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	321,563
Total Liabilities	25,715	3,635	4,021	322,063
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	263,676	1,443,963	32,302	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	263,676	1,443,963	32,302	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 289,391	\$ 1,447,598	\$ 36,323	\$ 322,063

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Supplemental Law Enforcement Grant Fund #151	Traffic Offender / Vehicle Impound Program Fund #140	Landscape Maintenance Districts Fund #161-188	Emergency Disaster Fund #109
Assets:				
Cash and investments	\$ 300,168	\$ 95,866	\$ 16,602,281	\$ 422,581
Receivables:				
Accounts	-	-	-	3,107
Notes and loans	-	-	-	-
Due from other governments	-	-	-	1,199,132
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 300,168	\$ 95,866	\$ 16,602,281	\$ 1,624,820
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 20,975	\$ -	\$ 306,748	\$ 6,362
Unearned revenues	-	-	-	422,581
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	629,104
Total Liabilities	20,975	-	306,748	1,058,047
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	279,193	95,866	16,295,533	566,773
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	279,193	95,866	16,295,533	566,773
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 300,168	\$ 95,866	\$ 16,602,281	\$ 1,624,820

CITY OF VALLEJO

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	<u>Special Revenue Funds</u>			
	<u>Office of Traffic Safety Fund #146</u>	<u>Outside Services Fund #129</u>	<u>Administrative Trust Fund #601</u>	<u>State Lands Fund #134</u>
Assets:				
Cash and investments	\$ -	\$ 967,541	\$ 371,287	\$ -
Receivables:				
Accounts	-	70,121	-	4,900
Notes and loans	-	-	-	-
Due from other governments	27,763	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 27,763	\$ 1,037,662	\$ 371,287	\$ 4,900
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 99,807	\$ 797	\$ -
Unearned revenues	-	-	-	-
Deposits payable	-	937,855	370,490	1,387
Due to other governments	-	-	-	-
Due to other funds	27,763	-	-	3,513
Total Liabilities	27,763	1,037,662	371,287	4,900
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,763	\$ 1,037,662	\$ 371,287	\$ 4,900

CITY OF VALLEJO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	Neighborhood Stabilization Program Fund #103	Navigation Center #191	NLP Nuisance Abatement Fund #147	Transportation Impact Mitigation Fund #203
Assets:				
Cash and investments	\$ 21,526	\$ 5,193,709	\$ 168,037	\$ 3,370,120
Receivables:				
Accounts	950	-	-	-
Notes and loans	2,180,597	-	-	89,088
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,203,073	\$ 5,193,709	\$ 168,037	\$ 3,459,208
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 22,010
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	22,010
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	2,203,073	5,193,709	-	3,437,198
Committed	-	-	168,037	-
Assigned	-	-	-	-
Total Fund Balances	2,203,073	5,193,709	168,037	3,437,198
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,203,073	\$ 5,193,709	\$ 168,037	\$ 3,459,208

CITY OF VALLEJO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Capital Projects Funds			
	Hiddenbrooke Overpass Fund #211	Bridge Construction Fund #204	Northgate Fee & Benefit District #94-1 Fund #208	Arts and Convention Center Fund #206
Assets:				
Cash and investments	\$ 7,803,066	\$ 255,770	\$ 249,547	\$ 80,318
Receivables:				
Accounts	-	-	-	-
Notes and loans	473,160	477,986	-	3,765,595
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 8,276,226	\$ 733,756	\$ 249,547	\$ 3,845,913
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 24,513	\$ 9,066	\$ -	\$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	24,513	9,066	-	-
Deferred Inflows of Resources:				
Unavailable revenues	200,717	237,964	-	1,773,013
Total Deferred Inflows of Resources	200,717	237,964	-	1,773,013
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	8,050,996	486,726	249,547	-
Committed	-	-	-	-
Assigned	-	-	-	2,072,900
Total Fund Balances	8,050,996	486,726	249,547	2,072,900
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,276,226	\$ 733,756	\$ 249,547	\$ 3,845,913

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	<u>Capital Projects Funds</u>			
	<u>Mare Island CFD 2005 1A Facilities Fund #213</u>	<u>Traffic Congestion Relief Fund #219</u>	<u>Capital Grant & Contribution Fund #221</u>	<u>Neighborhood Park-Dev Fee Fund #137</u>
Assets:				
Cash and investments	\$ 1,679,700	\$ 973,553	\$ 174,818	\$ 301,061
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	183,864
Due from other governments	-	-	6,164,929	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 1,679,700</u>	<u>\$ 973,553</u>	<u>\$ 6,339,747</u>	<u>\$ 484,925</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 16,349	\$ 2,738,043	\$ -
Unearned revenues	-	-	174,818	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	3,328,897	-
Total Liabilities	<u>-</u>	<u>16,349</u>	<u>6,241,758</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	45,103
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,103</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,679,700	957,204	97,989	439,822
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>1,679,700</u>	<u>957,204</u>	<u>97,989</u>	<u>439,822</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,679,700</u>	<u>\$ 973,553</u>	<u>\$ 6,339,747</u>	<u>\$ 484,925</u>

CITY OF VALLEJO

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Capital Projects Funds			
	Vallejo Station Fund #222	Longterm Maintenance Fund #223	Columbus Parkway Improvement Fund #224	Empress Theater Fund #225
Assets:				
Cash and investments	\$ -	\$ 606,188	\$ 2,071,417	\$ 157,553
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	49,220
Due from other governments	83,712	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 83,712	\$ 606,188	\$ 2,071,417	\$ 206,773
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 106,791
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	83,712	-	-	-
Total Liabilities	83,712	-	-	106,791
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	49,220
Total Deferred Inflows of Resources	-	-	-	49,220
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	50,762
Committed	-	193,004	2,071,417	-
Assigned	-	413,184	-	-
Total Fund Balances	-	606,188	2,071,417	50,762
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 83,712	\$ 606,188	\$ 2,071,417	\$ 206,773

CITY OF VALLEJO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Capital Projects Funds		Debt Service Fund	Permanent Fund	
	Road Maint/Rehab Act Fund #226	Waterfront History Park Fund #227	Certificates of Participation Fund #-Various	McCune Collection Fund #603	Total Governmental Funds
Assets:					
Cash and investments	\$ 3,871,521	\$ 107,125	\$ -	\$ 107,747	\$ 59,255,821
Receivables:					
Accounts	-	-	-	-	653,462
Notes and loans	-	-	-	-	14,817,487
Due from other governments	402,225	-	-	-	9,940,697
Restricted assets:					
Cash and investments with fiscal agents	-	-	260,514	-	260,514
Total Assets	\$ 4,273,746	\$ 107,125	\$ 260,514	\$ 107,747	\$ 84,927,981
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 40,436	\$ -	\$ -	\$ -	\$ 4,488,516
Unearned revenues	-	-	-	-	1,154,669
Deposits payable	-	-	-	-	1,623,662
Due to other governments	-	-	-	-	7,353
Due to other funds	-	-	-	-	4,604,746
Total Liabilities	40,436	-	-	-	11,878,946
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	2,329,767
Total Deferred Inflows of Resources	-	-	-	-	2,329,767
Fund Balances:					
Nonspendable	-	-	-	64,625	64,625
Restricted	4,233,310	-	260,514	43,122	65,163,589
Committed	-	107,125	-	-	2,975,697
Assigned	-	-	-	-	2,515,357
Total Fund Balances	4,233,310	107,125	260,514	107,747	70,719,268
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,273,746	\$ 107,125	\$ 260,514	\$ 107,747	\$ 84,927,981

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Solid Waste Disposal Fund #135	Asset Seizure Fund #139	State Gas Tax Fund #133	Community Development Block Grant Fund #101
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	12,214	-	-	-
Intergovernmental	52,108	-	2,633,298	3,330,316
Charges for services	1,273,599	-	1,499,359	-
Use of money and property	(213)	(1,863)	(503)	4,686
Fines and forfeitures	20,574	21,141	-	-
Contributions	-	-	-	-
Other	-	-	15,500	-
Total Revenues	1,358,282	19,278	4,147,654	3,335,002
Expenditures:				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Community development	-	-	-	2,972,846
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	30,689	-	-
Public works	1,387,096	-	3,438,268	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,387,096	30,689	3,438,268	2,972,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,814)	(11,411)	709,386	362,156
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(350,000)	-
Total Other Financing Sources (Uses)	-	-	(350,000)	-
Net Change in Fund Balances	(28,814)	(11,411)	359,386	362,156
Fund Balances, Beginning of Year	58,087	83,543	925,018	(405,732)
Restatements	-	-	-	1,932,925
Fund Balances, Beginning of Year, as Restated	58,087	83,543	925,018	1,527,193
Fund Balances, End of Year	\$ 29,273	\$ 72,132	\$ 1,284,404	\$ 1,889,349

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	HOME Program Fund #102	Hiddenbrooke Community Services District Fund #138	Mare Island Base Reuse Fund #107	Mare Island CFD 2002 Fund #112
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 1,787,949
Licenses, permits, and fees	-	-	-	-
Intergovernmental	714,750	-	-	-
Charges for services	-	796,250	19,824	1,786,857
Use of money and property	34,946	(1,906)	34,706	(2,283)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	749,696	794,344	54,530	3,572,523
Expenditures:				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Community development	78,964	-	216,863	-
Planning and development services	-	-	-	-
Fire services	-	-	-	2,153,000
Police services	-	-	-	699,000
Public works	-	598,526	-	756,196
Capital outlay	-	85,837	34,702	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	78,964	684,363	251,565	3,608,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	670,732	109,981	(197,035)	(35,673)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	670,732	109,981	(197,035)	(35,673)
Fund Balances, Beginning of Year	1,634,194	3,405,494	633,149	5,602,973
Restatements	4,169,025	-	-	-
Fund Balances, Beginning of Year, as Restated	5,803,219	3,405,494	633,149	5,602,973
Fund Balances, End of Year	\$ 6,473,951	\$ 3,515,475	\$ 436,114	\$ 5,567,300

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Mare Island CFD 2005 1A (State) Fund #113	Mare Island CFD 2005 1B (Local) Fund #114	Hazmat Revolving Fund #143	Justice Assistance Grant Fund #149
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-
Intergovernmental	-	-	-	120,919
Charges for services	281,574	-	44,212	-
Use of money and property	(146)	(784)	(8)	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	281,428	(784)	44,204	120,919
Expenditures:				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Community development	-	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	83,293
Public works	343,648	82,779	26,030	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	343,648	82,779	26,030	83,293
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,220)	(83,563)	18,174	37,626
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(62,220)	(83,563)	18,174	37,626
Fund Balances, Beginning of Year	325,896	1,527,526	14,128	(37,626)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	325,896	1,527,526	14,128	(37,626)
Fund Balances, End of Year	\$ 263,676	\$ 1,443,963	\$ 32,302	\$ -

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Supplemental Law Enforcement Grant Fund #151	Traffic Offender / Vehicle Impound Program Fund #140	Landscape Maintenance Districts Fund #161-188	Emergency Disaster Fund #109
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	45,177	-	-
Intergovernmental	221,976	-	-	4,898,847
Charges for services	-	-	4,051,510	-
Use of money and property	-	(42)	(8,083)	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	221,976	45,135	4,043,427	4,898,847
Expenditures:				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Community development	-	-	-	4,215,145
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	575,600	7,582	-	-
Public works	-	-	2,656,151	-
Capital outlay	-	-	139,204	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	575,600	7,582	2,795,355	4,215,145
Excess (Deficiency) of Revenues Over (Under) Expenditures	(353,624)	37,553	1,248,072	683,702
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(353,624)	37,553	1,248,072	683,702
Fund Balances, Beginning of Year	632,817	58,313	15,047,461	(116,929)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	632,817	58,313	15,047,461	(116,929)
Fund Balances, End of Year	\$ 279,193	\$ 95,866	\$ 16,295,533	\$ 566,773

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Office of Traffic Safety Fund #146	Outside Services Fund #129	Administrative Trust Fund #601	State Lands Fund #134
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-
Intergovernmental	77,330	-	-	-
Charges for services	-	566,934	-	-
Use of money and property	-	-	-	327,740
Fines and forfeitures	-	-	-	-
Contributions	-	-	25,979	-
Other	-	-	-	-
Total Revenues	77,330	566,934	25,979	327,740
Expenditures:				
Current:				
Executive	-	165,404	-	-
Law	-	-	-	-
Community development	-	-	-	89,827
Planning and development services	-	401,530	-	-
Fire services	-	-	-	-
Police services	77,330	-	25,979	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	77,330	566,934	25,979	89,827
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	237,913
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(237,913)
Total Other Financing Sources (Uses)	-	-	-	(237,913)
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Neighborhood Stabilization Program Fund #103	Navigation Center #191	NLP Nuisance Abatement Fund #147	Transportation Impact Mitigation Fund #203
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	97,809
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	7,958	(1,999)	(87)	(1,838)
Fines and forfeitures	-	-	850	-
Contributions	-	3,050,000	-	-
Other	-	-	1,000	-
Total Revenues	7,958	3,048,001	1,763	95,971
Expenditures:				
Current:				
Executive	-	-	-	-
Law	-	-	250	-
Community development	1,134	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	-
Public works	-	-	-	4,500
Capital outlay	-	-	-	199,226
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,134	-	250	203,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,824	3,048,001	1,513	(107,755)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	6,824	3,048,001	1,513	(107,755)
Fund Balances, Beginning of Year	47,027	2,145,708	166,524	3,544,953
Restatements	2,149,222	-	-	-
Fund Balances, Beginning of Year, as Restated	2,196,249	2,145,708	166,524	3,544,953
Fund Balances, End of Year	\$ 2,203,073	\$ 5,193,709	\$ 168,037	\$ 3,437,198

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Capital Projects Funds			
	Hiddenbrooke Overpass Fund #211	Bridge Construction Fund #204	Northgate Fee & Benefit District #94-1 Fund #208	Arts and Convention Center Fund #206
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	1,947	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	(4,101)	(172)	(131)	(42)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	23,483	-	-	-
Total Revenues	21,329	(172)	(131)	(42)
Expenditures:				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Community development	-	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	-
Public works	4,500	4,500	4,500	-
Capital outlay	236,813	116,869	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	241,313	121,369	4,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(219,984)	(121,541)	(4,631)	(42)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(9,519)	(9,633)	-	(379,240)
Total Other Financing Sources (Uses)	(9,519)	(9,633)	-	(379,240)
Net Change in Fund Balances	(229,503)	(131,174)	(4,631)	(379,282)
Fund Balances, Beginning of Year	8,280,499	617,900	254,178	2,452,182
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	8,280,499	617,900	254,178	2,452,182
Fund Balances, End of Year	\$ 8,050,996	\$ 486,726	\$ 249,547	\$ 2,072,900

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Capital Projects Funds			
	Mare Island CFD 2005 1A Facilities Fund #213	Traffic Congestion Relief Fund #219	Capital Grant & Contribution Fund #221	Neighborhood Park-Dev Fee Fund #137
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	152,529
Intergovernmental	-	-	7,133,919	-
Charges for services	100,004	-	-	-
Use of money and property	(845)	(343)	-	14,351
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	483,526	-
Total Revenues	99,159	(343)	7,617,445	166,880
Expenditures:				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Community development	-	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	-
Public works	13,488	-	-	-
Capital outlay	-	46,460	7,617,445	466,793
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	13,488	46,460	7,617,445	466,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	85,671	(46,803)	-	(299,913)
Other Financing Sources (Uses):				
Transfers in	-	350,000	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	350,000	-	-
Net Change in Fund Balances	85,671	303,197	-	(299,913)
Fund Balances, Beginning of Year	1,594,029	654,007	97,989	739,735
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	1,594,029	654,007	97,989	739,735
Fund Balances, End of Year	\$ 1,679,700	\$ 957,204	\$ 97,989	\$ 439,822

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Capital Projects Funds			
	Vallejo Station Fund #222	Longterm Maintenance Fund #223	Columbus Parkway Improvement Fund #224	Empress Theater Fund #225
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	(334)	(1,081)	(35)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	396
Total Revenues	-	(334)	(1,081)	361
Expenditures:				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Community development	-	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	-
Public works	-	-	4,500	23,606
Capital outlay	-	38,310	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	38,310	4,500	23,606
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(38,644)	(5,581)	(23,245)
Other Financing Sources (Uses):				
Transfers in	-	-	-	91,994
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	91,994
Net Change in Fund Balances	-	(38,644)	(5,581)	68,749
Fund Balances, Beginning of Year	-	644,832	2,076,998	(17,987)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	644,832	2,076,998	(17,987)
Fund Balances, End of Year	\$ -	\$ 606,188	\$ 2,071,417	\$ 50,762

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Capital Projects Funds		Debt Service Fund	Permanent Fund	Total Governmental Funds
	Road Maint/Rehab Act Fund #226	Waterfront History Park Fund #227	Certificates of Participation Fund #-Various	McCune Collection Fund #603	
Revenues:					
Taxes	\$ 2,207,254	\$ -	\$ -	\$ -	\$ 3,995,203
Licenses, permits, and fees	-	-	-	-	309,676
Intergovernmental	-	-	-	-	19,183,463
Charges for services	-	-	-	-	10,420,123
Use of money and property	(1,788)	(56)	16	(56)	395,664
Fines and forfeitures	-	-	-	-	42,565
Contributions	-	-	-	-	3,075,979
Other	-	-	-	-	523,905
Total Revenues	2,205,466	(56)	16	(56)	37,946,578
Expenditures:					
Current:					
Executive	-	-	-	-	165,404
Law	-	-	-	-	250
Community development	-	-	-	-	7,574,779
Planning and development services	-	-	-	-	401,530
Fire services	-	-	-	-	2,153,000
Police services	-	-	-	-	1,499,473
Public works	4,500	-	9,000	-	9,361,788
Capital outlay	858,050	169	-	-	9,839,878
Debt service:					
Principal	-	-	920,776	-	920,776
Interest and fiscal charges	-	-	249,262	-	249,262
Total Expenditures	862,550	169	1,179,038	-	32,166,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,342,916	(225)	(1,179,022)	(56)	5,780,438
Other Financing Sources (Uses):					
Transfers in	-	-	1,184,052	-	1,626,046
Transfers out	-	-	-	-	(986,305)
Total Other Financing Sources (Uses)	-	-	1,184,052	-	639,741
Net Change in Fund Balances	1,342,916	(225)	5,030	(56)	6,420,179
Fund Balances, Beginning of Year	2,890,394	107,350	255,484	107,803	56,047,917
Restatements	-	-	-	-	8,251,172
Fund Balances, Beginning of Year, as Restated	2,890,394	107,350	255,484	107,803	64,299,089
Fund Balances, End of Year	\$ 4,233,310	\$ 107,125	\$ 260,514	\$ 107,747	\$ 70,719,268

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SOLID WASTE DISPOSAL FUND #135
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 11,900	\$ 11,900	\$ 12,214	\$ 314
Intergovernmental	62,000	62,000	52,108	(9,892)
Charges for services	1,474,751	1,474,751	1,273,599	(201,152)
Use of money and property	-	-	(213)	(213)
Fines and forfeitures	-	-	20,574	20,574
Total Revenues	1,548,651	1,548,651	1,358,282	(190,369)
EXPENDITURES:				
Current:				
Public works	1,547,775	1,719,221	1,387,096	332,125
Total Expenditures	1,547,775	1,719,221	1,387,096	332,125
EXCESS REVENUES OVER EXPENDITURES	\$ 876	\$ (170,570)	(28,814)	\$ 141,756
NET CHANGE IN FUND BALANCES	\$ 876	\$ (170,570)	(28,814)	\$ 141,756
Fund Balance, July 1			58,087	
Fund Balance, June 30			\$ 29,273	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSET SEIZURE FUND #139
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (1,863)	\$ (1,863)
Fines and forfeitures	10,281	-	21,141	21,141
Total Revenues	10,281	-	19,278	19,278
EXPENDITURES:				
Current:				
Police services	33,000	79,814	30,689	49,125
Total Expenditures	33,000	79,814	30,689	49,125
EXCESS REVENUES OVER EXPENDITURES	(22,719)	(79,814)	(11,411)	68,403
NET CHANGE IN FUND BALANCES	\$ (22,719)	\$ (79,814)	(11,411)	\$ 68,403
Fund Balance, July 1			83,543	
Fund Balance, June 30			\$ 72,132	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STATE GAS TAX FUND #133
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,726,865	\$ 2,726,865	\$ 2,633,298	\$ (93,567)
Charges for services	1,501,503	1,501,503	1,499,359	(2,144)
Use of money and property	-	-	(503)	(503)
Other	49,500	49,500	15,500	(34,000)
Total Revenues	4,277,868	4,277,868	4,147,654	(130,214)
EXPENDITURES:				
Current:				
Public works	3,749,880	3,910,491	3,438,268	472,223
Total Expenditures	3,749,880	3,910,491	3,438,268	472,223
EXCESS REVENUES OVER EXPENDITURES	527,988	367,377	709,386	342,009
OTHER FINANCING SOURCES (USES)				
Transfers out	(350,000)	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	(350,000)	(350,000)	(350,000)	-
NET CHANGE IN FUND BALANCES	\$ 177,988	\$ 17,377	359,386	\$ 342,009
Fund Balance, July 1			925,018	
Fund Balance, June 30			\$ 1,284,404	

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND #101
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,050,958	\$ 4,198,431	\$ 3,330,316	\$ (868,115)
Use of money and property	15,000	15,000	4,686	(10,314)
Total Revenues	1,065,958	4,213,431	3,335,002	(878,429)
EXPENDITURES:				
Current:				
Community development	1,065,958	4,216,323	2,972,846	1,243,477
Total Expenditures	1,065,958	4,216,323	2,972,846	1,243,477
EXCESS REVENUES OVER EXPENDITURES	\$ -	\$ (2,892)	362,156	\$ 365,048
NET CHANGE IN FUND BALANCES	\$ -	\$ (2,892)	362,156	\$ 365,048
Fund Balance, July 1, as Restated			1,527,193	
Fund Balance, June 30			\$ 1,889,349	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOME PROGRAM FUND #102
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 610,285	\$ 4,265,011	\$ 714,750	\$ (3,550,261)
Use of money and property	100,000	100,000	34,946	(65,054)
Total Revenues	710,285	4,365,011	749,696	(3,615,315)
EXPENDITURES:				
Current:				
Community development	710,285	4,365,011	78,964	4,286,047
Total Expenditures	710,285	4,365,011	78,964	4,286,047
EXCESS REVENUES OVER EXPENDITURES	\$ -	\$ -	670,732	\$ 670,732
NET CHANGE IN FUND BALANCES	\$ -	\$ -	670,732	\$ 670,732
Fund Balance, July 1, as Restated			5,803,219	
Fund Balance, June 30			\$ 6,473,951	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HIDDENBROOKE COMMUNITY SERVICES DISTRICT FUND #138
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 823,820	\$ 823,820	\$ 796,250	\$ (27,570)
Use of money and property	31,821	31,821	(1,906)	(33,727)
Total Revenues	855,641	855,641	794,344	(61,297)
EXPENDITURES:				
Current:				
Public works	678,457	767,536	598,526	169,010
Capital outlay	325,000	-	85,837	(85,837)
Total Expenditures	1,003,457	767,536	684,363	83,173
EXCESS REVENUES OVER EXPENDITURES	(147,816)	88,105	109,981	21,876
NET CHANGE IN FUND BALANCES	\$ (147,816)	\$ 88,105	109,981	\$ 21,876
Fund Balance, July 1			3,405,494	
Fund Balance, June 30			\$ 3,515,475	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MARE ISLAND BASE REUSE FUND #107
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 55,000	\$ 55,000	\$ 19,824	\$ (35,176)
Use of money and property	31,000	31,000	34,706	3,706
Total Revenues	86,000	86,000	54,530	(31,470)
EXPENDITURES:				
Current:				
Community development	379,605	456,026	216,863	239,163
Capital outlay	-	-	34,702	(34,702)
Total Expenditures	379,605	456,026	251,565	204,461
EXCESS REVENUES OVER EXPENDITURES	(293,605)	(370,026)	(197,035)	172,991
NET CHANGE IN FUND BALANCES	\$ (293,605)	\$ (370,026)	(197,035)	\$ 172,991
Fund Balance, July 1			633,149	
Fund Balance, June 30			\$ 436,114	

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MARE ISLAND CFD 2002 FUND #112
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,406,465	\$ 1,406,465	\$ 1,787,949	\$ 381,484
Charges for services	1,786,857	1,786,857	1,786,857	-
Use of money and property	25,000	25,000	(2,283)	(27,283)
Total Revenues	3,218,322	3,218,322	3,572,523	354,201
EXPENDITURES:				
Current:				
Fire services	2,162,000	2,162,000	2,153,000	9,000
Police services	716,000	716,000	699,000	17,000
Public works	1,092,043	1,148,386	756,196	392,190
Total Expenditures	3,970,043	4,026,386	3,608,196	418,190
EXCESS REVENUES OVER EXPENDITURES	(751,721)	(808,064)	(35,673)	772,391
NET CHANGE IN FUND BALANCES	\$ (751,721)	\$ (808,064)	(35,673)	\$ 772,391
Fund Balance, July 1			5,602,973	
Fund Balance, June 30			\$ 5,567,300	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MARE ISLAND CFD 2005 1A (STATE) FUND #113
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 281,569	\$ 281,569	\$ 281,574	\$ 5
Use of money and property	-	-	(146)	(146)
Total Revenues	281,569	281,569	281,428	(141)
EXPENDITURES:				
Current:				
Public works	347,954	371,655	343,648	28,007
Total Expenditures	347,954	371,655	343,648	28,007
EXCESS REVENUES OVER EXPENDITURES	(66,385)	(90,086)	(62,220)	27,866
NET CHANGE IN FUND BALANCES	\$ (66,385)	\$ (90,086)	(62,220)	\$ 27,866
Fund Balance, July 1			<u>325,896</u>	
Fund Balance, June 30			<u>\$ 263,676</u>	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MARE ISLAND CFD 2005 1B (LOCAL) FUND #114
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (784)	\$ (784)
Total Revenues	<u>-</u>	<u>-</u>	<u>(784)</u>	<u>(784)</u>
EXPENDITURES:				
Current:				
Public works	255,596	267,763	82,779	184,984
Total Expenditures	<u>255,596</u>	<u>267,763</u>	<u>82,779</u>	<u>184,984</u>
EXCESS REVENUES OVER EXPENDITURES	<u>(255,596)</u>	<u>(267,763)</u>	<u>(83,563)</u>	<u>184,200</u>
NET CHANGE IN FUND BALANCES	<u>\$ (255,596)</u>	<u>\$ (267,763)</u>	<u>(83,563)</u>	<u>\$ 184,200</u>
Fund Balance, July 1			<u>1,527,526</u>	
Fund Balance, June 30			<u>\$ 1,443,963</u>	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HAZMAT REVOLVING FUND #143
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 44,365	\$ 44,365	\$ 44,212	\$ (153)
Use of money and property	-	-	(8)	(8)
Total Revenues	44,365	44,365	44,204	(161)
EXPENDITURES:				
Current:				
Public works	44,365	58,861	26,030	32,831
Total Expenditures	44,365	58,861	26,030	32,831
EXCESS REVENUES OVER EXPENDITURES	-	(14,496)	18,174	32,670
NET CHANGE IN FUND BALANCES	\$ -	\$ (14,496)	18,174	\$ 32,670
Fund Balance, July 1			14,128	
Fund Balance, June 30			\$ 32,302	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 JUSTICE ASSISTANCE GRANT FUND #149
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 179,943	\$ 421,586	\$ 120,919	\$ (300,667)
Total Revenues	179,943	421,586	120,919	(300,667)
EXPENDITURES:				
Current:				
Police services	179,943	421,586	83,293	338,293
Total Expenditures	179,943	421,586	83,293	338,293
EXCESS REVENUES OVER EXPENDITURES	-	-	37,626	37,626
NET CHANGE IN FUND BALANCES	\$ -	\$ -	37,626	\$ 37,626
Fund Balance, July 1			(37,626)	
Fund Balance, June 30			\$ -	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SUPPLEMENTAL LAW ENFORCEMENT GRANT FUND #151
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 221,976	\$ 41,976
Total Revenues	180,000	180,000	221,976	41,976
EXPENDITURES:				
Current:				
Police services	380,000	792,817	575,600	217,217
Total Expenditures	380,000	792,817	575,600	217,217
EXCESS REVENUES OVER EXPENDITURES	(200,000)	(612,817)	(353,624)	259,193
NET CHANGE IN FUND BALANCES	\$ (200,000)	\$ (612,817)	(353,624)	\$ 259,193
Fund Balance, July 1			632,817	
Fund Balance, June 30			\$ 279,193	

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRAFFIC OFFENDER / VEHICLE IMPOUND PROGRAM FUND #140
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, permits and fees	\$ 50,000	\$ 50,000	\$ 45,177	\$ (4,823)
Use of money and property	-	-	(42)	(42)
Total Revenues	50,000	50,000	45,135	(4,865)
EXPENDITURES:				
Current:				
Police services	45,000	98,313	7,582	90,731
Total Expenditures	45,000	98,313	7,582	90,731
EXCESS REVENUES OVER EXPENDITURES	5,000	(48,313)	37,553	85,866
NET CHANGE IN FUND BALANCES	\$ 5,000	\$ (48,313)	37,553	\$ 85,866
Fund Balance, July 1			58,313	
Fund Balance, June 30			\$ 95,866	

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LANDSCAPE MAINTENANCE DISTRICTS FUND #161-188
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 3,897,321	\$ 3,897,321	\$ 4,051,510	\$ 154,189
Use of money and property	136,602	136,602	(8,083)	(144,685)
Total Revenues	4,033,923	4,033,923	4,043,427	9,504
EXPENDITURES:				
Current:				
Public works	3,066,261	3,141,797	2,656,151	485,646
Capital outlay	175,000	175,000	139,204	35,796
Total Expenditures	3,241,261	3,316,797	2,795,355	521,442
EXCESS REVENUES OVER EXPENDITURES	792,662	717,126	1,248,072	530,946
NET CHANGE IN FUND BALANCES	\$ 792,662	\$ 717,126	1,248,072	\$ 530,946
Fund Balance, July 1			15,047,461	
Fund Balance, June 30			\$ 16,295,533	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 EMERGENCY DISASTER FUND #109
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 3,101,682	\$ 4,898,847	\$ 1,797,165
Total Revenues	-	3,101,682	4,898,847	1,797,165
EXPENDITURES:				
Current:				
Community development	-	3,101,682	4,215,145	(1,113,463)
Total Expenditures	-	3,101,682	4,215,145	(1,113,463)
EXCESS REVENUES OVER EXPENDITURES	\$ -	\$ -	683,702	\$ 683,702
Fund Balance, July 1			(116,929)	
Fund Balance, June 30			\$ 566,773	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OFFICE OF TRAFFIC SAFETY FUND #146
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 80,000	\$ 152,815	\$ 77,330	\$ (75,485)
Total Revenues	80,000	152,815	77,330	(75,485)
EXPENDITURES:				
Current:				
Police services	80,000	152,815	77,330	75,485
Total Expenditures	80,000	152,815	77,330	75,485
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OUTSIDE SERVICES FUND #129
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 1,020,000	\$ 1,020,000	\$ 566,934	\$ (453,066)
Use of money and property	5,000	5,000	-	(5,000)
Total Revenues	1,025,000	1,025,000	566,934	(458,066)
EXPENDITURES:				
Current:				
Executive	320,000	320,000	165,404	154,596
Law	100,000	100,000	-	100,000
Planning and development services	500,000	500,000	401,530	98,470
Public works	100,000	100,000	-	100,000
Total Expenditures	1,020,000	1,020,000	566,934	453,066
EXCESS REVENUES OVER EXPENDITURES	5,000	5,000	-	(5,000)
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,000)	(5,000)	-	5,000
Total Other Financing Sources (Uses)	(5,000)	(5,000)	-	5,000
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ADMINISTRATIVE TRUST FUND #601
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 6,000	\$ 6,000	\$ -	\$ (6,000)
Contributions	20,000	20,000	25,979	5,979
Total Revenues	26,000	26,000	25,979	(21)
EXPENDITURES:				
Current:				
Police services	20,000	20,000	25,979	(5,979)
Total Expenditures	20,000	20,000	25,979	(5,979)
EXCESS REVENUES OVER EXPENDITURES	6,000	6,000	-	(6,000)
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,000)	(6,000)	-	6,000
Total Other Financing Sources (Uses)	(6,000)	(6,000)	-	6,000
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STATE LANDS FUND #134
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 333,523	\$ 333,523	\$ 327,740	\$ (5,783)
Total Revenues	333,523	333,523	327,740	(5,783)
EXPENDITURES:				
Current:				
Community development	123,199	123,199	89,827	33,372
Total Expenditures	123,199	123,199	89,827	33,372
EXCESS REVENUES OVER EXPENDITURES	210,324	210,324	237,913	27,589
OTHER FINANCING SOURCES (USES)				
Transfers out	(210,324)	(210,324)	(237,913)	(27,589)
Total Other Financing Sources (Uses)	(210,324)	(210,324)	(237,913)	(27,589)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
Fund Balance, July 1			-	
Fund Balance, June 30			\$ -	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NEIGHBORHOOD STABILIZATION PROGRAM FUND #103
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 897,748	\$ -	\$ (897,748)
Use of money and property	14,000	14,000	7,958	(6,042)
Total Revenues	14,000	911,748	7,958	(903,790)
EXPENDITURES:				
Current:				
Community development	14,000	965,721	1,134	964,587
Total Expenditures	14,000	965,721	1,134	964,587
EXCESS REVENUES OVER EXPENDITURES	-	(53,973)	6,824	60,797
NET CHANGE IN FUND BALANCES	\$ -	\$ (53,973)	6,824	\$ 60,797
Fund Balance, July 1, as Restated			<u>2,196,249</u>	
Fund Balance, June 30			<u>\$ 2,203,073</u>	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NAVIGATION CENTER #191
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (1,999)	\$ (1,999)
Contributions	-	5,150,000	3,050,000	(2,100,000)
Total Revenues	-	5,150,000	3,048,001	(2,101,999)
EXPENDITURES:				
Non departmental	-	5,150,000	-	5,150,000
Total Expenditures	-	5,150,000	-	5,150,000
NET CHANGE IN FUND BALANCES	\$ -	\$ -	3,048,001	\$ 3,048,001
Fund Balance, July 1			2,145,708	
Fund Balance, June 30			\$ 5,193,709	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NLP NUISANCE ABATEMENT FUND #147
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 3,600	\$ 3,600	\$ (87)	\$ (3,687)
Fines and forfeitures	-	-	850	850
Other	100,000	100,000	1,000	(99,000)
Total Revenues	103,600	103,600	1,763	(101,837)
EXPENDITURES:				
Current:				
Law	100,000	100,000	250	99,750
Total Expenditures	100,000	100,000	250	99,750
EXCESS REVENUES OVER EXPENDITURES	3,600	3,600	1,513	(2,087)
NET CHANGE IN FUND BALANCES	\$ 3,600	\$ 3,600	1,513	\$ (2,087)
Fund Balance, July 1			166,524	
Fund Balance, June 30			\$ 168,037	

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.

CITY OF VALLEJO

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021**

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance/ Replacement Fund	Payroll Benefits	Retiree Health Benefits (OPEB)
Assets:			
Current:			
Cash and investments	\$ 4,462,174	\$ 372,035	\$ 447,956
Receivables:			
Accounts	19,481	11,760	-
Prepaid costs	-	21,081	-
Due from other funds	-	-	-
Materials, parts and supplies	203,210	-	-
Total Current Assets	4,684,865	404,876	447,956
Noncurrent:			
Capital assets - net of accumulated depreciation	8,626,791	-	-
Total Noncurrent Assets	8,626,791	-	-
Total Assets	\$ 13,311,656	\$ 404,876	\$ 447,956
Deferred Outflows of Resources:			
Related to pensions	\$ 214,997	\$ -	\$ -
Related to OPEB	61,374	-	3,237,257
Total Deferred Outflows of Resources	\$ 276,371	\$ -	\$ 3,237,257
Liabilities:			
Current:			
Accounts payable and accrued liabilities	\$ 223,516	\$ 18,885	\$ -
Employee benefits payable	63,436	385,991	-
Accrued claims and judgments	-	-	-
Total Current Liabilities	286,952	404,876	-
Noncurrent:			
Net pension liability	1,987,218	-	-
Net OPEB liability	217,246	-	12,645,018
Employee benefits payable	7,181	-	371,431
Accrued claims and judgments	-	-	-
Total Noncurrent Liabilities	2,211,645	-	13,016,449
Total Liabilities	2,498,597	404,876	13,016,449
Deferred Inflows of Resources:			
Related to pensions	6,071	-	-
Related to OPEB	75,915	-	4,418,710
Total Deferred Inflows of Resources	81,986	-	4,418,710
Net Position:			
Net investment in capital assets	8,626,791	-	-
Unrestricted	2,380,653	-	(13,749,946)
Total Net Position	\$ 11,007,444	\$ -	\$ (13,749,946)

CITY OF VALLEJO

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021**

	Governmental Activities - Internal Service Funds		
	General Liability	Workers' Comp	Totals
Assets:			
Current:			
Cash and investments	\$ 8,374,600	\$ 15,341,159	\$ 28,997,924
Receivables:			
Accounts	-	-	31,241
Prepaid costs	214,625	-	235,706
Due from other funds	-	4,892,905	4,892,905
Materials, parts and supplies	-	-	203,210
Total Current Assets	8,589,225	20,234,064	34,360,986
Noncurrent:			
Capital assets - net of accumulated depreciation	-	-	8,626,791
Total Noncurrent Assets	-	-	8,626,791
Total Assets	\$ 8,589,225	\$ 20,234,064	\$ 42,987,777
Deferred Outflows of Resources:			
Related to pensions	\$ 92,856	\$ 92,856	\$ 400,709
Related to OPEB	11,905	11,905	3,322,441
Total Deferred Outflows of Resources	\$ 104,761	\$ 104,761	\$ 3,723,150
Liabilities:			
Current:			
Accounts payable and accrued liabilities	\$ 125,423	\$ 13,724	\$ 381,548
Employee benefits payable	10,885	10,885	471,197
Accrued claims and judgments	3,264,712	2,872,176	6,136,888
Total Current Liabilities	3,401,020	2,896,785	6,989,633
Noncurrent:			
Net pension liability	694,397	694,397	3,376,012
Net OPEB liability	46,325	46,325	12,954,914
Employee benefits payable	-	-	378,612
Accrued claims and judgments	6,481,288	12,077,824	18,559,112
Total Noncurrent Liabilities	7,222,010	12,818,546	35,268,650
Total Liabilities	10,623,030	15,715,331	42,258,283
Deferred Inflows of Resources:			
Related to pensions	2,122	2,122	10,315
Related to OPEB	16,188	16,188	4,527,001
Total Deferred Inflows of Resources	18,310	18,310	4,537,316
Net Position:			
Net investment in capital assets	-	-	8,626,791
Unrestricted	(1,947,354)	4,605,184	(8,711,463)
Total Net Position	\$ (1,947,354)	\$ 4,605,184	\$ (84,672)

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance/ Replacement Fund	Payroll Benefits	Retiree Health Benefits (OPEB)
Operating Revenues:			
Sales and service charges	\$ 4,755,580	\$ -	\$ 3,260,273
Other	56,901	-	-
Total Operating Revenues	4,812,481	-	3,260,273
Operating Expenses:			
Operations expenses	2,717,465	-	1,335,023
Insurance and claims	-	-	-
Depreciation expense	1,587,105	-	-
Total Operating Expenses	4,304,570	-	1,335,023
Operating Income (Loss)	507,911	-	1,925,250
Nonoperating Revenues:			
Investment income	(2,165)	-	(179)
Gain on disposal of capital assets	133,576	-	-
Total Nonoperating Revenues	131,411	-	(179)
Income (Loss) Before Transfers	639,322	-	1,925,071
Transfers in	250,000	-	-
Changes in Net Position	889,322	-	1,925,071
Net Position:			
Beginning of Year	10,118,122	-	(15,675,017)
End of Fiscal Year	\$ 11,007,444	\$ -	\$ (13,749,946)

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>General Liability</u>	<u>Workers' Comp</u>	<u>Totals</u>
Operating Revenues:			
Sales and service charges	\$ 6,147,000	\$ 5,275,056	\$ 19,437,909
Other	-	-	56,901
Total Operating Revenues	6,147,000	5,275,056	19,494,810
Operating Expenses:			
Operations expenses	2,116,752	1,139,274	7,308,514
Insurance and claims	8,279,531	4,586,822	12,866,353
Depreciation expense	-	-	1,587,105
Total Operating Expenses	10,396,283	5,726,096	21,761,972
Operating Income (Loss)	(4,249,283)	(451,040)	(2,267,162)
Nonoperating Revenues:			
Investment income	(4,442)	(8,860)	(15,646)
Gain on disposal of capital assets	-	-	133,576
Total Nonoperating Revenues	(4,442)	(8,860)	117,930
Income (Loss) Before Transfers	(4,253,725)	(459,900)	(2,149,232)
Transfers in	-	-	250,000
Changes in Net Position	(4,253,725)	(459,900)	(1,899,232)
Net Position:			
Beginning of Year	2,306,371	5,065,084	1,814,560
End of Fiscal Year	\$ (1,947,354)	\$ 4,605,184	\$ (84,672)

CITY OF VALLEJO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance/ Replacement Fund	Payroll Benefits	Retiree Health Benefits (OPEB)
Cash Flows from Operating Activities:			
Receipts from customers	\$ 4,793,000	\$ 75,408,317	\$ 3,260,273
Payments to suppliers	(2,043,897)	-	-
Payments to or on behalf of employees	(1,111,775)	(75,037,291)	(3,133,809)
Claims paid	-	-	-
Net Cash Provided (Used) by Operating Activities	1,637,328	371,026	126,464
Cash Flows from Non-Capital Financing Activities:			
Interfund receipts	250,000	-	-
Interfund payments	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	250,000	-	-
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(1,838,394)	-	-
Proceeds from sales of capital assets	156,977	-	-
Net Cash Used by Capital and Related Financing Activities	(1,681,417)	-	-
Cash Flows from Investing Activities:			
Investment income (losses)	(2,164)	-	(179)
Net Cash Provided by Investing Activities	(2,164)	-	(179)
Net Increase (Decrease) in Cash and Cash Equivalents	203,747	371,026	126,285
Cash and Cash Equivalents at Beginning of Year	4,258,427	1,009	321,671
Cash and Cash Equivalents at End of Year	\$ 4,462,174	\$ 372,035	\$ 447,956
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 507,911	\$ -	\$ 1,925,250
Adjustments to Reconcile Operating Income (Loss)			
Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,587,105	-	-
Changes in pension related items	(453,964)	-	-
Changes in OPEB related items	(62,459)	-	(1,833,202)
(Increase) decrease in accounts receivable, net	(19,481)	58,433	-
(Increase) decrease in inventory and prepaids	7,620	(10,906)	-
Increase (decrease) in accounts payable and other accrued expenses	56,307	(54,508)	(57,573)
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in employee benefits payable	14,289	378,007	91,989
Total Adjustments	1,129,417	371,026	(1,798,786)
Net Cash Provided (Used) by Operating Activities	\$ 1,637,328	\$ 371,026	\$ 126,464

CITY OF VALLEJO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**

	Governmental Activities - Internal Service Funds		
	General Liability	Workers' Comp	Totals
Cash Flows from Operating Activities:			
Receipts from customers	\$ 6,147,000	\$ 5,275,056	\$ 94,883,646
Payments to suppliers	(3,253,243)	(1,035,521)	(6,332,661)
Payments to or on behalf of employees	(289,891)	(289,890)	(79,862,656)
Claims paid	(2,696,377)	(2,090,447)	(4,786,824)
Net Cash Provided (Used) by Operating Activities	(92,511)	1,859,198	3,901,505
Cash Flows from Non-Capital Financing Activities:			
Interfund receipts	-	-	250,000
Interfund payments	-	(2,569,833)	(2,569,833)
Net Cash Provided (Used) by Non-Capital Financing Activities	-	(2,569,833)	(2,319,833)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	-	(1,838,394)
Proceeds from sales of capital assets	-	-	156,977
Net Cash Used by Capital and Related Financing Activities	-	-	(1,681,417)
Cash Flows from Investing Activities:			
Investment income (losses)	(4,442)	(8,860)	(15,645)
Net Cash Provided by Investing Activities	(4,442)	(8,860)	(15,645)
Net Increase (Decrease) in Cash and Cash Equivalents	(96,953)	(719,495)	(115,390)
Cash and Cash Equivalents at Beginning of Year	8,471,553	16,060,654	29,113,314
Cash and Cash Equivalents at End of Year	\$ 8,374,600	\$ 15,341,159	\$ 28,997,924
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (4,249,283)	\$ (451,040)	\$ (2,267,162)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	1,587,105
Changes in pension related items	368,450	368,449	282,935
Changes in OPEB related items	(8,855)	(8,855)	(1,913,371)
(Increase) decrease in accounts receivable, net	-	-	38,952
(Increase) decrease in inventory and prepaids	(15,265)	-	(18,551)
Increase (decrease) in accounts payable and other accrued expenses	95,841	(19,957)	20,110
Increase (decrease) in claims payable	3,713,000	1,967,000	5,680,000
Increase (decrease) in employee benefits payable	3,601	3,601	491,487
Total Adjustments	4,156,772	2,310,238	6,168,667
Net Cash Provided (Used) by Operating Activities	\$ (92,511)	\$ 1,859,198	\$ 3,901,505

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CUSTODIAL FUNDS

Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement.

The City's Custodial Funds include the Improvement Districts and Assessment Districts Funds. These funds account for the collection of assessment and the disbursement to district bond holders for debt without City commitment.

CITY OF VALLEJO

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

	Hiddenbrooke Improvement District	NE Quadrant Improvement District 2003-01	Totals
Assets:			
Cash and investments	\$ 4,124,447	\$ 537,764	\$ 4,662,211
Restricted cash and investments with fiscal agents	3,065,957	519,222	3,585,179
Total Assets	7,190,404	1,056,986	8,247,390
Liabilities:			
Bonds payable:			
Due within one year	600,000	225,000	825,000
Due in more than one year	8,235,000	4,370,000	12,605,000
Total Liabilities	8,835,000	4,595,000	13,430,000
Net Position:			
Unrestricted	(1,644,596)	(3,538,014)	(5,182,610)
Total Net Position	\$ (1,644,596)	\$ (3,538,014)	\$ (5,182,610)

CITY OF VALLEJO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

	Hiddenbrooke Improvement District	NE Quadrant Improvement District 2003-01	Totals
Additions:			
Investment earnings	(1,448)	\$ (125)	\$ (1,573)
Collections for assessment districts	1,696,425	528,645	2,225,070
Total Additions	1,694,977	528,520	2,223,497
Deductions:			
Administrative expenses	63,260	19,053	82,313
Interest and fiscal charges	533,925	287,919	821,844
Total Deductions	597,185	306,972	904,157
Net Increase in Fiduciary Net Position	1,097,792	221,548	1,319,340
Net Position - Beginning	-	-	-
Restatement of Net Position	(2,742,388)	(3,759,562)	(6,501,950)
Net Position - Beginning, as Restated	(2,742,388)	(3,759,562)	(6,501,950)
Net Position - Ending	\$ (1,644,596)	\$ (3,538,014)	\$ (5,182,610)

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STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and sales tax:

- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Taxes Rates
- Top 10 Principal Property Tax Payers
- Property Tax Levies and Collections
- Taxable Sales by Category
- Top 25 Principal Sales Tax Payers

Debt Capacity

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

- Ratios of Outstanding Debt by Type
- Direct and Overlapping Debt
- Legal Debt Margin Information
- Pledged Revenue Coverage

Demographic and Economic Information

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

- Demographic and Economic Statistics
- Top 10 Principal Employers
- Full-time and Part-time City Employees by Function

Operating Information

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

- Operating Indicators by Function
- Capital Asset Statistics by Function

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net Investment in Capital Assets	\$ 319,101,434	\$ 317,984,723	\$ 318,630,233	\$ 313,312,203	\$ 314,654,942	\$ 318,636,371	\$ 316,622,007	\$ 315,888,276	\$ 331,744,314	\$ 336,111,810
Restricted	67,066,468	65,402,869	70,125,586	65,421,676	68,373,151	70,545,240	69,927,367	75,368,245	91,815,092	98,105,543
Unrestricted	(949,135)	356,086	9,621,946	(191,225,009)	(177,003,436)	(174,091,484)	(187,401,484)	(182,328,859)	(217,444,163)	(213,528,457)
Total governmental activities net position	\$ 385,218,767	\$ 383,743,678	\$ 398,377,765	\$ 187,508,870	\$ 206,024,657	\$ 215,090,127	\$ 199,147,890	\$ 208,927,662	\$ 206,115,243	\$ 220,688,896
Business-type activities:										
Net Investment in Capital Assets	\$ 70,577,833	\$ 39,076,148	\$ 40,466,687	\$ 38,170,671	\$ 40,191,379	\$ 40,778,629	\$ 44,251,622	\$ 53,757,390	\$ 59,614,105	\$ 60,612,548
Restricted	4,541,278	4,306,908	5,253,775	5,253,774	5,253,836	5,258,610	5,274,585	5,533,393	510,833	27,358
Unrestricted	24,728,431	20,942,101	23,707,740	1,294,897	(75,800)	1,842,145	(4,749,417)	(7,477,516)	(1,240,554)	6,600,783
Total business-type activities net position	\$ 99,847,542	\$ 64,325,157	\$ 69,428,202	\$ 44,719,342	\$ 45,369,415	\$ 47,879,384	\$ 44,776,790	\$ 51,813,267	\$ 58,884,384	\$ 67,240,689
Primary government:										
Net Investment in Capital Assets	\$ 389,679,267	\$ 357,060,871	\$ 359,096,920	\$ 351,482,874	\$ 354,846,321	\$ 359,415,000	\$ 360,873,629	\$ 369,645,666	\$ 391,358,419	\$ 396,724,358
Restricted	71,607,746	69,709,777	75,379,361	70,675,450	73,626,987	75,803,850	75,201,952	80,901,638	92,325,925	98,132,901
Unrestricted	23,779,296	21,298,187	33,329,686	(189,930,112)	(177,079,236)	(172,249,339)	(192,150,901)	(189,806,375)	(218,684,717)	(206,927,674)
Total primary government net position	\$ 485,066,309	\$ 448,068,835	\$ 467,805,967	\$ 232,228,212	\$ 251,394,072	\$ 262,969,511	\$ 243,924,680	\$ 260,740,929	\$ 264,999,627	\$ 287,929,585

Notes: ¹ Effective fiscal year 2013 and beyond, the presentation of some financial data has changed to reflect the effects of the implementation of GASB 61 which eliminated the inclusion of the Vallejo Sanitation and Flood Control District (now Vallejo Flood and Wastewater District) as part of the primary government. This results in the financial activities of the Vallejo Sanitation and Flood Control District being discretely presented in the Component Unit column of the Statement of Net Position and the Statement of Activities. The City did not retroactively restate the amounts prior to FY 2013 for the Net Position related to the implementation of GASB 61.

² The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position".

³ The City implemented the provisions of GASB Statement 68 in fiscal year 2015. Prior amounts have not been restated.

⁴ The City implemented the provisions of GASB Statement 75 in fiscal year 2018. Prior amounts have not been restated.

**Changes in Net Position
Last Ten Fiscal Years**

(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Legislative and Advisory	\$ 220,581	\$ 304,333	\$ 213,736	\$ 268,785	\$ 257,208	\$ 244,300	\$ 342,413	\$ 321,914	\$ 275,873	\$ 260,517
Executive	2,442,285	3,012,974	3,844,344	3,817,882	2,386,112	2,795,092	3,217,242	5,346,942	5,213,762	5,155,236
Finance	798,688	1,382,283	1,770,592	1,654,071	2,009,568	2,046,341	2,296,973	2,019,164	1,778,234	1,718,818
Human Resources	962,813	1,026,415	930,294	1,034,655	1,390,288	988,831	1,382,503	1,936,821	1,918,967	2,106,513
Law	503,754	1,158,594	1,079,614	694,447	976,895	1,289,690	1,678,985	1,737,644	1,451,392	1,268,519
Development Services	2,346,911	2,180,055	2,504,558	2,701,130	2,954,366	2,925,237	3,572,495	-	-	-
Community Development	27,382,802	33,586,418	32,366,219	26,801,601	27,801,563	27,348,207	29,503,111	34,843,093	31,626,149	35,519,702
Planning and Development Services	-	-	-	-	-	-	-	5,641,584	4,636,674	3,966,578
Fire services	19,054,650	23,480,073	23,628,510	24,689,484	24,573,111	27,384,860	31,978,352	30,169,197	34,879,494	34,564,660
Police services	32,241,212	37,952,439	31,968,288	36,412,375	38,994,284	42,345,792	50,291,924	47,724,576	54,926,532	56,088,783
Public Works	20,936,214	23,495,632	24,633,518	35,650,143	29,491,475	29,016,544	30,289,374	28,195,131	31,891,067	29,512,952
Nondepartmental	5,134,037	-	-	-	-	-	-	-	-	-
Interest on long-term debt	766,981	209,054	196,404	541,370	462,398	438,450	414,286	388,381	429,730	413,217
Total governmental activities expenses	<u>112,790,928</u>	<u>127,788,270</u>	<u>123,136,077</u>	<u>134,265,943</u>	<u>131,297,268</u>	<u>136,823,344</u>	<u>154,967,658</u>	<u>158,324,447</u>	<u>169,027,874</u>	<u>170,575,495</u>
Business-type activities:										
Water	32,420,781	33,770,385	34,534,260	35,075,642	34,856,203	35,523,887	37,447,808	37,733,752	38,645,529	40,603,545
Local Transportation	18,138,000	2,612,944	-	-	-	-	-	-	-	-
Sanitation & Flood Control	-	-	-	-	-	-	-	-	-	-
Other proprietary funds	2,105,913	5,351,278	5,230,382	6,447,594	5,622,800	6,135,549	6,734,578	6,738,082	8,046,603	7,179,748
Total business-type activities expenses	<u>52,664,694</u>	<u>41,734,607</u>	<u>39,764,642</u>	<u>41,523,236</u>	<u>40,479,003</u>	<u>41,659,436</u>	<u>44,182,386</u>	<u>44,471,834</u>	<u>46,692,132</u>	<u>47,783,293</u>
Total primary government expenses	<u>\$ 165,455,622</u>	<u>\$ 169,522,877</u>	<u>\$ 162,900,719</u>	<u>\$ 175,789,179</u>	<u>\$ 171,776,271</u>	<u>\$ 178,482,780</u>	<u>\$ 199,150,044</u>	<u>\$ 202,796,281</u>	<u>\$ 215,720,006</u>	<u>\$ 218,358,788</u>
Program Revenues										
Governmental activities:										
Charges for services	\$ 16,987,109	\$ 15,462,878	\$ 18,819,481	\$ 24,461,121	\$ 24,632,362	\$ 24,510,980	\$ 25,711,785	\$ 27,555,650	\$ 24,139,578	\$ 26,076,321
Operating grants and contributions	36,777,286	35,971,107	38,596,729	26,535,944	26,731,559	27,598,297	30,006,058	38,057,450	38,858,209	45,830,666
Capital grants and contributions	14,626,104	6,925,849	5,661,868	3,476,887	8,851,629	5,362,544	2,138,551	3,052,819	2,830,049	7,133,919
Total governmental activities program revenues	<u>68,390,499</u>	<u>58,359,834</u>	<u>63,078,078</u>	<u>54,473,952</u>	<u>60,215,550</u>	<u>57,471,821</u>	<u>57,856,394</u>	<u>68,665,919</u>	<u>65,827,836</u>	<u>79,040,906</u>
Business-type activities:										
Charges for services	41,983,768	39,543,209	42,589,807	39,476,107	37,578,399	37,952,387	45,037,505	47,293,239	50,257,187	55,330,836
Operating grants and contributions	7,735,861	350,876	-	22,479	25,847	123,279	-	36,642	38,585	59,791
Capital grants and contributions	10,549,196	2,116,548	331,315	1,197,727	1,383,466	3,374,785	1,018,049	998,762	198,979	389,891
Total business-type activities program revenues	<u>60,268,825</u>	<u>42,010,633</u>	<u>42,921,122</u>	<u>40,696,313</u>	<u>38,987,712</u>	<u>41,450,451</u>	<u>46,055,554</u>	<u>48,328,643</u>	<u>50,494,751</u>	<u>55,780,518</u>
Total primary government program revenues	<u>\$ 128,659,324</u>	<u>\$ 100,370,467</u>	<u>\$ 105,999,200</u>	<u>\$ 95,170,265</u>	<u>\$ 99,203,262</u>	<u>\$ 98,922,272</u>	<u>\$ 103,911,948</u>	<u>\$ 116,994,562</u>	<u>\$ 116,322,587</u>	<u>\$ 134,821,424</u>
Net revenue/(expense)										
Governmental activities	\$ (44,400,429)	\$ (69,428,436)	\$ (60,057,999)	\$ (79,791,991)	\$ (71,081,718)	\$ (79,351,523)	\$ (97,111,264)	\$ (89,658,528)	\$ (103,200,038)	\$ (91,534,589)
Business-type activities	7,604,131	276,026	3,156,480	(826,923)	(1,491,291)	(208,985)	1,873,168	3,856,809	3,802,619	7,997,225
Total primary government net expense	<u>\$ (36,796,298)</u>	<u>\$ (69,152,410)</u>	<u>\$ (56,901,519)</u>	<u>\$ (80,618,914)</u>	<u>\$ (72,573,009)</u>	<u>\$ (79,560,508)</u>	<u>\$ (95,238,096)</u>	<u>\$ (85,801,719)</u>	<u>\$ (99,397,419)</u>	<u>\$ (83,537,364)</u>

Note: Planning and Development Services were previously reported under Development Services.

**Changes in Net Position
Last Ten Fiscal Years**

(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
(Continued)										
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 14,143,780	\$ 14,484,918	\$ 14,346,058	\$ 15,694,198	\$ 16,956,367	\$ 18,234,843	\$ 19,379,799	\$ 20,822,536	\$ 21,837,203	\$ 22,475,271
Incremental property taxes	1,790,418	-	-	-	-	-	-	-	-	-
Sales taxes	14,360,808	24,685,817	25,583,330	26,857,325	27,767,194	29,276,208	29,626,711	32,641,720	32,457,314	38,189,547
Utility user taxes	12,792,738	12,521,558	12,610,733	12,627,342	12,994,432	13,339,264	13,107,158	12,338,425	12,329,103	13,005,333
Motor vehicles / In lieu property tax	7,478,690	7,156,707	7,640,132	8,365,437	8,526,690	9,085,386	9,685,054	10,334,622	10,941,183	11,480,266
Other taxes	9,671,662	9,212,120	9,948,063	10,654,921	12,979,029	14,888,721	15,255,443	15,082,269	15,302,220	15,864,149
Mare Island CFD Assessments	-	-	-	-	-	-	-	-	-	-
Investment earnings	1,282,961	419,817	679,347	1,376,228	1,765,281	849,111	902,408	4,622,647	5,042,701	1,878,276
Gain on sale of capital assets	-	-	102,447	21,700	173,859	89,852	134,785	69,983	42,934	11,600
Insurance recoveries	-	-	-	913,838	-	-	-	-	-	-
Miscellaneous	3,435,245	3,874,022	3,837,952	5,364,701	4,868,998	5,604,775	5,241,492	5,562,802	4,113,263	3,546,379
Capital contributions from developers	-	-	-	-	-	-	-	-	-	-
Debt Restructuring Adjustment	1,075,176	-	-	-	-	-	-	-	-	-
Assets transferred to/liabilities assumed by Successor Agency	(4,483,759)	-	1,535,778	2,458,682	5,293,678	(425,935)	-	-	-	-
Transfers	438,038	(4,401,612)	(1,591,754)	(2,685,186)	(1,728,023)	(2,654,217)	(2,152,823)	(2,036,704)	(1,678,302)	(342,579)
Total governmental activities	61,985,757	67,953,347	74,692,086	81,649,186	89,597,505	88,288,008	91,180,027	99,438,300	100,387,619	106,108,242
Business-type activities:										
Investment earnings	401,785	106,369	354,811	251,358	413,341	64,737	203,147	1,142,964	1,341,509	(18,397)
Miscellaneous	-	87,023	-	-	-	-	-	-	248,687	42,841
Gain or (Loss) on sales or transfer of assets	(19,034,732)	(40,393,415)	-	-	-	-	-	-	-	(7,943)
Insurance recoveries	-	-	-	69,208	-	-	-	-	-	-
Debt Restructuring Adjustment	625,498	-	-	-	-	-	-	-	-	-
Transfers	(438,038)	4,401,612	1,591,754	2,685,186	1,728,023	2,654,217	2,152,823	2,036,704	1,678,302	342,579
Special Item(s) - see notes	-	-	-	-	-	-	(2,832,157)	-	-	-
Total business-type activities	(18,445,487)	(35,798,411)	1,946,565	3,005,752	2,141,364	2,718,954	(476,187)	3,179,668	3,268,498	359,080
Total primary government	\$ 43,540,270	\$ 32,154,936	\$ 76,638,651	\$ 84,654,938	\$ 91,738,869	\$ 91,006,962	\$ 90,703,840	\$ 102,617,968	\$ 103,656,117	\$ 106,467,322
Change in Net Position										
Governmental activities	\$ 17,585,328	\$ (1,475,089)	\$ 14,634,087	\$ 1,857,195	\$ 18,515,787	\$ 8,936,485	\$ (5,931,237)	\$ 9,779,772	\$ (2,812,419)	\$ 14,573,653
Business-type activities	(10,841,356)	(35,522,385)	5,103,045	2,178,829	650,073	2,509,969	1,396,981	7,036,477	7,071,117	8,356,305
Total primary government	\$ 6,743,972	\$ (36,997,474)	\$ 19,737,132	\$ 4,036,024	\$ 19,165,860	\$ 11,446,454	\$ (4,534,256)	\$ 16,816,249	\$ 4,258,698	\$ 22,929,958

Notes: ¹ Effective fiscal year 2013 and beyond, the presentation of some financial data has changed to reflect the effects of the implementation of GASB 61 which eliminated the inclusion of the Vallejo Sanitation and Flood Control District as part of the primary government. This results in the financial activities of the Vallejo Sanitation and Flood Control District being discretely presented in the Component Unit column of the Statement of Net Position and the Statement of Activities. The City did not retroactively restate the amounts prior to FY 2013 for the Net Position related to the implementation of GASB 61.

² The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position".

³ The City implemented the provisions of GASB Statement 68 in fiscal year 2015. Prior amounts have not been restated.

⁴ In fiscal year 2018, the City of American Canyon rescinded its decision to exercise an option to purchase additional water capacity rights from the City of Vallejo. A loan in the amount of \$2,832,157 (representing prior year revenue) was written off and presented as a special item.

Fund Balances of Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 1,315,581	\$ 1,303,621	\$ 1,294,967	\$ 1,315,114	\$ 2,192,050	\$ 2,152,578	\$ 2,141,630	\$ 2,217,139	\$ 2,212,889	\$ 2,063,422
Restricted	242,919	241,179	249,697	271,572	272,885	320,738	2,269,039	4,550,387	7,137,110	11,272,510
Committed	381,709	356,245	2,617,267	2,691,002	2,251,472	1,235,078	6,810	6,332	45,321	-
Assigned	9,874,285	5,233,259	7,910,909	9,302,184	11,102,326	10,993,484	4,208,034	876,025	943,125	5,365,698
Unassigned	11,084,523	9,797,270	6,944,336	7,976,200	9,929,786	15,679,786	21,235,769	24,508,900	17,982,247	21,682,816
Total General Fund	<u>\$ 22,899,017</u>	<u>\$ 16,931,574</u>	<u>\$ 19,017,176</u>	<u>\$ 21,556,072</u>	<u>\$ 25,748,519</u>	<u>\$ 30,381,664</u>	<u>\$ 29,861,282</u>	<u>\$ 32,158,783</u>	<u>\$ 28,320,692</u>	<u>\$ 40,384,446</u>
All Other Governmental Funds										
Nonspendable	\$ 102,072	\$ 102,072	\$ 240,832	\$ 102,072	\$ 71,236	\$ 78,324	\$ 67,625	\$ 567,625	\$ 81,473	\$ 64,625
Restricted	54,463,122	52,151,109	55,992,171	55,838,343	58,248,081	60,205,695	61,118,236	66,768,664	72,615,022	83,291,818
Committed	3,087,235	9,799,861	9,045,767	6,028,419	6,806,813	8,924,377	16,777,334	25,300,037	17,885,776	15,588,495
Assigned	1,883	3,088	196,806	5,938,342	5,961,263	4,414,547	4,987,289	4,274,260	2,510,269	4,553,115
Unassigned	-	-	-	-	-	-	(9,438)	(24,825)	(595,122)	-
Total all other governmental funds	<u>\$ 57,654,312</u>	<u>\$ 62,056,130</u>	<u>\$ 65,475,576</u>	<u>\$ 67,907,176</u>	<u>\$ 71,087,393</u>	<u>\$ 73,622,943</u>	<u>\$ 82,941,046</u>	<u>\$ 96,885,761</u>	<u>\$ 92,497,418</u>	<u>\$ 103,498,053</u>

Note: ¹ The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

² The City implemented the provisions of GASB Statement No. 54 in fiscal year 2011, and years prior to 2011 have not been restated to conform with the new presentation.

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 51,936,540	\$ 61,132,188	\$ 62,488,184	\$ 65,751,608	\$ 70,410,583	\$ 75,422,419	\$ 77,629,274	\$ 83,042,168	\$ 94,720,423	\$ 103,134,495
Licenses and permits	2,356,064	1,814,364	2,457,440	3,741,906	4,026,167	4,034,816	3,985,042	4,662,555	3,181,487	3,817,064
Fines and forfeitures	2,726,824	1,249,687	2,337,703	1,876,686	1,878,579	1,605,515	1,706,754	1,580,309	1,132,232	965,979
Intergovernmental	53,299,532	47,132,738	50,356,902	41,097,037	45,197,746	43,606,471	42,460,083	50,635,285	39,336,033	50,451,756
Investment income	3,328,151	2,363,471	2,962,200	4,556,124	3,696,181	3,378,893	3,090,518	6,401,600	6,591,402	3,764,151
Charges for services	14,742,402	16,182,809	16,714,747	18,866,133	19,429,149	20,257,999	21,270,315	21,595,852	18,785,099	19,036,318
*Other	3,249,481	1,295,826	505,843	1,320,781	1,426,715	1,004,441	861,713	1,192,467	2,875,861	4,061,972
Total revenues	131,638,994	131,171,083	137,823,019	137,210,275	146,065,120	149,310,554	151,003,699	169,110,236	166,622,537	185,231,735
Expenditures										
Current:										
Legislative and Advisory	219,289	275,664	207,903	264,854	294,088	298,748	296,548	327,843	282,191	223,806
Executive	2,221,478	2,747,243	3,600,970	3,794,952	2,641,913	2,758,675	2,689,380	4,944,170	4,949,359	4,958,483
Finance	934,626	1,183,251	1,636,027	1,636,916	2,102,912	2,047,751	1,806,258	1,706,608	1,559,129	1,593,385
Human resources	986,692	993,835	868,575	1,017,017	1,431,434	1,023,566	1,200,631	1,800,940	1,767,689	1,991,104
Law	592,192	1,027,329	1,116,788	692,338	1,133,882	1,272,898	1,272,770	1,464,430	1,240,867	1,203,752
Planning and Development services	2,426,783	1,878,237	2,604,498	2,755,399	3,047,840	2,955,960	3,191,261	3,919,849	4,201,831	3,887,618
Community Development	32,372,627	32,516,830	31,197,117	26,476,837	26,457,500	26,505,452	28,619,020	34,259,733	30,404,751	33,370,821
Fire services	18,110,162	20,917,691	23,462,547	24,645,684	25,569,791	26,514,402	27,557,155	27,962,324	30,053,612	31,157,788
Police services	30,774,361	34,681,714	34,139,510	36,807,817	39,698,362	41,240,618	42,639,055	43,602,177	47,183,454	50,667,071
Public works	12,292,557	13,210,589	14,543,079	16,976,530	15,123,636	14,870,274	16,658,784	17,050,014	20,944,860	16,057,504
Nondepartmental	5,134,037	12,171,647	7,516,587	4,118,675	4,552,327	5,879,195	6,170,178	5,329,057	5,169,323	5,873,876
Capital Outlay	13,321,436	9,716,431	8,826,479	12,543,661	14,073,942	11,326,920	5,930,613	10,692,669	24,823,151	20,473,183
Debt service:										
Principal	6,033,970	275,131	397,268	746,689	927,301	963,929	988,971	1,014,954	1,232,812	2,303,276
Interest	766,981	204,899	186,276	358,575	343,902	307,273	282,531	256,548	318,356	261,924
Total expenditures	126,187,191	131,800,491	130,303,624	132,835,944	137,398,830	137,965,661	139,303,155	154,331,316	174,131,385	174,023,591
Excess (deficiency) of revenues over (under) expenditures	5,451,803	(629,408)	7,519,395	4,374,331	8,666,290	11,344,893	11,700,544	14,778,920	(7,508,848)	11,208,144
Other financing sources (uses):										
Issuance of Debt	-	-	-	-	-	-	-	1,700,000	1,305,000	-
Gain (loss) on sale of assets	-	-	44,352	-	71,185	-	-	-	-	-
Transfers in	10,500,436	10,277,326	7,321,809	6,363,953	6,021,537	7,296,515	12,306,875	14,715,342	12,153,050	5,557,591
Transfers out	(11,112,398)	(11,293,235)	(9,380,508)	(9,549,139)	(8,249,560)	(10,730,521)	(15,209,698)	(14,952,046)	(14,181,352)	(6,150,170)
Proceeds from long-term debt issuance	78,766	79,692	-	-	-	-	-	-	-	-
Capital Leases**	-	-	-	-	-	-	-	-	5,716	4,197,652
Total other financing sources (uses)	(533,196)	(936,217)	(2,014,347)	(3,185,186)	(2,156,838)	(3,434,006)	(2,902,823)	1,463,296	(717,586)	3,605,073
Extraordinary/Special Item:										
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	(12,674,287)	-	-	3,781,351	863,212	(871,177)	-	-	-	-
Net change in fund balances	(7,755,680)	(1,565,625)	5,505,048	4,970,496	7,372,664	7,039,710	8,797,721	16,242,216	(8,226,434)	14,813,217
Beginning fund balance	\$ 88,309,009	\$ 80,553,329	\$ 78,987,704	\$ 84,492,752	\$ 89,463,248	\$ 96,835,912	\$ 104,004,607	\$ 112,802,328	\$ 129,044,544	\$ 120,818,110
Prior period adjustments	-	-	-	-	-	128,985	-	-	-	8,251,172
Ending fund balance	\$ 80,553,329	\$ 78,987,704	\$ 84,492,752	\$ 89,463,248	\$ 96,835,912	\$ 104,004,607	\$ 112,802,328	\$ 129,044,544	\$ 120,818,110	\$ 143,882,499
Debt service as a percentage of noncapital expenditures	6%	0%	0%	1%	1%	1%	1%	1%	1%	2%

Note: Planning and Development Services were previously reported under Development Services.

*Contributions included into "other" Revenue

**Starting FY19/20 Capital Leases were added

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year Ended June 30	City					Former Agency / Successor Agency to Redevelopment Agency 1					Total Direct Tax Rate
	Secured	Unsecured	Nonunitary Utilities	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Nonunitary Utilities	Less: Exemptions	Taxable Assessed Value	
2012	7,740,206,643	200,451,644	130,670	(939,219,031)	7,001,569,926	334,138,674	61,058,136	168,820	(52,623,635)	342,741,995	0.24622%
2013	7,386,493,615	218,701,022	113,370	(289,480,094)	7,315,827,913	322,746,509	58,076,187	132,592	(48,641,023)	332,314,265	0.24622%
2014	8,014,862,817	198,012,673	113,370	(974,787,981)	7,238,200,879	321,057,973	53,344,811	132,592	(55,306,295)	319,229,081	0.24622%
2015	8,790,923,985	215,615,952	113,370	(990,126,778)	8,016,526,529	343,524,473	52,435,017	132,592	(55,876,943)	340,215,139	0.24622%
2016	9,367,567,455	208,385,912	113,370	(1,014,346,016)	8,561,720,721	361,136,586	54,225,181	132,592	(51,564,900)	363,929,459	0.24622%
2017	9,898,936,162	254,304,736	139,100	(1,026,877,027)	9,126,502,971	381,547,374	60,418,999	132,692	(58,114,553)	383,984,512	0.24622%
2018	10,530,383,770	232,725,017	139,100	(1,044,877,040)	9,718,370,847	412,347,893	63,744,878	132,692	(56,382,967)	419,842,496	0.24622%
2019	11,258,416,141	193,941,296	139,100	(1,101,049,849)	10,351,446,688	439,241,925	80,832,402	132,692	(57,556,407)	462,650,612	0.24622%
2020	11,888,434,861	200,094,718	139,100	(1,121,127,644)	10,967,541,035	461,080,073	76,572,581	132,692	(52,714,453)	485,070,893	0.24622%
2021	12,423,851,007	214,557,968	187,130	(1,110,557,076)	11,528,039,029	467,285,691	74,820,597	298,432	(53,022,065)	489,382,655	0.24622%

NOTES:
 In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

202 ¹ The Redevelopment Agency, once a blended component unit of the City, was dissolved as of February 1, 2012. The Redevelopment Successor Agency financial transactions are reported in a separate trust fund.

Source: County Assessor's Office (source was actually the HDL report not assessors' office)
 HDL Property Report

Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

Fiscal Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Direct Rates:										
City basic rate	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622
Total City Direct Rate	0.24622									
Overlapping Rates:										
Acc Capital Outlay	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807
Aviation	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119
BAAQMD	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219
County Free Library	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743
County General	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331
County School Service Fund Support	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134
County Support-Board of Education	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334
Development Center	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217
GVRD	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490
Library Special Tax Zone 7	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365
Mosquito Abatement	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587
Recreation	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203
Solano Community College M&O	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758
Solano County Water Agency	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527
Vallejo Unified School District M&O	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069
Vallejo Flood & Wastewater Dis	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474
Total Prop. 13 Direct Rate	1.00000									
SC Fld State Wtr Pj Zone Ben #1	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000
Vallejo U.S.D GOB 2018 Ser 2019	-	-	-	-	-	-	-	-	0.05337	0.05461
SCC GOB 2012 Series D	-	-	-	-	-	-	-	-	-	0.00498
SCC 2019 GO Refunding Bonds	-	-	-	-	-	-	-	-	-	0.00636
Vallejo U.S.D. 2002-A GOB Refunding	0.06555	0.06576	0.06850	0.06358	0.06144	0.06092	0.05450	0.05345	0.05179	0.05142
Vallejo U.S.D. Measure A 2002	0.01609	0.01261	0.01250	0.00853	0.00730	0.00660	-	-	-	-
SCC GOB Series 2005-A	0.01711	0.01768	0.01820	0.01299	-	-	-	-	-	-
Vallejo U.S.D. Measure A 2004	0.01258	0.01187	0.01305	0.01086	0.01007	0.00943	-	-	-	-
Vallejo U.S.D. Measure A - 2006	0.00649	0.00646	0.00711	0.00588	0.00544	0.00519	-	-	-	-
SCC GOB Series 2003-A	-	-	-	-	-	-	-	-	-	0.00700
SCC 2015 GO Refunding Bonds	0.00304	0.00292	0.00276	0.00208	0.00178	0.00086	0.00082	0.00070	0.00073	0.00069
SCC GOB 2012 Series A	-	-	0.01384	0.01337	0.01232	0.01297	0.00487	0.00499	0.00512	-
SCC GOB 2012 Series B	-	-	0.00475	0.00387	0.00326	0.00337	0.00293	0.00322	0.00314	0.00155
SCC GOB 2014 Ref Series A	-	-	-	0.00131	0.00148	0.00218	0.00176	0.00163	0.00147	0.00062
SCC GOB 2014 Ref Series B	-	-	-	0.00309	0.01607	0.01566	0.01405	0.01383	0.01347	0.00463
SCC GOB 2012 Series C	-	-	-	-	-	-	-	0.01451	0.00812	0.00583
Vallejo USD 2017 GOB Refunding	-	-	-	-	-	-	0.01453	0.01687	0.01624	0.01589
Total Voter Approved Rate	0.14086	0.13730	0.16070	0.14556	0.13917	0.13718	0.11345	0.12921	0.17344	0.17357
Total Direct Rate	1.14086	1.13730	1.16070	1.14556	1.13917	1.13718	1.11345	1.12921	1.17344	1.17357

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Source: Solano County Auditor-Controller's Office

Top 10 Principal Property Tax Payers**Current Year and Nine Years Ago**

Taxpayer	2021		2012	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Centro Watt Property Owner II	\$ 117,426,440	0.98%	\$ 72,880,924	0.99%
Park Management Corp.	98,316,386	0.82%	78,366,925	1.07%
WRPV XIII BV Vallejo LLC	65,892,952	0.55%		
Prime Ascot LP	64,199,866	0.53%	54,870,866	0.75%
Invitation Homes Inc	57,234,992	0.48%		
Colony Starwood Homes	53,041,110	0.44%		
The Nimitz Group	42,711,514	0.36%		
Sundance-Vallejo	37,927,301	0.32%	32,391,757	0.44%
MG Sterling Vill Apartments GWP LP	34,032,233	0.28%		
Seabridge LLC	33,540,565	0.28%		
Lennar Mare Island			27,317,063	0.37%
K W Vallejo Tick LLC			24,890,726	0.34%
Ogino LLC			24,702,892	0.34%
Touro University			23,214,664	0.32%
Hart Sterling Village Apartment LLC			21,689,365	0.30%
Centro Watt Owner II LLC			21,200,000	0.29%
Top Ten Totals	\$ 604,323,359	5.03%	\$ 381,525,182	5.21%

The amounts shown above include assessed value data for both the City and the Successor Agency to the Redevelopment Agency.

Source: County Assessor's Office
HDL Report

Property Tax Levies and Collections**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	14,464,482	14,216,317	98.28%	not available	not available	n.a.
2013	13,895,641	13,649,602	98.23%	not available	not available	n.a.
2014	14,207,379	14,036,515	98.80%	not available	not available	n.a.
2015	15,455,643	15,302,850	99.01%	not available	not available	n.a.
2016	16,777,951	16,639,813	99.18%	not available	not available	n.a.
2017	17,871,269	17,701,555	99.05%	not available	not available	n.a.
2018	18,973,138	18,802,785	99.10%	not available	not available	n.a.
2019	20,452,300	20,208,077	98.81%	not available	not available	n.a.
2020	21,358,167	21,153,216	99.04%	not available	not available	n.a.
2021	21,982,450	21,758,623	98.98%	not available	not available	n.a.

NOTE: The amounts presented include only City property taxes (excluding Successor Redevelopment Agency tax increment).

Source: Solano County Auditor-Controller's Office

**Taxable Sales by Category
Last Ten Calendar Years**

State Board of Equalization Major Business Categories	Calendar Yr 2011 Totals	Calendar Yr 2012 Totals	Calendar Yr 2013 Totals	Calendar Yr 2014 Totals	Calendar Yr 2015 Totals	Calendar Yr 2016 Totals	Calendar Yr 2017 Totals	Calendar Yr 2018 Totals	Calendar Yr 2019 Totals	Calendar Yr 2020 Totals	YTD % change
Retail Group											
Apparel Stores	\$ 345,862	\$ 605,365	\$ 758,982	\$ 729,060	\$ 774,468	\$ 824,990	\$ 885,616	\$ 923,646	\$ 981,231	\$ 969,422	-1%
Auto Dealers and Supplies	1,631,711	3,350,870	4,810,138	5,141,839	5,689,553	6,015,344	5,854,553	5,592,440	5,570,340	5,334,893	-4%
Building Materials	746,590	1,300,322	1,690,133	1,720,598	1,872,305	2,029,294	2,201,144	2,384,933	2,468,316	2,825,670	14%
Drug Stores	191,552	338,120	395,157	471,278	496,641	707,335	778,821	835,848	976,190	1,145,603	17%
Eating and Drinking Places	1,115,102	2,050,277	2,483,150	2,665,448	2,906,373	3,186,830	3,365,913	3,499,200	3,937,422	3,518,029	-11%
Food Stores	503,023	912,903	1,139,899	1,209,115	1,291,787	1,119,244	1,078,298	1,050,666	1,089,395	1,151,043	6%
Furniture and Appliances	648,822	1,097,635	1,416,513	1,466,057	1,495,456	1,522,174	1,563,646	1,564,041	1,581,365	1,586,826	0%
General Merchandise	1,496,190	2,752,006	3,118,356	3,142,565	3,157,454	3,124,309	3,444,165	3,780,355	4,082,252	4,776,231	17%
Other Retail Stores	449,602	985,360	1,290,156	1,305,731	1,314,263	1,455,179	1,352,784	1,304,694	1,290,973	1,297,806	1%
Packaged Liquor	86,022	158,442	180,317	209,710	239,682	456,275	499,274	502,401	544,262	636,266	17%
Service Stations	1,583,528	2,876,297	3,144,854	3,384,436	2,761,900	2,555,727	2,925,225	3,305,884	3,537,746	2,824,550	-20%
Total Retail Group	8,798,004	16,427,597	20,427,655	21,445,837	21,999,882	22,996,701	23,949,439	24,744,108	26,059,492	26,066,339	0%
Non-Store & Part Time Retailers	4,923	42,407	55,142	46,717	51,216	51,364	57,387	65,079	72,385	43,380	-40%
Business, Service & Repair Group	594,428	1,455,135	1,707,567	1,722,581	1,877,718	2,014,404	1,965,010	2,048,538	2,143,654	1,487,431	-31%
Manufacturer & Wholesaler Group											
Contractions & Material	204,032	275,750	257,457	361,198	357,650	401,239	504,756	606,858	492,097	638,533	30%
Drugs & Chemical	-	39,633	46,141	56,577	139,697	69,264	73,008	93,809	80,769	86,075	7%
Food/Farm Products & Equip	13,172	(27,521)	54,641	55,199	35,418	46,837	48,721	68,149	77,273	87,113	13%
Furniture & Textiles	1,578	9,266	15,756	19,400	18,527	20,396	27,061	35,012	32,599	37,187	14%
Heavy Industrial Equipment	-	-	-	-	-	-	-	-	-	#N/A	-
Industrial Equipment	76,267	227,485	295,961	316,909	370,663	288,567	271,420	282,459	344,467	312,638	-9%
All Other Equipment	4,252	296,596	420,478	404,424	487,063	494,907	422,262	450,338	695,113	810,601	17%
Total Mfg & Wholesale Group	299,301	821,209	1,090,434	1,213,707	1,409,018	1,321,210	1,347,228	1,790,080	2,053,169	2,242,549	9%
State Adjustments & Transfers	(273)	509	5,675	3,205	(10,290)	10,508	(2,910)	16,390	463,520	144,416	-69%
Total Sales All Outlets	9,696,383	18,746,857	23,286,473	24,432,047	25,327,544	26,394,187	27,316,154	28,664,196	30,792,220	29,984,115	-3%
Retail Group	8,798,004	16,427,597	20,427,655	21,445,837	21,999,882	22,996,701	23,949,439	24,744,108	26,059,492	26,066,339	0%
Non-Store & Part Time Retailers	4,923	42,407	55,142	46,717	51,216	51,364	57,387	65,079	72,385	43,380	-40%
Business, Service & Repair Group	594,428	1,455,135	1,707,567	1,722,581	1,877,718	2,014,404	1,965,010	2,048,538	2,143,654	1,487,431	-31%
Manufacturer & Wholesaler Group	299,301	821,209	1,090,434	1,213,707	1,409,018	1,321,210	1,347,228	1,790,080	2,053,169	2,242,549	9%
State Adjustments & Transfers	(273)	509	5,675	3,205	(10,290)	10,508	(2,910)	16,390	463,520	144,416	-69%
Total Point of Sale	9,696,383	18,746,857	23,286,473	24,432,047	25,327,544	26,394,187	27,316,154	28,664,195	30,792,220	29,984,115	-3%
County Pool	1,316,169	1,185,156	1,510,000	1,475,021	1,634,979	1,738,288	1,833,341	1,959,479	2,353,241	3,107,692	32%
State Pool	1,701	6,051	7,149	10,111	10,358	3,648	5,805	7,274	6,567	11,053	68%
Sales Tax Receipts	11,162,889	11,799,325	12,781,159	13,128,117	13,546,345	14,056,183	14,593,221	15,065,837	16,185,123	15,599,326	-4%
Transaction & Use Tax (MEASURE B)	-	8,389,861	12,257,300	13,035,854	13,639,919	14,345,109	14,911,190	15,565,111	16,966,905	17,503,534	3%
Total Receipts	\$ 11,162,889	\$ 20,189,186	\$ 25,038,459	\$ 26,163,971	\$ 27,186,264	\$ 28,401,292	\$ 29,504,411	\$ 30,630,948	\$ 33,152,028	\$ 33,102,860	0%

Sources: HDL Report

Top 25 Principal Sales Tax Payers

CALENDAR YEARS 2020 and 2010

IN ALPHABETICAL ORDER

2020	2010
Arco AM PM	Alamillo Rebar
Au Energy Shell Station	Au Energy Shell Station
Autolinx	Avery Greene Honda
Avery Greene Honda	Barber Chrysler Dodge Jeep
Best Buy	Best Buy
Chick Fil A	Chevron
Costco	Costco
Factory OS	First Capitol Auction
Foster Lumber Yard	Foster Lumber Yard
Home Depot	Home Depot
Lowe's	Kohls
McDonalds	Marshalls
Ross	McDonalds
Safeway	Ross
Safeway Fuel	Safeway
San Francisco Bay Area Emergency Transportation	Safeway Fuel
Sinclair	Shell/Texaco
Target	Six Flags Discovery Kingdom
Team Chevrolet Cadillac Mazda Hyundai	Target
Texaco Power Market	Team Chevrolet Cadillac Hyundai Mazda
Toyota Vallejo	Toyota Vallejo
Tributary Point Arco	Valero
Vallejo Holistic Health Center	Vallejo Nissan
Vallejo Nissan	Walgreens
Walmart Neighborhood Market	XKT/Nesco Fabricators

Source: HDL Report

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities ³					Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ²
	RDA Tax Allocation Bonds ¹	Certificates of Participation	Loans & Notes Payable	Capital Lease Obligations	Total Governmental Activities	Revenue Bonds	Certificates of Participation	Loans & Notes Payable	Capital Lease Obligations	Total Business-type Activities			
2012	\$ -	\$ 3,911,143	\$ 13,770,344	\$ 855,379	\$ 18,536,866	\$ 58,923,128	\$ 53,334,101	\$ 40,340,363	\$ -	\$ 152,597,592	\$ 171,134,458	3.88%	1,476
2013	-	3,860,835	13,770,344	710,248	18,341,427	54,497,312	-	26,727,801	-	81,225,113	99,566,540	3.22%	850
2014	-	3,725,835	13,508,076	710,248	17,944,159	53,814,629	-	25,416,179	-	79,230,808	97,174,967	3.10%	820
2015	-	3,584,575	14,455,264	608,784	18,648,623	51,560,639	-	24,252,560	-	75,813,199	94,461,822	3.04%	789
2016	-	3,420,210	13,936,400	507,320	17,863,930	49,201,649	-	23,254,939	-	72,456,588	90,320,518	2.97%	770
2017	-	3,233,951	13,445,922	405,856	17,085,729	46,737,658	-	22,229,772	-	68,967,430	86,053,159	2.51%	728
2018	-	3,037,671	12,898,459	304,392	16,240,522	44,153,668	-	21,179,459	-	65,333,127	81,573,649	2.55%	684
2019	-	2,830,831	14,036,129	202,928	17,069,888	41,449,678	-	20,101,727	-	61,551,405	78,621,293	2.32%	658
2020	-	2,612,865	14,527,540	106,465	17,246,870	35,222,600	-	18,842,322	634,937	54,699,859	71,946,729	2.02%	604
2021	-	2,383,175	13,699,042	3,157,618	19,239,835	83,522,966	-	18,125,983	478,282	102,127,231	121,367,066	3.30%	1,030

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ No longer reported under governmental activities as the result of the dissolution of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency was once a blended component unit of the City.

The Redevelopment Successor Agency financial transactions are reported in a separate trust fund.

² These ratios are calculated using personal income and population for the current calendar year.

³ Effective fiscal year 2013 and beyond, the presentation of some financial data has changed to reflect the effects of the implementation of GASB 61 which eliminated the inclusion of the Vallejo Sanitation & Flood Control District (now Vallejo Flood & Wastewater District) as part of the primary government. This results in the financial activities of the VFWD being discretely presented in the Component Unit column of the Statement of Net Position and the Statement of Activities.

Direct and Overlapping Debt**June 30, 2021**

FY 2020-21 Assessed Valuation Citywide Total		\$ 12,017,421,684	
Successor Agency Incremental Valuation		(489,382,655)	
FY 2020-21 Adjusted City-Only Assessed Valuation		<u>\$ 11,528,039,029</u>	
			City's Estimated
	Percentage	Total	Share of
	Applicable ¹	Outstanding	Overlapping
		Debt 6/30/20	Debt 6/30/20
Overlapping Tax and Assessment Debt:			
Solano County Community College District	20.342%	\$ 298,050,699	\$ 60,629,473
Vallejo Unified School District	97.792%	122,715,000	120,005,453
Vallejo Unified School District CFD No. 2	100.000%	12,578,815	12,578,815
City of Vallejo Hiddenbrooke Improvement District No. 1998-1	100.000%	8,835,000	8,835,000
City of Vallejo 1915 Act Bonds	100.000%	4,595,000	4,595,000
Total overlapping debt repaid with property taxes		<u>446,774,514</u>	<u>206,643,741</u>
Direct and Overlapping General Fund Debt:			
Solano County Certificates of Participation	19.731%	56,845,000	\$ 11,216,087
Solano County Pension Obligation Bonds	19.731%	17,040,000	3,362,162
Vallejo Unified School District Certificates of Participation	97.792%	13,280,054	12,986,830
City of Vallejo General Fund Obligations	100.000%	31,336,868 ³	31,336,868
Total Direct and Overlapping General Fund Debt		<u>118,501,922</u>	<u>58,901,947</u>
Overlapping Tax Increment Debt (Successor Agency):	100.000%	<u>\$ 2,630,000</u>	<u>2,630,000</u>
Total City Direct Debt			31,336,868
Total overlapping debt ²			<u>236,838,820</u>
Combined Total Debt			<u>\$ 268,175,688</u>

Notes:

¹ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.72%
Total Direct Debt (\$31,336,868)	0.26%
Combined Total Debt	2.23%

Ratios to Redevelopment Successor Agency Incremental Value:

Total Overlapping Tax Increment Debt	0.54%
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³ Includes Governmental Activities Debt plus the UBOC Reimbursement Obligations of \$18,114,070 listed under Business-type activity debt, which have a General Fund pledge of repayment.

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Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	\$ 7,001,569,926	\$ 7,315,827,913	\$ 7,238,200,879	\$ 8,016,526,529	\$ 8,561,720,721	\$ 9,126,502,971	\$ 9,718,370,847	\$ 10,351,446,688	\$ 10,967,541,035	\$ 11,528,039,029
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,750,392,482	1,828,956,978	1,809,550,220	2,004,131,632	2,140,430,180	2,281,625,743	2,429,592,712	2,587,861,672	2,741,885,259	2,882,009,757
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	\$ 262,558,872	\$ 274,343,547	\$ 271,432,533	\$ 300,619,745	\$ 321,064,527	\$ 342,243,861	\$ 364,438,907	\$ 388,179,251	\$ 411,282,789	\$ 432,301,464
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 262,558,872</u>	<u>\$ 274,343,547</u>	<u>\$ 271,432,533</u>	<u>\$ 300,619,745</u>	<u>\$ 321,064,527</u>	<u>\$ 342,243,861</u>	<u>\$ 364,438,907</u>	<u>\$ 388,179,251</u>	<u>\$ 411,282,789</u>	<u>\$ 432,301,464</u>
Total debt applicable to the limit as a percentage of debt limit ¹	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department
County Tax Assessor's Office

¹ Section 43605 of the California Government Code for General Obligation bonds.

Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30	Water Revenue Bonds (a)				
	Gross Water Revenues (a)	Less Expenses (b)	Net Available Revenues	Total Debt Service (c)	City system Coverage
2012	\$ 35,443,045	\$24,069,547	\$ 11,373,498	\$ 5,027,461	2.26
2013	36,121,520	25,393,089	10,728,431	5,064,399	2.12
2014	39,167,233	25,860,570	13,306,663	4,672,819	2.85
2015	35,309,850	27,107,002	8,202,848	5,165,995	1.59
2016	36,286,112	26,855,253	9,430,859	5,165,821	1.83
2017	36,716,327	27,718,056	8,998,271	5,164,849	1.74
2018	41,027,396	29,860,024	11,167,372	5,167,149	2.16
2019	43,637,679	30,069,713	13,567,966	5,165,149	2.63
2020	46,394,649	30,988,285	15,406,364	5,106,243	3.02
2021	49,665,529	33,747,238	15,918,291	4,369,815	3.64

a) Includes operating revenues, investment earnings, and contributions

b) Excludes depreciation and debt service payments.

c) Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Data source - City of Vallejo Annual Comprehensive Financial Report
Debt Service Schedules

Pledged Revenue Coverage

Last Ten Fiscal Years

Wastewater														
Fiscal Year Ended June 30	Utility Service Charges	Less Operating Expenses	Net Available Revenues	Debt Service (Principal and Interest)										Coverage Ratio
				2014 Rev Bonds	2011 Rev Bonds	2008 State Fund Loan	2006 COP	2004 State Fund Loan	2001 COP	1993 COP	State Revenue Fund Loans	Notes Payable	Total	
2012	\$ 26,639,300	\$ 15,838,616	\$ 10,800,684	\$ -	\$ 313,742	\$ -	\$ 2,490,967	\$ -	\$ 664	\$ 2,767,704	\$ 1,219,433	\$ -	\$ 6,792,510	1.59
2013	27,385,589	16,833,300	10,552,289	-	325,943	-	2,507,309	-	-	2,747,344	1,219,309	-	6,799,905	1.55
2014	28,628,926	18,297,585	10,331,341	82,728	327,693	315,062	2,231,956	904,119	-	2,743,844	-	-	6,605,402	1.56
2015	28,270,621	17,989,148	10,281,473	2,318,519	331,626	317,449	-	907,072	-	2,721,750	-	-	6,596,416	1.56
2016	29,530,993	16,901,393	12,629,600	2,314,475	324,475	317,450	-	907,072	-	2,661,500	-	-	6,524,971	1.94
2017	28,526,894	16,308,018	12,218,876	2,311,475	326,075	317,450	-	907,072	-	2,657,500	-	-	6,519,572	1.87
2018	27,482,287	16,006,016	11,476,271	2,312,275	317,449	317,450	-	907,072	-	2,652,750	-	-	6,516,221	1.76
2019	30,348,952	18,898,270	11,450,682	2,311,675	328,075	317,450	-	907,072	-	2,709,875	-	-	6,574,147	1.74
2020	33,045,459	21,427,700	11,617,759	2,310,426	328,475	317,450	-	907,072	-	2,706,000	-	-	6,569,423	1.77
2021	36,616,703	21,449,139	15,167,564	2,311,926	328,475	317,450	-	907,072	-	-	-	-	3,864,923	3.92

Data source - Vallejo Flood and Wastewater District Annual Comprehensive Financial Report

Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment / ROPS	Former Agency / Successor Agency (a)		Coverage
		Debt Service (b)		
		Principal	Interest	
2012	\$ 1,833,660	\$ 510,000	\$ 678,430	1.54
2013	2,312,496	555,000	639,132	1.94
2014	1,695,726	610,000	596,657	1.41
2015	1,695,595	630,000	551,220	1.44
2016	2,005,037	685,000	502,633	1.69
2017	1,425,825	750,000	449,703	1.19
2018	1,523,091	820,000	391,660	1.26
2019	1,533,687	895,000	328,143	1.25
2020	1,386,152	650,000	241,975	1.55
2021	902,927	695,000	202,088	1.01

a) The Redevelopment Agency, once a blended component unit of the City, was dissolved as of February 1, 2012. The Redevelopment Successor Agency financial transactions are reported in a separate trust fund.

b) Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Data source - City of Vallejo Annual Comprehensive Financial Report
Debt Service Schedules

Demographic and Economic Statistics**Last Ten Calendar Years**

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate* (3)
2012	115,928	4,414,306	38,078	12.5%
2013	117,112	3,094,450	26,423	10.2%
2014	118,470	3,130,333	26,423	8.9%
2015	119,683	3,111,279	25,996	8.3%
2016	117,322	3,043,919	25,945	5.6%
2017	118,280	3,421,840	28,930	5.1%
2018	119,252	3,199,293	26,828	4.4%*
2019	119,544	3,391,224	28,368	4.4%
2020	119,063	3,558,198	29,885	11.3%
2021	117,846	3,680,331	31,230	8.9%

Note: * Starting in 2018, the unemployment rate reported is the average of the Vallejo City unemployment rate for the first 9 months of the calendar year. In previous years, the unemployment rate in this table was determined by averaging the Vallejo-Fairfield MSA monthly figures.

Sources: (1) State Department of Finance (revised)
(2) U.S. Bureau of Economic Analysis (2007 to 2012); U.S. Census Bureau (2013 and forward)
(3) State of California Employment Development Department (data shown is for the City)

Top 10 Principal Employers**Current Year and Nine Years Ago**

Employer	2021		2012	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Kaiser Permanente Medical Center**	4,023	7.24%	3,906	6.73%
Six Flags Discovery Kingdom	1,500	2.70%	1,600	2.76%
Vallejo Unified School District	1,124	2.02%	1,600	2.76%
Sutter Solano Medical Center*	634	1.14%	690	1.19%
City of Vallejo	541	0.97%	485	0.84%
Touro University California	530	0.95%	385	0.66%
California Maritime Academy	345	0.62%	N/A	N/A
Meyer Corp	340	0.61%	N/A	N/A
Safeway (3 Locations)	315	0.57%	N/A	N/A
Costco Wholesales	266	0.48%	N/A	N/A
Kaiser Permanente Call Center	N/A	N/A	950	1.64%
CA Highway Patrol, Regional Off	N/A	N/A	400	0.69%
U.S.D.A Forest Service Region 5	N/A	N/A	300	0.52%
Petrochem Corporate Headquarters	N/A	N/A	225	0.39%

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: MuniServices LLC / and Avenue Insights & Analytics Company

* Includes full and part time employees.

**Includes call center. Physicians data is unavailable and not included in the count.

**Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years**

<u>Function</u>	Full-Time and Part-Time Employees as of June 30									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 *</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	48.5	60.0	61.0	65.6	61.0	60.5	63.5	80.0	90.0	90.0
Public safety	192.0	226.0	236.0	242.0	244.0	257.0	258.0	259.0	283.0	295.0
Public works	60.3	62.0	68.0	68.0	71.0	72.5	71.5	73.0	73.5	73.5
Mare Island Coop/CFD	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning & Development Services	20.0	18.0	17.8	20.8	21.0	24.0	25.0	21.0	24.0	24.0
Housing	17.0	17.0	15.0	14.0	14.0	15.0	15.0	17.0	15.0	15.0
Solid Waste Disp	-	-	-	-	-	-	-	-	-	-
Landscape District	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Risk Management	2.0	2.0	2.0	2.0	2.0	3.5	4.5	4.0	5.0	5.0
Water	103.0	104.0	104.0	106.0	106.0	106.0	108.0	114.0	118.5	124.5
Transportation	5.0	2.0	-	-	-	-	-	-	-	-
Marina	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Corp Yard	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Fiber	-	-	-	-	-	1.0	1.0	-	-	-
Parking Structure	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	<u>465.8</u>	<u>509.0</u>	<u>522.8</u>	<u>537.4</u>	<u>538.0</u>	<u>558.5</u>	<u>565.5</u>	<u>587.0</u>	<u>629.0</u>	<u>647.0</u>

* Starting FY 17/18, using amended FTE numbers as of year end instead of adopted FTE from beginning of year.

Source: City of Vallejo 20-21 Adopted Budget

**Operating Indicators
by Function**

Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police:										
Arrests	3,643	3,522	3,738	4,182	4,103	3,775	2,679	2,178	2,377	2,321
Parking citations issued	4,385	1,163	3,778	3,679	3,131	2,984	5,074	10,749	1,940	955
Fire:										
Number of emergency calls	12,546	12,970	12,992	14,339	14,307	14,389	14,866	13,942	14,238	15,059
Inspections (Fire Prevention)	2,122	2,667	3,925	3,242	2,372	2,417	2,352	1,500	3,127	2,421
Inspections (Code Enforcement) ¹	2,623	7,074	9,586	9,055	11,334	11,822	11,125	6,507	8,025	6,589
Public works:										
Street resurfacing (miles)	5.6	6.6	3.2	9.03	3.87	7.0	1.25	42.50	2.00	2.00
Water:										
New connections	42	5	10	45	66	63	48	70	28	45
Average daily consumption (thousands of gallons)	16,976	17,806	17,371	15,637	14,216	14,801	15,761	15,630	16,334	16,609
Development Services:										
Building permits	1,797	2,176	2,444	2,816	3,244	3,221	3,369	3,163	2,918	4,249
Housing Rental units ²	2,194	2,292	2,292	2,306	2,333	2,333	2,333	2,333	2,348	1,709
Housing Vouchers ³	2,292	2,133	2,062	1,953	1,976	1,926	1,898	1,835	1,783	2,348
Golf course:										
Golf rounds played	66,133	73,077	73,835	70,795	69,803	56,738	75,882	78,715	75,703	116,982

¹ Function transferred to Code Enforcement.

² Amounts listed represent the number of rental units contracted.

³ Amounts listed represent actual vouchers issued.

Source: City of Vallejo

**Capital Asset Statistics
by Function
Last Ten Fiscal Years**

	Fiscal Year Ended June 30									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police:										
Stations	3	3	4	4	5	5	5	5	6	6
Fire:										
Fire stations	6	6	6	6	6	6	6	6	6	6
Public works:										
Streets (miles)	351	351	351	351	351	351	351	351	351	351
Traffic signals	123	123	123	125	124	124	124	121	121	121
Water:										
Water mains (miles)	624	624	624	624	624	624	624	624	624	624
Maximum daily capacity (thousands of gallons) ¹	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,500	50,500
Golf Course:										
Municipal golf courses	2	2	2	2	2	2	2	2	2	2

¹ Represents combined capacity for Fleming Hill WTP, Travis WTP and Green Valley WTP.

Source: City of Vallejo
Vallejo Golf Club, Inc.
Touchstone Golf, LLC

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