

City of
VALLEJO
California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CITY OF VALLEJO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

PREPARED BY THE
FINANCE DEPARTMENT

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 FOR THE YEAR ENDED JUNE 30, 2022

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

December, 2022

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 2022 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). This report presents the City of Vallejo's financial position as of June 30, 2022, 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, a fully licensed public accounting firm qualified to perform audits of the state and local governments within the State of California, have audited the City's basic financial statements. The independent audit's goal was to provide reasonable assurance that the City's basic financial statements for the fiscal year ended June 30, 2022, 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.

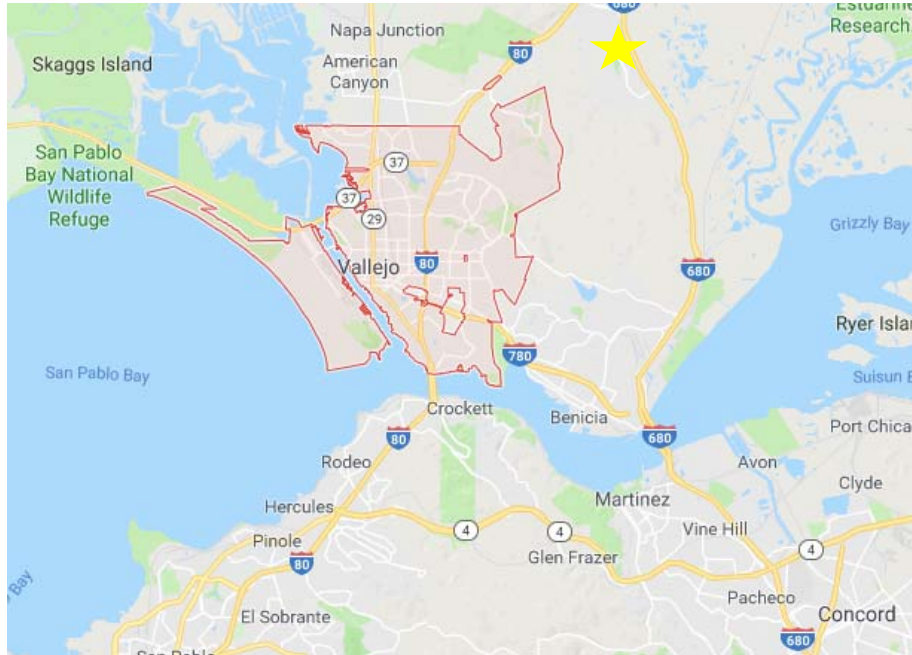
PROFILE OF GOVERNMENT

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, who 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 six districts to four-year, staggered terms. With a population of just over 122,000 (estimated as of 2022), 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

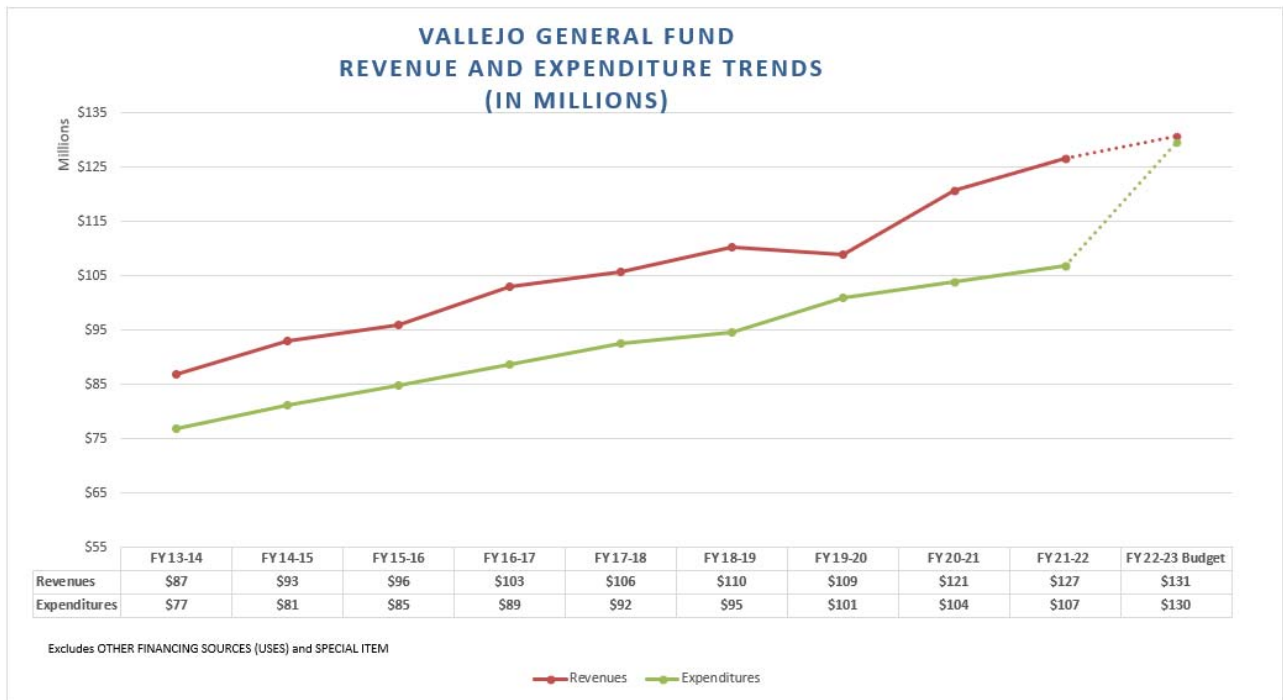
The economic impact of the pandemic, sudden shifts in the labor force and housing markets, as well as the global impacts of war, have been felt throughout the State and City. This economic disruption has affected many businesses and individuals very seriously. Solano County's unemployment rate was 5.2% at the end of 2021 down from 9.5% for 2020. By the end of 2022 it is likely to be close to its pre-pandemic unemployment rate of 3.8%. Solano County has experienced job recovery but have fewer available workers from city residents. Vallejo unemployment rate was 8.9% in 2021. The Pandemic's economic impact on businesses is still being felt yet there are encouraging signs for additional recovery in the coming year. As many look to 2023, there is hope that some normalization to our citizens' lives will occur.

Even in the midst of the pandemic, and through 2022, Bay Area real estate is still trending positively, leading to continued upward movement in property value. 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 of employee salaries and benefits that threaten nearly all businesses and California municipalities. In addition, critical pieces of City infrastructure are showing their age and will require significant capital expenditures to remedy. In the next year, the City will focus on planning for future infrastructure, and updating the City's Economic Development strategic plan.

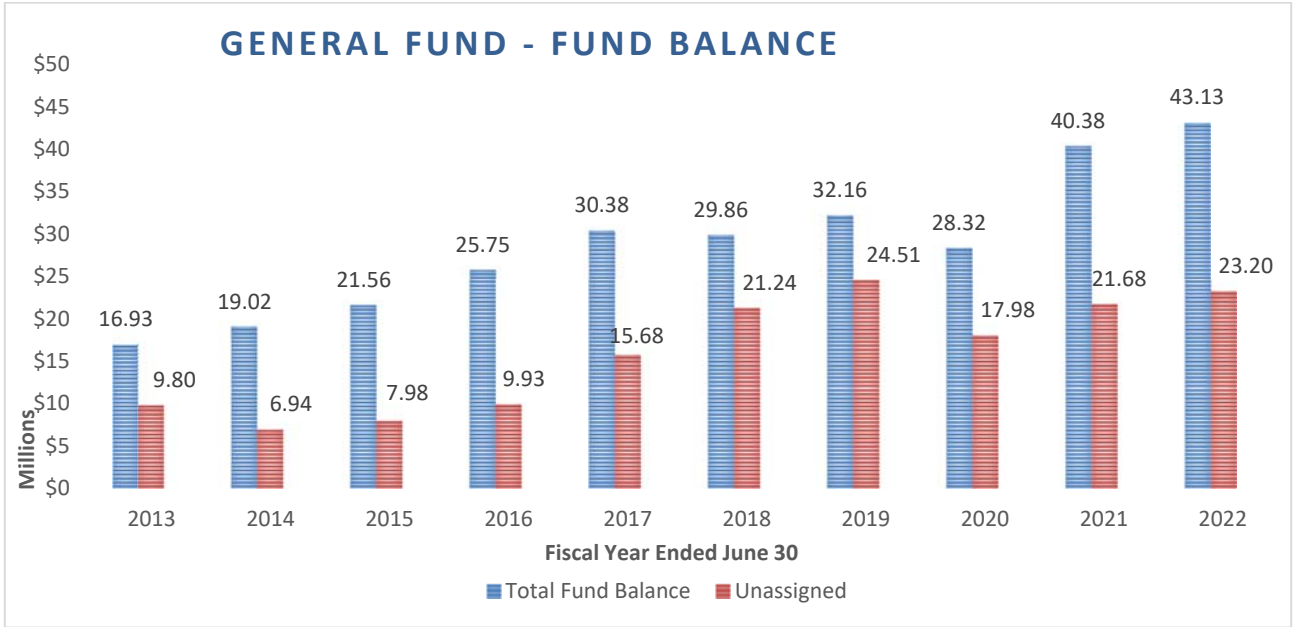
State Budget - Two years after the COVID-19 pandemic, the state faces other challenges. Global inflation coupled with disruptions in the supply chain have caused a significant increase in prices. Additional problems stem from extreme heatwaves that contribute to drought conditions felt around California and cause wildfires that are increasing in severity. While these events are adding strain on California's budget overall, the state is finding success in budgeting relief and focusing on fiscal responsibility. The state has appointed \$17 billion in relief funds to provide increased protection for communities impacted by extreme weather events and to ease the burden felt by rising costs. While California has provided a safeguard against the known budget strains, the state has continued its policy of fiscal responsibility by allocating \$37.2 billion to budgetary reserves (which includes additional deposits into reserve funds and prepaying state debts). In addition to providing relief to communities affected by extreme weather patterns and global inflation, the State of California is seeking to improve the K-12 education system by allotting \$78 billion dollars. The allotted amount will provide new preschool and transitional kindergarten programs and facilities statewide, ease childcare burdens that many families experience, and additional funding to provide support for the new behavioral health system that California has been implementing. California's policy of fiscal responsibility will greatly impact Vallejo and the community at large.

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 \$21.3 million annual revenue 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 and expenditures over the last ten years.



CURRENT FINANCIAL CONDITIONS

Current Financial Conditions - 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, 2022, as compared with the ten prior years.



In fiscal year 2021-22 the city's General Fund revenues had not been as drastically impacted by the pandemic as originally projected primarily due to strong sales and availability of various grants. 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 2021-22, the City contributed 21.90. % and 11.06% of employee salary towards the standard cost for its Safety and Miscellaneous pension plans, respectively. In addition, in July 2021, the City made its \$23.7 million required annual payment on the Unfunded Accrued Liabilities (UAL). Projections utilizing July 2022 CalPERS data show the City's FY 2028-29 standard rates for its Safety and Miscellaneous plans decreasing to 19.7% and 10.0% respectively and its total required annual payment on the UAL increasing to \$25.4 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 future CalPERS increases. On June 30, 2022, the General Fund reported \$12.5 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, 2022, the City's total contributions to the California Employer' Retiree Benefit Trust (CERBT) were \$25 million including investment earnings, funding 64% of the City's total OPEB liabilities of \$39 million as of the June 30, 2021 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.

**General Fund Long-Term Forecast
through Fiscal Year 26/27
(In millions)**

	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
	Adopted	Projected	Projected	Projected	Projected
Revenues/ Transfers In	\$ 131	\$ 133	\$ 136	\$ 139	\$ 144
Expenses/ Transfers Out	\$ 130	\$ 131	\$ 136	\$ 140	\$ 145
(Deficit)/ Surplus for Year	\$ 1	\$ 2	\$ -	\$ (1)	\$ (1)
Ending Available Balance	\$ 21	\$ 23	\$ 23	\$ 22	\$ 21

The City operates with a balanced budget in fiscal year 2022-23 and is projecting to end up with a budget surplus in fiscal year 2022-23. This is primarily due to increases in property tax and sales tax. Despite the 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 businesses. This impact is felt by business owners, 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 through the on-going post-pandemic economic recovery. This includes 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 60 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 direct support to small businesses in Vallejo. City 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. The Restaurant Resiliency Program also used ARPA funds as a grant to support restaurants in the City to prepare meals and feeding the houseless within our city.

Economic Development Strategic Plan 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. The Economic Development Strategic Plan has kicked off this year and will be completed within the next Fiscal Year. This document will provide strategies and a road map to implement them to ensure economic development growth in the future.

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 inquires, 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 development partner Southern Land Company at 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 set up Mare Island as 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 was approved in the first quarter of 2022 and will guide development of the island over the next several years and includes a requirement for a new island-wide Specific Plan to guide future development. The initial transfer of the City's 125 acres closed October 12, 2022, and the remaining 32 acres will be conveyed to Nimitz after the Navy completes the environmental cleanup and transfers the parcels to the City. Phase 1 of the DA implementation includes the Connelly Corridor development to be constructed within 60 months of closing. This proposal includes demolition of 10 buildings on NMI, approximately 29,000 sq. ft. of office, 373 multifamily units, a 200-room hotel, 46,000 sq ft of ancillary uses, and 194,000 sq ft open space.

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. After more than a year

of litigation, the 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 400 single-family homes designed within a single 18-hole Greg Norman golf course and state-of-the-art clubhouse. Revenue from the proposed project would cover modernization of the golf course and a new clubhouse and eliminate potential 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 with the disposition of the land and negotiation of the key deal terms and performance timelines.

Seka Hills

The City is finalizing negotiation of a lease of approximately 1/2 acre of waterfront property to be developed by the Yocha Dehe Tribe. The proposed development includes a cultural center, a restaurant, outdoor gathering area, and development of the 10-acre Waterfront History Park. The lease is expected to be approved prior to December 2022 and then entitlements for the project will commence in first quarter 2022.

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 kickoff 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.

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 2021-22, approximately 60 projects have been approved through the PB process, totaling more than \$10 million in funding. Although Participatory Budgeting was placed on pause in Fiscal Year 2021-22, an additional \$1,000,000 was allocated towards the program; \$500,000 in FY 2021-22 and \$500,000 in FY 2022-23. These funds will go towards new projects in the upcoming Fiscal Year.

Eden Supportive Housing Project – Blue Oak Landing

The City worked collaboratively with Eden Housing to create 74 units of permanently affordable housing units in a transitional supportive housing project on Sacramento Street called Blue Oak Landing. This project required the efforts of multiple Departments and leveraging HUD funds to make it a reality. The project construction broke ground in November of 2021 and is expected to be ready for tenants during first quarter of 2023.

Firm Foundation Housing Project – Broadway Project

The City, along with Firm Foundation, received a \$12 Million grant from the State Housing and Community Development Commission (HCD) for the Homekey grant to build 48 units on Broadway Street to serve as permanent supportive housing for homeless people in the community. The City and Firm Foundation partnered with Factory OS to provide the units and ground broke in the fall of 2022. The project is expected to be ready for tenants in Spring 2023.

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

- Information Technology in close partnership with Finance and Human Resource Departments 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 is expected to be completed by the summer of 2023.
- Information Technology's focus for the next several years is Broadband and Digital Equity. In 2021 President Biden announced that broadband is to be made available to all. In his Infrastructure and Investment Job Act (IIJA) Congress allocated a whopping \$62 billion dollars towards the buildout of broadband infrastructure throughout the nation. On May 17, 2022, Vallejo City Council adopted a new Broadband and Digital Equity Strategy. This policy documents clear direction to the city to continue to build and expand its municipal fiber network. The City is in the process of selecting and installing a new ISP and fiber plant operator. The City Council has made an allocation of \$2.5 million towards the buildout of fiber infrastructure for the city. In the upcoming 6 months the City of Vallejo will be implementing the following projects:
 - o Public Wi-Fi in Vallejo Downtown
 - o Public Wi-Fi in Vallejo waterfront
 - o Public Wi-Fi in Blue Rock Springs Park
 - o Connecting several municipal buildings to the city fiber.
 - o Building a resilient redundant fiber loop.
 - o Exploring options for fiber to premise (FTTP) in neighborhoods to be specified.

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 IBEW, CAMP and IAFF and is in negotiations with VPOA.

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 to 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, 2021.

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, 2022 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 City Manager Mike Malone, for their vision and continued support to maintain long-term fiscal stability for the City.

Respectively submitted,



Rekha Nayar
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Vallejo
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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

Mike Malone

City Attorney

Veronica A.F. Nebb

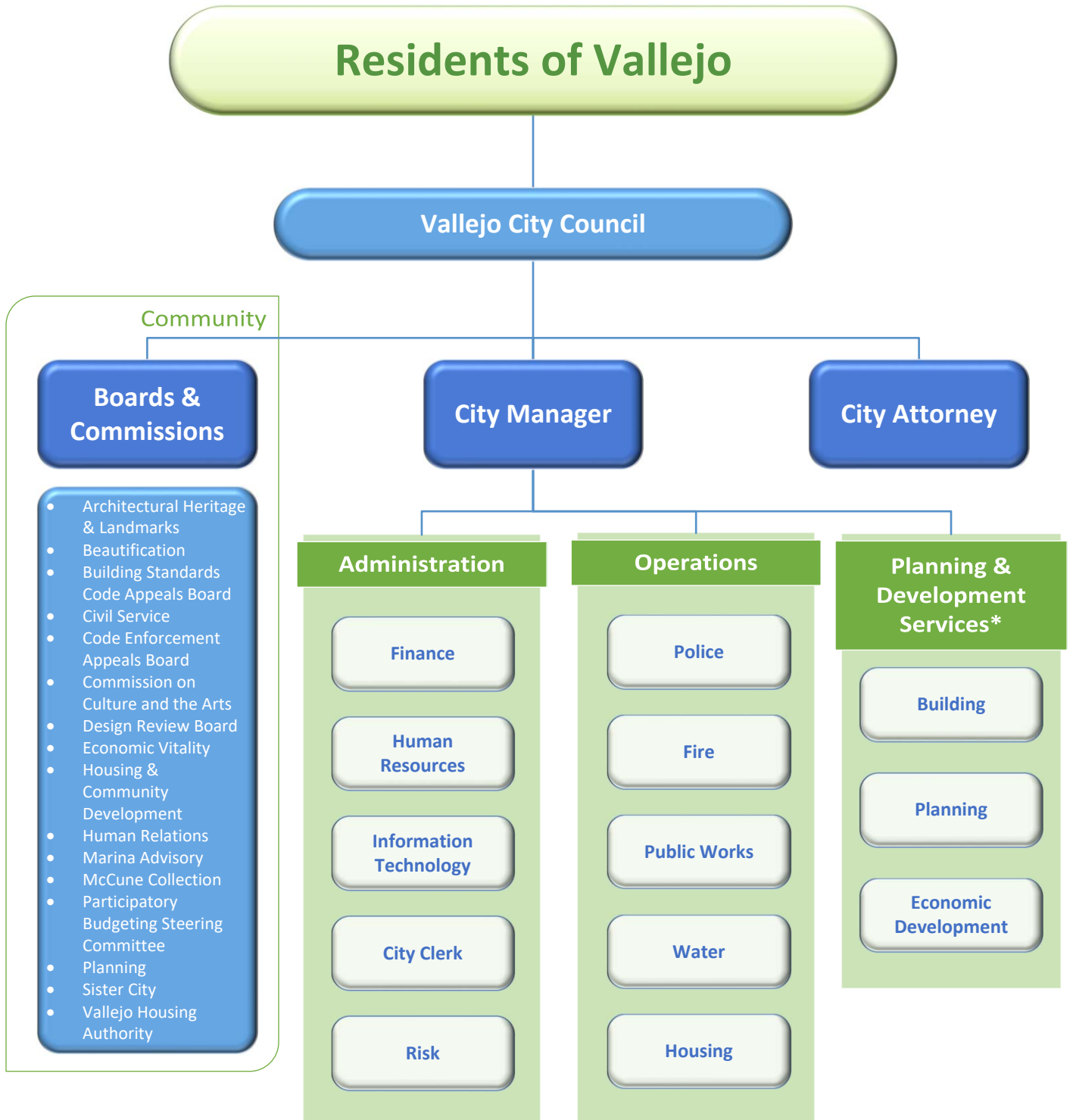
City Clerk

Dawn G. Abrahamson

Department Head

Gillian Hayes, Assistant City Manager
Terrance Davis, Assistant City Manager
Rekha Nayar, Finance Director
Vacant, Human Resources Director
Shawny Williams, Police Chief
Kyle Long, Fire Chief
Melissa Tigbao, Public Works Director
Beth Schoenberger, Water Director
Christina Ratcliffe, Planning & Development Services Director
Naveed Ashraf, Chief Innovation Officer

Citywide Organizational Chart



* Proposed change in department title from Economic Development to Planning & Development Services in FY2019-20 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 the City of Vallejo, California, (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, 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 opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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.



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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, budgetary comparison schedules for the General Fund and Housing Authority Fund, and required pension and other post-employment benefits schedules, as listed on 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



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

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (supplementary information) 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 supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section 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 January 10, 2023 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 cursive script that reads "Lance, Solt & Lughard, LLP".

Sacramento, California
January 10, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2022

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, 2022. 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 2022 by \$338.8 million (net position). This amount improved by \$50.9 million from the prior fiscal year.
- The City was allocated \$25.7 million through the American Rescue Plan Act (ARPA). The first tranche (\$12.9 million) was received in fiscal year 2021 and earmarked for homeless programs, broadband infrastructure, fire station tonal safety alert system, street and safety crime reduction, economic development, community COVID recovery and reopening the Glen Cove fire station. The second tranche was received in June 2022 and reported as unearned revenue. These funds will be appropriated in fiscal year 2023.
- The City implemented new lease accounting standards during fiscal year 2022, following guidance from the Government Accounting Standards Board (GASB) Statement No. 87. A new lease receivable of \$13.0 million and a deferred inflow of resources of \$12.7 million have been recorded as of June 30, 2022 along with a new lease liability and an intangible right to use lease asset in the amount of \$0.3 million.

Fund level (modified accrual basis)

- As of June 30, 2022, the City's governmental funds reported combined fund balance of \$154.2 million, \$10.3 million higher than the prior year balance. Approximately 15% of this amount, or \$23.2 million, is unassigned and available for spending at the City's discretion.
- The General Fund had a total ending fund balance of \$43.1 million, up by \$2.7 million or 6%, from fiscal year 2021. Of the total fund balance, \$23.2 million (54%) is unassigned. This balance represents 18% of Fiscal Year 2022-23 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 \$18.0 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. Agency 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 four 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, 2022 and 2021, 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, 2022 and 2021
(In millions)

	Governmental Activities		Business-type Activities		Government-wide Totals		Increase/ (Decrease)
	2022	2021	2022	2021	2022	2021	
Assets							
Current and other assets	\$ 262.2	\$ 228.7	\$ 108.8	\$ 102.4	\$ 371.0	\$ 331.1	\$ 39.9
Capital assets	356.4	355.7	106.2	109.2	462.6	464.9	(2.3)
Total assets	<u>618.6</u>	<u>584.4</u>	<u>215.0</u>	<u>211.6</u>	<u>833.6</u>	<u>796.0</u>	<u>37.6</u>
Deferred Outflows of Resources							
Unamortized loss on refunding of debt	-	-	1.4	1.5	1.4	1.5	(0.1)
Related to pensions	28.7	31.2	4.0	3.9	32.7	35.1	(2.4)
Related to OPEB	2.8	3.3	0.7	0.9	3.5	4.2	(0.7)
Total deferred outflows	<u>31.5</u>	<u>34.5</u>	<u>6.1</u>	<u>6.3</u>	<u>37.6</u>	<u>40.8</u>	<u>(3.2)</u>
Liabilities							
Current and other liabilities	66.2	61.0	14.9	14.4	81.1	75.4	5.7
Net pension liability	205.5	278.6	25.9	34.7	231.4	313.3	(81.9)
Other long-term liabilities	47.3	53.3	93.6	100.3	140.9	153.6	(12.7)
Total liabilities	<u>319.0</u>	<u>392.9</u>	<u>134.4</u>	<u>149.4</u>	<u>453.4</u>	<u>542.3</u>	<u>(88.9)</u>
Deferred Inflows of Resources							
Related to pensions	52.6	0.9	6.2	0.1	58.8	1.0	57.8
Related to OPEB	6.1	4.5	1.4	1.1	7.5	5.6	1.9
Related to leases	12.7	-	-	-	12.7	-	12.7
Total deferred inflows	<u>71.4</u>	<u>5.4</u>	<u>7.6</u>	<u>1.2</u>	<u>79.0</u>	<u>6.6</u>	<u>72.4</u>
Net position							
Net investment in capital assets	339.9	336.1	61.3	59.2	401.2	395.3	5.9
Restricted	103.7	98.1	0.0	0.0	103.7	98.1	5.6
Unrestricted	(183.9)	(213.5)	17.8	8.0	(166.1)	(205.5)	39.4
Total net position	<u>\$ 259.7</u>	<u>\$ 220.7</u>	<u>\$ 79.1</u>	<u>\$ 67.2</u>	<u>\$ 338.8</u>	<u>\$ 287.9</u>	<u>\$ 50.9</u>

Current and other assets in 2022 increased \$39.9 million or 30% over prior year, largely due to the new lease receivable recorded in compliance with GASB Statement No. 87 and the City's receipt of the second tranche of ARPA funds.

The City reflected an \$81.9 million reduction in its net pension liability, from \$313.3 million to \$231.4 million. This decrease is attributed to CALPERS strong investment returns and City's annual contributions to the Safety and Miscellaneous pension plans.

Deferred inflow of resources increased \$72.4 million due to the significant increase in net difference between projected and actual earnings on pension plan investments and recording of a new deferred inflow account related to leases.

As noted earlier, the City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$338.8 million (net position). This amount increased by \$50.9 million, or 18%, from prior year and is comprised of the following major components:

- Net investment in capital assets increased \$5.9 million to \$401.2 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 \$5.6 million to \$103.7 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 \$205.5 million in 2021 to \$166.1 million in 2022. This deficit is primarily due to the net pension obligation for the Safety and Miscellaneous plans. Additional information on the net pension liability can be found in Note 11 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, 2022 and 2021.

Statement of Activities
for the years ended June 30, 2022 and 2021
(In millions)

	Governmental Activities		Increase/(Decrease)	
	2022	2021	Amount	%
Revenues				
Program revenues				
Charges for services	\$ 31.1	\$ 26.1	\$ 5.0	19%
Operating grants and contributions	36.6	45.8	(9.2)	-20%
Capital grants and contributions	6.7	7.1	(0.4)	-6%
Total program revenues	<u>74.4</u>	<u>79.0</u>	<u>(4.6)</u>	<u>-6%</u>
General revenues				
Property related taxes	36.3	34.0	2.3	7%
Sales and transaction taxes	40.9	38.2	2.7	7%
Utility users tax and others	30.1	28.9	1.2	4%
Investment earnings and other	(1.6)	5.4	(7.0)	-130%
Total general revenues	<u>105.7</u>	<u>106.5</u>	<u>(0.8)</u>	<u>-1%</u>
Total revenues	<u>180.1</u>	<u>185.5</u>	<u>(5.4)</u>	<u>-3%</u>
Expenses				
Administration	10.7	10.5	0.2	2%
Community development	31.3	35.5	(4.2)	-12%
Planning and development services	3.1	4.0	(0.9)	-23%
Fire services	27.5	34.6	(7.1)	-21%
Police services	41.0	56.1	(15.1)	-27%
Public works	26.0	29.5	(3.5)	-12%
Interest on long-term debt	0.4	0.4	-	-
Total expenses	<u>140.0</u>	<u>170.6</u>	<u>(30.6)</u>	<u>-18%</u>
Excess before transfers	40.1	14.9	25.2	169%
Transfers	(1.1)	(0.3)	(0.8)	267%
Change in net position	<u>39.0</u>	<u>14.6</u>	<u>24.4</u>	<u>167%</u>
Net position - beginning	220.7	206.1	14.6	7%
Net position - ending	<u>\$ 259.7</u>	<u>\$ 220.7</u>	<u>\$ 39.0</u>	<u>18%</u>

Governmental activities increased the City’s net position by \$39.0 million, mainly due to the 18% reduction in total expenses.

Revenues

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.

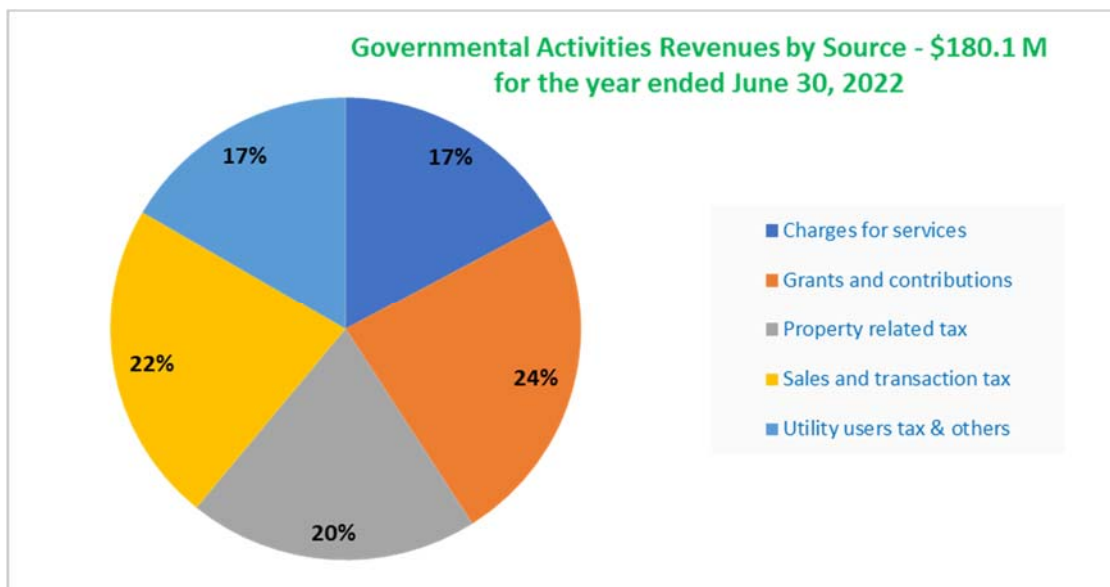
Program Revenues were down \$4.6 million, or 6%, to \$74.4 million. Charges for services increased by \$5.0 million during the year but was offset with a \$9.2 million decline in operating grants, such as Section 8 and CDBG grants, CARES grants, and donations to Navigation Center.

Total General Revenues of \$105.7 million decreased by \$0.8 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 \$2.3 million, or 7%, to \$36.3 million as property values continued to rise from new construction and increased property sales prices.
- Sales and transaction tax revenues increased by \$2.7 million, or 7%, to \$40.9 million. as a result of increased online shopping and gains in the auto and transportation industry.
- Investment earnings and others decreased by \$7.0 million as the rising interest rate environment during 2022 caused the fair value of the City’s investments to drop significantly compared to the book value and cash collected in investment income.

Total revenues for the City’s governmental activities reflected an improving economic base. Both tax revenues and charges for services contributed to a combined \$11.2 million increase in revenues from the prior year.

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 \$43.3 million (24%) followed by sales tax (22%) and property tax (20%). 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.

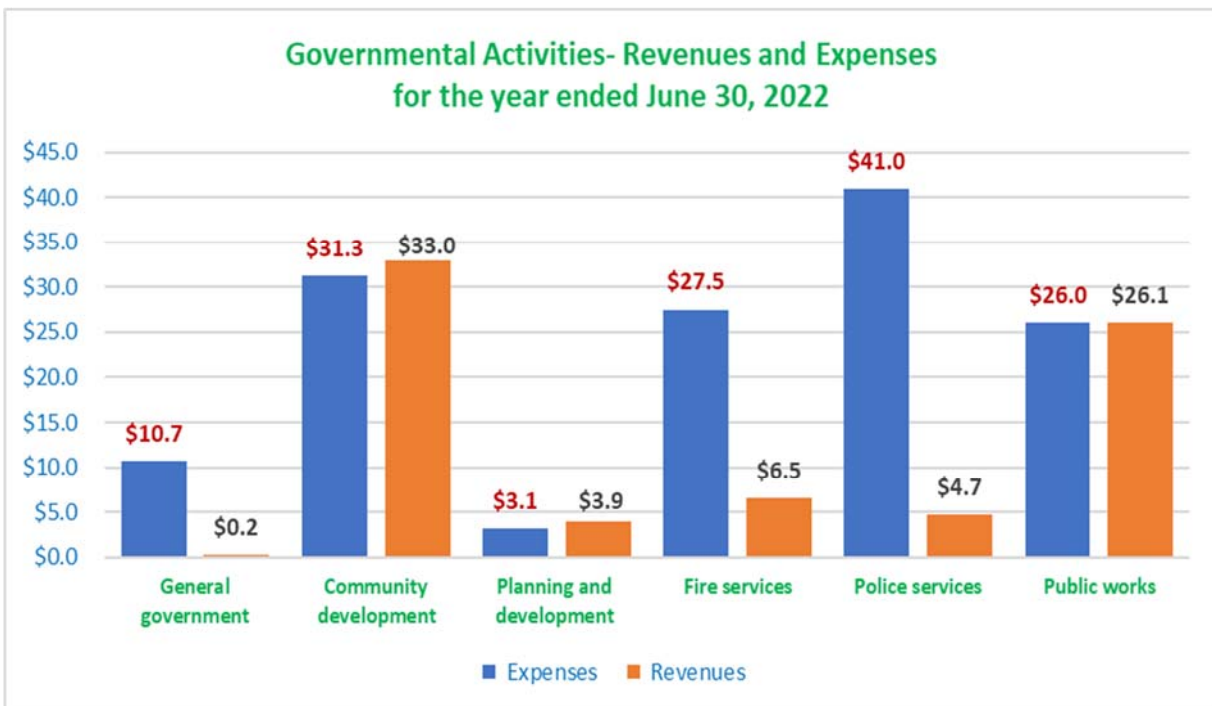


Expenses

Overall costs of services for governmental activities decreased from \$170.6 million in the prior year to \$140.0 million in the current fiscal year. Except Administration, every expense category decreased this year primarily due to the GASB 68 negative pension expense allocation attributed to CALPERS strong investment returns.

Net Revenues (Expenses)

Program revenues associated with Governmental Activities totaled \$74.4 million, or 53%, of program expenses (\$139.6 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, 2022 and 2021.

Statement of Activities for the years ended June 30, 2022 and 2021 (In millions)

	Business-type Activities		Increase/(Decrease)	
	2022	2021	Amount	%
Revenues				
Program revenues				
Charges for services	\$ 57.1	\$ 55.3	\$ 1.8	3%
Capital grants and contributions	2.4	0.4	2.0	500%
Total Program revenues	59.5	55.7	3.8	7%
General revenues				
Investment earnings and other	(2.5)	-	(2.5)	-
Total revenues	57.0	55.7	1.3	2%
Expenses				
Water	40.2	40.6	(0.4)	-1%
Marina	1.0	2.1	(1.1)	-52%
Golf	4.2	4.2	-	-
Vallejo Station Parking	0.5	0.8	(0.3)	-38%
Fiber Optic	0.3	-	0.3	-
Total expenses	46.2	47.7	(1.5)	-3%
Excess before transfers	10.8	8.0	2.8	35%
Transfers	1.1	0.3	0.8	267%
Change in net position	11.9	8.3	3.6	43%
Net position - beginning	67.2	58.9	8.3	14%
Net position - ending	\$ 79.1	\$ 67.2	\$ 11.9	18%

Business-type activities increased the City's net position by \$11.9 million, or 18%, to \$79.1 million.

Charges for services were up by \$1.8 million, or 3%, primarily in Water Fund and Vallejo Station Parking Fund. Water charges for services increased \$1.1 million from prior year. This reflects a full year of the 7% rate increase that took effect July 1, 2021. The Vallejo Station Parking Fund's revenues continued to recover from \$0.2 million in prior year to \$0.6 million this current year as commuter traffic returned to the Vallejo Waterfront.

Capital grants and contributions increased by \$2.0 million. This reflects the \$1.9 million one-time financial relief for water customers through the California Water and Wastewater Arrearage Payment Program.

Investment losses is reported at \$2.5 million as the rising interest rate environment during the fiscal year resulted in lower investment valuations compared to book value.

Overall expenses of \$46.2 million decreased from the previous year by \$1.5 million mainly in Marina Fund. Due to an outside management firm taking over the operations and management of the Vallejo Municipal Marina starting FY 2021-22, the three full time equivalent employees previously funded by the Marina fund and the fund's share of the pension and OPEB liabilities were eliminated during the current fiscal year.

The table below provides a visual representation of the net program cost information for business-type activities for the year ended June 30, 2022. 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, 2022
(in millions)

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Water	\$ (40.2)	\$ 52.6	\$ 12.4
Marina	(1.0)	1.6	0.6
Golf	(4.2)	4.7	0.5
Vallejo Station Parking	(0.5)	0.6	0.1
Fiber Optic	(0.3)	-	(0.3)
	<u>\$ (46.2)</u>	<u>\$ 59.5</u>	<u>\$ 13.3</u>

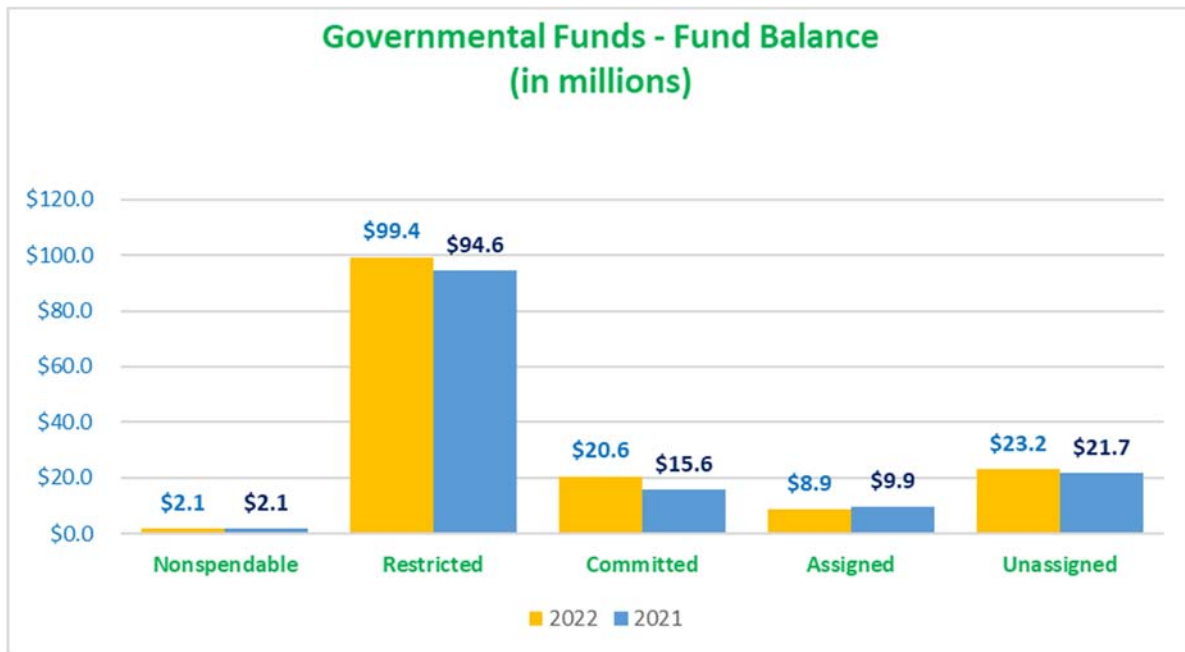
In total, the program revenues for these business-type operations were generally intended to cover operating, debt service, and capital reinvestment requirements. For the current year, Water operations contributed \$12.4 million. The other business-type activities funds combined earned \$0.9 million. 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 \$0.8 million to cover Marina Fund’s debt service payments.

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.

As of June 30, 2022, the City’s Governmental Funds reported combined ending fund balances of \$154.2 million, a \$10.3 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 below.



- Nonspendable Fund Balance of \$2.1 million is consistent with prior year. These amounts are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of long-term receivables and prepaid expenses and deposits.
- Restricted Fund Balance increased \$4.8 million to \$99.4 million. This consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations or enabling legislation.
- Committed Fund Balance increased \$5.0 million to \$20.6 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 decreased \$1.0 million to \$8.9 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 \$1.5 million to \$23.2 million. This represents the residual balance of the City’s General Fund.

For more information on governmental fund balances, please refer to Note 13 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 122,000 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 2021-22, the General Fund expended \$91.2 million in labor costs to provide these services, funding 507 authorized full-time equivalent positions. Labor costs comprised 73% of General Fund's total expenditures and transfers out.

Current Year Increase in General Fund Revenues – The General Fund revenues including transfers improved substantially by \$6.0 million, or 5%, from the prior fiscal year to \$127.0 million. Of particular note were increases in grants from ARPA-funded projects, property tax from the strong real estate economy and sales tax specifically in the auto and transportation industry.

Current Year Increase in General Fund Expenditures

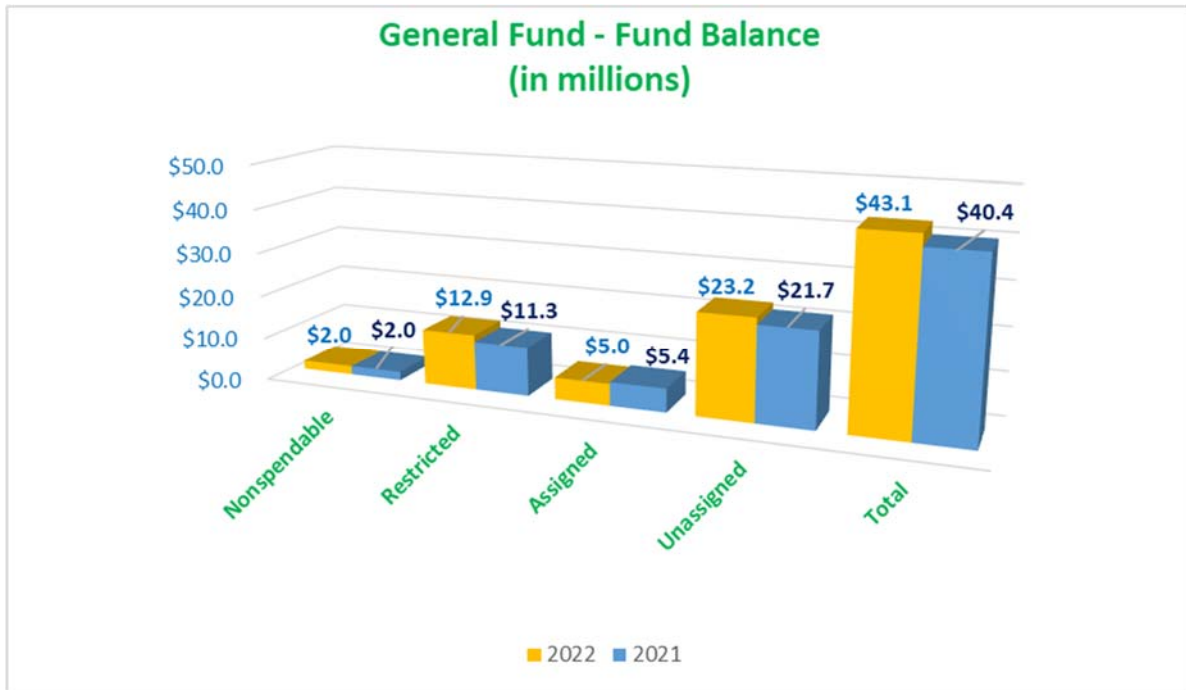
General Fund expenditures excluding transfers totaled \$106.9 million for FY 2021-22 compared to \$103.9 million in the prior fiscal year. The increase was \$3.0 million, or 3%, as a result of filling vacancies, negotiated wage increases and increased benefit costs. Transfers out to fund capital projects, debt service and city operations were \$17.3 million compared to \$5.1 million in the prior year.

Budgetary Highlights – During the year ended June 30, 2022, there was a \$32.2 million increase in the budgeted revenues and transfers in between the FY 2021-22 original budget and the final budget. The increase was generally in grant funds (ARPA) and sales tax. There was also a \$25.0 million increase in the budgeted expenditures and transfers out. These amendments were mostly the ARPA appropriations and additional funding for salaries and city programs.

The fiscal year 2022 revenue collections and transfers in totaled \$127.0 million, \$25.0 million, or 16.5%, under the revised budget because most of the ARPA funds were unspent and therefore not recognized as revenues in the current year. On the expenditure side, all program departments had operated within their approved expenditure budgets for the year. Total expenditure savings versus budget reached \$11.1 million. Half of the total expenditure savings were in Police department where savings of \$5.8 million had been realized through staff vacancies. In addition, there was a \$9.6 million budget savings in transfers out due to the delayed implementation of ARPA-funded projects. Overall, the lower than expected revenues of \$25.0 million and budget savings in expenditures and transfer out of \$20.7 million resulted in net budget deficit of \$4.3 million for the current fiscal year.

Fund balance –As of June 30, 2022, the General Fund reported a total fund balance of \$43.1 million, \$2.7 million higher than prior fiscal year. Additions to the fund balance included the \$1.6 million pension trust fund contribution reported as restricted investment rather than employer costs. Of the total fund balance, unassigned fund balance was \$23.2 million which represents 18% of the subsequent year's General Fund annual operating budget (including Measure B programs).

qThe chart below illustrates the changes in the components of the General Fund balance from June 30, 2021 to June 30, 2022.



OTHER MAJOR GOVERNMENTAL FUNDS

Housing Authority Fund – The Fund received \$21.3 million in federal HUD grant allocations and other revenues during the year to support its \$21.3 million Section 8 Housing Assistance Voucher Program expenditures. As of June 30, 2022, the Housing Authority Fund reported a combined fund balance of \$16.6 million, consistent with prior fiscal year. Of the total fund balance, \$14.5 million is restricted and committed. Most of these funds are invested in long-term loans and mortgages and are not anticipated to be collected within the next year.

Capital Outlay Fund – The total fund balance increased by \$5.7 million to \$18.8 million; all is restricted and committed for current and future capital projects. During the current fiscal year, the fund received additional funding of \$13.3 million from fees and interfund transfers and incurred \$7.6 million in capital project spending.

Mare Island Conversion Fund – As of June 30, 2022, this fund held \$16.1 million of restricted federal funds to pay for the environmental remediation of the former Mare Island Naval base. \$2.6 million was expended during the year on this effort.

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, 2022, total enterprise funds' net position increased to \$79.1 million, up \$11.9 million from \$67.2 million in the prior year. The significant changes by enterprise fund are discussed below:

Net Position by Fund			
(in millions)			
	2022	2021	Increase (Decrease)
Water	\$ 78.0	\$ 68.1	\$ 9.9
Marina	1.7	0.2	1.5
Golf	(0.3)	(0.7)	0.4
Vallejo Parking	0.0	(0.1)	0.1
Fiber	(0.3)	(0.3)	-
Total	\$ 79.1	\$ 67.2	\$ 11.9

Water – Total net position of the Water Fund on June 30, 2022 was up \$9.9 million from the previous year to \$78.0 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 on June 30, 2022 increased by \$1.5 million from the previous year. This significant improvement is mainly due to the elimination of pension and OPEB liabilities and related accounts (\$0.8 million) and transfer in from General Fund to cover the annual debt service payments (\$0.7 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. The City had also entered into a management agreement with F3 to improve both financial operations and customer service of the Vallejo Municipal Marina.

Golf – The total net position of the Golf Fund is negative \$0.3 million, another improvement from the negative \$0.7 million net position in previous year. The City is seeing positive results from hiring Touchstone Golf in 2018 to manage the golf operations. During the current fiscal year, the Blue Rock Springs golf courses generated \$4.7 million in user fees, which were used to cover its program costs and partially cure the fund's negative net position. Also, the City had entered into an ENA (Exclusive Negotiating Agreement) with Greg Norman Company and the Lewis Group for the future revitalization and redevelopment of the Blue Rock Springs golf courses.

Vallejo Station Parking – The Vallejo Station Parking Fund's revenues have slowly recovered from the COVID-19 pandemic, from \$0.2 million in prior year to \$0.6 million in total revenues this current year as commuter traffic returned to the Vallejo Waterfront. These revenues were used to cover current year total expenses and prior year deficits.

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 November 2022, the City contracted Smart Fiber Networks Inc. to operate the City's fiber network and service retail and residential customers within the City for a 60% Smart Fiber and 40% City revenue sharing arrangement.

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 of June 30, 2022 and 2021.

Capital Assets (net of depreciation) (in millions)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2022	2021	2022	2021	2022	2021	
Land	\$ 144.9	\$ 145.8	\$ 12.4	\$ 12.3	\$ 157.3	\$ 158.1	\$ (0.8)
Building and improvement	68.8	73.5	27.0	27.8	95.8	101.3	(5.5)
Machinery and equipment	16.7	17.9	10.4	11.8	27.1	29.7	(2.6)
Infrastructure	106.0	102.5	48.5	49.1	154.5	151.6	2.9
Construction in progress	20.0	16.1	7.9	8.2	27.9	24.3	3.6
Total	\$ 356.4	\$ 355.8	\$ 106.2	\$ 109.2	\$ 462.6	\$ 465.0	\$ (2.4)

Governmental major capital asset events include construction in progress activities related to street improvements (\$7.9million), acquisition of various vehicles (\$1.7 million) and transfer of the Empress Theater property to the City (\$1.4 million). The City had also completed the Safe Routes to School (SR2S) Infrastructure and Capital Street Improvement projects during the fiscal year.

Business-type capital additions include equipment replacements and upgrades and the purchase of property adjacent to the Fleming Hill Water Treatment Plant (\$0.7 million). The City had also put into service the FY 19-20 Water Mains Replacement Project (\$1.5 million) during the fiscal year.

Overall, net capital assets decreased by \$2.4 million during the year to \$462.6 million on June 30, 2022 mainly due to depreciation. Further detail about the City's capital assets can be found in Note 6 to the Financial Statements.

DEBT ADMINISTRATION

The following is a summary of the City's long-term debt obligations as of June 30, 2022 and 2021.

Outstanding Debt Long-Term Debt (in millions)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2022	2021	2022	2021	2022	2021	
Certificates of Participation	\$ 2.1	\$ 2.3	\$ -	\$ -	\$ 2.1	\$ 2.3	\$ (0.2)
Capital Lease Obligations	-	3.2	-	0.5	-	3.7	(3.7)
Financed Purchases	2.2	-	-	-	2.2	-	2.2
Revenue Bonds	-	-	78.9	83.5	78.9	83.5	(4.6)
Lease Payables	-	-	0.2	-	0.2	-	0.2
Loans & Notes Payable	12.9	13.7	17.4	18.1	30.3	31.8	(1.5)
Total	\$17.2	\$ 19.2	\$ 96.5	\$ 102.1	\$ 113.7	\$ 121.3	\$ (7.6)

Annual Activity – The City's total long-term debt obligations decreased by \$7.6 million as of June 30, 2022. The net decrease was primarily due to the scheduled debt service payments. Each of the City's debt issues is discussed in detail in Notes 5 and 7 to the Financial Statements.

Bond Rating – On June 16, 2022, Standard & Poor’s raised its rating from ‘BBB’ to ‘A-‘ for the 1999 Certificates of Participation. The City also maintains a Standard & Poor’s ‘AA’ rating for the Series of 2021A Water Revenue Refunding Bonds with a stable outlook. The credit report highlighted the City’s strong financial position during the past five fiscal years and the water system’s very strong enterprise and financial profiles respectively.

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 decreased to \$923 as of June 30, 2022, from \$1,030 in the prior fiscal year.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Net debt (in millions)	\$113.7	\$121.3
Net debt per capita	923	1,030
Net debt per capita as a percentage of per capita personal income	2.81%	3.30%
Net debt as a percentage of net assessed value	0.95%	1.05%

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Economic Factors

Major tax revenues continue to modestly grow and have leveled out at their pre-pandemic levels with a V curve, supported by new federal and state grants. Due to surging inflation, a dramatic jump in the global price of crude oil and monetary tightening by the Federal Reserve, we are cautiously forecasting a slight increase in revenue in FY 2022-23. 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 2022-23 is budgeted at \$279.0 million with General Fund revenues totaling \$130.6 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 \$290.6 million of which \$129.7 million is in the General Fund. The City is restoring service levels diminished during the COVID-19 pandemic, rebuilding reserves and working to implement postponed capital projects. The General Fund revenue budget provides \$129.7 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 (http://www.ci.vallejo.ca.us/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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Vallejo Flood and Wastewater District
Assets:				
Cash and investments (Note 2)	\$ 164,975,967	\$ 49,256,678	\$ 214,232,645	\$ 45,442,426
Receivables:				
Accounts	4,269,354	10,677,647	14,947,001	4,080,612
Notes and loans (Note 4)	30,999,647	3,535	31,003,182	265,529
Interest receivable	532,917	77,479	610,396	179,738
Grants	-	-	-	337,973
Lease Receivable (Note 5)	13,044,830	-	13,044,830	267,988
Internal balances (Note 3b and Note 3c)	1,203,634	(1,203,634)	-	-
Prepays and deposits (Note 1g)	375,997	566,870	942,867	808,795
Due from other governments	17,710,576	123,150	17,833,726	-
Materials, parts and supplies (Note 1e)	218,188	741,684	959,872	377,319
Land held for redevelopment (Note 1f)	499,684	-	499,684	-
Restricted assets:				
Cash and investments (Note 2)	28,184,867	3,404	28,188,271	1,487,666
Cash with fiscal agent (Note 2)	263,681	48,603,093	48,866,774	-
Capital assets not being depreciated (Note 6)	164,935,799	20,287,233	185,223,032	24,621,481
Capital assets, net of depreciation/ amortization (Note 6)	191,435,000	85,917,831	277,352,831	167,607,445
Total Assets	618,650,141	215,054,970	833,705,111	245,476,972
Deferred Outflows of Resources:				
Related to pensions (Note 11)	28,678,559	3,994,698	32,673,257	5,466,629
Related to OPEB (Note 12)	2,782,661	690,339	3,473,000	4,321,920
Deferred charge on refunding (Note 7)	-	1,361,486	1,361,486	820,379
Total Deferred Outflows of Resources	31,461,220	6,046,523	37,507,743	10,608,928
Liabilities:				
Accounts payable and accrued liabilities	10,270,958	2,412,033	12,682,991	2,800,900
Accrued interest	140,097	412,059	552,156	218,050
Unearned revenue	37,718,673	997,623	38,716,296	-
Deposits payable	2,865,350	4,649,098	7,514,448	38,670
Due to other governments	109,727	-	109,727	-
Employee benefits payable due within one year (Note 10)	7,346,465	1,022,956	8,369,421	821,338
Claims due within one year (Note 14)	6,072,448	-	6,072,448	-
Long-term debt due within one year (Note 7)	1,585,848	5,226,979	6,812,827	2,580,596
Lease payable due within one year (Note 5)	14,948	178,690	193,638	102,064
Other current liabilities	-	-	-	797
Noncurrent liabilities:				
Employee benefits payable due in more than one year (Note 10)	4,162,084	540,680	4,702,764	1,232,007
Claims due in more than one year (Note 14)	19,136,552	-	19,136,552	-
Long-term debt due in more than one year (Note 7)	15,550,583	91,101,557	106,652,140	27,237,564
Lease payable due in more than one year (Note 5)	11,463	50,311	61,774	261,774
Net pension liability due in more than one year (Note 11)	205,546,443	25,918,255	231,464,698	16,441,417
Net OPEB liability due in more than one year (Note 12)	8,458,982	1,877,018	10,336,000	11,256,411
Total Liabilities	318,990,621	134,387,259	453,377,880	62,991,588
Deferred Inflows of Resources:				
Related to pensions (Note 11)	52,601,413	6,238,832	58,840,245	15,026,086
Related to OPEB (Note 12)	6,037,336	1,339,664	7,377,000	386,250
Related to leases	12,748,080	-	12,748,080	259,289
Total Deferred Inflows of Resources	71,386,829	7,578,496	78,965,325	15,671,625
Net Position (Note 13):				
Net investment in capital assets	339,879,627	61,267,522	401,147,149	162,867,307
Restricted for:				
Capital projects	25,636,772	-	25,636,772	21,488,265
Debt service	263,681	27,454	291,135	1,487,666
Housing programs	26,964,448	-	26,964,448	-
Mare Island programs	11,662,433	-	11,662,433	-
Landscape maintenance district services	20,290,436	-	20,290,436	-
Other special projects and programs	18,861,115	-	18,861,115	-
Nonexpendable- McCune Endowment	64,625	-	64,625	-
Unrestricted (Deficit)	(183,889,226)	17,840,762	(166,048,464)	(8,420,551)
Total Net Position	\$ 259,733,911	\$ 79,135,738	\$ 338,869,649	\$ 177,422,687

CITY OF VALLEJO

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
Legislative and advisory	\$ 183,493	\$ 2,900	\$ -	\$ -
Executive	5,936,409	-	109,420	-
Finance	1,777,407	-	87,147	-
Human resources	1,445,826	-	45,503	-
Law	1,372,165	-	-	-
Community development	31,285,761	3,549,223	29,398,581	-
Planning and development services	3,155,793	3,948,302	-	-
Fire services	27,487,724	5,318,118	1,180,678	-
Police services	40,952,101	4,179,058	506,574	-
Public works	26,058,635	14,127,565	5,302,062	6,674,419
Interest on long-term debt	399,242	-	-	-
Total Governmental Activities	140,054,556	31,125,166	36,629,965	6,674,419
Business-Type Activities:				
Water Fund	40,229,658	50,302,893	1,858,177	342,192
Marina Fund	955,854	1,422,788	186,844	-
Golf Fund	4,221,299	4,712,158	-	-
Vallejo Station Parking Fund	506,171	613,970	-	-
Fiber Optic Fund	314,970	24,972	-	-
Total Business-Type Activities	46,227,952	57,076,781	2,045,021	342,192
Total Primary Government	\$ 186,282,508	\$ 88,201,947	\$ 38,674,986	\$ 7,016,611
Component Unit:				
Vallejo Flood and Wastewater District	\$ 45,763,640	\$ 42,363,563	\$ -	\$ 2,219,516

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

Restatement of Net Position

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
\$ (180,593)	\$ -	\$ (180,593)	\$ -
(5,826,989)	-	(5,826,989)	-
(1,690,260)	-	(1,690,260)	-
(1,400,323)	-	(1,400,323)	-
(1,372,165)	-	(1,372,165)	-
1,662,043	-	1,662,043	-
792,509	-	792,509	-
(20,988,928)	-	(20,988,928)	-
(36,266,469)	-	(36,266,469)	-
45,411	-	45,411	-
(399,242)	-	(399,242)	-
(65,625,006)	-	(65,625,006)	-
-	12,273,604	12,273,604	-
-	653,778	653,778	-
-	490,859	490,859	-
-	107,799	107,799	-
-	(289,998)	(289,998)	-
-	13,236,042	13,236,042	-
(65,625,006)	13,236,042	(52,388,964)	-
-	-	-	(1,180,561)
36,314,741	-	36,314,741	1,363,915
2,053,577	-	2,053,577	-
40,866,872	-	40,866,872	-
6,052,521	-	6,052,521	-
13,322,651	-	13,322,651	-
8,796,608	-	8,796,608	-
(4,859,238)	(2,504,761)	(7,363,999)	(624,765)
4,468,301	103,812	4,572,113	348,833
(1,232,481)	-	(1,232,481)	-
(1,113,531)	1,113,531	-	-
104,670,021	(1,287,418)	103,382,603	1,087,983
39,045,015	11,948,624	50,993,639	(92,578)
220,688,896	67,240,689	287,929,585	177,913,102
-	(53,575)	(53,575)	(397,837)
\$ 259,733,911	\$ 79,135,738	\$ 338,869,649	\$ 177,422,687

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**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

The City reported four major governmental funds in fiscal year 2021-22. 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, 2022**

	General	Special Revenue Fund	Capital Projects Funds	
		Housing Authority	Mare Island Conversion #106	Capital Outlay Fund #201
Assets:				
Cash and investments	\$ 46,103,704	\$ 5,078,923	\$ 1,300,320	\$ 20,099,514
Receivables:				
Accounts	3,246,185	56,102	-	65,886
Notes and loans	1,071,006	15,382,687	-	-
Accrued interest	474,832	117	11,900	1,533
Leases	6,639,359	-	-	1,318,175
Prepays and deposits	82,445	-	-	-
Due from other governments	8,708,968	-	-	-
Advances to other funds	680,000	-	-	-
Materials, parts, and supplies	362	-	-	-
Land held for redevelopment	499,684	-	-	-
Restricted assets:				
Cash and investments	12,468,113	428,295	15,288,459	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 79,974,658	\$ 20,946,124	\$ 16,600,679	\$ 21,485,108
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,667,751	\$ 140,304	\$ 520,858	\$ 1,406,321
Unearned revenues	23,473,583	-	13,004,418	-
Deposits payable	873,223	427,165	-	-
Due to other governments	75,760	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	30,090,317	567,469	13,525,276	1,406,321
Deferred Inflows of Resources:				
Unavailable revenues	272,141	3,743,497	-	-
Deferred inflows for leases	6,480,754	-	-	1,266,059
Total Deferred Inflows of Resources	6,752,895	3,743,497	-	1,266,059
Fund Balances (Note 13):				
Nonspendable	2,063,533	-	-	-
Restricted	12,874,568	12,506,337	3,075,403	3,800,911
Committed	-	1,996,687	-	15,011,817
Assigned	5,021,176	2,132,134	-	-
Unassigned (Deficits)	23,172,169	-	-	-
Total Fund Balances	43,131,446	16,635,158	3,075,403	18,812,728
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 79,974,658	\$ 20,946,124	\$ 16,600,679	\$ 21,485,108

CITY OF VALLEJO

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Cash and investments	\$ 62,477,442	\$ 135,059,903
Receivables:		
Accounts	847,054	4,215,227
Notes and loans	14,545,954	30,999,647
Accrued interest	44,535	532,917
Leases	5,087,296	13,044,830
Prepays and deposits	-	82,445
Due from other governments	9,001,608	17,710,576
Advances to other funds	-	680,000
Materials, parts, and supplies	-	362
Land held for redevelopment	-	499,684
Restricted assets:		
Cash and investments	-	28,184,867
Cash and investments with fiscal agents	263,681	263,681
Total Assets	\$ 92,267,570	\$ 231,274,139
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,958,912	\$ 9,694,146
Unearned revenues	1,240,672	37,718,673
Deposits payable	1,564,962	2,865,350
Due to other governments	33,967	109,727
Due to other funds	7,551,510	7,551,510
Total Liabilities	12,350,023	57,939,406
Deferred Inflows of Resources:		
Unavailable revenues	2,349,359	6,364,997
Deferred inflows for leases	5,001,267	12,748,080
Total Deferred Inflows of Resources	7,350,626	19,113,077
Fund Balances (Note 13):		
Nonspendable	64,625	2,128,158
Restricted	67,153,217	99,410,436
Committed	3,629,493	20,637,997
Assigned	1,719,586	8,872,896
Unassigned (Deficits)	-	23,172,169
Total Fund Balances	72,566,921	154,221,656
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 92,267,570	\$ 231,274,139

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CITY OF VALLEJO

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund balances of governmental funds \$ 154,221,656

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. 347,722,705

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	\$ 29,916,064	
Accounts receivable	54,127	
Materials, parts, and supplies	217,826	
Due from other funds	8,075,144	
Prepays	293,552	
Capital assets	8,648,094	
Accounts payable	(576,812)	
Claims payable	(25,209,000)	
Net pension liability and pension-related deferred outflows/inflows of resources	(3,074,923)	
Net OPEB liability and OPEB-related deferred outflows/inflows of resources	(11,713,657)	
Employee benefits payable	<u>(1,018,061)</u>	5,612,354

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. 6,364,997

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		(17,136,431)
Lease Payable		(26,411)
Net pension liability and pension-related deferred outflows/inflows of resources		(226,394,374)
Interest payable		(140,097)
Compensated absences		<u>(10,490,488)</u>

Net Position of Governmental Activities \$ 259,733,911

CITY OF VALLEJO

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Special	Capital Projects Funds	
		Revenue Fund	Mare Island Conversion #106	Capital Outlay Fund #201
		Housing Authority		
Revenues:				
Taxes	\$ 105,232,516	\$ -	\$ -	\$ -
Licenses and permits	3,841,359	-	-	276,684
Intergovernmental	7,427,920	21,274,404	2,523,288	-
Charges for services	9,569,847	-	-	-
Use of money and property	(1,061,273)	28,094	(12,564)	(36,920)
Fines and forfeitures	991,048	-	-	-
Contributions	-	-	-	2,347,413
Other	503,727	45,726	-	33,661
Total Revenues	126,505,144	21,348,224	2,510,724	2,620,838
Expenditures:				
Current:				
Legislative and advisory	245,690	-	-	-
Executive	4,345,600	-	-	-
Finance	1,805,651	-	-	16,126
Human resources	1,796,910	-	-	-
Law	1,699,110	-	-	-
Community development	1,207,594	21,301,752	2,634,791	-
Planning and development services	3,346,238	-	-	-
Fire services	30,648,598	-	-	100,340
Police services	47,569,422	-	-	-
Public works	6,998,395	-	-	790,963
Non departmental	6,776,925	-	-	-
Capital outlay	-	-	-	5,904,982
Debt service:				
Principal retirement	285,041	-	-	769,053
Lease payments	11,794	2,644	-	743
Interest and fiscal charges	118,451	16	-	5
Total Expenditures	106,855,419	21,304,412	2,634,791	7,582,212
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,649,725	43,812	(124,067)	(4,961,374)
Other Financing Sources (Uses):				
Transfers in (Note 3a)	447,104	140,000	-	10,646,133
Transfers out (Note 3a)	(17,349,829)	-	-	-
Total Other Financing Sources (Uses)	(16,902,725)	140,000	-	10,646,133
Net Change in Fund Balances	2,747,000	183,812	(124,067)	5,684,759
Fund Balances, Beginning of Year	40,384,446	16,451,346	3,199,470	13,127,969
Fund Balances, End of Year	\$ 43,131,446	\$ 16,635,158	\$ 3,075,403	\$ 18,812,728

CITY OF VALLEJO

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 4,453,578	\$ 109,686,094
Licenses and permits	1,382,522	5,500,565
Intergovernmental	13,217,663	44,443,275
Charges for services	10,499,492	20,069,339
Use of money and property	(923,883)	(2,006,546)
Fines and forfeitures	34,223	1,025,271
Contributions	12,221	2,359,634
Other	413,035	996,149
Total Revenues	29,088,851	182,073,781
Expenditures:		
Current:		
Legislative and advisory	-	245,690
Executive	-	4,345,600
Finance	-	1,821,777
Human resources	-	1,796,910
Law	-	1,699,110
Community development	4,253,035	29,397,172
Planning and development services	286,097	3,632,335
Fire services	2,344,591	33,093,529
Police services	1,005,414	48,574,836
Public works	9,803,683	17,593,041
Non departmental	-	6,776,925
Capital outlay	9,581,401	15,486,383
Debt service:		
Principal retirement	947,173	2,001,267
Lease payments	-	15,181
Interest and fiscal charges	222,865	341,337
Total Expenditures	28,444,259	166,821,093
Excess (Deficiency) of Revenues Over (Under) Expenditures	644,592	15,252,688
Other Financing Sources (Uses):		
Transfers in (Note 3a)	3,898,137	15,131,374
Transfers out (Note 3a)	(2,695,076)	(20,044,905)
Total Other Financing Sources (Uses)	1,203,061	(4,913,531)
Net Change in Fund Balances	1,847,653	10,339,157
Fund Balances, Beginning of Year	70,719,268	143,882,499
Fund Balances, End of Year	\$ 72,566,921	\$ 154,221,656

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, 2022**

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 \$ 10,339,157

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

CAPITAL ASSETS TRANSACTIONS

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

The capital outlay and other capital expenditures are therefore added back to fund balance	10,592,035
Depreciation and amortization expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$1,711,524 which has already been allocated to serviced funds)	(8,701,860)
Loss on disposal of capital assets	(1,330,136)

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.

Repayment of debt principal is added back to fund balance	2,001,268
Removal of finance purchase options	157,650
Loan cancellation	42,500
Interest accrued to principal is deducted from fund balance	(1,343)
Negative Interest is deducted from fund balance	(96,673)
Lease payable payments	15,180

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	40,111
Unavailable revenue	225,629
Compensated absences	1,127,405
Net pension liability and pension-related deferred outflows/(inflows) of resources	18,937,066

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	5,697,026
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Change in Net Position of Governmental Activities	<u>\$ 39,045,015</u>
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**FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS**

The City reported all enterprise funds as major funds in fiscal year 2021-22. 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, 2022

Business-Type Activities - Enterprise Funds

	Water Fund	Marina Fund	Golf Fund	Vallejo Station Parking Fund
Assets:				
Current:				
Cash and investments	\$ 45,667,735	\$ 1,096,510	\$ 2,415,006	\$ -
Receivables:				
Accounts	10,613,083	35,256	2,190	27,118
Accrued interest	77,479	-	-	-
Prepaid costs	437,218	1,514	120,138	-
Due from other governments	-	123,150	-	-
Due from other funds	-	-	-	-
Materials, parts and supplies	626,746	28,807	86,131	-
Total Current Assets	57,422,261	1,285,237	2,623,465	27,118
Noncurrent:				
Restricted:				
Cash and investments	3,404	-	-	-
Cash with fiscal agent	48,603,093	-	-	-
Notes and loans receivable	3,535	-	-	-
Capital assets - net of accumulated depreciation/ amortization	89,056,284	12,089,002	4,120,576	600,457
Total Noncurrent Assets	137,666,316	12,089,002	4,120,576	600,457
Total Assets	195,088,577	13,374,239	6,744,041	627,575
Deferred Outflows of Resources:				
Related to pensions	3,994,698	-	-	-
Related to OPEB	690,339	-	-	-
Unamortized loss on refunding of debt	1,361,486	-	-	-
Total Deferred Outflows of Resources	6,046,523	-	-	-
Liabilities:				
Current:				
Accounts payable and accrued liabilities	1,636,639	161,884	548,544	47,141
Accrued interest	378,743	22,883	10,433	-
Unearned revenues	828,322	38,979	130,322	-
Deposits payable	4,379,852	119,246	150,000	-
Due to other funds	-	-	-	523,634
Employee benefits payable	1,009,366	-	-	13,590
Accrued claims and judgments	-	-	-	-
Lease payable	4,115	-	174,575	-
Bonds and notes payable	4,238,404	654,235	334,340	-
Total Current Liabilities	12,475,441	997,227	1,348,214	584,365
Noncurrent:				
Advances from other funds	-	-	-	-
Employee benefits payable	533,354	-	-	7,326
Accrued claims and judgments	-	-	-	-
Net pension liability	25,918,255	-	-	-
Net OPEB liability	1,877,018	-	-	-
Lease payable	5,844	-	44,467	-
Bonds and notes payable	74,708,573	10,724,745	5,668,239	-
Total Noncurrent Liabilities	103,043,044	10,724,745	5,712,706	7,326
Total Liabilities	115,518,485	11,721,972	7,060,920	591,691
Deferred Inflows of Resources:				
Related to pensions	6,238,832	-	-	-
Related to OPEB	1,339,664	-	-	-
Total Deferred Inflows of Resources	7,578,496	-	-	-
Net Position (Deficits):				
Net investment in capital assets	60,039,877	1,761,623	(1,473,180)	600,457
Restricted for debt service	27,454	-	-	-
Unrestricted (Deficits)	17,970,788	(109,356)	1,156,301	(564,573)
Total Net Position (Deficits)	\$ 78,038,119	\$ 1,652,267	\$ (316,879)	\$ 35,884

CITY OF VALLEJO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Fiber Optic Fund	Totals	
Assets:			
Current:			
Cash and investments	\$ 77,427	\$ 49,256,678	\$ 29,916,064
Receivables:			
Accounts	-	10,677,647	54,127
Accrued interest	-	77,479	-
Prepaid costs	8,000	566,870	293,552
Due from other governments	-	123,150	-
Due from other funds	-	-	8,075,144
Materials, parts and supplies	-	741,684	217,826
Total Current Assets	85,427	61,443,508	38,556,713
Noncurrent:			
Restricted:			
Cash and investments	-	3,404	-
Cash with fiscal agent	-	48,603,093	-
Notes and loans receivable	-	3,535	-
Capital assets - net of accumulated depreciation/ amortization	338,745	106,205,064	8,648,094
Total Noncurrent Assets	338,745	154,815,096	8,648,094
Total Assets	424,172	216,258,604	47,204,807
Deferred Outflows of Resources:			
Related to pensions	-	3,994,698	395,799
Related to OPEB	-	690,339	2,782,661
Unamortized loss on refunding of debt	-	1,361,486	-
Total Deferred Outflows of Resources	-	6,046,523	3,178,460
Liabilities:			
Current:			
Accounts payable and accrued liabilities	17,825	2,412,033	576,812
Accrued interest	-	412,059	-
Unearned revenues	-	997,623	-
Deposits payable	-	4,649,098	-
Due to other funds	-	523,634	-
Employee benefits payable	-	1,022,956	558,117
Accrued claims and judgments	-	-	6,072,448
Lease payable	-	178,690	-
Bonds and notes payable	-	5,226,979	-
Total Current Liabilities	17,825	15,423,072	7,207,377
Noncurrent:			
Advances from other funds	680,000	680,000	-
Employee benefits payable	-	540,680	459,944
Accrued claims and judgments	-	-	19,136,552
Net pension liability	-	25,918,255	2,797,363
Net OPEB liability	-	1,877,018	8,458,982
Lease payable	-	50,311	-
Bonds and notes payable	-	91,101,557	-
Total Noncurrent Liabilities	680,000	120,167,821	30,852,841
Total Liabilities	697,825	135,590,893	38,060,218
Deferred Inflows of Resources:			
Related to pensions	-	6,238,832	673,359
Related to OPEB	-	1,339,664	6,037,336
Total Deferred Inflows of Resources	-	7,578,496	6,710,695
Net Position (Deficits):			
Net investment in capital assets	338,745	61,267,522	8,648,094
Restricted for debt service	-	27,454	-
Unrestricted (Deficits)	(612,398)	17,840,762	(3,035,740)
Total Net Position (Deficits)	\$ (273,653)	\$ 79,135,738	\$ 5,612,354

CITY OF VALLEJO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water Fund	Marina Fund	Golf Fund	Vallejo Station Parking Fund
Operating Revenues:				
Sales and service charges	\$ 50,302,893	\$ 1,394,316	\$ 4,712,158	\$ 613,970
Miscellaneous	31,828	-	-	-
Other	71,984	28,472	-	-
Total Operating Revenues	50,406,705	1,422,788	4,712,158	613,970
Operating Expenses:				
General and administrative	10,004,089	23,311	1,804,021	148,710
Operations expenses	21,436,686	670,907	2,007,343	327,472
Insurance and claims	-	-	-	-
Depreciation and amortization expense	4,830,343	58,802	293,449	29,989
Total Operating Expenses	36,271,118	753,020	4,104,813	506,171
Operating Income (Loss)	14,135,587	669,768	607,345	107,799
Nonoperating Revenues (Expenses):				
Intergovernmental revenue	1,858,177	186,844	-	-
Intergovernmental expense	(1,803,061)	-	-	-
Investment income (loss)	(2,450,342)	(27,168)	(27,053)	-
Interest expense and fiscal charges	(2,155,479)	(202,834)	(116,486)	-
Gain (loss) on disposal of capital assets	-	-	-	-
Total Nonoperating Revenues (Expenses)	(4,550,705)	(43,158)	(143,539)	-
Income (Loss) Before Transfers and Contributions	9,584,882	626,610	463,806	107,799
Transfers in	-	807,972	-	-
Transfers out	-	-	-	-
Capital contributions	342,192	-	-	-
Changes in Net Position	9,927,074	1,434,582	463,806	107,799
Net Position (Deficit):				
Beginning of Year, as previously reported	68,119,929	217,685	(735,994)	(71,915)
Restatements	(8,884)	-	(44,691)	-
Beginning of Fiscal Year (Deficit), as restated	68,111,045	217,685	(780,685)	(71,915)
End of Fiscal Year (Deficit)	\$ 78,038,119	\$ 1,652,267	\$ (316,879)	\$ 35,884

CITY OF VALLEJO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal
	Fiber Optic Fund	Totals	Service Funds
Operating Revenues:			
Sales and service charges	\$ 24,972	\$ 57,048,309	\$ 19,292,949
Miscellaneous	-	31,828	-
Other	-	100,456	64,965
Total Operating Revenues	24,972	57,180,593	19,357,914
Operating Expenses:			
General and administrative	-	11,980,131	-
Operations expenses	304,812	24,747,220	6,384,487
Insurance and claims	-	-	8,608,705
Depreciation and amortization expense	10,158	5,222,741	1,711,524
Total Operating Expenses	314,970	41,950,092	16,704,716
Operating Income (Loss)	(289,998)	15,230,501	2,653,198
Nonoperating Revenues (Expenses):			
Intergovernmental revenue	-	2,045,021	-
Intergovernmental expense	-	(1,803,061)	-
Investment income (loss)	(198)	(2,504,761)	(853,827)
Interest expense and fiscal charges	-	(2,474,799)	-
Gain (loss) on disposal of capital assets	-	-	97,655
Total Nonoperating Revenues (Expenses)	(198)	(4,737,600)	(756,172)
Income (Loss) Before Transfers and Contributions	(290,196)	10,492,901	1,897,026
Transfers in	305,559	1,113,531	5,800,000
Transfers out	-	-	(2,000,000)
Capital contributions	-	342,192	-
Changes in Net Position	15,363	11,948,624	5,697,026
Net Position (Deficit):			
Beginning of Year, as previously reported	(289,016)	67,240,689	(84,672)
Restatements	-	(53,575)	-
Beginning of Fiscal Year (Deficit), as restated	(289,016)	67,187,114	(84,672)
End of Fiscal Year (Deficit)	\$ (273,653)	\$ 79,135,738	\$ 5,612,354

CITY OF VALLEJO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water Fund</u>	<u>Marina Fund</u>	<u>Golf Fund</u>	<u>Vallejo Station Parking Fund</u>
Cash Flows from Operating Activities:				
Receipts from customers	\$ 49,733,962	\$ 1,415,817	\$ 4,719,391	\$ 598,353
Payments to suppliers	(18,157,881)	(1,624,593)	(3,689,245)	(651,317)
Payments to or on behalf of employees	(15,704,391)	(23,958)	-	(174,149)
Claims paid	-	-	-	-
Net Cash Provided (Used) by Operating Activities	15,871,690	(232,734)	1,030,146	(227,113)
Cash Flows from Non-Capital Financing Activities:				
Interfund receipts	-	807,972	-	235,475
Interfund payments	-	-	-	-
Net intergovernmental receipts	58,866	133,992	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	58,866	941,964	-	235,475
Cash Flows from Capital and Related Financing Activities:				
Capital grants and contributions	342,192	-	-	-
Acquisition of capital assets	(2,185,102)	(19,910)	(179,882)	(8,362)
Principal payments on capital debt	(4,088,404)	(638,520)	(326,184)	-
Principal paid on lease liability	(4,104)	-	(169,932)	-
Interest paid on capital debt	(2,439,939)	(61,479)	(37,312)	-
Proceeds on sale of capital assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(8,375,357)	(719,909)	(713,310)	(8,362)
Cash Flows from Investing Activities:				
Investment income (losses)	(2,527,821)	(27,168)	(27,053)	-
Net Cash Provided (Used) by Investing Activities	(2,527,821)	(27,168)	(27,053)	-
Net Increase (Decrease) in Cash and Cash Equivalents	5,027,378	(37,847)	289,783	-
Cash and Cash Equivalents at Beginning of Year	89,246,854	1,134,357	2,125,223	-
Cash and Cash Equivalents at End of Year	\$ 94,274,232	\$ 1,096,510	\$ 2,415,006	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 14,135,587	\$ 669,768	\$ 607,345	\$ 107,799
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	4,830,343	58,802	293,449	29,989
Changes in pension related items	(1,599,616)	(798,323)	-	(331,924)
Changes in OPEB related items	(595,908)	(136,118)	-	(33,157)
(Increase) decrease in accounts receivable, net	(1,357,924)	(10,000)	28,803	(15,617)
(Increase) decrease in inventory and prepaids	114,355	(7,200)	(17,045)	4,896
Increase (decrease) in accounts payable and other accrued expenses	(364,687)	(9,497)	139,164	10,686
Increase (decrease) in deposits payable	433,982	(2,084)	(21,570)	-
Increase (decrease) in unearned revenue	251,199	5,113	-	-
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in employee benefits payable	24,359	(3,195)	-	215
Total Adjustments	1,736,103	(902,502)	422,801	(334,912)
Net Cash Provided (Used) by Operating Activities	\$ 15,871,690	\$ (232,734)	\$ 1,030,146	\$ (227,113)
Non-Cash Investing, Capital, and Financing Activities:				
Accreted interest	\$ -	\$ 149,212	\$ 82,981	\$ -
Amortization of bond premium	499,497	-	-	-
Amortization of loss on refunding of debt	(226,914)	-	-	-
Restatement due to GASB 87 Implementation	-	-	(44,691)	-
Restatement due to removal of software lease and related asset	(8,884)	-	-	-

CITY OF VALLEJO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal
	Fiber Optic Fund	Totals	Service Funds
Cash Flows from Operating Activities:			
Receipts from customers	\$ 24,972	\$ 56,492,495	\$ 94,771,329
Payments to suppliers	(294,987)	(24,418,023)	(4,825,996)
Payments to or on behalf of employees	-	(15,902,498)	(79,910,852)
Claims paid	-	-	(7,245,103)
Net Cash Provided (Used) by Operating Activities	(270,015)	16,171,974	2,789,378
Cash Flows from Non-Capital Financing Activities:			
Interfund receipts	305,559	1,349,006	5,800,000
Interfund payments	-	-	(5,182,239)
Net intergovernmental receipts	-	192,858	-
Net Cash Provided (Used) by Non-Capital Financing Activities	305,559	1,541,864	617,761
Cash Flows from Capital and Related Financing Activities:			
Capital grants and contributions	-	342,192	-
Acquisition of capital assets	(10,775)	(2,404,031)	(1,740,070)
Principal payments on capital debt	-	(5,053,108)	-
Principal paid on lease liability	-	(174,036)	-
Interest paid on capital debt	-	(2,538,730)	-
Proceeds on sale of capital assets	-	-	104,898
Net Cash Provided (Used) by Capital and Related Financing Activities	(10,775)	(9,827,713)	(1,635,172)
Cash Flows from Investing Activities:			
Investment income (losses)	(198)	(2,582,240)	(853,827)
Net Cash Provided (Used) by Investing Activities	(198)	(2,582,240)	(853,827)
Net Increase (Decrease) in Cash and Cash Equivalents	24,571	5,303,885	918,140
Cash and Cash Equivalents at Beginning of Year	52,856	92,559,290	28,997,924
Cash and Cash Equivalents at End of Year	\$ 77,427	\$ 97,863,175	\$ 29,916,064
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (289,998)	\$ 15,230,501	\$ 2,653,198
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation and amortization	10,158	5,222,741	1,711,524
Changes in pension related items	-	(2,729,863)	89,305
Changes in OPEB related items	-	(765,183)	(2,445,817)
(Increase) decrease in accounts receivable, net	-	(1,354,738)	(22,886)
(Increase) decrease in inventory and prepaids	(8,000)	87,006	(72,462)
Increase (decrease) in accounts payable and other accrued expenses	17,825	(206,509)	195,264
Increase (decrease) in deposits payable	-	410,328	-
Increase (decrease) in unearned revenue	-	256,312	-
Increase (decrease) in claims payable	-	-	513,000
Increase (decrease) in employee benefits payable	-	21,379	168,252
Total Adjustments	19,983	941,473	136,180
Net Cash Provided (Used) by Operating Activities	\$ (270,015)	\$ 16,171,974	\$ 2,789,378
Non-Cash Investing, Capital, and Financing Activities:			
Accreted interest	\$ -	\$ 232,193	\$ -
Amortization of bond premium	-	499,497	-
Amortization of loss on refunding of debt	-	(226,914)	-
Restatement due to GASB 87 Implementation	-	(44,691)	-
Restatement due to removal of software lease and related asset	-	(8,884)	-

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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, 2022

	Private- Purpose Trust Fund	
	Successor Agency	Custodial Funds
Assets:		
Cash and investments	\$ 496,653	\$ 2,478,081
Restricted cash and investments with fiscal agents	263,069	3,571,690
Capital assets:		
Capital assets, not being depreciated	189,226	-
Capital assets, net of accumulated depreciation	44,030	-
Total Assets	992,978	6,049,771
Liabilities:		
Accounts payable	1,117	4,565
Accrued interest	41,825	459,423
Long-term liabilities		
Due in one year	255,000	845,000
Due in more than one year	6,216,392	11,450,000
Total Liabilities	6,514,334	12,758,988
Net Position (Deficit):		
Restricted (Deficit)	(5,521,356)	(6,709,217)
Total Net Position (Deficit)	\$ (5,521,356)	\$ (6,709,217)

CITY OF VALLEJO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022

	<u>Private- Purpose Trust Fund</u>	
	<u>Successor Agency</u>	<u>Custodial Funds</u>
Additions:		
Investment earnings	\$ (15,808)	\$ (108,637)
Taxes	1,169,982	-
Collections for assessment districts	-	2,209,972
Total Additions	<u>1,154,174</u>	<u>2,101,335</u>
Deductions:		
Administrative expenses	148,751	62,844
Interest and fiscal charges	177,400	1,217,685
Depreciation expense	4,193	-
Contributions to City	-	2,347,413
Total Deductions	<u>330,344</u>	<u>3,627,942</u>
Net Increase in Fiduciary Net Position	823,830	(1,526,607)
Net Position (Deficit) - Beginning	<u>(6,345,186)</u>	<u>(5,182,610)</u>
Net Position (Deficit) - Ending	<u><u>\$ (5,521,356)</u></u>	<u><u>\$ (6,709,217)</u></u>

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2022. 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, 2022. The Authority is inactive and had no activity during the year ended June 30, 2022. 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. Upon dissolution of the EIF in 2015, the Successor Agency became the holder of the EIF's assets by operation of law. In 2017, ownership of the EIF was transferred by the Successor Agency to the City and the City assumed the EIF's obligations under the Triad Note.

The Empress Theater 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.

On December 21, 2020, the City Council approved a Master Agreement and other related agreements and documents to unwind the existing financing structure and transfer ownership of the Empress Theater to the City of Vallejo. As of June 30, 2022, the City had completed its acquisition of the Theater and all the entities involved in the New Market Tax financing had been dissolved.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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. This center will also provide the City's homeless population, 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 capital outlays including 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, 2022

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 – To report fiduciary activities that are not held in a trust or equivalent arrangement.

Private – Purpose Trust Funds – To report trust arrangements under which principal and income benefit other governmental entities.

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, 2022

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, 2022

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.

e. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents are defined as cash and investments which are considered to be liquid assets for purposes of measuring cash flows. Cash and investment of all funds are pooled with the City's pooled cash and investments, and are considered cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. Investments are recorded at fair value; changes in fair value are included with investment income in the operating statements.

f. 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.

g. 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.

h. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. 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 11 and 12, 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 assets 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 three 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 leases, pensions and OPEB as discussed in Notes 5, 11 and 12, respectively.

j. 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.

k. 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

I. Fair Value Measurements

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

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

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

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

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

m. Leases

Lessee: The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-to-use lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

Right-to-use lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable leases of various City facilities. The City recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

n. New Accounting Pronouncement

For 2022, the City and VFWD implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City and VFWD 2022 financial statements and had an effect on the beginning net position, with VFWD implementing in fiscal year 2020-21.

The implementation of GASB Statement No. 87 had the following effect on net position as reported June 30, 2022:

	City Golf Fund
Fund Balances (Deficit), Beginning of Year	\$ (735,994)
Capital Assets removed, net of accumulated depreciation	(446,907)
Capital Leases obligations removed	402,216
Fund Balances (Deficit), Beginning of Year, as Restated	<u>\$ (780,685)</u>
	VFWD
Net Position, Beginning of Year, June 30, 2021	\$ 173,207,342
Capital Assets added, net of amortization	1,710,333
Related party prepaid lease	(1,356,159)
Lease liability	(345,896)
Net Position, Beginning of Year, as Restated, June 30, 2021	<u>\$ 173,215,620</u>

See Note 13 for additional information on additional restatements of net position.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

o. 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. The City Manager may authorize line item budget transfers within a General Fund department, or within a fund other than the General Fund.

Capital Projects Funds - The City does not adopt annual budgets for its Capital Projects Funds. Capital Project budgets and funding are approved by the City Council as a multi-year budget on a project-by-project basis to cover the total estimated costs of all phases of specific projects that spans over several fiscal years.

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:

Emergency Disaster Fund	\$2,013,410
State Land Fund	\$43,788

The excess expenditures were covered by grants and leases 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, 2022 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	\$ 14,050	\$ 23,000
Deposits (Overdraft)	49,729,065	5,078,473	-	54,807,538	1,104,658	55,912,196
Investments	236,471,202	-	6,809,493	243,280,695	45,811,384	289,092,079
	<u>\$ 286,208,767</u>	<u>\$ 5,078,923</u>	<u>\$ 6,809,493</u>	<u>\$ 298,097,183</u>	<u>46,930,092</u>	<u>\$ 345,027,275</u>

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 46,103,704	
Other Funds	163,050,018	
Total, City	<u>209,153,722</u>	\$ 209,153,722
Housing Authority		5,078,923
		<u>214,232,645</u>
Restricted Cash and Investments (held by fiscal agents): ²		
City	76,626,750	
Housing Authority	428,295	
	<u>77,055,045</u>	
Subtotal Primary Government Cash and Investments		<u>291,287,690</u>
Discrete Component Unit (VFWD):		
Cash and Investments		45,442,426
Restricted Cash and Investments (held by fiscal agents): ³		1,487,666
Subtotal Component Unit Cash and Investments		<u>46,930,092</u>
<u>Reported on the Statement of Fiduciary Net Position</u>		
Custodial Funds		
Cash and Investments	2,478,081	
Restricted Investments (held by fiscal agents)	3,571,690	
Total Custodial Funds	<u>6,049,771</u>	
Successor Agency to the Redevelopment Agency		
Private-Purpose Trust Fund		
Cash and Investments	496,653	
Restricted Investments (held by fiscal agents)	263,069	
Total, Successor Agency to the Redevelopment Agency	<u>759,722</u>	
Private-Purpose Trust Fund		759,722
Subtotal Fiduciary Funds Cash and Investments		<u>6,809,493</u>
Total Cash and Investments		<u>\$ 345,027,275</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, 2022

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, 2022, 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, 2022

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%	30%
Repurchase Agreements	N/A	No Limit	20%	No Limit
Bankers Acceptances	180 Days	A-1	40%	5%
Commercial Paper	270 Days	Highest Rating	40%	5%
Corporate Medium Term Notes	5 Years	A	30%	5%
Certificates of Deposit	5 Years	No Limit	20%	No Limit
Negotiable Certificates of Deposit	5 Years	A	30%	5%
			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%	5%
Mutual Funds	4 Years	Highest Rating	10%	5%
Money Market Mutual Funds	4 Years	Highest Rating	10%	5%
Asset Backed Securities	5 Years	AA	20%	5%
Mortgage Backed Securities or Collateralized Mortgage Obligations	5 Years	AA	20%	5%
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	AA	30%	10%

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, 2022**

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, 2022

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, 2022.

City and Housing Authority

Investment Type	Less than 1 Year	1 -3 Years	3 - 5 Years	Total
Held by the City and its Blended Component Units:				
U.S. Government Agencies	\$ 1,498,586	\$ 18,599,326	\$ 5,531,648	\$ 25,629,560
Asset Backed Securities	-	5,590,407	5,298,527	10,888,934
Corporate Medium Term Notes	1,226,522	13,146,321	7,559,756	21,932,599
U.S. Treasury Notes	-	14,246,463	14,616,866	28,863,329
California Local Agency Investment Fund	72,193,482	-	-	72,193,482
Money Market Mutual Funds	2,320,176	-	-	2,320,176
Negotiable CD	994,510	-	-	994,510
Held by Fiscal Agents:				
PARS Pension Trust - HighMark PLUS Mutual Fund	12,468,113	-	-	12,468,113
Money Market Mutual Funds	67,989,992	-	-	67,989,992
Total Investments	<u>\$ 158,691,381</u>	<u>\$ 51,582,517</u>	<u>\$ 33,006,797</u>	<u>\$ 243,280,695</u>

VFWD

Investment Type	Less than 1 Year	1 -5 Years	Total
Government Agency Obligations	\$ 272,979	\$ 2,247,609	\$ 2,520,588
US Treasury	250,123	3,765,767	4,015,890
Asset Backed Securities	-	842,349	842,349
Supranationals	-	477,651	477,651
Medium Term Corporate Notes	656,034	1,491,172	2,147,206
Collateralized Mortgage Obligation	-	99,727	99,727
California Local Agency Investment Fund	34,187,958	-	34,187,958
Money Market Mutual Funds	32,349	-	32,349
Held by Trustee:			
Money Market Mutual Funds	1,487,666	-	1,487,666
Total Investments	<u>\$ 36,887,109</u>	<u>\$ 8,924,275</u>	<u>\$ 45,811,384</u>

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 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	\$ 25,629,560	\$ -	\$ -	\$ 25,629,560
Asset Backed Securities	10,888,934	-	-	10,888,934
Corporate Medium Term Notes	624,689	1,856,148	19,451,762	21,932,599
Money Market Mutual Funds	2,320,176	-	-	2,320,176
Held by Fiscal Agents:				
Money Market Mutual Funds	67,989,992	-	-	67,989,992
Total Rated Investments	\$ 107,453,351	\$ 1,856,148	\$ 19,451,762	128,761,261
Exempt:				
U.S. Treasury Notes				28,863,329
Negotiable CD				994,510
Non-Rated:				
California Local Agency Investment Fund				72,193,482
PARS Pension Trust - HighMark PLUS Mutual Fund				12,468,113
Total Investments				\$ 243,280,695

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments (Continued)

VFWD

Presented below is the actual rating as of June 30, 2022 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	\$ -	\$ 2,520,588	\$ 2,520,588
US Treasury	-	4,015,890	4,015,890
Asset Backed Securities	499,711	-	499,711
Supranational	477,651	-	477,651
Medium Term Corporate Notes	-	2,147,206	2,147,206
Money Market Funds	32,349	-	32,349
Money Market Mutual Funds	1,487,666	-	1,487,666
	\$ 2,497,377	\$ 8,683,684	11,181,061

Non-Rated:

Asset Backed Securities	342,638
Certificates of Deposit - Non-negotiable	99,727
California Local Agency Funds	34,187,958
Total Investments	\$ 45,811,384

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, 2022:

	Level 1	Level 2	Total
Investments by Fair Value Level:			
U.S. Government Agencies	\$ -	\$ 25,629,560	\$ 25,629,560
Asset Backed Securities	-	10,888,934	10,888,934
Corporate Medium Term Notes	-	21,932,599	21,932,599
U.S. Treasury Notes	-	28,863,329	28,863,329
Negotiable CD	-	994,510	994,510
Subtotal	\$ -	\$ 88,308,932	88,308,932
Investments Measured at Amortized Cost:			
Money Market Mutual Funds			2,320,176
PARS Pension Trust- HighMark PLUS Mutual Fund			12,468,113
Held with Fiscal Agent:			
Money Market Mutual Funds			67,989,992
Investments Not Subject to Fair Value Hierarchy:			
California Local Agency Investment Fund			72,193,482
Total Investments			\$ 243,280,695

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**
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, 2022:

	<u>Level 2</u>	<u>Total</u>
Investments by Fair Value Level:		
Held by the District		
Governmental Agency Obligations	\$ 2,520,588	\$ 2,520,588
US Treasury	4,015,890	4,015,890
Asset Backed Securities	842,349	842,349
Supranational	477,651	477,651
Medium Term Corporate Notes	2,147,206	2,147,206
Collateralized Mortgage Obligation	99,727	99,727
Subtotal	<u>\$ 10,103,411</u>	<u>10,103,411</u>
Investments Measured at Amortized Cost:		
Held by the District		
Money Market Funds		32,349
Held by Trustee		
Money Market Mutual Funds		1,487,666
Investments Exempt from Fair Value Hierarchy		
California Local Agency Investment Fund		<u>34,187,958</u>
Total Investments		<u>\$ 45,811,384</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, 2022**

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, 2022, 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
None		\$ -

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, 2022, 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 \$1,242,971.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 3: Interfund Transactions

a. Transfers Between Funds

Transfers between funds during the fiscal year ended June 30, 2022, were as follows:

Fund Making Transfers	Fund Receiving Transfers	Amount Transferred	
General Fund:	Capital Outlay Capital Projects Fund	\$ 10,646,133	(A)(C)(D)(F)
	Other Governmental Funds	1,898,137	(A)(B)(C)
	Fiber Enterprise Fund	305,559	(C)
	Marina Enterprise Fund	700,000	(B)
	Fleet Maintenance/Replacement Internal Service Fund	800,000	(A)
	General Liability Internal Service Fund	3,000,000	(A)
Special Revenue Funds:			
Other Governmental Funds	Marina Enterprise Fund	107,972	(A)
	Other Governmental Funds	2,000,000	(C)
Capital Projects Funds:			
Other Governmental Funds	General Fund	447,104	(A)
	Housing Authority Special Revenue Fund	140,000	(E)
Internal Service Funds:			
Workers Comp	General Liability	2,000,000	(A)
Total		<u>\$ 22,044,905</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, 2022, 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
Other Governmental	\$ -	\$ 7,551,510
Enterprise Fund:		
Vallejo Station Parking	-	523,634
Internal Service Fund:		
Workers' Comp	8,075,144	-
Total	<u>\$ 8,075,144</u>	<u>\$ 8,075,144</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3: Interfund Transactions (Continued)

c. Long-Term Interfund Advances

At June 30, 2022 the funds below made advances that are not expected to be repaid within the next year:

(Asset)	(Liability)	Amount
Fund Making Advance	Funds Receiving Advance	
General Fund	Fiber Optic Enterprise Fund	\$ 680,000
	Marina Enterprise Fund	6,737,451
	Golf Enterprise Fund	4,706,950
	Vallejo Station Parking Enterprise Fund	1,359,984
	Allowance for Collectability	<u>(12,804,385)</u>
Net Advances		<u>\$ 680,000</u>

Fiber Optic Fund

In Fiscal Year 2018, the General Fund advanced \$830,000 to the Fiber Optic Enterprise Fund to provide a capital and operating reserve, allowing the project to move forward until revenues commence. 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. Due to insufficient resources, the Fiber Optic Fund did not make the required annual payment to the General Fund for the current fiscal year. However, with the revamp of the City's broadband infrastructure, the City is anticipating the fund would generate sufficient revenues over time to resume payments.

Subsidies Allowance

Cumulative to June 30, 2022, the General Fund has advanced \$6,737,451 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, 2022

Note 4: Notes & Loans Receivable

a. Summary of Notes and Loans Receivable

The following notes and loans receivable were outstanding as of June 30, 2022. 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		\$ 1,600,000
Avian Glen		3,093,750
Citizen Housing/Sereno Village		2,500,000
Simpson/Bayview		1,265,641
Marina Towers		698,741
Simpson/Solano Vista I		600,000
Single Family Residential		311,933
Temple Arts Lofts		750,000
Accrued Interest		3,643,498
Residential Rehabilitation		246,592
Vallejo Housing Collaborative		672,532
		<u>15,382,687</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		2,186,710
Single Family Residential		1,848,092
		<u>6,124,271</u>
Community Development Block Grant	Non-Major Governmental	
Reynnaissance Family Center		920,362
Bay Area Community Services		240,000
Temple Art Lofts		400,000
Single Family Residential		288,322
		<u>1,848,684</u>
Neighborhood Stabilization Program	Non-Major Governmental	
Temple Arts Lofts		1,437,844
Community Housing Development Program		493,316
Single Family Residential		283,702
		<u>2,214,862</u>

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 4: Notes & Loans Receivable (Continued)

Type of Loans	Fund Type	Amounts
<u>Development Programs</u>		
Sereno Village Apartments		
General Fund	Major Governmental	1,047,185
Neighborhood Parks Fund	Non-Major Governmental	187,657
		<u>1,234,842</u>
<u>Other Programs</u>		
General Fund- Temple Arts Lofts	Major Governmental	23,821
Water Fund- Trailer City	Major Enterprise	3,535
Transportation Impact Mitigation Fund- Temple Art Lofts	Non-Major Governmental	89,088
		<u>116,444</u>
<u>Advances to Former Redevelopment Agency (Successor Agency)</u>		
<u>Empress Theater</u>		
Hiddenbrooke Overpass Fund	Non-Major Governmental	410,070
Arts and Convention Center Fund	Non-Major Governmental	3,258,109
<u>Georgia Street Extension</u>		
Bridge Construction Fund	Non-Major Governmental	413,213
		<u>4,081,392</u>
Total Primary Government Notes and Loans Receivable		<u>31,003,182</u>
 VFWD		
<u>Development Program</u>		
Sereno Village Apartments		248,860
Employee Computer Loans		16,669
Total Component Unit Notes and Loans Receivable		<u>265,529</u>
Total Notes and Loans Receivable		<u>\$ 31,268,711</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 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 4: Notes & Loans Receivable (Continued)

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, 2022, the developer had drawn down \$1,600,000 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, 2022 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, 2022, the developer had drawn down \$672,532 of the loan proceeds. This amount is recorded in the Section 8 Operating 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, 2022 were \$6,124,272, \$1,848,684, and \$2,214,862 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. 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. This project was completed in 2018, and the house has been sold to a qualified first-time homebuyer.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 4: Notes & Loans Receivable (Continued)

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, 2022 the outstanding balance of this loan, including accrued interest, was \$1,234,842 comprised of \$1,047,185 funded by the General Fund and \$187,657 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, 2022 was \$248,860.

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, 2022 the outstanding balance of this loan was \$3,535. This loan is recorded in the City's Water Enterprise Fund.

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, 2022, the outstanding balance of this loan and the offsetting allowance were \$180,843.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**
Note 4: Notes & Loans Receivable (Continued)
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 \$3,372,559, with an offsetting allowance as of June 30, 2022.

The loan balances as of June 30, 2022 are as follows:

	Principal	Accrued Interest	Total
Hiddenbrooke Overpass Capital Projects Fund	\$ 202,233	\$ 207,837	\$ 410,070
Bridge Construction Capital Projects Fund	169,112	244,101	413,213
Arts and Convention Center Capital Projects Fund	1,433,702	1,824,407	3,258,109
General Fund:			
Waterfront	162,805	880,147	1,042,952
Marina Vista	-	647,510	647,510
Central	708,372	973,725	1,682,097
Less Allowance for Doubtful Accounts	(871,177)	(2,501,382)	(3,372,559)
	<u>\$ 1,805,047</u>	<u>\$ 2,276,345</u>	<u>\$ 4,081,392</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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 4: Notes & Loans Receivable (Continued)

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). 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.

The EIF held loan receivable assets, including accumulated interest, of \$6,513,997 due from ETA, and carries a loan payable obligation, with accumulated interest payable, of \$49,220 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. As of June 30, 2022, the ownership of the property has been transferred to the City. As a result, the inter-party loans related to the Theater have been cancelled.

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.

Note 5: Leases

City and Housing Authority

a. Lease Receivable and Inflows of Resources

The City, as a lessor, had entered into 87 lease agreements involving land, office space and facilities. Out of these, 54 are qualified leases under GASB Statement No. 87. The related receivables of these leases were initially measured on July 1, 2021, with the City's adoption of the new lease standards. The City also had inflows of resources during the fiscal year totaling \$1,141,423. This total includes \$997,443 of lease revenue, \$133,859 of interest revenue and \$10,121 of variable and other payments excluded in the initial measurement of the lease receivables.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 5: Leases (Continued)

The following is a summary of the 54 qualified leases and description of the lease arrangements:

Lease	Lease Receivable			Inflows of Resources		
	Initial Measurement	Principal Payments	Balance at 6/30/2022	Lease Revenue	Interest Revenue	Variable Payments
Land	\$ 5,202,853	\$ (115,556)	\$ 5,087,297	\$ 201,586	\$ 38,196	\$ 3,600
Office and Related Space	1,533,051	(214,876)	1,318,175	266,992	19,432	-
Telecommunications	7,009,619	(370,261)	6,639,358	528,865	76,231	6,521
Total	<u>\$ 13,745,523</u>	<u>\$ (700,693)</u>	<u>\$ 13,044,830</u>	<u>\$ 997,443</u>	<u>\$ 133,859</u>	<u>\$ 10,121</u>

Land Leases - The City is the lessor for 8 ground lease agreements related to land including railroad track, certain tide and submerged lands with varied terms and the latest expiring on September 30, 2066. Interest rates vary between .90% to 2.1%. Total payments for the current year ranged from \$1,200 to \$67,518.

Office and Related Space Lease - On July 31, 2019, the City assumed the existing agreement between Alsation Land Company Vallejo, LLC and Veteran's Administration for the lease of office and related space in 400 Mare Island Way. The lease is for twenty years which includes a termination option that the City is reasonably certain will be exercised by lessee after the ten-year firm term end date in 2027. Interest rate is 1.5%. Total monthly payments received for the current year was \$234,309.

Telecommunication Leases - The City entered into 45 lease agreements with wireless providers (AT&T, Verizon, T-Mobile, Mobilitie) related to telecommunications. These agreements are for the installation, operation, and maintenance of telecommunication sites, mounting structures and equipment associated with the transmission and reception of radio communication signals. These agreements are all qualified leases under GASB Statement No. 87 with periods covering various ranges and the latest expiring on February 28, 2047. Interest rates range from .90% to 1.5%. Total payments for the current year varied from \$400 to \$53,697.

Future annual lease receivables as of June 30, 2022, are as follows:

Fiscal Year Ended	Governmental Activities			
	June 30	Principal	Interest	Total
2023	\$	850,393	\$ 187,914	\$ 1,038,307
2024		793,556	177,751	971,307
2025		842,960	166,526	1,009,486
2026		886,108	154,591	1,040,699
2027		806,719	142,408	949,127
2028-2032		2,995,223	579,094	3,574,317
2033-2037		1,844,374	406,106	2,250,480
2038-2042		1,659,965	273,534	1,933,499
2043-2047		1,250,079	159,577	1,409,656
2048-2052		563,027	77,208	640,235
2053-2057		181,738	50,596	232,334
2058-2062		204,017	30,566	234,583
2063-2068		166,671	8,413	175,084
Total	<u>\$</u>	<u>13,044,830</u>	<u>\$ 2,414,284</u>	<u>\$ 15,459,114</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**
Note 5: Leases (Continued)

The remaining 33 agreements that are not qualified under GASB Statement No. 87 are either short-term in nature, do not meet the City's threshold or outside the scope of the standard. These non-qualified lease agreements have not been recognized and measured as part of the City's lease receivable, and the receipts related to these agreements are recognized as revenue as appropriate under standard GAAP revenue recognition rules.

VFWD

The District has entered into a lease agreement with New Inspiration Broadcasting Company, Inc. for certain land on Tubbs Island, California for use as a tower site. The terms of this agreement include monthly rental payments increasing annually based on the Consumer Price Index (CPI) for all Urban Consumers for the San Francisco/Oakland/San Jose Metropolitan Area published by the United States Department of Labor. This lease commenced on April 1, 2021. The lease receivable was discounted to a net present value of April 1, 2021 using a 0.5% interest rate and CPI increase of 2.2% per year. For the year ended June 30, 2022, the District received \$37,364 in lease revenue and \$2,544 in lease interest revenue. Future payments due to the District under the non-cancellable agreement are as follows for the year ended June 30:

Fiscal Year Ended				
June 30	Principal	Interest	Total	
2023	\$ 49,945	\$ 2,354	\$ 52,299	
2024	47,695	1,900	49,595	
2025	49,257	1,432	50,689	
2026	50,856	948	51,804	
2027	52,495	449	52,944	
2028	17,740	36	17,776	
Total	<u>\$ 267,988</u>	<u>\$ 7,119</u>	<u>\$ 275,107</u>	

Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 2022, the balance of the deferred inflow was \$259,289.

b. Lease Payable

Lease agreements are summarized as follows:

Description	Date	Payment Terms in Months- Combined	Payment Amount	Interest Rate	Total Beginning Lease Liability	Balance June 30, 2022
Equipment - Golf Carts - PNC	7/1/2021	54	\$ 180,192	3.00%	\$ 392,084	\$ 220,793
Equipment - Copiers - Xerox	7/1/2021	247	18,030	0.25%	52,547	34,619
			<u>\$ 198,222</u>		<u>\$ 444,631</u>	<u>\$ 255,412</u>

The City has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of July 1, 2021.

CITY OF VALLEJO

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 5: Leases (Continued)

The City of Vallejo has fully adopted and implemented GASB87 standard in which the City recognizes leased equipment lease liability and a right to use asset. Leased equipment includes two PNC agreements for Golf Carts for term of 54 combined months with a fixed 3% interest rate. Also, lease agreement with Xerox Company for seven copiers with term in months ranging from 23-41 for a combined total of 247 months with fixed 0.25% interest rate.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Fiscal Year Ended	Governmental Activities		
	June 30	Principal	Interest
2023	\$ 14,948	\$ 76	\$ 15,024
2024	10,399	15	10,414
2025	1,064	-	1,064
Total	<u>\$ 26,411</u>	<u>\$ 91</u>	<u>\$ 26,502</u>

Fiscal Year Ended	Business-Type Activities		
	June 30	Principal	Interest
2023	\$ 178,690	\$ 3,992	\$ 182,682
2024	48,590	177	48,767
2025	1,721	1	1,722
Total	<u>\$ 229,001</u>	<u>\$ 4,170</u>	<u>\$ 233,171</u>

Note 6: 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.

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

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 6: Capital Assets (Continued)

	Useful Lives	Capitalization Threshold
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
Right-to-use assets	shorter of the lease	
Machinery and Equipment	term or 2-5 years	5,000
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 \$10,000 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
Right-of-use lease assets	3 to 10 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, 2022

Note 6: Capital Assets (Continued)

a. Government Capital Asset Activity

	Balance at June 30, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 145,797,035	\$ 235,977	\$ 1,133,065	\$ -	\$ 144,899,947
Construction in Progress	16,111,049	8,877,635	-	(4,952,832)	20,035,852
Total Capital Assets Not Being Depreciated	161,908,084	9,113,612	1,133,065	(4,952,832)	164,935,799
Capital Assets Being Depreciated/ Amortized:					
Buildings and Improvements	130,417,302	1,234,023	-	-	131,651,325
Machinery and Equipment	50,886,289	1,984,467	(618,851)	-	52,251,905
Infrastructure	276,782,259	-	-	4,952,832	281,735,091
Right-to-use Leased Equipment	-	41,594	-	-	41,594
Total Capital Assets Being Depreciated/ Amortized	458,085,850	3,260,084	(618,851)	4,952,832	465,679,915
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(57,025,336)	(5,862,779)	-	-	(62,888,115)
Machinery and Equipment	(32,960,949)	(3,036,896)	414,537	-	(35,583,308)
Infrastructure	(174,259,783)	(1,498,434)	-	-	(175,758,217)
Right-to-use Leased Equipment	-	(15,275)	-	-	(15,275)
Total Accumulated Depreciation/Amortization	(264,246,068)	(10,413,384)	414,537	-	(274,244,915)
Net Capital Assets Being Depreciated/Amortized	193,839,782	(7,153,300)	(204,314)	4,952,832	191,435,000
Governmental Activities Capital Assets, Net	\$ 355,747,866	\$ 1,960,312	\$ 928,751	\$ -	\$ 356,370,799

b. Business-Type Capital Asset Activity

	Balance at June 30, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 12,298,805	\$ 124,102	\$ -	\$ -	\$ 12,422,907
Construction in Progress	8,170,493	1,257,984	-	(1,564,151)	7,864,326
Total Capital Assets Not Being Depreciated	20,469,298	1,382,086	-	(1,564,151)	20,287,233
Capital Assets Being Depreciated:					
Buildings and Improvements	95,495,328	768,451	-	-	96,263,779
Machinery and Equipment	25,879,943	239,431	(882,415) *	-	25,236,959
Infrastructure	164,824,613	-	-	1,564,151	166,388,764
Right-to-use Leased Equipment	-	403,037	-	-	403,037
Total Capital Assets Being Depreciated	286,199,884	1,410,919	(882,415)	1,564,151	288,292,539
Less Accumulated Depreciation for:					
Buildings and Improvements	(67,695,597)	(1,565,517)	-	-	(69,261,114)
Machinery and Equipment	(14,071,610)	(1,116,703)	347,877 *	-	(14,840,436)
Infrastructure	(115,732,637)	(2,366,273)	-	-	(118,098,910)
Right-to-use Leased Equipment	-	(174,248)	-	-	(174,248)
Total Accumulated Depreciation	(197,499,844)	(5,222,741)	347,877	-	(202,374,708)
Net Capital Assets Being Depreciated	88,700,040	(3,811,822)	(534,538)	1,564,151	85,917,831
Business-Type Activity Capital Assets, Net	\$ 109,169,338	\$ (2,429,736)	\$ (534,538)	\$ -	\$ 106,205,064

*Related to the GASB 87 implementation.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 6: Capital Assets (Continued)

c. Vallejo Flood and Wastewater District Capital Asset Activity

	Balance at June 30, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	\$ 2,810,716	\$ -	\$ -	\$ -	\$ 2,810,716
Construction in Progress	16,643,934	6,451,832	-	(1,285,001)	21,810,765
Total Capital Assets, Not Being Depreciated	19,454,650	6,451,832	-	(1,285,001)	24,621,481
Capital Assets Being Depreciated:					
Buildings and Improvements	3,868,149	-	-	-	3,868,149
Pump stations	44,894,655	-	-	279,552	45,174,207
Plant and facilities	138,148,787	-	-	759,206	138,907,993
Collection systems	132,651,515	-	-	135,801	132,787,316
Collection systems - con cap	46,144,269	-	-	-	46,144,269
Plant and facilities - con cap	2,165,355	-	-	-	2,165,355
Machinery, equipment, vehicles	13,773,155	-	(207,790)	110,442	13,675,807
Right-to-use lease assets	1,731,887	256,606	-	-	1,988,493
Total Capital Assets Being Depreciated	383,377,772	256,606	(207,790)	1,285,001	384,711,589
Less Accumulated Depreciation for:					
Buildings and Improvements	(2,667,531)	(103,390)	-	-	(2,770,921)
Pump stations	(30,409,962)	(1,071,045)	-	-	(31,481,007)
Plant and facilities	(87,867,670)	(3,152,329)	-	-	(91,019,999)
Collection systems	(44,848,661)	(2,735,659)	-	-	(47,584,320)
Collection systems - con cap	(31,638,027)	(872,218)	-	-	(32,510,245)
Plant and facilities - con cap	(1,299,215)	(54,134)	-	-	(1,353,349)
Machinery, equipment, vehicles	(9,500,071)	(793,752)	186,229	-	(10,107,594)
Right-to-use lease assets	(114,996)	(161,713)	-	-	(276,709)
Total Accumulated Depreciation	(208,346,133)	(8,944,240)	186,229	-	(217,104,144)
Net Capital Assets Being Depreciated	175,031,639	(8,687,634)	(21,561)	1,285,001	167,607,445
Capital Assets, Net	\$ 194,486,289	\$ (2,235,802)	\$ (21,561)	\$ -	\$ 192,228,926

d. Depreciation and Amortization Allocation

Depreciation and amortization 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	\$ 59,963
Finance	776
Community Development	245,542
Fire Services	152,949
Police Services	969,064
Public Works	7,273,566
Capital Assets Held by the City's Internal Service	
Funds are charged to the various functions based on their usage of the assets	1,711,524
	<u>\$ 10,413,384</u>

Business-Type Activities

Water	\$ 4,830,343
Marina	58,802
Golf	293,449
Parking	29,989
Fiber	10,158
	<u>\$ 5,222,741</u>

VFWD:

Vallejo Flood and Wastewater District	<u>\$ 8,944,240</u>
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CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 7: 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.

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, 2021	Additions	Retirements	Balance at June 30, 2022	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
1999 COPs						
(Restructured, see Note 6C)	\$ 4,815,000	\$ 2,336,517	\$ -	\$ (200,000)	\$ 2,136,517	\$ 210,000
Total Certificates of Participation	4,815,000	2,336,517	-	(200,000)	2,136,517	210,000
Governmental Activity Debt - Direct Borrowing:						
1999 COPs Shortfall Indebtedness						
(Restructured, see Note 6C)	75,860	46,658	1,343	(43,389)	4,612	-
UBOC Reimbursement Obligations:						
UBOC Tranche A - General Fund						
	7,813,780	2,522,129	-	(584,047)	1,938,082	598,648
UBOC Tranche B - General Fund						
Loan Principal	7,906,677	7,906,677	-	-	7,906,677	-
Accreted Interest	-	694,735	96,673	(119,738)	671,670	121,684
Total Loans & Note Payable	15,720,457	11,123,541	96,673	(703,785)	10,516,429	720,332
Financed Purchases:						
City Hall Security Cart Capital Lease						
	5,716	3,215	-	(3,215) *	-	-
Motorola Equipment Lease (Police)						
	3,997,967	2,999,967	-	(818,094)	2,181,873	419,516
VAR Tech Equipment Lease (IT&Police)						
	197,685	154,435	-	(154,435) *	-	-
Total Financed Purchases	4,201,368	3,157,617	-	(975,744)	2,181,873	419,516
Housing & Urban Development Section 108 Loan						
Variable, due 8-1-2026						
	1,700,000	2,533,000	-	(236,000)	2,297,000	236,000
Other Obligation:						
Loans Payable to Triad Communities LP						
	42,500	42,500	-	(42,500)	-	-
Total Direct Borrowings	21,740,185	16,903,316	98,016	(2,001,418)	14,999,914	1,375,848
Total Governmental Activity Debt	\$ 26,555,185	\$ 19,239,833	\$ 98,016	\$ (2,201,418)	\$ 17,136,431	\$ 1,585,848

* Removal due to GASB 87 implementation, not current year payments.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 7: Long-Term Debt (Continued)

	Original Issue Amount	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Current Portion
Business-Type Activity Debt:						
Revenue Bonds:						
2020A Water Revenue Refunding Bonds, 4%, due 5/1/30	\$ 16,750,000	\$ 9,995,000	\$ -	\$ (3,310,000)	\$ 6,685,000	\$ -
Plus: Unamortized Bond Premium	-	1,770,840	-	(196,759)	1,574,081	-
2020B Water Revenue Refunding Bonds, var. rate, due 5/1/28	20,075,000	20,075,000	-	-	20,075,000	3,440,000
2021A Water Revenue Bonds, var.rate, due 5/1/51	42,600,000	42,600,000	-	(775,000)	41,825,000	795,000
Plus: Unamortized Bond Premium	-	9,082,125	-	(302,738)	8,779,387	-
Total Revenue Bonds	79,425,000	83,522,965	-	(4,584,497)	78,938,468	4,235,000
Business Activity Debt - Direct Borrowing:						
UBOC Reimbursement Obligations:						
UBOC Tranche A - Golf Course	4,269,641	1,139,228	-	(326,184)	813,044	334,340
UBOC Tranche A - Marina	7,916,579	2,037,870	-	(610,077)	1,427,793	625,330
UBOC Tranche B - Golf Course						
Loan Principal	4,561,670	4,561,670	-	-	4,561,670	-
Accreted Interest	-	544,884	82,981	-	627,865	-
UBOC Tranche B - Marina						
Loan Principal	8,899,586	8,899,586	-	-	8,899,586	-
Accreted Interest	-	930,832	149,212	(28,443)	1,051,601	28,905
Other Loans & Notes Payable:						
State Safe Drinking Water 0%, due 1/1/25	68,080	11,913	-	(3,404)	8,509	3,404
Capital Lease						
Golf Course Cart Capital Lease	715,051	402,216	-	(402,216) *	-	-
VAR Tech Equipment Lease	97,367	76,065	-	(76,065) *	-	-
Total Direct Borrowings	26,538,565	18,604,264	232,193	(1,446,389)	17,390,068	991,979
Total Business Activity Debt	\$ 105,963,565	\$ 102,127,229	\$ 232,193	\$ (6,030,886)	\$ 96,328,536	\$ 5,226,979

* Removal due to GASB 87 implementation, not current year payments.

	Original Issue Amount	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Current Portion
VFWD:						
Revenue Bonds:						
2014 Revenue Bonds, 4-5%, due 5/1/36	\$ 34,294,966	\$ 26,380,300	\$ -	\$ (1,273,953)	\$ 25,106,347	\$ 1,120,000
2011 Revenue Bonds, 2-5%, due 5/1/25	3,345,000	1,165,456	-	(272,727)	892,729	280,000
Total Revenue Bonds	37,639,966	27,545,756	-	(1,546,680)	25,999,076	1,400,000
Other Loans & Notes Payable - Direct Borrowings:						
State Clean Water (2004) 2.5%, due 2023	13,798,201	1,748,312	-	(863,364)	884,948	884,948
State Clean Water (2008) 2.4%, due 2025	4,406,072	1,197,121	-	(288,720)	908,401	295,648
2021 State Revolving Fund Loan	-	-	2,025,735	-	2,025,735	-
Lease liability	-	280,435	200,958	(117,555)	363,838	102,064
Total Loans & Notes Payable	18,204,273	3,225,868	2,226,693	(1,269,639)	4,182,922	1,282,660
Total VFWD Debt	\$ 55,844,239	\$ 30,771,624	\$ 2,226,693	\$ (2,816,319)	\$ 30,181,998	\$ 2,682,660

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
2023	\$ 210,000	\$ 101,849	\$ 1,375,848	\$ 138,156
2024	225,000	90,432	1,401,057	107,397
2025	235,000	78,357	1,260,896	81,605
2026	245,000	65,757	1,179,995	162,505
2027	260,000	52,501	1,231,935	143,331
2028-2032	961,517	70,088	4,638,484	530,422
2033-2037	-	-	3,911,699	187,901
Total	\$ 2,136,517	\$ 458,984	\$ 14,999,914	\$ 1,351,317

(a) Includes accreted interest on the UBOC Retirement Obligations - Tranche B for (\$671,670).

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 7: Long-Term Debt (Continued)

For the Year Ending June 30	Business-Type Activities			
	Revenue Bonds		Direct Borrowings	
	Principal	Interest	Principal ^(a)	Interest
2023	\$ 4,235,000	\$ 2,272,450	\$ 991,979	\$ 66,091
2024	4,320,000	2,198,066	1,016,440	41,630
2025	4,405,000	2,111,961	796,110	260,258
2026	4,405,000	2,021,210	809,920	244,746
2027	4,005,000	1,923,113	823,082	231,585
2028-2032	14,880,000	7,828,763	4,320,434	952,899
2033-2037	6,330,000	5,980,200	4,683,065	590,268
2038-2042	7,700,000	4,609,400	3,949,038	197,220
2043-2047	9,370,000	2,940,800	-	-
2048-2052	8,935,000	910,800	-	-
Total	68,585,000	\$ 32,796,763	17,390,068	\$ 2,584,697
Plus: Unamortized Bond Premium (discount)	10,353,468		-	
Net Long-Term Debt	\$ 78,938,468		\$ 17,390,068	

^(a) Includes accreted interest on the UBOC Retirement Obligations - Tranche B for (\$1,679,466).

For the Year Ending June 30	VFWD			
	Revenue Bonds and Certificates of Participation		Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 1,400,000	\$ 1,231,676	\$ 1,180,593	\$ 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	1,370,000	945,175	-	-
2028-2032	7,975,000	3,581,300	-	-
2033-2036	8,095,000	1,142,900	-	-
Total	23,170,000	\$ 10,161,076	1,793,347	\$ 66,072
Plus: Unamortized Bond Premium (discount)	2,829,076		-	
Net Long-Term Debt	\$ 25,999,076		\$ 1,793,347	

For the Year Ending June 30	VFWD Leases		
	Principal	Interest	Total
	2023	\$ 102,066	\$ 11,948
2024	98,065	8,279	106,344
2025	98,604	4,518	103,122
2026	62,854	1,168	64,022
2027	2,249	22	2,271
Total	363,838	\$ 25,935	389,773

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 7: Long-Term Debt (Continued)

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.

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, 2022, the City paid \$43,389 to reduce the shortfall principal balance and accrued interest of \$1,343 was added to the principal balance.

Bond Rating – On June 16, 2022, Standard and Poor’s raised its long-term rating and underlying rating (SPUR) to “A-” from “BBB” on 1999 COPs. The credit report highlighted the City’s strong financial position during the past five fiscal years.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 7: Long-Term Debt (Continued)

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.

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 \$71,401,650 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 2022, operating revenues, investment income, and capital grants and contributions amount to \$48,298,555 and operating costs including operating expenses, but not interest, amounted to \$31,440,778. Net Revenues available for debt service amounts to \$16,857,777, which represents coverage of 2.59 over the \$6,516,504 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 7: Long-Term Debt (Continued)

\$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.

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.

Vallejo Flood and Wastewater State Clean Water (2021) – During the fiscal year ended June 30, 2022, the District entered into loan agreement with the State Water Resources Control Board's Division of Financial Assistance. The loan is dated April 26, 2022 and is in the principal amount of up to \$40,000,000. The District is drawing down on the loan as the project progresses. There has been no repayment schedule set as of June 30, 2022. Interest is to accrue at a rate of 0.8% per annum and will begin with each disbursement. Final payment date is set at December 31, 2055.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 7: Long-Term Debt (Continued)

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. Finance Purchase Agreement

Radio Equipment Finance Purchase Agreement

On May 2020, City entered into a finance purchase 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 2027.

h. Leases

The District, as a lessee, has entered into lease agreements involving a postage machine, gas monitoring equipment, copy machines, and vehicles. The total of the District's lease assets are recorded at a cost of \$632,335, less accumulated amortization of \$276,709.

Note 8: 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, 2022 is as follows:

Improvement Bonds	
2004 Hiddenbrooke Improvement District Series A	\$ 7,925,000
Northeast Improvement District 2003-1	4,370,000
Total	<u>\$ 12,295,000</u>

Note 9: 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%. 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, 2022, \$6,740,000 of these bonds remained outstanding.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 10: 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, 2022. Compensated absences activity for the City and VFWD for the year ended June 30, 2022 is as follows:

	Governmental Activities	Business-Type Activities	Total	VFWD
Compensated Absences Activity:				
Beginning Balance	\$ 12,467,702	\$ 1,542,257	\$ 14,009,959	\$ 1,943,987
Additions	6,169,814	1,044,335	7,214,149	1,429,926
Deletions	(7,128,967)	(1,022,956)	(8,151,923)	(1,320,568)
Ending Balance	<u>\$ 11,508,549</u>	<u>\$ 1,563,636</u>	<u>\$ 13,072,185</u>	<u>\$ 2,053,345</u>
Compensated Absences				
Classification Presentation:				
Current Portion:				
Internal Service Funds - City	\$ 558,117	\$ -	\$ 558,117	\$ -
Entity-Wide	6,788,348	1,022,956	7,811,304	-
Vallejo Flood and Wastewater District	-	-	-	821,338
Current Portion	<u>7,346,465</u>	<u>1,022,956</u>	<u>8,369,421</u>	<u>821,338</u>
Noncurrent Portion:				
Entity-Wide	3,702,140	540,680	4,242,820	-
Vallejo Flood and Wastewater District	-	-	-	1,232,007
Noncurrent Portion	<u>3,702,140</u>	<u>540,680</u>	<u>4,242,820</u>	<u>1,232,007</u>
Total	<u>\$ 11,048,605</u>	<u>\$ 1,563,636</u>	<u>\$ 12,612,241</u>	<u>\$ 2,053,345</u>
Noncurrent Employee Benefits Payable:				
Compensated Absences	\$ 3,702,140	\$ 540,680	\$ 4,242,820	\$ 1,232,007
Other Employee Benefits (1.5% RHSA Contribution set aside by City)	459,944	-	459,944	-
Noncurrent Portion	<u>\$ 4,162,084</u>	<u>\$ 540,680</u>	<u>\$ 4,702,764</u>	<u>\$ 1,232,007</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: 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.

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Pension Plan (Continued)

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

	Miscellaneous	
	<u>Classic Tier I</u>	<u>PEPRA</u>
	Prior to <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>
Hire Date		
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%	7.00%
Required Employer Contribution Rates (Normal Cost)	21.795%	13.969%
Required Unfunded Accrued Liability Contribution (Monthly Basis)	\$8,330,968	

	Safety - Fire		
	<u>Classic Tier I</u>	<u>Classic Tier II</u>	<u>PEPRA</u>
	Prior to <u>December 28, 2012</u>	On or After <u>December 28, 2012</u>	On or After <u>January 1, 2013</u>
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%	13.25%
Required Employer Contribution Rates (Normal Cost)	30.574%	31.294%	22.959%
Required Unfunded Accrued Liability Contribution (Monthly Basis)	\$13,993,151		

	Safety - Police	
	<u>Classic Tier I</u>	<u>PEPRA</u>
	Prior to <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>
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%	13.25%
Required Employer Contribution Rates (Normal Cost)	36.540%	27.283%
Required Unfunded Accrued Liability Contribution (Monthly Basis)	Included in Fire table above	

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**
Note 11: Pension Plan (Continued)

Employees Covered – At the June 30, 2020 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	590	-	5
Inactive employees eligible to, but not yet receiving benefits	159	-	32
Inactive employees ineligible to, but not yet receiving benefits	50	-	114
Active employees	122	-	207
Total	921	-	358

	Safety		
	Classic Tier I	Classic Tier II	PEPRA Plan
Inactive employees or beneficiaries currently receiving	395	-	-
Inactive employees eligible to, but not yet receiving benefits	37	1	11
Inactive employees ineligible to, but not yet receiving benefits	5	-	13
Active employees	112	1	63
Total	549	2	87

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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2022**

Note 11: Pension Plan (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liabilities were determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous ¹	Safety ¹
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
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	7.00% ²	7.00% 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, 2020 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, 2022**
Note 11: 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, 2020	\$ 298,368,045	\$ 185,457,938	\$ 112,910,107
Changes in the Year:			
Service Cost	4,651,311	-	4,651,311
Interest on the Total Pension Liability	20,921,652	-	20,921,652
Differences Between Actual and Expected Experience	1,213,833	-	1,213,833
Contribution - Employer	-	11,062,044	(11,062,044)
Contribution - Employee	-	2,145,220	(2,145,220)
Net Investment Income	-	41,389,429	(41,389,429)
Administrative Expenses	-	(185,261)	185,261
Benefit Payments, Including Refunds of Employee Contributions	(18,594,010)	(18,594,010)	-
Net Changes	8,192,786	35,817,422	(27,624,636)
Balance at June 30, 2021 (Measurement Date)	\$ 306,560,831	\$ 221,275,360	\$ 85,285,471

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Pension Plan (Continued)

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 519,868,877	\$ 319,477,767	\$ 200,391,110
Changes in the Year:			
Service Cost	6,840,081	-	6,840,081
Interest on the Total Pension Liability	36,031,428	-	36,031,428
Differences Between Actual and Expected Experience	(4,341,410)	-	(4,341,410)
Contribution - Employer	-	18,763,982	(18,763,982)
Contribution - Employee	-	2,880,179	(2,880,179)
Net Investment Income	-	71,416,960	(71,416,960)
Administrative Expenses	-	(319,139)	319,139
Benefit Payments, Including Refunds of Employee Contributions	(30,022,902)	(30,022,902)	-
Net Changes	8,507,197	62,719,080	(54,211,883)
Balance at June 30, 2021 (Measurement Date)	\$ 528,376,074	\$ 382,196,847	\$ 146,179,227
Grand Total Balance at June 30, 2021 (Measurement Date) (Miscellaneous and Safety Plan)	\$ 834,936,905	\$ 603,472,207	\$ 231,464,698

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	\$ 121,460,911	\$ 213,399,546	\$ 334,860,457
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 85,285,471	\$ 146,179,227	\$ 231,464,698
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 55,107,488	\$ 90,712,705	\$ 145,820,193

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, 2022**
Note 11: Pension Plan (Continued)**d. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the City recognized pension expense of \$4,237,021, \$5,675,034 for the Miscellaneous and Safety Plans, respectively, for total pension expense of \$9,912,055. At June 30, 2022, 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	\$ 11,568,843	\$ -
Differences Between Actual and Expected Experience	780,321	(1,935)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(20,527,293)
Total	<u>\$ 12,349,164</u>	<u>\$ (20,529,228)</u>

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 19,484,048	\$ -
Differences Between Actual and Expected Experience	840,045	(3,025,831)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(35,285,186)
Total	<u>\$ 20,324,093</u>	<u>\$ (38,311,017)</u>

Total Miscellaneous and Safety Plans	<u>\$ 32,673,257</u>	<u>\$ (58,840,245)</u>
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\$31,052,891 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended June 30	Annual Amortization		
	Miscellaneous	Safety	Total
2022	\$ (4,776,922)	\$ (9,593,870)	\$ (14,370,792)
2023	(4,379,710)	(9,238,624)	(13,618,334)
2024	(4,918,677)	(8,851,821)	(13,770,498)
2025	(5,673,598)	(9,786,657)	\$ (15,460,255)
2026	-	-	-
Total	<u>\$ (19,748,907)</u>	<u>\$ (37,470,972)</u>	<u>\$ (57,219,879)</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: 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, 2022, are summarized as follows:

	Miscellaneous	
	Classic Tier I	PEPRA
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2.7% @ 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*	39.740%	7.960%

*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, 2022**

Note 11: 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, 2022, the District’s contributions to the Plan were \$3,307,047.

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, 2022, the District reported its proportionate share of the net pension liability of the Plan of \$16,441,417.

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2022 and 2021 was as follows:

Proportion - June 30, 2021	0.61886%
Proportion - June 30, 2022	0.86588%
Change - Increase (Decrease)	<u>0.24702%</u>

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Pension Plan (Continued)

For the year ended June 30, 2022, the District recognized pension expense of \$8,066,478. At June 30, 2022, 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	\$ 3,307,047	\$ -
Change in employer's proportion	315,854	267,650
Difference between expected and actual experience	1,843,728	-
Changes in assumptions	-	-
Difference between employer contributions and the employer's proportional share of the risk pool's contribution	-	405,947
Net Differences between projected and actual earnings on plan investments	-	14,352,489
Total	<u>\$ 5,466,629</u>	<u>\$ 15,026,086</u>

\$3,307,047 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, 2023. 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
2023	\$ (2,718,077)
2024	(2,908,939)
2025	(3,273,199)
2026	(3,966,289)
Total	<u>\$ (12,866,504)</u>

Changes in assumptions – For measurement period June 30, 2021, 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, 2022**
Note 11: 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 expected real rates of return by asset class are as follows:

Asset Class ¹	New Strategic 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 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	\$ 29,389,434
Current Discount Rate	7.15%
Net Pension Liability	\$ 16,441,417
1% Increase	8.15%
Net Pension Liability	\$ 5,737,476

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: 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 12: 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, 2022**

Note 12: Post-Employment Benefits (Continued)

The following is a summary of benefits by employee group as of June 30, 2022:

Employee Group	Contractual Benefit at June 30, 2022
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 10/31/2016, 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 2022 is \$149 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, 2022**

Note 12: Post-Employment Benefits (Continued)

For the year ended June 30, 2022, the City's contributions to the Plan were \$2,860,000.

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, 2021:

Active Employees	519
Inactive Employees or beneficiaries currently receiving benefit payments	471
Inactive Employees entitled to but not yet receiving benefit payments	178
Total	<u>1,168</u>

Actuarial Methods and Assumptions – The City'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 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, 2022**
Note 12: 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 6/30/21 (Measurement Date)	\$ 38,698,000	\$ 22,724,000	\$ 15,974,000
Changes Recognized for the Measurement Period:			
Service Cost	919,000	-	919,000
Interest	2,576,000	-	2,576,000
Contributions from the Employer	-	2,919,000	(2,919,000)
Net Investment Income	-	6,249,000	(6,249,000)
Administrative Expenses	-	(35,000)	35,000
Benefit Payments	(2,893,000)	(2,893,000)	-
Net Changes	602,000	6,240,000	(5,638,000)
Balance at 6/30/22 (Measurement Date)	\$ 39,300,000	\$ 28,964,000	\$ 10,336,000

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 \$953,000. The net OPEB 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 OPEB liability is liquidated primarily by the General Fund.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 12: 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%)
\$ 14,465,000	\$ 10,336,000	\$ 6,855,000

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
\$ 7,463,000	\$ 10,336,000	\$ 14,190,000

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

For the year ended June 30, 2022, the City recognized OPEB income of \$351,000. At June 30, 2022, 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	\$ 2,860,000	\$ -
Differences Between Expected and Actual Experience	-	(3,686,000)
Changes in Assumptions	613,000	(338,000)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(3,353,000)
Total	\$ 3,473,000	\$ (7,377,000)

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 12: Post-Employment Benefits (Continued)

\$2,860,000 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, 2023. 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
2023	\$ (2,239,000)
2024	(2,081,000)
2025	(1,135,000)
2026	(1,277,000)
2027	(32,000)
Thereafter	-
Total	<u>\$ (6,764,000)</u>

b. Post-Retirement Health Benefits – VFWD

i. Plan Description

The District’s defined benefit post-employment healthcare plan, Public Agency Post-Retirement Health Care Plan (the Plan), provides medical benefits to eligible retired employees and their beneficiaries. The California Employers’ Retiree Benefit Trust (CERBT) Fund administers the Plan, 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. CERBT provides an annual financial report that can be found on the CalPERS website.

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, 2022**

Note 12: Post-Employment Benefits (Continued)

iii. Benefits Provided

The following is a summary of Plan benefits by employee group as of June 30, 2022:

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.
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, 2022:

Active plan member electing coverage	70
Active plan members waiving coverage	22
Retiree electing coverage	84
	176

iv. Net OPEB Liability

Actuarial Assumptions – The District's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated January 1, 2022 that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2022 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2020
Measurement Date	June 30, 2022
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, 2022**

Note 12: 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%
Inflation Assets	5.00%	0.15%	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%

1 Nominal rates of return are equal to real rates of return plus the assumed inflation rate.

2 Portfolio total expected return is weighted average of arithmetic asset class returns, with adjustment to reflect geometric averages. It is not equal to the weighted average of the asset class geometric returns

3 Assumed investment expenses include investment management fees.

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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -13.58%. 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, 2022

Note 12: 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, 2021 (Measurement Date)	\$ 23,981,726	\$ 14,964,995	\$ 9,016,731
Changes Recognized for the Measurement Period:			
Service Cost	916,059	-	916,059
Interest on the total OPEB Liability	1,388,866	-	1,388,866
Differences between expected and actual experience	73,206	-	73,206
Contributions from the Employer	-	1,987,182	(1,987,182)
Contributions from the Employee	-	210,111	(210,111)
Net Investment Income	-	(2,056,062)	2,056,062
Administrative Expenses	-	(2,780)	2,780
Benefit Payments	(1,487,182)	(1,487,182)	-
Net Changes	890,949	(1,348,731)	2,239,680
Balance at June 30, 2022 (Measurement Date)	\$ 24,872,675	\$ 13,616,264	\$ 11,256,411

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%	Discount Rate	Discount Rate +1%
(4.75%)	(5.75%)	(6.75%)
\$ 14,266,825	\$ 11,256,411	\$ 8,747,188

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%
\$ 8,042,070	\$ 11,256,411	\$ 15,197,378

CITY OF VALLEJO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 12: Post-Employment Benefits (Continued)

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$2,306,671. At June 30, 2022, 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	\$ 920,869	\$ 386,250
Changes in Actual Assumptions	2,350,004	-
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1,051,047	-
Total	<u>\$ 4,321,920</u>	<u>\$ 386,250</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
2023	\$ 979,893
2024	1,067,992
2025	987,245
2026	893,524
2027	7,016
Total	<u>\$ 3,935,670</u>

Note 13: 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.

At June 30, 2022, the City's net investment in capital assets is calculated as follows:

	Governmental Activities	Business-Type Activities					Total	
		Water Fund	Marina Fund	Golf Fund	Vallejo Station Parking Fund	Fiber Optic Fund	Business-Type Activities	Internal Service Funds
Capital assets, net of accumulated depreciation	\$ 356,370,799	\$ 89,056,284	\$ 12,089,002	\$ 4,120,576	\$ 600,457	\$ 338,745	\$ 106,205,064	\$ 8,648,094
Less:								
Bonds, notes and finance purchase agreements	(A) (17,136,431)	(78,946,977)	(11,378,980)	(6,002,579)	-	-	(96,328,536)	-
Leases payable	(26,411)	(9,959)	-	(219,042)	-	-	(229,001)	-
Add:								
Deferred charges	-	1,361,486	-	-	-	-	1,361,486	-
Negative accreted interest	(A) 671,670	-	1,051,601	627,865	-	-	1,679,466	-
Unspent Bond Proceeds	-	48,579,043	-	-	-	-	48,579,043	-
Net investment in capital assets	<u>\$ 339,879,627</u>	<u>\$ 60,039,877</u>	<u>\$ 1,761,623</u>	<u>\$ (1,473,180)</u>	<u>\$ 600,457</u>	<u>\$ 338,745</u>	<u>\$ 61,267,522</u>	<u>\$ 8,648,094</u>

(A) Bonds, notes and finance purchase agreements include accreted interest. Since interest on long-term debt is excluded in the calculation of the net investment in capital assets, the accreted interest portion of the debt is added back.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 13: Net Position and Fund Balances (Continued)

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.

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, 2022

Note 13: Net Position and Fund Balances (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2022, 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	\$ 82,445	\$ -	\$ -	\$ -	\$ -	\$ 82,445
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	362	-	-	-	-	362
Subtotal	<u>2,063,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,063,533</u>
Amounts required to be maintained intact:						
Permanent Funds	-	-	-	-	64,625	64,625
Total Nonspendable Fund Balances	<u>2,063,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,625</u>	<u>2,128,158</u>
Restricted for:						
Bond indentures	-	-	-	-	263,681	263,681
Streets and Highways	-	-	-	-	31,723,397	31,723,397
Community Development and Housing	-	12,506,336	3,075,403	-	10,690,864	26,272,603
Pension Benefits	12,468,113	-	-	-	-	12,468,113
Public Safety Programs	406,455	-	-	-	579,181	985,636
Public Facilities Projects	-	-	-	3,800,911	16,149,734	19,950,645
Hiddenbrooke Overpass	-	-	-	-	7,746,360	7,746,360
Total Restricted Fund Balances	<u>12,874,568</u>	<u>12,506,336</u>	<u>3,075,403</u>	<u>3,800,911</u>	<u>67,153,217</u>	<u>99,410,435</u>
Committed to:						
Mare Island Development	-	-	-	-	466,923	466,923
Public Facilities Projects (funded by General Fund)	-	-	-	15,011,817	629,387	15,641,204
Community Development and Housing	-	1,996,687	-	-	-	1,996,687
Public Facilities Projects (funded by other funds)	-	-	-	-	2,533,183	2,533,183
Total Committed Fund Balances	<u>-</u>	<u>1,996,687</u>	<u>-</u>	<u>15,011,817</u>	<u>3,629,493</u>	<u>20,637,997</u>
Assigned to:						
Public Facilities Maintenance	-	-	-	-	1,719,586	1,719,586
Other Contracts	1,421,176	-	-	-	-	1,421,176
Pension contribution	1,000,000	-	-	-	-	1,000,000
Staffing support and retention	1,000,000	-	-	-	-	1,000,000
Subsequent Year budget	1,600,000	-	-	-	-	1,600,000
Community Development and Housing	-	2,132,135	-	-	-	2,132,135
Total Assigned Fund Balances	<u>5,021,176</u>	<u>2,132,135</u>	<u>-</u>	<u>-</u>	<u>1,719,586</u>	<u>8,872,897</u>
Unassigned:						
General Fund	23,172,169	-	-	-	-	23,172,169
Empress Theater Fund	-	-	-	-	-	-
Total Unassigned Fund Balances	<u>23,172,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,172,169</u>
Total Fund Balances	<u>\$ 43,131,446</u>	<u>\$ 16,635,158</u>	<u>\$ 3,075,403</u>	<u>\$ 18,812,728</u>	<u>\$ 72,566,921</u>	<u>\$ 154,221,656</u>

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, 2022, the Unassigned Fund Balance reached \$23,172,169, which is 18% of 2022-23 annual appropriations of \$130 million, including Measure B.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 13: Net Position and Fund Balances (Continued)

d. Deficits

The funds below had fund balance or net position deficits at June 30, 2022:

Enterprise Funds

Golf Fund	(A)	\$	316,879
Fiber Optic Fund	(A)		273,653

Internal Service Funds:

Retiree Health Benefits	(B)		11,349,677
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Fiduciary Funds

Hiddenbrooke Improvement District	(C)		3,216,797
NE Quadrant Improvement District	(C)		3,492,420
Successor Agency	(C)		5,521,356

- (A) The net position of Golf and Fiber Optic Funds are anticipated to gradually improve over time with the future revitalization of Blue Rock Springs Golf Course and revamp of the City's broadband infrastructure, respectively.
- (B) The Retiree Health Benefits Internal Service Fund had a net position deficit of \$11,349,677 due to recognition of the net OPEB liability. The City had established an irrevocable trust plan to prefund the liability and reduce the deficit.
- (C) The net position deficits in fiduciary funds are mainly due to the recognition of the long-term of Assessment Districts and Successor Agency. The special assessments and Redevelopment Property Tax Trust Fund (RPTTF) received by the City on behalf of the bondholders continued to provide sufficient resources for these funds to cover the required annual debt service.

e. Restatement of Net Position

The City's beginning net position of the following funds was restated in fiscal year 2021-22 for a combined total of \$53,575. Adjustment to the Water Fund is due to the removal of a software lease and related asset. Adjustment to the Golf Fund is due to GASB 87 implementation, per Note 1.

	<u>Water Fund</u>	<u>Golf Fund</u>	<u>Business Type Activities</u>
Net Position (Deficit), Beginning of Year	\$ 68,119,929	\$ (735,994)	\$ 67,240,689
Restatements	(8,884)	(44,691)	(53,575)
Net Position (Deficit), Beginning of Year, as Restated	<u>\$ 68,111,045</u>	<u>\$ (780,685)</u>	<u>\$ 67,187,114</u>

VFWD's beginning net position was restated in fiscal year 2021-22 for a combined total of \$397,837. Adjustment was due to a newly adopted inventory policy and the write-off of inventory items that no longer met policy threshold, which is reported as a change in estimate.

	<u>VFWD</u>
Net Position, Beginning of Year, as restated for GASB 87 implementation (Note 1)	\$ 177,913,102
Inventory write-off	(397,837)
Net Position, Beginning of Year, as Restated	<u>\$ 177,515,265</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: 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.

a. Risk Coverage

City – The City of Vallejo has operated a self-insured liability program for many years. Its self-insured retention (SIR) for 2021-22 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, 2022, the City contributed \$1,824,192 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, 2022, the City contributed \$518,098 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: Self-Insurance Program (Continued)**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:

	2022	2021
Beginning Balance	\$ 24,696,000	\$ 19,016,000
Current year claims and increase (decrease) in prior estimates	5,527,464	10,466,820
Claims paid	(5,014,464)	(4,786,820)
Ending Balance	<u>\$ 25,209,000</u>	<u>\$ 24,696,000</u>
Current Portion	<u>\$ 6,072,448</u>	<u>\$ 6,136,888</u>

The claims payable are reported at their present value using expected future investment yield assumption of 3%. The undiscounted claims totaled \$29,117,000 at June 30, 2022.

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 15: 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, 2022 were as follows:

Major Governmental Funds:	
General Fund	\$ 1,421,176
Housing Authority	84,977
Mare Island Conversion	91,826
Capital Outlay	3,095,406
Non-Major Governmental Funds	1,115,625

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 15: 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, 2022 of City and VFWD amounted to approximately \$7.3 million and \$8.5 million, respectively.

e. 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, and had received full payment of grant monies as of the fiscal year ended June 30, 2022. The funds are subject to guidance specified in U.S. Department of Treasury's ARPA Interim Final Rule.

Note 16: 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.

Cash and investments of the Successor Agency as of June 30, 2022 are discussed in Note 2. Information about other assets and liabilities of the Successor Agency as of June 30, 2022 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 16: Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

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, 2022 were comprised of land of \$189,226 and Building and Improvements, net of accumulated depreciation, of \$44,030. 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.

i. Current Year Transactions and Balances

	<u>Original Issue Amount</u>	<u>Balance June 30, 2021</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>
Tax Allocation Bonds:					
Housing Set Aside					
7.0%, due 10/1/31	\$ 5,410,000	\$ 2,630,000	\$ 240,000	\$ 2,390,000	\$ 255,000
Total Tax Allocation Bonds	<u>5,410,000</u>	<u>2,630,000</u>	<u>240,000</u>	<u>2,390,000</u>	<u>255,000</u>
Other Obligations					
Advances from the City of Vallejo	4,436,351	4,716,741	635,349	4,081,392	-
Total Other Obligations	<u>4,436,351</u>	<u>4,716,741</u>	<u>635,349</u>	<u>4,081,392</u>	<u>-</u>
Total Successor Agency Debt	<u>\$ 9,846,351</u>	<u>\$ 7,346,741</u>	<u>\$ 875,349</u>	<u>\$ 6,471,392</u>	<u>\$ 255,000</u>

ii. Tax Allocation Bonds

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 16: Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

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 \$3,286,350 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 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 2022, 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, 2022 are as follows:

	Principal	Accrued Interest	Total
Hiddenbrooke Overpass Capital Project Fund	\$ 202,233	\$ 207,837	\$ 410,070
Bridge Construction Capital Projects Fund	169,112	244,101	413,213
Arts and Convention Center Capital Projects	1,433,702	1,824,407	3,258,109
General Fund:			
Waterfront	162,805	880,147	1,042,952
Marina Vista	-	647,510	647,510
Central	708,372	973,725	1,682,097
Less Allowance for Doubtful Accounts	(871,177)	(2,501,382)	(3,372,559)
	<u>\$ 1,805,047</u>	<u>\$ 2,276,345</u>	<u>\$ 4,081,392</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
2023	\$ 255,000	\$ 158,375
2024	180,000	143,150
2025	190,000	130,200
2026	205,000	116,375
2027	220,000	101,500
2028-2032	1,340,000	246,750
Total	<u>\$ 2,390,000</u>	<u>\$ 896,350</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 16: Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

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
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 97,207,243	\$ 102,622,222	\$ 105,232,516	\$ 2,610,294
Licenses, permits and fees	3,857,717	3,964,064	3,841,359	(122,705)
Intergovernmental	5,388,156	32,344,349	7,427,920	(24,916,429)
Charges for services	9,148,715	9,547,301	9,569,847	22,546
Use of money and property	1,804,917	1,784,974	(1,061,273)	(2,846,247)
Fines and forfeitures	1,645,000	994,403	991,048	(3,355)
Other	386,128	386,128	503,727	117,599
Total Revenues	119,437,876	151,643,441	126,505,144	(25,138,297)
EXPENDITURES:				
Current:				
Legislative and advisory	297,554	317,395	245,690	71,705
Executive	4,218,692	4,682,605	4,345,600	337,005
Finance	2,142,255	1,994,107	1,805,651	188,456
Human resources	2,393,281	2,379,694	1,796,910	582,784
Law	1,858,188	1,722,041	1,699,110	22,931
Community development	1,639,824	1,777,678	1,207,594	570,084
Planning and development services	4,174,912	3,982,814	3,346,238	636,576
Fire services	31,207,511	31,996,992	30,648,598	1,348,394
Police services	53,917,120	53,329,406	47,569,422	5,759,984
Public works	9,239,133	8,238,779	6,998,395	1,240,384
Non departmental	1,356,509	6,711,063	6,776,925	(65,862)
Debt service:				
Principal	286,660	792,964	285,041	507,923
Lease payments	-	-	11,794	(11,794)
Interest and fiscal charges	-	-	118,451	(118,451)
Total Expenditures	112,731,639	117,925,538	106,855,419	11,070,119
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,706,237	33,717,903	19,649,725	(14,068,178)
OTHER FINANCING SOURCES (USES)				
Transfers in	512,487	512,487	447,104	(65,383)
Transfers (out)	(7,189,354)	(26,964,656)	(17,349,829)	9,614,827
Total Other Financing Sources (Uses)	(6,676,867)	(26,452,169)	(16,902,725)	9,549,444
NET CHANGE IN FUND BALANCES	\$ 29,370	\$ 7,265,734	2,747,000	\$ (4,518,734)
Fund Balance, July 1			40,384,446	
Fund Balance, June 30			\$ 43,131,446	

CITY OF VALLEJO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 23,713,098	\$ 24,370,040	\$ 21,274,404	\$ (3,095,636)
Use of money and property	12,690	12,690	28,094	15,404
Other	36,000	36,000	45,726	9,726
Total Revenues	23,761,788	24,418,730	21,348,224	(3,070,506)
EXPENDITURES:				
Current:				
Community development	24,146,162	25,053,059	21,301,752	3,751,307
Debt service:				
Principal retirement	-	-	2,644	(2,644)
Interest and fiscal charges	-	-	16	(16)
Total Expenditures	24,146,162	25,053,059	21,304,412	3,748,647
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(384,374)	(634,329)	43,812	678,141
OTHER FINANCING SOURCES (USES)				
Transfers in	140,000	140,000	140,000	-
Total Other Financing Sources (Uses)	140,000	140,000	140,000	-
NET CHANGE IN FUND BALANCES *	\$ (244,374)	\$ (494,329)	183,812	\$ 678,141
Fund Balance, July 1			16,451,346	
Fund Balance, June 30			\$ 16,635,158	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

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	2022	2021	2020	2019	2018
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability					
Service cost	\$ 919,000	\$ 912,000	\$ 889,000	\$ 988,000	\$ 965,000
Interest on the total OPEB liability	2,576,000	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	(2,893,000)	(2,886,000)	(2,909,000)	(2,997,000)	(2,957,000)
Net change in total OPEB liability	602,000	(1,342,000)	604,000	(5,466,000)	839,000
Total OPEB liability - beginning	38,698,000	40,040,000	39,436,000	44,902,000	44,063,000
Total OPEB liability - ending (a)	39,300,000	38,698,000	40,040,000	39,436,000	44,902,000
Plan Fiduciary Net Position					
Contribution - employer	2,919,000	2,914,000	2,941,000	4,340,000	6,468,000
Net investment income	6,249,000	776,000	1,277,000	1,437,000	1,479,000
Benefit payments	(2,893,000)	(2,886,000)	(2,909,000)	(2,997,000)	(2,957,000)
Administrative expense	(35,000)	(39,000)	(36,000)	(76,000)	(42,000)
Net change in plan fiduciary net position	6,240,000	765,000	1,273,000	2,704,000	4,948,000
Plan fiduciary net position - beginning	22,724,000	21,959,000	20,686,000	17,982,000	13,034,000
Plan fiduciary net position - ending (b)	28,964,000	22,724,000	21,959,000	20,686,000	17,982,000
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 10,336,000	\$ 15,974,000	\$ 18,081,000	\$ 18,750,000	\$ 26,920,000
Plan fiduciary net position as a percentage of the total OPEB liability	73.70%	58.72%	54.84%	52.45%	40.05%
Covered-employee payroll	\$ 64,879,000	\$ 61,630,000	\$ 58,767,558	\$ 55,348,748	\$ 54,537,858
Net OPEB liability as a percentage of covered-employee payroll	15.93%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 2,114,000	\$ 2,442,000	\$ 2,382,000	\$ 2,321,000	\$ 2,994,000
Contribution in Relation to the Actuarially Determined Contributions	(2,860,000)	(2,919,000)	(2,914,000)	(2,941,000)	(4,340,000)
Contribution Deficiency (Excess)	<u>\$ (746,000)</u>	<u>\$ (477,000)</u>	<u>\$ (532,000)</u>	<u>\$ (620,000)</u>	<u>\$ (1,346,000)</u>
Covered-employee payroll	\$ 64,940,000	\$ 64,879,000	\$ 61,630,000	\$ 58,767,558	\$ 55,348,748
Contributions as a percentage of covered-employee payroll	4.40%	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 2022 were from the June 30, 2020 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	18-year fixed period on average for FY2021/22
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% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2020
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	2022	2021	2020	2019	2018	2017
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB Liability						
Service cost	\$ 916,059	\$ 352,376	\$ 362,299	\$ 351,747	\$ 341,502	\$ 323,479
Interest on the total OPEB liability	1,388,866	1,456,214	1,296,524	1,252,722	1,209,603	1,166,959
Differences between expected and actual experiences	73,206	(603,460)	1,721,805	-	(6,230)	-
Changes in assumptions	-	3,681,452	-	-	-	-
Benefit payments	(1,487,182)	(1,276,392)	(1,041,544)	(981,223)	(940,234)	(836,221)
Net change in total OPEB liability	890,949	3,610,190	2,339,084	623,246	604,641	654,217
Total OPEB liability - beginning	23,981,726	20,371,536	18,032,452	17,409,206	16,804,565	16,150,348
Total OPEB liability - ending (a)	24,872,675	23,981,726	20,371,536	18,032,452	17,409,206	16,804,565
Plan Fiduciary Net Position						
Contribution - employer	1,987,182	1,776,392	1,541,544	1,481,223	1,440,234	1,336,221
Contribution - member	210,111	214,047	191,439	173,100	156,902	171,665
Net investment income	(2,056,062)	3,091,825	352,141	1,070,440	83,311	794,510
Benefit payments	(1,487,182)	(1,276,392)	(1,041,544)	(981,223)	(940,234)	(836,221)
Administrative expense	(2,780)	(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	(1,348,731)	3,802,648	955,888	1,741,192	737,119	1,429,542
Plan fiduciary net position - beginning	14,964,995	11,162,347	10,206,459	8,465,267	7,728,148	6,298,606
Plan fiduciary net position - ending (b)	13,616,264	14,964,995	11,162,347	10,206,459	8,465,267	7,728,148
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 11,256,411	\$ 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	54.74%	62.40%	54.79%	56.60%	48.63%	45.99%
Covered-employee payroll	\$ 10,603,644	\$ 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	106.16%	86.75%	95.23%	77.47%	107.31%	113.14%

Notes to Schedule:

Changes of assumptions: For the measurement period ended June 30, 2022, there were no changes in 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 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**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					
	2022	2021	2020	2019	2018	2017
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Actuarially Determined Contribution	1,740,303	1,143,845	1,110,529	1,082,230	1,050,709	1,092,974
Contribution in Relation to the Actuarially Determined Contributions	(1,987,182)	(1,776,392)	(1,541,544)	(1,481,223)	(1,440,234)	(1,336,221)
Contribution Deficiency (Excess)	<u>\$ (246,879)</u>	<u>\$ (632,547)</u>	<u>\$ (431,015)</u>	<u>\$ (398,993)</u>	<u>\$ (389,525)</u>	<u>\$ (243,247)</u>
Covered-employee payroll	\$ 10,603,644	\$ 10,393,617	\$ 9,670,727	\$ 10,102,073	\$ 8,334,837	\$ 8,022,329
Contributions as a percentage of covered-employee payroll	18.74%	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 six years are shown. Additional years' information will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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

For the Fiscal Year Ended June 30	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-13.58%	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, 2022

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	2022	2021	2020	2019
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total Pension Liability				
Service Cost	\$ 4,651,311	\$ 4,388,206	\$ 4,029,310	\$ 4,397,962
Interest on total pension liability	20,921,652	20,357,309	19,881,349	19,468,568
Differences between expected and actual experience	1,213,833	(7,463)	(1,474,483)	(1,082,338)
Changes in assumptions	-	-	-	(1,680,478)
Benefit payments, including refunds of employee contributions	(18,594,010)	(17,801,978)	(17,049,717)	(15,819,384)
Net change in total pension liability	8,192,786	6,936,074	5,386,459	5,284,330
Total Pension Liability-beginning	298,368,045	291,431,971	286,045,512	280,761,182
Total Pension Liability-ending (a)	\$ 306,560,831	\$ 298,368,045	\$ 291,431,971	\$ 286,045,512
Plan Fiduciary Net Position				
Contributions-employer	\$ 11,062,044	\$ 10,258,622	\$ 9,173,697	\$ 7,923,395
Contributions-employee	2,145,220	2,184,791	1,863,321	1,839,196
Net investment income	41,389,429	8,999,002	11,419,992	14,227,594
Benefit payments	(18,594,010)	(17,801,978)	(17,049,717)	(15,819,384)
Plan to plan resource movement	-	-	(150,117)	(413)
Other miscellaneous expense	-	-	413	(501,696)
Administrative expense	(185,261)	(256,680)	(126,270)	(264,187)
Net change in plan fiduciary net position	35,817,422	3,383,757	5,131,319	7,404,505
Plan Fiduciary Net Position-beginning	185,457,938	182,074,181	176,942,862	169,538,357
Plan Fiduciary Net Position-ending (b)	\$ 221,275,360	\$ 185,457,938	\$ 182,074,181	\$ 176,942,862
Net pension liability-ending (a) - (b)	\$ 85,285,471	\$ 112,910,107	\$ 109,357,790	\$ 109,102,650
Plan fiduciary net position as a percentage of the total pension liability	72.18%	62.16%	62.48%	61.86%
Covered payroll	\$ 27,081,533	\$ 26,137,221	\$ 22,605,141	\$ 22,403,043
Net pension liability as a percentage of covered payroll	314.92%	431.99%	483.77%	487.00%

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, 2021. 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, 2020 and 2021, 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

**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 eight years are shown.

2018	2017	2016	2015
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 4,404,558	\$ 3,796,340	\$ 3,687,869	\$ 3,707,801
19,104,676	18,913,669	18,270,528	17,746,245
(2,220,738)	1,132,193	(1,151,730)	-
14,463,351	-	(4,077,633)	-
(15,488,076)	(15,103,869)	(14,371,625)	(13,630,142)
<u>20,263,771</u>	<u>8,738,333</u>	<u>2,357,409</u>	<u>7,823,904</u>
260,497,411	251,759,078	249,401,669	241,577,765
<u>\$ 280,761,182</u>	<u>\$ 260,497,411</u>	<u>\$ 251,759,078</u>	<u>\$ 249,401,669</u>
\$ 7,619,965	\$ 6,951,327	\$ 5,947,979	\$ 5,801,786
1,922,977	1,920,952	1,825,329	1,849,941
17,221,783	810,323	3,661,248	24,872,487
(15,488,076)	(15,103,869)	(14,371,625)	(13,630,142)
-	(576)	-	-
-	-	-	-
(230,440)	(99,958)	(184,697)	-
<u>11,046,209</u>	<u>(5,521,801)</u>	<u>(3,121,766)</u>	<u>18,894,072</u>
158,492,148	164,013,949	167,135,715	148,241,643
<u>\$ 169,538,357</u>	<u>\$ 158,492,148</u>	<u>\$ 164,013,949</u>	<u>\$ 167,135,715</u>
\$ 111,222,825	\$ 102,005,263	\$ 87,745,129	\$ 82,265,954
60.39%	60.84%	65.15%	67.01%
\$ 20,887,797	\$ 21,778,435	\$ 20,358,941	\$ 19,462,126
532.48%	468.38%	430.99%	422.70%

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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

	2022	2021	2020	2019
Actuarial Determined Contribution	\$ 11,568,843	\$ 10,944,409	\$ 10,259,296	\$ 9,183,028
Contribution in relation to the Actuarially Determined Contribution	(11,568,843)	(10,944,409)	(10,259,296)	(9,183,028)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 26,874,700	\$ 27,081,533	\$ 26,137,221	\$ 22,605,141
Contributions as a percentage of covered payroll	43.05%	40.41%	39.25%	40.62%

Notes to Schedule:

Valuation date June 30, 2019

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, 2020 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 eight years are shown.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 7,920,957	\$ 7,641,298	\$ 6,951,327	\$ 5,947,949
(7,920,957)	(7,641,298)	(6,951,327)	(5,947,949)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,403,043	\$ 20,887,797	\$ 21,778,435	\$ 20,358,941
35.36%	36.58%	31.92%	29.22%

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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	2022	2021	2020	2019
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total Pension Liability				
Service Cost	\$ 6,840,081	\$ 6,916,858	\$ 6,733,397	\$ 6,785,852
Interest on total pension liability	36,031,428	35,436,006	34,420,847	33,457,665
Differences between expected and actual experience	(4,341,410)	1,732,575	1,076,363	(2,324,275)
Changes in assumptions	-	-	-	(2,031,814)
Benefit payments, including refunds of employee contributions	(30,022,902)	(29,268,078)	(28,292,968)	(27,352,200)
Net change in total pension liability	8,507,197	14,817,361	13,937,639	8,535,228
Total Pension Liability-beginning	519,868,877	505,051,516	491,113,877	482,578,649
Total Pension Liability-ending (a)	\$ 528,376,074	\$ 519,868,877	\$ 505,051,516	\$ 491,113,877
Plan Fiduciary Net Position				
Contributions-employer	\$ 18,763,982	\$ 16,867,013	\$ 15,651,082	\$ 13,510,984
Contributions-employee	2,880,179	2,495,800	2,495,658	2,402,540
Net investment income	71,416,960	15,405,724	19,716,865	24,365,266
Benefit payments	(30,022,902)	(29,268,078)	(28,292,968)	(27,352,200)
Plan to plan resource movement	-	-	150,117	(712)
Other miscellaneous expense	-	-	712	(867,978)
Administrative expense	(319,139)	(443,256)	(217,595)	(457,067)
Net change in plan fiduciary net position	62,719,080	5,057,203	9,503,871	11,600,833
Plan Fiduciary Net Position-beginning	319,477,767	314,420,564	304,916,693	293,315,860
Plan Fiduciary Net Position-ending (b)	\$ 382,196,847	\$ 319,477,767	\$ 314,420,564	\$ 304,916,693
Net pension liability-ending (a) - (b)	\$ 146,179,227	\$ 200,391,110	\$ 190,630,952	\$ 186,197,184
Plan fiduciary net position as a percentage of the total pension liability	72.33%	61.45%	62.26%	62.09%
Covered payroll	\$ 23,926,199	\$ 21,941,307	\$ 21,152,620	\$ 20,349,393
Net pension liability as a percentage of covered payroll	610.96%	913.31%	901.22%	915.00%

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, 2021. 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, 2020 and 2021, 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 eight years are shown.

2018	2017	2016	2015
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 7,141,768	\$ 6,037,920	\$ 5,665,531	\$ 5,410,714
32,842,161	32,721,025	31,830,406	30,833,294
(8,355,331)	(675,259)	463,336	-
26,697,946	-	(7,623,305)	-
(26,330,644)	(25,766,118)	(24,963,470)	(23,513,099)
31,995,900	12,317,568	5,372,498	12,730,909
450,582,749	438,265,181	432,892,683	420,161,774
\$ 482,578,649	\$ 450,582,749	\$ 438,265,181	\$ 432,892,683
\$ 12,539,589	\$ 12,077,355	\$ 10,188,345	\$ 9,034,348
2,468,689	2,498,407	2,574,737	2,517,611
29,790,194	1,329,651	6,292,622	43,593,695
(26,330,644)	(25,766,118)	(24,963,470)	(23,513,099)
-	-	(115)	-
-	-	-	-
(400,264)	(173,865)	(320,958)	-
18,067,564	(10,034,570)	(6,228,839)	31,632,555
275,248,296	285,282,866	291,511,705	259,879,150
\$ 293,315,860	\$ 275,248,296	\$ 285,282,866	\$ 291,511,705
\$ 189,262,789	\$ 175,334,453	\$ 152,982,315	\$ 141,380,978
60.78%	61.09%	65.09%	67.34%
\$ 19,733,377	\$ 21,563,045	\$ 20,922,604	\$ 19,082,521
959.10%	813.12%	731.18%	740.89%

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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

	2022	2021	2020	2019
Actuarial Determined Contribution	\$ 19,484,048	\$ 18,444,829	\$ 16,924,131	\$ 15,641,590
Contribution in relation to the Actuarially Determined Contribution	(19,484,048)	(18,444,829)	(16,924,131)	(15,641,590)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 22,045,380	\$ 23,926,199	\$ 21,941,307	\$ 21,152,620
Contributions as a percentage of covered payroll	88.38%	77.09%	77.13%	73.95%

Notes to Schedule:

Valuation date June 30, 2019

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, 2020 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.

**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 eight years are shown.

2018	2017	2016	2015
\$ 13,511,840	\$ 12,582,017	\$ 12,077,355	\$ 10,188,345
(13,511,840)	(12,582,017)	(12,077,355)	(10,188,345)
\$ -	\$ -	\$ -	\$ -
\$ 20,349,393	\$ 19,733,377	\$ 21,563,045	\$ 20,922,604
66.40%	63.76%	56.01%	48.70%

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

**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	2022	2021	2020	2019
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Plan Proportion of the Net Pension Liability	0.86588%	0.61886%	0.60568%	0.59373%
Plan Proportionate Share of the Net Pension Liability	\$ 16,441,417	\$ 26,104,014	\$ 24,254,485	\$ 22,376,039
Plan Covered Payroll	\$ 10,393,617	\$ 8,773,461	\$ 10,102,073	\$ 8,773,484
Plan Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	158.19%	297.53%	240.09%	255.04%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	90.49%	75.10%	75.30%	73.69%

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 2021, 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. 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 eight years are shown.

2018	2017	2016	2015
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.57650%	0.56725%	0.14712%	0.18915%
\$ 22,725,984	\$ 19,705,443	\$ 15,432,136	\$ 11,769,980
\$ 8,334,837	\$ 8,022,329	\$ 7,940,275	\$ 7,602,013
272.66%	245.63%	194.35%	154.83%
73.31%	74.06%	78.40%	79.82%

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 3,307,047	\$ 3,026,216	\$ 2,668,281	\$ 984,716
Contribution in Relation to the Actuarially Determined Contribution	<u>(3,307,047)</u>	<u>(3,026,216)</u>	<u>(2,668,281)</u>	<u>(984,716)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,603,644	\$ 10,393,617	\$ 9,670,727	\$ 8,773,484
Contributions as a Percentage of Covered Payroll	31.19%	29.12%	27.59%	11.22%

(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 eight 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, 2019

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
 Payroll Growth
 Projected Salary Increases
 Investment Rate of Return
 Retirement Age

Direct rate smoothing
 2.50%
 2.50%
 Varies by Entry Age and Service
 7.15% (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.
 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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 911,598	\$ 899,758	\$ 1,064,678	\$ 1,274,837
(911,598)	(899,758)	(1,064,678)	(1,274,837)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,334,837	\$ 8,022,329	\$ 7,924,588	\$ 7,693,775
10.94%	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, 2022

	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	\$ 353,225	\$ 332,978	\$ 38,562	\$ -
Receivables:				
Accounts	37,381	-	617,836	663
Notes and loans	-	-	-	1,848,684
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	35,362	656,947
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 390,606	\$ 332,978	\$ 691,760	\$ 2,506,294
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 36,037	\$ -	\$ 220,875	\$ 55,727
Unearned revenues	354,569	-	-	-
Deposits payable	-	260,294	-	-
Due to other governments	-	7,353	-	-
Due to other funds	-	-	288,953	601,883
Total Liabilities	390,606	267,647	509,828	657,610
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred inflows for leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	65,331	181,932	1,848,684
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances (Deficits)	-	65,331	181,932	1,848,684
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 390,606	\$ 332,978	\$ 691,760	\$ 2,506,294

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

(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	\$ 532,856	\$ 3,832,615	\$ 480,712	\$ 5,235,212
Receivables:				
Accounts	27,477	-	-	114,202
Notes and loans	6,124,271	-	-	-
Accrued interest	-	-	98	-
Leases	-	-	136,903	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 6,684,604	\$ 3,832,615	\$ 617,713	\$ 5,349,414
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,000	\$ 60,830	\$ 1,379	\$ 37,735
Unearned revenues	-	306,370	-	12,685
Deposits payable	-	-	7,785	-
Due to other governments	26,614	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	27,614	367,200	9,164	50,420
Deferred Inflows of Resources:				
Unavailable revenues	23,750	-	-	-
Deferred inflows for leases	-	-	141,626	-
Total Deferred Inflows of Resources	23,750	-	141,626	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	6,633,240	3,465,415	-	5,298,994
Committed	-	-	466,923	-
Assigned	-	-	-	-
Total Fund Balances (Deficits)	6,633,240	3,465,415	466,923	5,298,994
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,684,604	\$ 3,832,615	\$ 617,713	\$ 5,349,414

CITY OF VALLEJO

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	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	\$ 373,161	\$ 1,255,893	\$ 53,195	\$ -
Receivables:				
Accounts	-	-	11,425	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	172,077
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 373,161	\$ 1,255,893	\$ 64,620	\$ 172,077
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 36,430	\$ 26,357	\$ 6,842	\$ 30,455
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	141,622
Total Liabilities	36,430	26,357	6,842	172,077
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred inflows for leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	336,731	1,229,536	57,778	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances (Deficits)	336,731	1,229,536	57,778	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 373,161	\$ 1,255,893	\$ 64,620	\$ 172,077

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(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	\$ 453,498	\$ 99,425	\$ 17,198,669	\$ 828,587
Receivables:				
Accounts	-	-	-	2,482
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	2,301,492
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 453,498	\$ 99,425	\$ 17,198,669	\$ 3,132,561
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 96,851	\$ -	\$ 373,648	\$ 188,499
Unearned revenues	-	-	-	392,230
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	1,922,445
Total Liabilities	96,851	-	373,648	2,503,174
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred inflows for leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	356,647	99,425	16,825,021	-
Committed	-	-	-	629,387
Assigned	-	-	-	-
Total Fund Balances (Deficits)	356,647	99,425	16,825,021	629,387
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 453,498	\$ 99,425	\$ 17,198,669	\$ 3,132,561

CITY OF VALLEJO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Office of Traffic Safety Fund #146	Outside Services Fund #129	Administrative Trust Fund #601	State Lands Fund #134
Assets:				
Cash and investments	\$ -	\$ 943,340	\$ 334,079	\$ 21,244
Receivables:				
Accounts	-	34,627	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	44,437
Leases	-	-	-	4,950,393
Due from other governments	3,230	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 3,230	\$ 977,967	\$ 334,079	\$ 5,016,074
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 345	\$ 13,983	\$ 2,567	\$ 19,857
Unearned revenues	-	-	-	-
Deposits payable	-	963,984	331,512	1,387
Due to other governments	-	-	-	-
Due to other funds	2,885	-	-	-
Total Liabilities	3,230	977,967	334,079	21,244
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred inflows for leases	-	-	-	4,859,641
Total Deferred Inflows of Resources	-	-	-	4,859,641
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	-	-	135,189
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances (Deficits)	-	-	-	135,189
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,230	\$ 977,967	\$ 334,079	\$ 5,016,074

CITY OF VALLEJO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(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	\$ -	\$ 5,050,290	\$ 281,639	\$ 3,603,202
Receivables:				
Accounts	961	-	-	-
Notes and loans	2,214,862	-	-	89,088
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,215,823	\$ 5,050,290	\$ 281,639	\$ 3,692,290
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 4,480
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	6,883	-	-	-
Total Liabilities	6,883	-	-	4,480
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred inflows for leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	2,208,940	5,050,290	-	3,687,810
Committed	-	-	281,639	-
Assigned	-	-	-	-
Total Fund Balances (Deficits)	2,208,940	5,050,290	281,639	3,687,810
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,215,823	\$ 5,050,290	\$ 281,639	\$ 3,692,290

CITY OF VALLEJO

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	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	\$ 7,557,755	\$ 201,668	\$ 238,213	\$ 78,100
Receivables:				
Accounts	-	-	-	-
Notes and loans	410,070	413,213	-	3,258,109
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 7,967,825	\$ 614,881	\$ 238,213	\$ 3,336,209
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 13,628	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	13,628	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	207,837	244,101	-	1,824,407
Deferred inflows for leases	-	-	-	-
Total Deferred Inflows of Resources	207,837	244,101	-	1,824,407
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	7,746,360	370,780	238,213	-
Committed	-	-	-	-
Assigned	-	-	-	1,511,802
Total Fund Balances (Deficits)	7,746,360	370,780	238,213	1,511,802
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,967,825	\$ 614,881	\$ 238,213	\$ 3,336,209

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

(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
Assets:				
Cash and investments	\$ 1,725,338	\$ 2,809,299	\$ 174,818	\$ 1,092,121
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	187,657
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	5,394,745	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,725,338	\$ 2,809,299	\$ 5,569,563	\$ 1,279,778
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,569	\$ 2,182	\$ 709,917	\$ -
Unearned revenues	-	-	174,818	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	4,586,839	-
Total Liabilities	3,569	2,182	5,471,574	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	49,264
Deferred inflows for leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	49,264
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	1,721,769	2,807,117	97,989	1,230,514
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances (Deficits)	1,721,769	2,807,117	97,989	1,230,514
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,725,338	\$ 2,809,299	\$ 5,569,563	\$ 1,279,778

CITY OF VALLEJO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Projects Funds			
	Longterm Maintenance Fund #223	Columbus Parkway Improvement Fund #224	Empress Theater Fund #225	Road Maint/Rehab Act Fund #226
Assets:				
Cash and investments	\$ 362,540	\$ 2,009,774	\$ 17,586	\$ 4,718,121
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	437,755
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 362,540	\$ 2,009,774	\$ 17,586	\$ 5,155,876
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 9,886	\$ -	\$ 5,833	\$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	9,886	-	5,833	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred inflows for leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	-	-	5,155,876
Committed	156,623	2,009,774	-	-
Assigned	196,031	-	11,753	-
Total Fund Balances (Deficits)	352,654	2,009,774	11,753	5,155,876
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 362,540	\$ 2,009,774	\$ 17,586	\$ 5,155,876

CITY OF VALLEJO

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	<u>Capital Projects Funds</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	
	<u>Waterfront History Park Fund #227</u>	<u>Certificates of Participation Fund #-Various</u>	<u>McCune Collection Fund #603</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and investments	\$ 85,147	\$ -	\$ 104,580	\$ 62,477,442
Receivables:				
Accounts	-	-	-	847,054
Notes and loans	-	-	-	14,545,954
Accrued interest	-	-	-	44,535
Leases	-	-	-	5,087,296
Due from other governments	-	-	-	9,001,608
Restricted assets:				
Cash and investments with fiscal agents	-	263,681	-	263,681
Total Assets	\$ 85,147	\$ 263,681	\$ 104,580	\$ 92,267,570
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,958,912
Unearned revenues	-	-	-	1,240,672
Deposits payable	-	-	-	1,564,962
Due to other governments	-	-	-	33,967
Due to other funds	-	-	-	7,551,510
Total Liabilities	-	-	-	12,350,023
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	2,349,359
Deferred inflows for leases	-	-	-	5,001,267
Total Deferred Inflows of Resources	-	-	-	7,350,626
Fund Balances (Deficits):				
Nonspendable	-	-	64,625	64,625
Restricted	-	263,681	39,955	67,153,217
Committed	85,147	-	-	3,629,493
Assigned	-	-	-	1,719,586
Total Fund Balances (Deficits)	85,147	263,681	104,580	72,566,921
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 85,147	\$ 263,681	\$ 104,580	\$ 92,267,570

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	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	15,464	-	-	-
Intergovernmental	28,162	-	2,829,385	989,612
Charges for services	1,287,121	-	1,563,033	-
Use of money and property	(12,645)	(10,102)	-	3,130
Fines and forfeitures	21,707	9,616	-	-
Contributions	-	-	-	-
Other	-	-	16,776	-
Total Revenues	1,339,809	(486)	4,409,194	992,742
Expenditures:				
Current:				
Community development	-	-	-	1,033,407
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	6,315	-	-
Public works	1,369,082	-	3,511,666	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,369,082	6,315	3,511,666	1,033,407
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,273)	(6,801)	897,528	(40,665)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(2,000,000)	-
Total Other Financing Sources (Uses)	-	-	(2,000,000)	-
Net Change in Fund Balances	(29,273)	(6,801)	(1,102,472)	(40,665)
Fund Balances, Beginning of Year	29,273	72,132	1,284,404	1,889,349
Fund Balances (Deficit), End of Year	\$ -	\$ 65,331	\$ 181,932	\$ 1,848,684

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(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	\$ -	\$ -	\$ -	\$ 2,038,312
Licenses, permits, and fees	-	-	-	-
Intergovernmental	187,840	-	-	-
Charges for services	-	791,663	-	1,800,266
Use of money and property	45,004	(107,831)	49,950	(117,744)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	232,844	683,832	49,950	3,720,834
Expenditures:				
Current:				
Community development	73,555	-	194,141	-
Planning and development services	-	-	-	-
Fire services	-	-	-	2,344,591
Police services	-	-	-	680,000
Public works	-	604,791	-	961,177
Capital outlay	-	129,101	-	3,372
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	73,555	733,892	194,141	3,989,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	159,289	(50,060)	(144,191)	(268,306)
Other Financing Sources (Uses):				
Transfers in	-	-	175,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	175,000	-
Net Change in Fund Balances	159,289	(50,060)	30,809	(268,306)
Fund Balances, Beginning of Year	6,473,951	3,515,475	436,114	5,567,300
Fund Balances (Deficit), End of Year	\$ 6,633,240	\$ 3,465,415	\$ 466,923	\$ 5,298,994

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	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	-	-	-	60,027
Charges for services	281,574	-	45,206	-
Use of money and property	(8,450)	(38,822)	(1,135)	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	273,124	(38,822)	44,071	60,027
Expenditures:				
Current:				
Community development	-	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	60,027
Public works	200,069	175,605	18,595	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	200,069	175,605	18,595	60,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	73,055	(214,427)	25,476	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	73,055	(214,427)	25,476	-
Fund Balances, Beginning of Year	263,676	1,443,963	32,302	-
Fund Balances (Deficit), End of Year	\$ 336,731	\$ 1,229,536	\$ 57,778	\$ -

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(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	-	21,036	-	-
Intergovernmental	291,379	-	-	2,076,024
Charges for services	-	-	4,089,008	-
Use of money and property	-	(2,802)	(466,155)	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	291,379	18,234	3,622,853	2,076,024
Expenditures:				
Current:				
Community development	-	-	-	2,513,410
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	151,361	14,675	-	-
Public works	-	-	2,886,085	-
Capital outlay	62,564	-	207,280	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	213,925	14,675	3,093,365	2,513,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,454	3,559	529,488	(437,386)
Other Financing Sources (Uses):				
Transfers in	-	-	-	500,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	500,000
Net Change in Fund Balances	77,454	3,559	529,488	62,614
Fund Balances, Beginning of Year	279,193	95,866	16,295,533	566,773
Fund Balances (Deficit), End of Year	\$ 356,647	\$ 99,425	\$ 16,825,021	\$ 629,387

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	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	80,815	-	-	-
Charges for services	-	541,616	-	-
Use of money and property	-	-	-	360,303
Fines and forfeitures	-	-	-	-
Contributions	-	-	12,221	-
Other	-	-	-	50,000
Total Revenues	80,815	541,616	12,221	410,303
Expenditures:				
Current:				
Community development	-	255,714	-	167,142
Planning and development services	-	285,902	-	-
Fire services	-	-	-	-
Police services	80,815	-	12,221	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	80,815	541,616	12,221	167,142
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	243,161
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(107,972)
Total Other Financing Sources (Uses)	-	-	-	(107,972)
Net Change in Fund Balances	-	-	-	135,189
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances (Deficit), End of Year	\$ -	\$ -	\$ -	\$ 135,189

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(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	-	-	-	533,246
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	7,046	(143,419)	(5,024)	(99,084)
Fines and forfeitures	-	-	2,900	-
Contributions	-	-	-	-
Other	-	-	115,726	-
Total Revenues	7,046	(143,419)	113,602	434,162
Expenditures:				
Current:				
Community development	1,179	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	-
Public works	-	-	-	4,500
Capital outlay	-	-	-	179,050
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,179	-	-	183,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,867	(143,419)	113,602	250,612
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	5,867	(143,419)	113,602	250,612
Fund Balances, Beginning of Year	2,203,073	5,193,709	168,037	3,437,198
Fund Balances (Deficit), End of Year	\$ 2,208,940	\$ 5,050,290	\$ 281,639	\$ 3,687,810

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	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	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	(214,173)	(5,329)	(6,834)	(2,218)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	(214,173)	(5,329)	(6,834)	(2,218)
Expenditures:				
Current:				
Community development	-	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	-
Public works	4,500	4,500	4,500	-
Capital outlay	71,921	91,935	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	76,421	96,435	4,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(290,594)	(101,764)	(11,334)	(2,218)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(14,042)	(14,182)	-	(558,880)
Total Other Financing Sources (Uses)	(14,042)	(14,182)	-	(558,880)
Net Change in Fund Balances	(304,636)	(115,946)	(11,334)	(561,098)
Fund Balances, Beginning of Year	8,050,996	486,726	249,547	2,072,900
Fund Balances (Deficit), End of Year	\$ 7,746,360	\$ 370,780	\$ 238,213	\$ 1,511,802

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(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	-	-	-	812,776
Intergovernmental	-	-	6,674,419	-
Charges for services	100,005	-	-	-
Use of money and property	(47,203)	-	-	(22,084)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	230,531	-
Total Revenues	52,802	-	6,904,950	790,692
Expenditures:				
Current:				
Community development	-	-	14,487	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	-
Public works	10,733	-	-	-
Capital outlay	-	150,087	6,890,463	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	10,733	150,087	6,904,950	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,069	(150,087)	-	790,692
Other Financing Sources (Uses):				
Transfers in	-	2,000,000	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	2,000,000	-	-
Net Change in Fund Balances	42,069	1,849,913	-	790,692
Fund Balances, Beginning of Year	1,679,700	957,204	97,989	439,822
Fund Balances (Deficit), End of Year	\$ 1,721,769	\$ 2,807,117	\$ 97,989	\$ 1,230,514

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds			
	Longterm Maintenance Fund #223	Columbus Parkway Improvement Fund #224	Empress Theater Fund #225	Road Maint/Rehab Act Fund #226
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,415,266
Licenses, permits, and fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	(13,419)	(57,143)	(1,994)	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	2
Total Revenues	(13,419)	(57,143)	(1,994)	2,415,268
Expenditures:				
Current:				
Community development	-	-	-	-
Planning and development services	-	-	-	-
Fire services	-	-	-	-
Police services	-	-	-	-
Public works	-	4,500	25,380	4,500
Capital outlay	240,115	-	52,635	1,488,202
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	240,115	4,500	78,015	1,492,702
Excess (Deficiency) of Revenues Over (Under) Expenditures	(253,534)	(61,643)	(80,009)	922,566
Other Financing Sources (Uses):				
Transfers in	-	-	41,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	41,000	-
Net Change in Fund Balances	(253,534)	(61,643)	(39,009)	922,566
Fund Balances, Beginning of Year	606,188	2,071,417	50,762	4,233,310
Fund Balances (Deficit), End of Year	\$ 352,654	\$ 2,009,774	\$ 11,753	\$ 5,155,876

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds	Debt Service Fund	Permanent Fund	
	Waterfront History Park Fund #227	Certificates of Participation Fund #-Various	McCune Collection Fund #603	Total Governmental Funds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 4,453,578
Licenses, permits, and fees	-	-	-	1,382,522
Intergovernmental	-	-	-	13,217,663
Charges for services	-	-	-	10,499,492
Use of money and property	(2,802)	68	(2,972)	(923,883)
Fines and forfeitures	-	-	-	34,223
Contributions	-	-	-	12,221
Other	-	-	-	413,035
Total Revenues	(2,802)	68	(2,972)	29,088,851
Expenditures:				
Current:				
Community development	-	-	-	4,253,035
Planning and development services	-	-	195	286,097
Fire services	-	-	-	2,344,591
Police services	-	-	-	1,005,414
Public works	4,500	9,000	-	9,803,683
Capital outlay	14,676	-	-	9,581,401
Debt service:				
Principal retirement	-	947,173	-	947,173
Interest and fiscal charges	-	222,865	-	222,865
Total Expenditures	19,176	1,179,038	195	28,444,259
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,978)	(1,178,970)	(3,167)	644,592
Other Financing Sources (Uses):				
Transfers in	-	1,182,137	-	3,898,137
Transfers out	-	-	-	(2,695,076)
Total Other Financing Sources (Uses)	-	1,182,137	-	1,203,061
Net Change in Fund Balances	(21,978)	3,167	(3,167)	1,847,653
Fund Balances, Beginning of Year	107,125	260,514	107,747	70,719,268
Fund Balances (Deficit), End of Year	\$ 85,147	\$ 263,681	\$ 104,580	\$ 72,566,921

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SOLID WASTE DISPOSAL FUND #135
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 11,900	\$ 11,900	\$ 15,464	\$ 3,564
Intergovernmental	42,789	42,789	28,162	(14,627)
Charges for services	1,481,494	1,481,494	1,287,121	(194,373)
Use of money and property	-	-	(12,645)	(12,645)
Fines and forfeitures	-	-	21,707	21,707
Total Revenues	1,536,183	1,536,183	1,339,809	(196,374)
EXPENDITURES:				
Current:				
Public works	1,547,775	1,547,775	1,369,082	178,693
Total Expenditures	1,547,775	1,547,775	1,369,082	178,693
NET CHANGE IN FUND BALANCES *	\$ (11,592)	\$ (11,592)	(29,273)	\$ (17,681)
Fund Balance, July 1			29,273	
Fund Balance (Deficit), June 30			\$ -	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSET SEIZURE FUND #139
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (10,102)	\$ (10,102)
Fines and forfeitures	20,000	20,000	9,616	(10,384)
Total Revenues	20,000	20,000	(486)	(20,486)
EXPENDITURES:				
Current:				
Police services	10,000	10,000	6,315	3,685
Total Expenditures	10,000	10,000	6,315	3,685
NET CHANGE IN FUND BALANCES	\$ 10,000	\$ 10,000	(6,801)	\$ (16,801)
Fund Balance, July 1			72,132	
Fund Balance, June 30			\$ 65,331	

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STATE GAS TAX FUND #133
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,824,655	\$ 2,824,655	\$ 2,829,385	\$ 4,730
Charges for services	1,513,381	1,513,381	1,563,033	49,652
Use of money and property	-	-	-	-
Other	24,500	24,500	16,776	(7,724)
Total Revenues	4,362,536	4,362,536	4,409,194	46,658
EXPENDITURES:				
Current:				
Public works	3,613,960	3,683,305	3,511,666	171,639
Total Expenditures	3,613,960	3,683,305	3,511,666	171,639
EXCESS REVENUES OVER EXPENDITURES	748,576	679,231	897,528	218,297
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,250,000)	(2,000,000)	(2,000,000)	-
Total Other Financing Sources (Uses)	(1,250,000)	(2,000,000)	(2,000,000)	-
NET CHANGE IN FUND BALANCES *	\$ (501,424)	\$ (1,320,769)	(1,102,472)	\$ 218,297
Fund Balance, July 1			1,284,404	
Fund Balance, June 30			\$ 181,932	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,035,455	\$ 1,788,943	\$ 989,612	\$ (799,331)
Use of money and property	15,000	50,000	3,130	(46,870)
Total Revenues	1,050,455	1,838,943	992,742	(846,201)
EXPENDITURES:				
Current:				
Community development	1,050,455	1,838,943	1,033,407	805,536
Total Expenditures	1,050,455	1,838,943	1,033,407	805,536
NET CHANGE IN FUND BALANCES	\$ -	\$ -	(40,665)	\$ (40,665)
Fund Balance, July 1			1,889,349	
Fund Balance, June 30			\$ 1,848,684	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOME PROGRAM FUND #102
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 610,866	\$ 2,868,399	\$ 187,840	\$ (2,680,559)
Use of money and property	150,000	150,000	45,004	(104,996)
Total Revenues	760,866	3,018,399	232,844	(2,785,555)
EXPENDITURES:				
Current:				
Community development	760,866	3,018,399	73,555	2,944,844
Total Expenditures	760,866	3,018,399	73,555	2,944,844
NET CHANGE IN FUND BALANCES	\$ -	\$ -	159,289	\$ 159,289
Fund Balance, July 1			6,473,951	
Fund Balance, June 30			\$ 6,633,240	

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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 823,820	\$ 823,820	\$ 791,663	\$ (32,157)
Use of money and property	31,821	31,821	(107,831)	(139,652)
Total Revenues	855,641	855,641	683,832	(171,809)
EXPENDITURES:				
Current:				
Public works	688,372	712,447	604,791	107,656
Capital outlay	-	352,389	129,101	223,288
Total Expenditures	688,372	1,064,836	733,892	330,944
NET CHANGE IN FUND BALANCES *	\$ 167,269	\$ (209,195)	(50,060)	\$ 159,135
Fund Balance, July 1			3,515,475	
Fund Balance, June 30			\$ 3,465,415	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 35,000	\$ 35,000	\$ 49,950	\$ 14,950
Total Revenues	35,000	35,000	49,950	14,950
EXPENDITURES:				
Current:				
Community development	414,420	453,550	194,141	259,409
Capital outlay	125,000	125,000	-	125,000
Total Expenditures	539,420	578,550	194,141	384,409
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(504,420)	(543,550)	(144,191)	399,359
OTHER FINANCING SOURCES (USES)				
Transfers in	175,000	175,000	175,000	-
Total Other Financing Sources (Uses)	175,000	175,000	175,000	-
NET CHANGE IN FUND BALANCES *	\$ (329,420)	\$ (368,550)	30,809	\$ 399,359
Fund Balance, July 1			436,114	
Fund Balance, June 30			\$ 466,923	

* The net change in fund balance was included in the budget as an appropriation (i.e. spenddown) of fund balance.

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, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,833,371	\$ 1,833,371	\$ 2,038,312	\$ 204,941
Charges for services	1,805,597	1,805,597	1,800,266	(5,331)
Use of money and property	50,000	50,000	(117,744)	(167,744)
Total Revenues	3,688,968	3,688,968	3,720,834	31,866
EXPENDITURES:				
Current:				
Fire services	2,320,000	2,320,000	2,344,591	(24,591)
Police services	769,000	769,000	680,000	89,000
Public works	1,159,157	1,217,748	961,177	256,571
Capital outlay	-	-	3,372	(3,372)
Total Expenditures	4,248,157	4,306,748	3,989,140	317,608
NET CHANGE IN FUND BALANCES *	\$ (559,189)	\$ (617,780)	(268,306)	\$ 349,474
Fund Balance, July 1			5,567,300	
Fund Balance, June 30			\$ 5,298,994	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

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, 2022

	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	-	-	(8,450)	(8,450)
Total Revenues	281,569	281,569	273,124	(8,445)
EXPENDITURES:				
Current:				
Public works	229,440	241,840	200,069	41,771
Total Expenditures	229,440	241,840	200,069	41,771
NET CHANGE IN FUND BALANCES	\$ 52,129	\$ 39,729	73,055	\$ 33,326
Fund Balance, July 1			263,676	
Fund Balance, June 30			\$ 336,731	

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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (38,822)	\$ (38,822)
Total Revenues	<u>-</u>	<u>-</u>	<u>(38,822)</u>	<u>(38,822)</u>
EXPENDITURES:				
Current:				
Public works	345,603	384,822	175,605	209,217
Total Expenditures	<u>345,603</u>	<u>384,822</u>	<u>175,605</u>	<u>209,217</u>
NET CHANGE IN FUND BALANCES *	<u>\$ (345,603)</u>	<u>\$ (384,822)</u>	<u>(214,427)</u>	<u>\$ 170,395</u>
Fund Balance, July 1			<u>1,443,963</u>	
Fund Balance, June 30			<u>\$ 1,229,536</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HAZMAT REVOLVING FUND #143
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 45,229	\$ 45,229	\$ 45,206	\$ (23)
Use of money and property	-	-	(1,135)	(1,135)
Total Revenues	45,229	45,229	44,071	(1,158)
EXPENDITURES:				
Current:				
Public works	45,229	52,404	18,595	33,809
Total Expenditures	45,229	52,404	18,595	33,809
NET CHANGE IN FUND BALANCES *	\$ -	\$ (7,175)	25,476	\$ 32,651
Fund Balance, July 1			32,302	
Fund Balance, June 30			\$ 57,778	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 JUSTICE ASSISTANCE GRANT FUND #149
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 250,000	\$ 1,383,973	\$ 60,027	\$ (1,323,946)
Total Revenues	250,000	1,383,973	60,027	(1,323,946)
EXPENDITURES:				
Current:				
Police services	250,000	1,383,973	60,027	1,323,946
Total Expenditures	250,000	1,383,973	60,027	1,323,946
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
 SUPPLEMENTAL LAW ENFORCEMENT GRANT FUND #151
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 291,379	\$ 111,379
Total Revenues	180,000	180,000	291,379	111,379
EXPENDITURES:				
Current:				
Police services	200,000	366,975	151,361	215,614
Capital outlay	-	-	62,564	(62,564)
Total Expenditures	200,000	366,975	213,925	153,050
NET CHANGE IN FUND BALANCES *	\$ (20,000)	\$ (186,975)	77,454	\$ 264,429
Fund Balance, July 1			279,193	
Fund Balance, June 30			\$ 356,647	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

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, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 50,000	\$ 50,000	\$ 21,036	\$ (28,964)
Use of money and property	-	-	(2,802)	(2,802)
Total Revenues	50,000	50,000	18,234	(31,766)
EXPENDITURES:				
Current:				
Police services	50,000	50,000	14,675	35,325
Total Expenditures	50,000	50,000	14,675	35,325
NET CHANGE IN FUND BALANCES	\$ -	\$ -	3,559	\$ 3,559
Fund Balance, July 1			95,866	
Fund Balance, June 30			\$ 99,425	

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, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 3,956,450	\$ 3,956,450	\$ 4,089,008	\$ 132,558
Use of money and property	136,602	136,602	(466,155)	(602,757)
Total Revenues	4,093,052	4,093,052	3,622,853	(470,199)
EXPENDITURES:				
Current:				
Public works	3,172,977	3,264,951	2,886,085	378,866
Capital outlay	-	-	207,280	(207,280)
Total Expenditures	3,172,977	3,264,951	3,093,365	171,586
NET CHANGE IN FUND BALANCES	\$ 920,075	\$ 828,101	529,488	\$ (298,613)
Fund Balance, July 1			16,295,533	
Fund Balance, June 30			\$ 16,825,021	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 EMERGENCY DISASTER FUND #109
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 2,076,024	\$ 2,076,024
Total Revenues	<u>-</u>	<u>-</u>	<u>2,076,024</u>	<u>2,076,024</u>
EXPENDITURES:				
Current:				
Community development	-	500,000	2,513,410	(2,013,410)
Total Expenditures	<u>-</u>	<u>500,000</u>	<u>2,513,410</u>	<u>(2,013,410)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (500,000)</u>	<u>(437,386)</u>	<u>\$ 62,614</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	500,000	500,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>62,614</u>	<u>\$ 62,614</u>
Fund Balance, July 1			<u>566,773</u>	
Fund Balance (Deficit), June 30			<u>\$ 629,387</u>	

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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 80,000	\$ 182,000	\$ 80,815	\$ (101,185)
Total Revenues	80,000	182,000	80,815	(101,185)
EXPENDITURES:				
Current:				
Police services	80,000	182,000	80,815	101,185
Total Expenditures	80,000	182,000	80,815	101,185
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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 1,020,000	\$ 1,020,000	\$ 541,616	\$ (478,384)
Use of money and property	40,383	40,383	-	(40,383)
Total Revenues	1,060,383	1,060,383	541,616	(518,767)
EXPENDITURES:				
Current:				
Law	100,000	100,000	-	100,000
Community development	320,000	320,000	255,714	64,286
Planning and development services	500,000	500,000	285,902	214,098
Public works	100,000	100,000	-	100,000
Total Expenditures	1,020,000	1,020,000	541,616	478,384
EXCESS REVENUES OVER EXPENDITURES	40,383	40,383	-	(40,383)
OTHER FINANCING SOURCES (USES)				
Transfers out	(40,383)	(40,383)	-	40,383
Total Other Financing Sources (Uses)	(40,383)	(40,383)	-	40,383
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, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Contributions	20,000	20,000	12,221	(7,779)
Total Revenues	45,000	45,000	12,221	(32,779)
EXPENDITURES:				
Current:				
Police services	20,000	20,000	12,221	7,779
Total Expenditures	20,000	20,000	12,221	7,779
EXCESS REVENUES OVER EXPENDITURES	25,000	25,000	-	(25,000)
OTHER FINANCING SOURCES (USES)				
Transfers out	(25,000)	(25,000)	-	25,000
Total Other Financing Sources (Uses)	(25,000)	(25,000)	-	25,000
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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 311,171	\$ 311,171	\$ 360,303	\$ 49,132
Other	-	-	50,000	50,000
Total Revenues	311,171	311,171	410,303	99,132
EXPENDITURES:				
Current:				
Community development	123,354	123,354	167,142	(43,788)
Total Expenditures	123,354	123,354	167,142	(43,788)
EXCESS REVENUES OVER EXPENDITURES	187,817	187,817	243,161	55,344
OTHER FINANCING SOURCES (USES)				
Transfers out	(187,817)	(187,817)	(107,972)	79,845
Total Other Financing Sources (Uses)	(187,817)	(187,817)	(107,972)	79,845
NET CHANGE IN FUND BALANCES	\$ -	\$ -	135,189	\$ 135,189
Fund Balance, July 1			-	
Fund Balance, June 30			\$ 135,189	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NEIGHBORHOOD STABILIZATION PROGRAM FUND #103
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 14,000	\$ 14,000	\$ 7,046	\$ (6,954)
Total Revenues	14,000	14,000	7,046	(6,954)
EXPENDITURES:				
Current:				
Community development	14,000	572,024	1,179	570,845
Total Expenditures	14,000	572,024	1,179	570,845
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(558,024)	5,867	563,891
NET CHANGE IN FUND BALANCES *	\$ -	\$ (558,024)	5,867	\$ 563,891
Fund Balance, July 1, as Restated			2,203,073	
Fund Balance, June 30			\$ 2,208,940	

* The net change in fund balance was included in the budget as an appropriation (i.e. spenddown) of fund balance.

CITY OF VALLEJO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NAVIGATION CENTER #191
 YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 50,000	\$ 50,000	\$ (143,419)	\$ (193,419)
Contributions	1,050,000	1,050,000	-	(1,050,000)
Total Revenues	1,100,000	1,100,000	(143,419)	(1,243,419)
EXPENDITURES:				
Non departmental	1,145,708	1,145,708	-	1,145,708
Total Expenditures	1,145,708	1,145,708	-	1,145,708
NET CHANGE IN FUND BALANCES *	\$ (45,708)	\$ (45,708)	(143,419)	\$ (97,711)
Fund Balance, July 1			5,193,709	
Fund Balance, June 30			\$ 5,050,290	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NLP NUISANCE ABATEMENT FUND #147
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 7,000	\$ 7,000	\$ (5,024)	\$ (12,024)
Fines and forfeitures	-	-	2,900	2,900
Other	100,000	100,000	115,726	15,726
Total Revenues	107,000	107,000	113,602	6,602
EXPENDITURES:				
Current:				
Law	100,000	150,000	-	150,000
Total Expenditures	100,000	150,000	-	150,000
NET CHANGE IN FUND BALANCES *	\$ 7,000	\$ (43,000)	113,602	\$ 156,602
Fund Balance, July 1			168,037	
Fund Balance, June 30			\$ 281,639	

* The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEBT SERVICE FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 68	\$ 68
Total Revenues	-	-	68	68
EXPENDITURES:				
Current:				
Non departmental	9,000	9,000	9,000	-
Debt service:				
Principal	947,173	947,173	947,173	-
Interest and fiscal charges	222,865	222,865	222,865	-
Total Expenditures	1,179,038	1,179,038	1,179,038	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,179,038)	(1,179,038)	(1,178,970)	68
OTHER FINANCING SOURCES (USES)				
Transfers in	1,183,788	1,183,788	1,182,137	(1,651)
Total Other Financing Sources (Uses)	1,183,788	1,183,788	1,182,137	(1,651)
NET CHANGE IN FUND BALANCES	\$ 4,750	\$ 4,750	3,167	\$ (1,583)
Fund Balance, July 1			260,514	
Fund Balance, June 30			\$ 263,681	

CITY OF VALLEJO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PERMANENT FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 500	\$ 500	\$ (2,972)	\$ (3,472)
Total Revenues	<u>500</u>	<u>500</u>	<u>(2,972)</u>	<u>(3,472)</u>
EXPENDITURES:				
Current:				
Planning and development services	2,500	2,695	195	2,500
Total Expenditures	<u>2,500</u>	<u>2,695</u>	<u>195</u>	<u>2,500</u>
NET CHANGE IN FUND BALANCES *	<u>\$ (2,000)</u>	<u>\$ (2,195)</u>	<u>(3,167)</u>	<u>\$ (972)</u>
Fund Balance, July 1			<u>107,747</u>	
Fund Balance, June 30			<u>\$ 104,580</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e. spenddown) of fund balance.

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, 2022**

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance/ Replacement Fund	Payroll Benefits	Retiree Health Benefits (OPEB)
Assets:			
Current:			
Cash and investments	\$ 5,139,822	\$ 472,754	\$ 512,330
Receivables:			
Accounts	14,383	39,744	-
Prepaid costs	-	24,997	-
Due from other funds	-	-	-
Materials, parts and supplies	217,826	-	-
Total Current Assets	5,372,031	537,495	512,330
Noncurrent:			
Capital assets - net of accumulated depreciation	8,648,094	-	-
Total Noncurrent Assets	8,648,094	-	-
Total Assets	\$ 14,020,125	\$ 537,495	\$ 512,330
Deferred Outflows of Resources:			
Related to pensions	\$ 207,935	\$ -	\$ -
Related to OPEB	44,593	-	2,716,966
Total Deferred Outflows of Resources	252,528	-	2,716,966
Liabilities:			
Current:			
Accounts payable and accrued liabilities	358,614	69,946	-
Employee benefits payable	67,202	467,549	-
Accrued claims and judgments	-	-	-
Total Current Liabilities	425,816	537,495	-
Noncurrent:			
Employee benefits payable	-	-	459,944
Accrued claims and judgments	-	-	-
Net pension liability	1,483,967	-	-
Net OPEB liability	160,209	-	8,238,823
Total Noncurrent Liabilities	1,644,176	-	8,698,767
Total Liabilities	2,069,992	537,495	8,698,767
Deferred Inflows of Resources:			
Related to pensions	357,209	-	-
Related to OPEB	114,344	-	5,880,206
Total Deferred Inflows of Resources	471,553	-	5,880,206
Net Position (Deficit):			
Invested in capital assets	8,648,094	-	-
Unrestricted (Deficit)	3,083,014	-	(11,349,677)
Total Net Position (Deficit)	\$ 11,731,108	\$ -	\$ (11,349,677)

CITY OF VALLEJO

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022**

	Governmental Activities - Internal Service Funds		
	General Liability	Workers' Comp	Totals
Assets:			
Current:			
Cash and investments	\$ 12,606,232	\$ 11,184,926	\$ 29,916,064
Receivables:			
Accounts	-	-	54,127
Prepaid costs	268,555	-	293,552
Due from other funds	-	8,075,144	8,075,144
Materials, parts and supplies	-	-	217,826
Total Current Assets	12,874,787	19,260,070	38,556,713
Noncurrent:			
Capital assets - net of accumulated depreciation	-	-	8,648,094
Total Noncurrent Assets	-	-	8,648,094
Total Assets	\$ 12,874,787	\$ 19,260,070	\$ 47,204,807
Deferred Outflows of Resources:			
Related to pensions	\$ 93,932	\$ 93,932	\$ 395,799
Related to OPEB	10,551	10,551	2,782,661
Total Deferred Outflows of Resources	104,483	104,483	3,178,460
Liabilities:			
Current:			
Accounts payable and accrued liabilities	138,159	10,093	576,812
Employee benefits payable	11,683	11,683	558,117
Accrued claims and judgments	3,154,916	2,917,532	6,072,448
Total Current Liabilities	3,304,758	2,939,308	7,207,377
Noncurrent:			
Employee benefits payable	-	-	459,944
Accrued claims and judgments	6,755,084	12,381,468	19,136,552
Net pension liability	656,698	656,698	2,797,363
Net OPEB liability	29,975	29,975	8,458,982
Total Noncurrent Liabilities	7,441,757	13,068,141	30,852,841
Total Liabilities	10,746,515	16,007,449	38,060,218
Deferred Inflows of Resources:			
Related to pensions	158,075	158,075	673,359
Related to OPEB	21,393	21,393	6,037,336
Total Deferred Inflows of Resources	179,468	179,468	6,710,695
Net Position (Deficit):			
Invested in capital assets	-	-	8,648,094
Unrestricted (Deficit)	2,053,287	3,177,636	(3,035,740)
Total Net Position (Deficit)	\$ 2,053,287	\$ 3,177,636	\$ 5,612,354

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Fleet Maintenance/ Replacement Fund</u>	<u>Payroll Benefits</u>	<u>Retiree Health Benefits (OPEB)</u>
Operating Revenues:			
Sales and service charges	\$ 4,725,700	\$ -	\$ 3,125,117
Other	22,181	-	-
Total Operating Revenues	4,747,881	-	3,125,117
Operating Expenses:			
Operations expenses	3,086,695	-	710,274
Insurance and claims	-	-	-
Depreciation expense	1,711,524	-	-
Total Operating Expenses	4,798,219	-	710,274
Operating Income (Loss)	(50,338)	-	2,414,843
Nonoperating Revenues:			
Investment income	(123,653)	-	(14,574)
Gain on disposal of capital assets	97,655	-	-
Total Nonoperating Revenues	(25,998)	-	(14,574)
Income (Loss) Before Transfers	(76,336)	-	2,400,269
Transfers in	800,000	-	-
Transfers out	-	-	-
Changes in Net Position	723,664	-	2,400,269
Net Position (Deficit):			
Beginning of Year (Deficit)	11,007,444	-	(13,749,946)
End of Fiscal Year (Deficit)	\$ 11,731,108	\$ -	\$ (11,349,677)

CITY OF VALLEJO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	General Liability	Workers' Comp	Totals
Operating Revenues:			
Sales and service charges	\$ 6,147,000	\$ 5,295,132	\$ 19,292,949
Other	42,784	-	64,965
Total Operating Revenues	6,189,784	5,295,132	19,357,914
Operating Expenses:			
Operations expenses	1,644,023	943,495	6,384,487
Insurance and claims	5,335,691	3,273,014	8,608,705
Depreciation expense	-	-	1,711,524
Total Operating Expenses	6,979,714	4,216,509	16,704,716
Operating Income (Loss)	(789,930)	1,078,623	2,653,198
Nonoperating Revenues:			
Investment income	(209,429)	(506,171)	(853,827)
Gain on disposal of capital assets	-	-	97,655
Total Nonoperating Revenues	(209,429)	(506,171)	(756,172)
Income (Loss) Before Transfers	(999,359)	572,452	1,897,026
Transfers in	5,000,000	-	5,800,000
Transfers out	-	(2,000,000)	(2,000,000)
Changes in Net Position	4,000,641	(1,427,548)	5,697,026
Net Position (Deficit):			
Beginning of Year (Deficit)	(1,947,354)	4,605,184	(84,672)
End of Fiscal Year (Deficit)	\$ 2,053,287	\$ 3,177,636	\$ 5,612,354

CITY OF VALLEJO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance/ Replacement Fund	Payroll Benefits	Retiree Health Benefits (OPEB)
Cash Flows from Operating Activities:			
Receipts from customers	\$ 4,752,979	\$ 75,408,317	\$ 3,125,117
Payments to suppliers	(2,140,820)	-	-
Payments to or on behalf of employees	(975,686)	(75,307,598)	(3,046,169)
Claims paid	-	-	-
Net Cash Provided (Used) by Operating Activities	1,636,473	100,719	78,948
Cash Flows from Non-Capital Financing Activities:			
Interfund receipts	800,000	-	-
Interfund payments	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	800,000	-	-
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(1,740,070)	-	-
Proceeds on sale of capital assets	104,898	-	-
Net Cash Used by Capital and Related Financing Activities	(1,635,172)	-	-
Cash Flows from Investing Activities:			
Investment income (losses)	(123,653)	-	(14,574)
Net Cash Provided by Investing Activities	(123,653)	-	(14,574)
Net Increase (Decrease) in Cash and Cash Equivalents	677,648	100,719	64,374
Cash and Cash Equivalents at Beginning of Year	4,462,174	372,035	447,956
Cash and Cash Equivalents at End of Year	\$ 5,139,822	\$ 472,754	\$ 512,330
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (50,338)	\$ -	\$ 2,414,843
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation and amortization	1,711,524	-	-
Changes in pension related items	(145,051)	-	-
Changes in OPEB related items	(1,827)	-	(2,424,408)
(Increase) decrease in accounts receivable, net	5,098	(27,984)	-
(Increase) decrease in inventory and prepaids	(14,616)	(3,916)	-
Increase (decrease) in accounts payable and other accrued expenses	135,098	51,061	-
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in employee benefits payable	(3,415)	81,558	88,513
Total Adjustments	1,686,811	100,719	(2,335,895)
Net Cash Provided (Used) by Operating Activities	\$ 1,636,473	\$ 100,719	\$ 78,948

CITY OF VALLEJO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Governmental Activities - Internal Service Funds		
	General Liability	Workers' Comp	Totals
Cash Flows from Operating Activities:			
Receipts from customers	\$ 6,189,784	\$ 5,295,132	\$ 94,771,329
Payments to suppliers	(1,606,651)	(1,078,525)	(4,825,996)
Payments to or on behalf of employees	(291,608)	(289,791)	(79,910,852)
Claims paid	(4,850,464)	(2,394,639)	(7,245,103)
Net Cash Provided (Used) by Operating Activities	(558,939)	1,532,177	2,789,378
Cash Flows from Non-Capital Financing Activities:			
Interfund receipts	5,000,000	-	5,800,000
Interfund payments	-	(5,182,239)	(5,182,239)
Net Cash Provided (Used) by Non-Capital Financing Activities	5,000,000	(5,182,239)	617,761
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	-	(1,740,070)
Proceeds on sale of capital assets	-	-	104,898
Net Cash Used by Capital and Related Financing Activities	-	-	(1,635,172)
Cash Flows from Investing Activities:			
Investment income (losses)	(209,429)	(506,171)	(853,827)
Net Cash Provided by Investing Activities	(209,429)	(506,171)	(853,827)
Net Increase (Decrease) in Cash and Cash Equivalents	4,231,632	(4,156,233)	918,140
Cash and Cash Equivalents at Beginning of Year	8,374,600	15,341,159	28,997,924
Cash and Cash Equivalents at End of Year	\$ 12,606,232	\$ 11,184,926	\$ 29,916,064
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (789,930)	\$ 1,078,623	\$ 2,653,198
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation and amortization	-	-	1,711,524
Changes in pension related items	117,178	117,178	89,305
Changes in OPEB related items	(9,791)	(9,791)	(2,445,817)
(Increase) decrease in accounts receivable, net	-	-	(22,886)
(Increase) decrease in inventory and prepaids	(53,930)	-	(72,462)
Increase (decrease) in accounts payable and other accrued expenses	12,736	(3,631)	195,264
Increase (decrease) in claims payable	164,000	349,000	513,000
Increase (decrease) in employee benefits payable	798	798	168,252
Total Adjustments	230,991	453,554	136,180
Net Cash Provided (Used) by Operating Activities	\$ (558,939)	\$ 1,532,177	\$ 2,789,378

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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, 2022

	Hiddenbrooke Improvement District	NE Quadrant Improvement District 2003-01	Totals
Assets:			
Cash and investments	\$ 1,929,494	\$ 548,587	\$ 2,478,081
Restricted cash and investments with fiscal agents	3,067,011	504,679	3,571,690
Total Assets	4,996,505	1,053,266	6,049,771
Liabilities:			
Accounts payable	1,525	3,040	4,565
Accrued interest	286,777	172,646	459,423
Bonds payable:			
Due within one year	610,000	235,000	845,000
Due in more than one year	7,315,000	4,135,000	11,450,000
Total Liabilities	8,213,302	4,545,686	12,758,988
Net Position (Deficit):			
Restricted (Deficit)	(3,216,797)	(3,492,420)	(6,709,217)
Total Net Position (Deficit)	\$ (3,216,797)	\$ (3,492,420)	\$ (6,709,217)

CITY OF VALLEJO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022

	Hiddenbrooke Improvement District	NE Quadrant Improvement District 2003-01	Totals
Additions:			
Investment earnings	\$ (98,777)	\$ (9,860)	\$ (108,637)
Collections for assessment districts	1,684,607	525,365	2,209,972
Total Additions	1,585,830	515,505	2,101,335
Deductions:			
Administrative expenses	40,448	22,396	62,844
Interest and fiscal charges	770,170	447,515	1,217,685
Contributions to City	2,347,413	-	2,347,413
Total Deductions	3,158,031	469,911	3,627,942
Net Increase in Fiduciary Net Position	(1,572,201)	45,594	(1,526,607)
Net Position (Deficit) - Beginning	(1,644,596)	(3,538,014)	(5,182,610)
Net Position (Deficit) - Ending	\$ (3,216,797)	\$ (3,492,420)	\$ (6,709,217)

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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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net Investment in Capital Assets	\$ 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	\$ 339,879,627
Restricted	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	103,743,509
Unrestricted	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)	(183,889,225)
Total governmental activities net position	\$ 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	\$ 259,733,911
Business-type activities:										
Net Investment in Capital Assets	\$ 39,076,148	\$ 40,466,687	\$ 38,170,671	\$ 40,191,379	\$ 40,778,629	\$ 44,251,622	\$ 53,757,390	\$ 59,614,105	\$ 59,196,628	\$ 61,267,522
Restricted	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	27,454
Unrestricted	20,942,101	23,707,740	1,294,897	(75,800)	1,842,145	(4,749,417)	(7,477,516)	(1,240,554)	8,016,703	17,840,762
Total business-type activities net position	\$ 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	\$ 79,135,738
Primary government:										
Net Investment in Capital Assets	\$ 357,060,871	\$ 359,096,920	\$ 351,482,874	\$ 354,846,321	\$ 359,415,000	\$ 360,873,629	\$ 369,645,666	\$ 391,358,419	\$ 395,308,438	\$ 401,147,149
Restricted	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	103,770,963
Unrestricted	21,298,187	33,329,686	(189,930,112)	(177,079,236)	(172,249,339)	(192,150,901)	(189,806,375)	(218,684,717)	(205,511,754)	(166,048,463)
Total primary government net position	\$ 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	\$ 338,869,649

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 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Legislative and Advisory	\$ 304,333	\$ 213,736	\$ 268,785	\$ 257,208	\$ 244,300	\$ 342,413	\$ 321,914	\$ 275,873	\$ 260,517	\$ 183,493
Executive	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	5,936,409
Finance	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	1,777,407
Human Resources	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	1,445,826
Law	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	1,372,165
Development Services	2,180,055	2,504,558	2,701,130	2,954,366	2,925,237	3,572,495	-	-	-	-
Community Development	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	31,285,761
Planning and Development Services	-	-	-	-	-	-	5,641,584	4,636,674	3,966,578	3,155,793
Fire services	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	27,487,724
Police services	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	40,952,101
Public Works	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	26,058,635
Interest on long-term debt	209,054	196,404	541,370	462,398	438,450	414,286	388,381	429,730	413,217	399,242
Total governmental activities expenses	127,788,270	123,136,077	134,265,943	131,297,268	136,823,344	154,967,658	158,324,447	169,027,874	170,575,495	140,054,556
Business-type activities:										
Water	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	40,229,658
Local Transportation	2,612,944	-	-	-	-	-	-	-	-	-
Other proprietary funds	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	5,998,294
Total business-type activities expenses	41,734,607	39,764,642	41,523,236	40,479,003	41,659,436	44,182,386	44,471,834	46,692,132	47,783,293	46,227,952
Total primary government expenses	\$ 169,522,877	\$ 162,900,719	\$ 175,789,179	\$ 171,776,271	\$ 178,482,780	\$ 199,150,044	\$ 202,796,281	\$ 215,720,006	\$ 218,358,788	\$ 186,282,508
Program Revenues										
Governmental activities:										
Charges for services	\$ 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	\$ 31,125,166
Operating grants and contributions	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	36,629,965
Capital grants and contributions	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	6,674,419
Total governmental activities program revenues	58,359,834	63,078,078	54,473,952	60,215,550	57,471,821	57,856,394	68,665,919	65,827,836	79,040,906	74,429,550
Business-type activities:										
Charges for services	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	57,076,781
Operating grants and contributions	350,876	-	22,479	25,847	123,279	-	36,642	38,585	59,791	2,045,021
Capital grants and contributions	2,116,548	331,315	1,197,727	1,383,466	3,374,785	1,018,049	998,762	198,979	389,891	342,192
Total business-type activities program revenues	42,010,633	42,921,122	40,696,313	38,987,712	41,450,451	46,055,554	48,328,643	50,494,751	55,780,518	59,463,994
Total primary government program revenues	\$ 100,370,467	\$ 105,999,200	\$ 95,170,265	\$ 99,203,262	\$ 98,922,272	\$ 103,911,948	\$ 116,994,562	\$ 116,322,587	\$ 134,821,424	\$ 133,893,544
Net revenue/(expense)										
Governmental activities	\$ (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)	\$ (65,625,006)
Business-type activities	276,026	3,156,480	(826,923)	(1,491,291)	(208,985)	1,873,168	3,856,809	3,802,619	7,997,225	13,236,042
Total primary government net expense	\$ (69,152,410)	\$ (56,901,519)	\$ (80,618,914)	\$ (72,573,009)	\$ (79,560,508)	\$ (95,238,096)	\$ (85,801,719)	\$ (99,397,419)	\$ (83,537,364)	\$ (52,388,964)

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(Continued)										
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 24,355,060
Sales taxes	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	40,866,872
Utility user taxes	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	13,322,651
Motor vehicles / In lieu property tax	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	11,959,681
Other taxes	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	16,902,706
Investment earnings	419,817	679,347	1,376,228	1,765,281	849,111	902,408	4,622,647	5,042,701	1,878,276	(4,859,238)
Gain on sale of capital assets	-	102,447	21,700	173,859	89,852	134,785	69,983	42,934	11,600	(1,232,481)
Insurance recoveries	-	-	913,838	-	-	-	-	-	-	-
Miscellaneous	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	4,468,301
Assets transferred to/liabilities assumed by Successor Agency	-	1,535,778	2,458,682	5,293,678	(425,935)	-	-	-	-	-
Transfers	(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)	(1,113,531)
Total governmental activities	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	104,670,021
Business-type activities:										
Investment earnings	106,369	354,811	251,358	413,341	64,737	203,147	1,142,964	1,341,509	(18,397)	(2,504,761)
Miscellaneous	87,023	-	-	-	-	-	-	248,687	42,841	103,812
Gain or (Loss) on sales or transfer of assets	(40,393,415)	-	-	-	-	-	-	-	(7,943)	-
Insurance recoveries	-	-	69,208	-	-	-	-	-	-	-
Transfers	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	1,113,531
Special Item(s) - see notes	-	-	-	-	-	(2,832,157)	-	-	-	-
Total business-type activities	(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	(1,287,418)
Total primary government	\$ 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	\$ 103,382,603
Change in Net Position										
Governmental activities	\$ (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	\$ 39,045,015
Business-type activities	(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	11,948,624
Total primary government	\$ (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	\$ 50,993,639

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 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	\$ 2,063,533
Restricted	241,179	249,697	271,572	272,885	320,738	2,269,039	4,550,387	7,137,110	11,272,510	12,874,568
Committed	356,245	2,617,267	2,691,002	2,251,472	1,235,078	6,810	6,332	45,321	-	-
Assigned	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	5,021,176
Unassigned	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	23,172,169
Total General Fund	<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>	<u>\$ 43,131,446</u>
All Other Governmental Funds										
Nonspendable	\$ 102,072	\$ 240,832	\$ 102,072	\$ 71,236	\$ 78,324	\$ 67,625	\$ 567,625	\$ 81,473	\$ 64,625	\$ 64,625
Restricted	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	86,535,867
Committed	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	20,637,997
Assigned	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	3,851,721
Unassigned	-	-	-	-	-	(9,438)	(24,825)	(595,122)	-	-
Total all other governmental funds	<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>	<u>\$ 111,090,210</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 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	\$ 109,686,094
Licenses and permits	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	5,500,565
Fines and forfeitures	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	1,025,271
Intergovernmental	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	44,443,275
Use of money and property	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	(2,006,546)
Charges for services	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	20,069,339
*Other	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	3,355,783
Total revenues	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	182,073,781
Expenditures										
Current:										
Legislative and Advisory	275,664	207,903	264,854	294,088	298,748	296,548	327,843	282,191	223,806	245,690
Executive	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	4,345,600
Finance	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	1,821,777
Human resources	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	1,796,910
Law	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	1,699,110
Planning and Development services	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	3,632,335
Community Development	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	29,397,172
Fire services	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	33,093,529
Police services	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	48,574,836
Public works	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	17,593,041
Nondepartmental	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	6,776,925
Capital Outlay	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	15,486,383
Debt service:										
Principal	275,131	397,268	746,689	927,301	963,929	988,971	1,014,954	1,232,812	2,303,276	2,001,267
Lease Payments	-	-	-	-	-	-	-	-	-	15,181
Interest	204,899	186,276	358,575	343,902	307,273	282,531	256,548	318,356	261,924	341,337
Total expenditures	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	166,821,093
Excess (deficiency) of revenues over (under) expenditures	(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	15,252,688
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	10,277,326	7,321,809	6,363,953	6,021,537	7,296,515	12,306,875	14,715,342	12,153,050	5,557,591	15,131,374
Transfers out	(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)	(20,044,905)
Proceeds from long-term debt issuance	79,692	-	-	-	-	-	-	-	-	-
Capital Leases**	-	-	-	-	-	-	-	5,716	4,197,652	-
Total other financing sources (uses)	(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	(4,913,531)
Extraordinary/Special Item:										
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	-	-	3,781,351	863,212	(871,177)	-	-	-	-	-
Net change in fund balances	\$ (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	\$ 10,339,157
Beginning 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
Prior period adjustments	-	-	-	-	128,985	-	-	-	8,251,172	-
Ending fund balance	\$ 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	\$ 154,221,656
Debt service as a percentage of noncapital expenditures	0%	0%	1%	1%	1%	1%	1%	1%	2%	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	
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%
2022	12,908,222,920	225,016,791	187,130	(1,103,212,414)	12,030,214,427	513,653,354	76,668,518	298,432	(101,566,165)	489,054,139	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.

204 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	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	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	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	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	0.00763
SCC GOB 2012 Series D	-	-	-	-	-	-	-	-	0.00498	0.00452
Vallejo U.S.D GOB 2018 Ser 2021	-	-	-	-	-	-	-	-	-	0.04437
SCC 2019 GO Refunding Bonds	-	-	-	-	-	-	-	-	0.00636	0.00589
Vallejo U.S.D. 2002-A GOB Refunding	0.06576	0.06850	0.06358	0.06144	0.06092	0.05450	0.05345	0.05179	0.05142	0.02366
Vallejo U.S.D. Measure A 2002	0.01261	0.01250	0.00853	0.00730	0.00660	-	-	-	-	-
SCC GOB Series 2005-A	0.01768	0.01820	0.01299	-	-	-	-	-	-	-
Vallejo U.S.D. Measure A 2004	0.01187	0.01305	0.01086	0.01007	0.00943	-	-	-	-	-
Vallejo U.S.D. Measure A - 2006	0.00646	0.00711	0.00588	0.00544	0.00519	-	-	-	-	-
SCC GOB Series 2003-A	-	-	-	-	-	-	-	-	0.00700	0.00951
SCC 2015 GO Refunding Bonds	0.00292	0.00276	0.00208	0.00178	0.00086	0.00082	0.00070	0.00073	0.00069	0.00067
SCC GOB 2012 Series A	-	0.01384	0.01337	0.01232	0.01297	0.00487	0.00499	0.00512	-	0.00061
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	0.00063
SCC GOB 2014 Ref Series B	-	-	0.00309	0.01607	0.01566	0.01405	0.01383	0.01347	0.00463	0.00540
SCC GOB 2012 Series C	-	-	-	-	-	-	0.01451	0.00812	0.00583	0.00590
Vallejo USD 2017 GOB Refunding	-	-	-	-	-	0.01453	0.01687	0.01624	0.01589	0.01472
Total Voter Approved Rate	0.13730	0.16070	0.14556	0.13917	0.13718	0.11345	0.12921	0.17344	0.17357	0.14350
Total Direct Rate	<u>1.13730</u>	<u>1.16070</u>	<u>1.14556</u>	<u>1.13917</u>	<u>1.13718</u>	<u>1.11345</u>	<u>1.12921</u>	<u>1.17344</u>	<u>1.17357</u>	<u>1.14350</u>

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.

Top 10 Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2022		2013	
	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	\$ 118,648,011	0.95%	\$ 95,538,542	1.25%
Park Management Corp.	100,924,475	0.81%	75,853,631	0.99%
The Nimitz Group	95,478,977	0.76%		
WRPV XIII BV Vallejo LLC	66,575,627	0.53%		
Prime Ascot LP	64,860,309	0.52%	55,945,823	0.73%
Invitation Homes Inc	56,864,299	0.45%		
Colony Starwood Homes	51,645,716	0.41%		
Sundance-Vallejo	38,343,256	0.31%	33,037,182	0.43%
MG Sterling Vill Apartments GWP LP	34,485,931	0.28%		
Seabridge LLC	33,887,928	0.27%		
Kaiser Foundation Hospitals			679,643,543	8.89%
Lennar Mare Island			27,657,802	0.36%
K W Vallejo Tick LLC			25,409,652	0.33%
Ogino LLC			25,196,950	0.33%
Sutter Health Sac Sierra Reg			25,386,474	0.33%
Symphony Asset Pool XV LLC			29,649,193	0.39%
Top Ten Totals	<u>\$ 661,714,529</u>	<u>5.29%</u>	<u>\$ 1,073,318,792</u>	<u>14.03%</u>

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
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.
2022	23,463,126	23,264,974	99.16%	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 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	Calendar Yr 2021 Totals	YTD % change
Retail Group											
Apparel Stores	\$ 605,365	\$ 758,982	\$ 729,060	\$ 774,468	\$ 824,990	\$ 885,616	\$ 923,646	\$ 981,231	\$ 981,231	\$ 1,341,277	37%
Auto Dealers and Supplies	3,350,870	4,810,138	5,141,839	5,689,553	6,015,344	5,854,553	5,592,440	5,570,340	5,570,340	8,035,777	44%
Building Materials	1,300,322	1,690,133	1,720,598	1,872,305	2,029,294	2,201,144	2,384,933	2,468,316	2,468,316	3,033,066	23%
Drug Stores	338,120	395,157	471,278	496,641	707,335	778,821	835,848	976,190	976,190	1,190,678	22%
Eating and Drinking Places	2,050,277	2,483,150	2,665,448	2,906,373	3,186,830	3,365,913	3,499,200	3,937,422	3,937,422	4,428,151	12%
Food Stores	912,903	1,139,899	1,209,115	1,291,787	1,119,244	1,078,298	1,050,666	1,089,395	1,089,395	1,173,190	8%
Furniture and Appliances	1,097,635	1,416,513	1,466,057	1,495,456	1,522,174	1,563,646	1,564,041	1,581,365	1,581,365	1,744,216	10%
General Merchandise	2,752,006	3,118,356	3,142,565	3,157,454	3,124,309	3,444,165	3,780,355	4,082,252	4,082,252	5,568,587	36%
Other Retail Stores	985,360	1,290,156	1,305,731	1,314,263	1,455,179	1,352,784	1,304,694	1,290,973	1,290,973	1,597,023	24%
Packaged Liquor	158,442	180,317	209,710	239,682	456,275	499,274	502,401	544,262	544,262	738,145	36%
Service Stations	2,876,297	3,144,854	3,384,436	2,761,900	2,555,727	2,925,225	3,305,884	3,537,746	3,537,746	3,556,313	1%
Total Retail Group	16,427,597	20,427,655	21,445,837	21,999,882	22,996,701	23,949,439	24,744,108	26,059,492	26,059,492	32,406,423	24%
Non-Store & Part Time Retailers	42,407	55,142	46,717	51,216	51,364	57,387	65,079	72,385	72,385	41,685	-42%
Business, Service & Repair Group	1,455,135	1,707,567	1,722,581	1,877,718	2,014,404	1,965,010	2,048,538	2,143,654	2,143,654	2,117,294	-1%
Manufacturer & Wholesaler Group											
Contractors & Material	275,750	257,457	361,198	357,650	401,239	504,756	606,858	492,097	492,097	647,562	32%
Drugs & Chemical	39,633	46,141	56,577	139,697	69,264	73,008	93,809	80,769	80,769	69,651	-14%
Food/Farm Products & Equip	(27,521)	54,641	55,199	35,418	46,837	48,721	68,149	77,273	77,273	96,382	25%
Furniture & Textiles	9,266	15,756	19,400	18,527	20,396	27,061	35,012	32,599	32,599	45,471	39%
Heavy Industrial Equipment	251,122	234,838	246,794	213,383	265,169	349,111	253,455	330,851	330,851	318,227	-4%
Industrial Equipment	227,485	295,961	316,909	370,663	288,567	271,420	282,459	344,467	344,467	358,013	4%
All Other Equipment	296,596	420,478	404,424	487,063	494,907	422,262	450,338	695,113	695,113	409,065	-41%
Total Mfg & Wholesale Group	1,072,331	1,325,272	1,460,501	1,622,401	1,586,379	1,696,339	1,790,080	2,053,169	2,053,169	1,944,371	-5%
State Adjustments & Transfers	509	5,675	3,205	(10,290)	10,508	(2,910)	16,390	463,520	463,520	183,921	-60%
Total Sales All Outlets	18,997,979	23,521,311	24,678,841	25,540,927	26,659,356	27,665,265	28,664,196	30,792,220	30,792,220	36,693,694	19%
Retail Group	16,427,597	20,427,655	21,445,837	21,999,882	22,996,701	23,949,439	24,744,108	26,059,492	26,059,492	32,406,423	24%
Non-Store & Part Time Retailers	42,407	55,142	46,717	51,216	51,364	57,387	65,079	72,385	72,385	41,685	-42%
Business, Service & Repair Group	1,455,135	1,707,567	1,722,581	1,877,718	2,014,404	1,965,010	2,048,538	2,143,654	2,143,654	2,117,294	-1%
Manufacturer & Wholesaler Group	1,072,331	1,325,272	1,460,501	1,622,401	1,586,379	1,696,339	1,790,080	2,053,169	2,053,169	1,944,371	-5%
State Adjustments & Transfers	509	5,675	3,205	(10,290)	10,508	(2,910)	16,390	463,520	463,520	183,921	-60%
Total Point of Sale	18,997,979	23,521,311	24,678,841	25,540,927	26,659,356	27,665,265	28,664,195	30,792,220	30,792,220	36,693,694	19%
County Pool	1,185,156	1,510,000	1,475,021	1,634,979	1,738,288	1,833,341	1,959,479	2,353,241	2,353,241	3,324,106	41%
State Pool	6,051	7,149	10,111	10,358	3,648	5,805	7,274	6,567	6,567	(177)	-103%
Sales Tax Receipts	11,799,325	12,781,159	13,128,117	13,546,345	14,056,183	14,593,221	15,065,837	16,185,123	16,185,123	18,924,199	17%
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	16,966,905	21,093,424	24%
Total Receipts	\$ 20,189,186	\$ 25,038,459	\$ 26,163,971	\$ 27,186,264	\$ 28,401,292	\$ 29,504,411	\$ 30,630,948	\$ 33,152,028	\$ 33,152,028	\$ 40,017,623	21%

Sources: HDL Report

Top 25 Principal Sales Tax Payers

CALENDAR YEARS 2021 and 2011

IN ALPHABETICAL ORDER

2021	2011
Arco AM PM	Au Energy Shell Station
Au Energy Shell Station	Avery Greene Honda
Autolinx	Best Buy
Avery Greene Honda	Bonfare Market
Best Buy	Chevron
Chick Fil A	Costco
Costco	Earthquake Protection Systems
Foster Lumber Yard	Home Depot
Home Depot	Kohls
Kohls	Lowe's
Lowe's	McDonalds
Marshalls	Momentum Chrysler/Dodge/Jeep/Kia
McDonalds	N&M Market
Ross	Ross
Safeway	Safeway
Safeway Fuel	Safeway Fuel
Six Flags Discovery Kingdom	Shell
Target	Six Flags Discovery Kingdom
Team Chevrolet Cadillac Mazda Hyundai	Target
Tesla Motors	Team Chevrolet Cadillac Hyundai Mazda
Texaco Power Market	Toyota Vallejo
Toyota Vallejo	Tributary Point Arco
Tributary Point Arco	Valero
Vallejo Nissan	Vallejo Nissan
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	
	Lease Payables ⁴	Certificates of Participation	Loans & Notes Payable	Financed Purchase	Total Governmental Activities	Revenue Bonds	Lease Payables ⁴	Certificates of Participation	Loans & Notes Payable	Financed Purchase				Total Business-type Activities
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
2022	26,411	2,141,129	12,813,429	2,181,873	17,162,842	78,938,468	229,001	-	17,390,068	-	96,557,537	113,720,379	2.81%	923

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.

⁴ Effective fiscal year 2022, the City adopted GASB statement No. 87

Direct and Overlapping Debt

June 30, 2022

FY 2021-22 Assessed Valuation Citywide Total		\$ 12,519,268,566	
Successor Agency Incremental Valuation		(489,054,139)	
FY 2021-22 Adjusted City-Only Assessed Valuation		<u>\$ 12,030,214,427</u>	
			City's Estimated
	Percentage	Total	Share of
	Applicable ¹	Outstanding	Overlapping
		Debt 6/30/22	Debt 6/30/22
Overlapping Tax and Assessment Debt:			
Solano County Community College District	20.531%	\$ 351,971,139	\$ 72,263,195
Vallejo Unified School District	97.820%	111,635,000	109,201,357
Vallejo Unified School District CFD No. 2	100.000%	10,209,712	10,209,712
City of Vallejo Hiddenbrooke Improvement District No. 1998-1	100.000%	7,925,000	7,925,000
City of Vallejo 1915 Act Bonds	100.000%	4,370,000	4,370,000
Total overlapping debt repaid with property taxes		<u>486,110,851</u>	<u>203,969,264</u>
Direct and Overlapping General Fund Debt:			
Solano County General Fund Obligations	19.959%	81,685,000	16,303,509
Solano County Pension Obligation Bonds	19.959%	13,360,000	2,666,522
Vallejo Unified School District General Fund Obligations	97.820%	9,664,188	9,453,509
City of Vallejo General Fund Obligations	100.000%	12,657,558	12,657,558
Greater Valley Recreation District Pension Obligation Bonds	97.820%	4,115,000	4,025,293
Total Direct and Overlapping General Fund Debt		<u>121,481,746</u>	<u>45,106,391</u>
Overlapping Tax Increment Debt (Successor Agency):	100.000%	<u>\$ 2,390,000</u>	<u>2,390,000</u>
Total City Direct Debt			<u>12,657,558</u>
Total overlapping debt ²			<u>238,808,097</u>
Combined Total Debt			<u>\$ 251,465,655</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 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.63%
Total Direct Debt (\$12,657,558)	0.10%
Combined Total Debt	2.01%

Ratios to Redevelopment Successor Agency Incremental Value:

Total Overlapping Tax Increment Debt	0.49%
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**Legal Debt Margin Information
Last Ten Fiscal Years**

Fiscal Year Ended June 30

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed valuation	\$ 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	\$ 12,030,214,427
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	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	3,007,553,607
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	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	451,133,041
Legal debt margin	<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>	<u>\$ 451,133,041</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
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
2022	48,298,555	31,440,778	16,857,777	6,516,504	2.59

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	1993 COP		Total
2013	27,385,589	16,705,830	10,679,759	-	325,943	315,118	2,507,309	904,191	2,747,344	6,799,905	1.57
2014	28,628,926	18,005,941	10,622,985	82,728	327,693	315,062	2,231,956	904,119	2,743,844	6,605,402	1.61
2015	28,270,621	17,893,442	10,377,179	2,318,519	331,626	317,449	-	907,072	2,721,750	6,596,416	1.57
2016	29,530,993	19,213,676	10,317,317	2,314,475	324,475	317,450	-	907,072	2,661,500	6,524,971	1.58
2017	28,526,894	19,478,930	9,047,964	2,311,475	326,075	317,450	-	907,072	2,657,500	6,519,572	1.39
2018	27,482,287	19,402,604	8,079,683	2,312,275	327,275	317,449	-	907,072	2,652,750	6,516,221	1.24
2019	29,733,781	20,696,633	9,037,148	2,311,675	328,075	317,450	-	907,072	2,709,875	6,574,147	1.37
2020	33,045,459	25,108,887	7,936,572	2,310,425	328,475	317,450	-	907,072	-	3,863,422	2.05
2021	36,616,703	24,726,106	11,890,597	2,311,925	328,475	317,450	-	907,072	-	3,864,922	3.08
2022	39,074,865	32,595,628	6,479,237	2,311,925	328,475	317,450	-	907,072	-	3,864,922	1.68

Data source - Vallejo Sanitation and Flood Control District (now 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	
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
2022	1,169,982	240,000	177,400	2.80

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)
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%
2022	123,190	4,043,835	32,826	4.9%

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	2022		2013	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Kaiser Permanente Medical Center**	4,043	7.57%	3,906	5.87%
Six Flags Discovery Kingdom	1,300	2.43%	1,600	2.41%
Vallejo Unified School District	1,070	2.00%	1,600	2.41%
Sutter Solano Medical Center*	549	1.03%	690	1.04%
City of Vallejo	525	0.98%	509	0.77%
Touro University California	500	0.94%	385	0.58%
Safeway (3 Locations)	334	0.63%	N/A	N/A
Costco Wholesales	321	0.60%	N/A	N/A
California Maritime Academy	271	0.51%	N/A	N/A
Meyer Corp	242	0.45%	N/A	N/A
Kaiser Permanente Call Center	N/A	N/A	950	1.43%
CA Highway Patrol, Regional Off	N/A	N/A	400	0.60%
U.S.D.A Forest Service Region 5	N/A	N/A	300	0.45%
Petrochem Corporate Headquarters	N/A	N/A	225	0.34%

"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**

Function	Full-Time and Part-Time Employees as of June 30									
	2013	2014	2015	2016	2017	2018 *	2019	2020	2021	2022
General government	60.0	61.0	65.6	61.0	60.5	63.5	80.0	90.0	90.0	92.0
Public safety	226.0	236.0	242.0	244.0	257.0	258.0	259.0	283.0	295.0	310.0
Public works	62.0	68.0	68.0	71.0	72.5	71.5	73.0	73.5	73.5	74.0
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	18.0	17.8	20.8	21.0	24.0	25.0	21.0	24.0	24.0	31.0
Housing	17.0	15.0	14.0	14.0	15.0	15.0	17.0	15.0	15.0	15.0
Landscape District	4.0	5.0	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	3.5	4.5	4.0	5.0	5.0	5.0
Water	104.0	104.0	106.0	106.0	106.0	108.0	114.0	118.5	124.5	138.0
Transportation	2.0	-	-	-	-	-	-	-	-	-
Marina	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
Corp Yard	8.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	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	1.0
Total	509.0	522.8	537.4	538.0	558.5	565.5	587.0	629.0	647.0	681.0

* Starting FY 17/18, using amended FTE numbers as of year end instead of adopted FTE from beginning of year.

Source: City of Vallejo 22-23 Proposed Budget

**Operating Indicators
by Function**

Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police:										
Arrests	3,522	3,738	4,182	4,103	3,775	2,679	2,178	2,377	2,321	1,593
Parking citations issued	1,163	3,778	3,679	3,131	2,984	5,074	10,749	1,940	955	524
Fire:										
Number of emergency calls	12,970	12,992	14,339	14,307	14,389	14,866	13,942	14,238	15,059	17,280
Inspections (Fire Prevention)	2,667	3,925	3,242	2,372	2,417	2,352	1,500	3,127	2,421	2,417
Inspections (Code Enforcement) ¹	7,074	9,586	9,055	11,334	11,822	11,125	6,507	8,025	6,589	3,991
Public works:										
Street resurfacing (lane miles)	6.6	3.2	9.03	3.87	7.0	1.25	42.50	2.00	2.00	5.80
Water:										
New connections	5	10	45	66	63	48	70	28	45	73
Average daily consumption (thousands of gallons)	17,806	17,371	15,637	14,216	14,801	15,761	15,630	16,334	16,609	15,529
Development Services:										
Building permits	2,176	2,444	2,816	3,244	3,221	3,369	3,163	2,918	4,249	3,928
Housing Rental units ²	2,292	2,292	2,306	2,333	2,333	2,333	2,333	2,348	2,348	2,348
Housing Vouchers ³	2,133	2,062	1,953	1,976	1,926	1,898	1,835	1,783	1,709	1,480
Golf course:										
Golf rounds played	73,077	73,835	70,795	69,803	56,738	75,882	78,715	75,703	116,982	110,402

¹ Function transfer to Police Code Enforcement

² Monthly average of housing units available

³ Amounts listed represent the monthly average of vouchers issued

Source: City of Vallejo

**Capital Asset Statistics
by Function
Last Ten Fiscal Years**

	Fiscal Year Ended June 30									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police:										
Stations	3	4	4	5	5	5	5	6	6	6
Fire:										
Fire stations	6	6	6	6	6	6	6	6	6	7
Public works:										
Streets (miles)	351	351	351	351	351	351	351	351	351	351
Traffic signals	123	123	125	124	124	124	121	121	119	150
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	50,500	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
Touchstone Golf, LLC