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are...



Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2019



Campbell
California





CITY OF CAMPBELL, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
FISCAL YEAR ENDED JUNE 30, 2019



CITY OF CAMPBELL, CALIFORNIA

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2019

Prepared by

Finance Department

Will Fuentes

Finance Director



CITY OF CAMPBELL
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INTRODUCTORY SECTION





CITY OF CAMPBELL
Finance Department

February 21, 2020

Honorable Mayor, City Council, and Citizens of Campbell

It my pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Campbell for the fiscal year ended June 30, 2019. The report and accompanying independent audit are published pursuant to State law and the requirements of Section 2.08.140 of the Campbell Municipal Code. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with Generally Auditing Standards by an independent auditing firm of licensed certified public accountants.

While traditionally addressed to the governing legislative body of the City, this report is also intended to provide relevant financial information to the citizens of the City of Campbell, City staff, creditors, investors and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

Purpose and Management Responsibility

The report consists of management's representations concerning the finances of the City of Campbell. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As the City's Chief Executive Officer, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects. Further, every attempt has been made to conform to the highest standards of public financial reporting as set forth by the following organizations:

- Governmental Accounting Standards Board (GASB);
- American Institute of Certified Public Accountants (AICPA) and its Committee on Governmental Accounting and Auditing;
- Government Finance Officers Association (GFOA) of the United States and Canada; and
- California Society of Municipal Finance Officers (CSMFO).

Audited Financial Statements

White Nelson Diehl Evans LLP, a firm of licensed certified public accountants, has audited the City of Campbell financial statements. The City's independent audit was meant to provide reasonable assurance that its financial statements are free of material misstatement. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Campbell for the fiscal year ended June 30, 2019 are presented fairly in all material respects. After a thorough evaluation of the City's internal controls and all required financial documents, the independent auditors rendered an unmodified ("clean") opinion that the City of Campbell's financial statements contained herewith are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

Organization of Report

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

In addition to meeting the requirements set forth by State law, the audit was also designed to meet the requirement of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and the Uniform Guidance. The standards governing Single Audit engagements require the auditor to report on the City's internal controls and compliance with certain legal requirements with special emphasis on the administration of federal awards. For the year ended June 30, 2019 the City did not expend over \$750,000 on Federal financial assistance programs; and therefore a Single Audit was not required.

CITY OF CAMPBELL PROFILE

The City of Campbell is located in the heart of Silicon Valley contiguous with the City of San Jose and 50 miles south of San Francisco. The City encompasses 6.7 square miles, is substantially built out, and serves a population of approximately 43,250 as of January 1, 2019. The City is comprised of a mix of residential, office and commercial retail businesses. The City is also home to a number of community festivals and celebrations throughout the year, and it prides itself on fostering a "small town" feel despite being located in the midst of a major metropolitan region. The City's central geographic setting within Silicon Valley makes it a desirable place to live and work.

The City was incorporated March 28, 1952, as a General Law city and operates under a Council-Manager form of government that includes five council members elected at-large for a term of four years. The Mayor is selected each year by majority vote of the other Council members. The Council appoints the City Manager, City Attorney, and City Clerk. The City Council members also serve as the governing board members of the Successor Agency to the dissolved City of Campbell Redevelopment Agency and the Campbell Lighting and Landscape District, which are both included in the accompanying financial reports.

City Services

The City provides the following services to its residents: police and contract fire protection; park and street lighting maintenance; recreational classes, services and cultural events; planning, zoning and building review and inspections; construction and maintenance of streets and roads; and leadership provided through general administrative services. Water, sewage, garbage and electric utilities are provided directly through joint powers authorities for which the City participates.

Budgetary Policy and Control

The annual budget serves as the foundation for the City of Campbell's financial planning and control. The budget process begins in December with each City department receiving a budget packet. Initial appropriation requests are made in mid-February; study sessions are later held with the City Council between March and May to discuss department goals and work plans as well as to obtain Council's input on special priorities or concerns that should be considered in developing the budget. Subsequently, the City Manager meets with each department director to discuss the budget requests and make changes where necessary. The City Manager then prepares and presents the recommended budget in late May or early June for Council's preliminary consideration. Adoption of the operating and capital budget document takes place in June. The City's financial policies authorize the City Manager to administratively approve budget adjustments within the adopted budget up to \$10,000 or requiring transfers from reserves up to \$5,000 per transaction. Requests for increases in appropriations over these amounts or any adjustments to capital projects require approval by the City Council. Changes in appropriations during the year must be submitted by the City Manager to the City Council for review and approval, and must be accompanied by appropriate fiscal impact analysis. The City Manager is authorized to transfer at the fund level budgeted appropriations, including capital projects, provided no change is made to the total amount provided for any one fund.

ECONOMIC CONDITION AND OUTLOOK

National, State and Local Economies—While Silicon Valley is best known for its significant concentration of high technology and electronics research, development and manufacturing, the area also supports a wide variety of retail, office and personal services industries. Historically, this region has experienced cycles of expansion and contraction and has led the nation in productivity, innovation and economic growth for much of the past two decades. The region is home to numerous institutions of higher learning and education that support a broad base of research and development in advanced technology and design.

The nation's economy has continued to expand and improve with recent GDP growth in the third quarter of 2019 equaling 2.1%. At the same time, interest rates have decreased slightly and unemployment has decreased to historically low levels. This situation, combined with positive corporate earnings of major industrial and technology companies, have contributed to increases in the major stock exchanges during the year.

The City of Campbell has an unemployment rate at 2.4%, national unemployment rate was reported at 3.6% and for California at 3.9% per Bureau of Labor Statistics. Overall it appears the U.S. economy is expected to continue improving and had remained strong for over 10 years.

Local Economy

Here in the local region of Silicon Valley, the demand for residential and office space continues to stimulate construction and development activity with sales transactions and median prices reflecting the current under-supply in building stock. Because of the unique setting of this region, and the fact that many of the surrounding cities have limited capacity for new housing, most property values continue to appreciate. This is predominantly due to the fact that demand in this region regularly exceeds the supply despite the high cost of housing. Private development activity in Campbell has seen all-time highs, but staff expects permit revenue generated from development to decrease in future fiscal years as high value projects are replaced by an increasing volume of smaller value projects such as home remodels, still requiring considerable staff time. As such, while staff does not expect its overall workload to decrease, it does expect to generate lower overall revenue from this shift in the composition of building and development activity.

Campbell is home to a diversified economic base of business segments located throughout the community. There are over 5,200 businesses in the City that generated approximately \$15.7 million in sales tax revenue, an increase of 5.4% over the previous year. The largest categories of sales tax producers comprise general retail, food products, transportation and business-to-business.

RELEVANT FINANCIAL POLICIES

Because of the many economic and fiscal uncertainties that constantly confront the City, and to address the financial impacts created by these issues, the City has taken necessary steps to preserve its fiscal health. The City incorporates long-term financial planning into its budget process. For example, it has established financial and budgetary policies monitored by the City Council that ensure operating revenues are available to fund operating expenditures resulting in a balanced budget. The City has also designated a Reserve for Economic Fluctuations the purpose of which is to serve as a buffer for those revenue sources most significantly impacted by downturns in the economy, thereby, enabling the City to better withstand an economic recession. The City's financial policies specify target funding of two months of General Fund expenditures. Moreover, the City's 5-year projections include anticipated increases in retirement costs over the next several years due to changes in actuarial assumptions. In addition, there are other reserves set aside for both operating as well as emergency purposes to provide the City a financial "safety net" during the next economic slowdown.

Cash Management

The City manages a pooled investment program for all funds in which temporarily idle cash is invested in a variety of instruments. The investment program is managed in accordance with the Investment Policy approved by the City Council. Safety, liquidity, and yield in that order, are the objectives of the investment program. Investments are diversified among investment tools that include certificate of deposit, Federal agency securities and the State of California's Local Agency Investment Fund. Quarterly reports on investment status and activity are presented to the City Council.

Capital Improvement/Capital Asset

A five year Capital Improvement Plan is approved on an annual basis with first year projects adopted in conjunction with the operating budget. Sufficient financial commitment is made to preserving the City's investment in its public facilities (buildings, streets, parks, equipment, etc.) to assure preservation of these assets. Equipment replacement and maintenance is projected and funded throughout its useful life. The annual capital improvement budget includes projects which funding source is reasonably assured and can be started within the fiscal year.

MAJOR INITIATIVES

The City of Campbell City Council and the City's management team have dedicated significant attention and resources accomplishing the City's goals and objectives. With the goals to enhance economic development with community involvement, maintain and improve the City's infrastructure and facilities, maintain financial stability, adapt services to support an evolving community in a changing environment and enhance internal and external communication.

A number of capital projects were completed over the course of the fiscal year 2018-19, including the Audrey Avenue/Hack Avenue Street Improvement Project, Campbell Avenue/Leigh Avenue Safety Improvements, and John D. Morgan Park Pathway Reconstruction.

The City continues to address various labor compensation changes imposed through legislation in the area of Fair Labor Standards Act (FLSA) overtime calculation. Affordable Care Act (ACA), changes in collection regarding union dues and pension increases due to CALPERS changes to the discount rate.

AWARDS (Financial and Budgetary)

The GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Campbell for its CAFR for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award that recognizes conformity with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. The CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the past 30 consecutive fiscal years. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are again submitting it to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year 2017-18. This is the 25th consecutive year of receiving this award. In order to receive this award, the budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGEMENTS

The preparation and publication of this report was made possible by the dedicated service of the entire Finance Department under the leadership of the Finance Director. Each member of the Department has my sincere appreciation for the many contributions made in the preparation of this report. In addition, I wish to extend a special thanks to the Finance Department Staff for their hard work in producing this document.

Appreciation is also extended to City departments for their support in planning and conducting the fiscal functions of the City, the commitment of all City employees, as well as the Mayor and City Council for their support and encouragement toward achieving and maintaining the highest standards for the management of the City of Campbell's finances. Through continued partnership with the community that we serve, the City of Campbell will continue to be a leader in effective municipal governance and maintain high quality of life.

Respectfully submitted,


Brian Loventhal
City Manager







Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Campbell
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

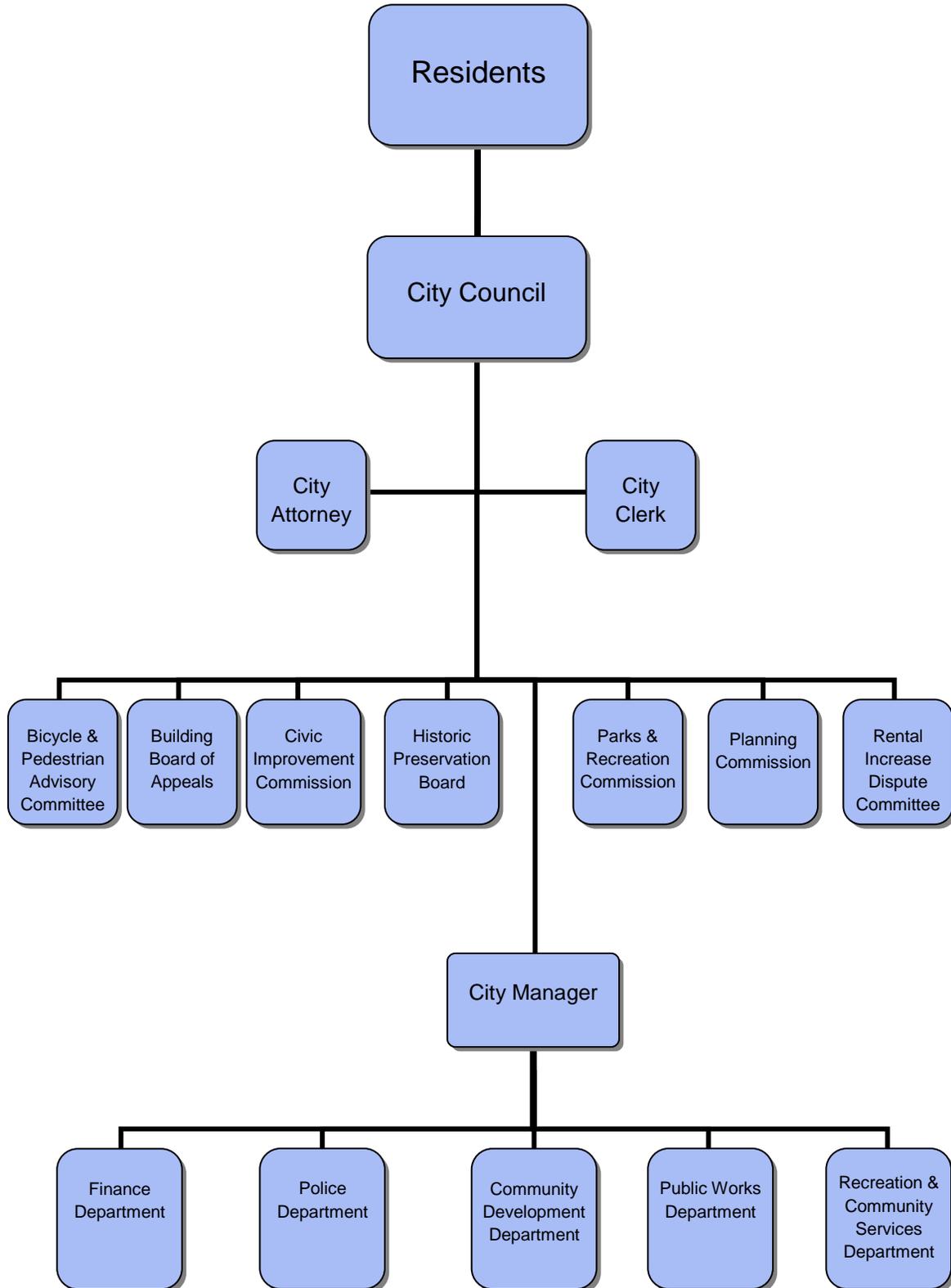
June 30, 2018

Christopher P. Morill

Executive Director/CEO

General Organization

2018 - 2019



CITY OFFICIALS

City Council

Mayor – Paul Resnikoff

Vice Mayor – Rich Waterman

Councilmember – Jeffrey Cristina

Councilmember – Susan M. Landry

Councilmember – Elizabeth “Liz” Gibbons

Note: Mayor serves an annual term from December to December. Names and positions are as of July 1, 2018.

City Administrative Staff

City Manager – Brian Loventhal

Deputy City Manager – Al Bito

City Clerk – Wendy Wood

City Attorney – William Seligmann

Community Development Director – Paul Kermoyan

Finance Director – Will Fuentes

Human Resources Manager – Jill Lopez

Police Chief – David Carmichael

Public Works Director – Todd Capurso

Recreation & Community Services Director – Regina Maurantonio

COMMISSION, COMMITTEES, AND ADVISORY BOARDS

Planning Commission

Michael Rich, Chairperson
JoElle Hernandez, Vice Chairperson
Stuart Ching
Cynthia Dodd
Michael Krey
Maggie Ostrowski
Andrew Rivlin

Parks and Recreation Commission

Sherrie Doherty, Chairperson
Allen Ishibashi, Vice Chairperson
Jacquie Davidson
Robert Fidrych Jr
Traci Mitchell
Brian Santor
Celeste Walker.

Civic Improvement Commission

Anne Souza, Chairperson
Amy Carpenter, Vice Chairperson
Carol Hoffman
Sharon Teeter
Lucy Zheng
Alan Zisser

Building Board of Appeal

Bruno Marcelic
Jim Morelan
Jay Perrine
Kevin Salazar
Todd Zeman

Historical Preservation Board

Todd Walter, Chairperson
D. Michael Foulkes, Vice Chairperson
Susan Blake
Yvonne Kendall
Laura Taylor Moore

Rental Fact Finding Committee

Lucy Zheng
Eric Bracher
William Pierce
Jennifer Dooley
Zack Martin

Bicycle/Pedestrian Committee

Paul Tuttle, Chairperson
Carmen Lynaugh, Vice Chairperson
Marko Buric
Brian Conroy
Laura Smith

Note: Names and Positions as of July 3, 2018

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Campbell
Campbell, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Campbell (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Campbell, as of June 30, 2019, 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.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the City has restated beginning net position for corrections made to capital assets and related accumulated depreciation balances. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios and the schedule of contributions for the CalPERS miscellaneous pension plan, the schedule of proportionate share of the net pension liability and the schedule of contributions for the CalPERS safety pension plan, the schedule of changes in the net OPEB liability and related ratios, the schedule of contributions - OPEB plan, and the budgetary comparison schedules for the General Fund and the Housing Assets Special Revenue Fund, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules (supplementary information), and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP

Irvine, California
February 21, 2020



Management's Discussion and Analysis

The management of the City of Campbell, California (City) presents this narrative overview and analysis of the financial activities of the City as of, and for the fiscal year ended June 30, 2019. Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, we encourage readers to consider the information presented herein in conjunction with additional information furnished in the Letter of Transmittal and the accompanying Basic Financial Statements.

Fiscal Year 2018-19 Financial Highlights

The City ended its fiscal year with total revenues of \$60.6 million, an increase of \$4.1 million from the previous year, and total expenses of \$62.1 million, an increase of \$0.9 million compared to the previous year. Excluding property taxes, general revenues; comprised of sales tax, transient occupancy tax and other revenues, increased \$1.1 million.

Other financial highlights of the past year are as follows:

City-wide:

- Total City assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$40.5 million. Of this amount, \$47.4 million represents the net investment in capital assets while \$17.1 million is restricted for various purposes including affordable housing, streets and roads, community development and debt service. The negative \$24.0 million in unrestricted net position increased by \$2.5 million since last year.
- Total net position increased from the previous year by \$8.0 million primarily attributable to an adjustment to capital asset and related accumulated depreciation balances as referenced in Note 19.

Fund level:

- Total governmental fund balances were \$52.2 million at fiscal year-end, an increase of \$2.2 million from the previous year.
- General Fund revenues, excluding transfers, increased \$3.4 million to \$53.1 million from the previous year. Related expenditures increased by \$1.9 million from the previous year to \$49.5 million.
- General Fund's fund balance increased \$0.5 million to \$27.0 million at fiscal year-end.
- Total Committed General Fund balance of \$21.7 million is for future contingencies, economic fluctuations and capital improvement projects. Total Assigned General Fund balance of \$4.3 is for CalPERS retirement costs and other post-employment benefits, and the remainder for general government. The combined Committed and Assigned amount represents a 53% reserve ratio to General Fund expenditures excluding transfers out.

Overview of the Financial Statements

The City is required to present its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standard Board (GASB) pronouncements. The City of Campbell's Basic Financial Statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the Basic Financial Statements.

City-wide financial statements - These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They consist of the *statement of net position* and *statement of activities*. The statements are reported on the full accrual basis of accounting and eliminate any duplicate activity between City funds.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources including capital assets and long-term debt, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. It encompasses all revenues and expenses and reports them based on when they are earned or incurred, respectively, rather than the timing of the related cash flows.

The City has only *governmental* activities that are primarily supported through taxes and intergovernmental revenues. The City-wide financial statements include Campbell Lighting and Landscape District, a legally separate entity that is under the control of the City and for which the City retains financial accountability.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Campbell, like other state and local governments, uses fund accounting on a day-to-day basis to ensure and demonstrate compliance with finance-related legal requirements. These statements focus on more short-term reporting related to current revenues, expenditures and fund balances. They do not include capital assets or long-term liabilities. The City's funds can be divided into two categories: *governmental funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the City-wide financial statements. However, unlike the City-wide financial statements, governmental fund financial statements focus on inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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

The City of Campbell maintains individual governmental funds. Information for the General Fund, Housing Assets Special Revenue Fund, Other Grants Special Revenue Fund and Capital Projects Fund is presented separately in the fund statements as they are considered *major* funds of the City. The data for the remaining funds are shown in the aggregate in the financial statements. However, the individual fund data for each of these non-major funds is provided as supplemental information in the form of combining statements.

The City of Campbell adopts an annually appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the City. Fiduciary funds are not reflected in the City-wide financial statements because the resources of those funds are not available to support the City's own programs. Accordingly, only assets and liabilities are reported for these funds. The City reports two agency funds, representing a joint powers authority and a local improvement district. It also reports a Private Purpose Trust Fund which consists of the Successor Agency to the former Campbell Redevelopment Agency, which was dissolved by State legislation on February 1, 2012.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the City-wide and fund financial statements. They can be found immediately following the financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information in the form of budget and actual schedules for major governmental funds other than the general fund; combining statements for non-major governmental funds and the City's internal service funds; and a statement of changes in assets and liabilities for the City's agency funds.

City-Wide Financial Analysis

These City-wide financial statements provide information about the City's overall financial picture from the perspective of all the City's governmental funds. The analysis focuses on the net position and changes in net position at the City-wide level as presented in the statement of net position and statement of activities. Net positions for the City are summarized below as of June 30 and an analysis follows:

Governmental Net Position
(in millions)

	<u>Governmental Activities</u>	
	2019	2018
Cash & investments	\$43.7	\$42.6
Capital assets	57.1	48.4
Other assets	12.7	12.4
Total assets	113.5	103.4
Deferred outflows of resources	13.2	18.2
Long term liabilities	17.8	18.1
Other liabilities	6.4	7.3
Net OPEB liability	4.3	5.2
Net pension liability	56.3	58.0
Total liabilities	84.8	88.6
Deferred inflows of resources	1.5	0.5
Net position:		
Net investment in capital assets	47.4	38.2
Restricted	17.2	15.9
Unrestricted	(24.1)	(21.6)
Total net position	\$40.5	\$32.5

The changes in net position were comprised of the following elements:

- Cash and investments increased by a net of \$1.1 million.
- Capital asset additions during the year were \$1.8 million, and increases in accumulated depreciation were \$2.5 million. Additional restatements to capital asset book value and accumulated depreciation increased \$9.4 million, resulting in a total net increase of \$8.7 million.
- Other assets increased \$0.3 million primarily due to an increase in taxes receivable for fiscal year 2019 taxes not received until after fiscal year end.
- Deferred outflows of resources decreased \$5 million consisting of; \$4.1 million deferred pension contributions that will be recognized as a reduction to the net pension liability next year, change in assumptions, and the net differences between projected and actual earnings on plan investments that is being amortized and recognized as a component of pension expense over future periods and \$.9 million deferred OPEB contributions.

- Long term liabilities decreased \$0.3 million resulting from payment of principal amount of the City's outstanding debt which was offset by increases in compensated absences and claims payable.
- Other liabilities decreased by \$0.9 million due primarily to decreases in deposits payable and accounts payable related to the timing of fiscal year end payments.
- Net Pension Liability decreased \$1.7 million resulting from a combination of actuarial assumption changes in the liability and increased investment earnings on pension assets.
- Deferred Inflows of Resources increased \$0.9 million due primarily to changes in assumptions which are being recognized over future periods.
- Net investment in capital assets increased \$9.3 million from the previous year due to an increase in capital assets and reduction in capital debt.
- Restricted net position assets have external limitations placed upon them regarding how they may be spent. This balance increased by \$1.3 million due to increases in other assets.

On the following page is a summary of the components that resulted in the change to net position for the fiscal year ended June 30:

Changes in Governmental Net Position
(in millions)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Revenues:		
Program Revenues:		
Charges for services	13.0	12.7
Operating grants and contributions	3.5	2.8
Capital grants and contributions	0.6	0.5
General Revenues:		
Property taxes	16.9	15.3
Sales and use taxes	15.7	14.9
Other taxes	9.5	9.7
Investment Income	1.1	0.2
Miscellaneous	0.3	0.4
Total Revenues	60.6	56.5
Expenses:		
General Government	7.3	7.7
Recreation	7.2	6.9
Community Development	3.7	3.5
Public Safety	29.6	27.6
Public Works	14.0	15.2
Interest on Long Term Debt	0.3	0.3
Total Expenses	62.1	61.2
Change in Net Position	-1.5	-4.7
Net Position at Beginning of Year	32.5	37.2
Restatement	9.5	-
Net Position at Beginning of Year, As Restated	42.0	37.2
Net Position at End of Year	40.5	32.5

Governmental net position decreased \$1.5 million from the prior year. Key elements of activity are as follows:

Revenues:

- Within program revenues, charges for services increased \$0.3 million resulting from an increase in Recreation transactions compared to the previous year. Operating grants and contributions increased \$0.7 million and capital grants and contributions increased \$0.1 million, funding several ongoing capital projects during the fiscal year.

- Within general revenues, property tax revenues increased \$1.6 million reflecting continued strength in the real estate market; and sales tax revenue increased \$0.8 million due to continued improvement in the economy.
- Other Taxes decreased \$0.2 million resulting from decreases in some franchise tax and property transfer tax revenues.
- Other revenue increased \$0.8 million primarily due to an increase in investment earnings.

Expenses:

- General Government expenses decreased \$0.3 million attributable to a decrease in retiree health prefunding.
- Recreation expenses increased \$0.3 million due to increased staffing costs.
- Community Development expenses increased \$0.2 million due to additional staffing as well as increased staffing costs related to expanded economic development efforts and to keep up with workload demands.
- Public Safety expenses increased \$1.8 million due primarily to increased staffing, increased cost in providing services, and increased contractual fire services costs of \$0.5 million.
- Public Works expenses decreased \$1.1 million due to a decrease in contractual services and staffing costs.
- Interest on long-term debt did not change and remains at \$0.3 million, similar to the prior year.

Financial Analysis of Fund Financial Statements

Combined governmental fund balances at fiscal year-end were \$45.7 million, an increase of \$2.1 million from the previous year. The City has Restricted, Committed, Assigned and Unassigned fund balances of \$17.2 million; \$21.7 million; \$6.0 million and \$0.8 million, respectively, at year end.

Governmental fund revenues, excluding transfers, were \$61.0 million, an overall increase of \$2.6 million from the previous year. Property taxes were higher by \$1.7 million due to continued strength in the real estate market. Investment income increased by 1.1 million from the previous year. Furthermore, fines and forfeitures and parkland dedication fees increased by \$0.6 million. However, intergovernmental revenues were lower by \$1.4 million due to a decrease in grants received in the previous year for various capital projects.

Governmental fund expenditures, excluding transfers, decreased from the prior year by a net amount of \$1.8 million to \$58.6 million. The decrease is attributable to lower spending within capital projects.

Analysis of Major Governmental Funds

General Fund

The General Fund realized an excess of revenues over expenditures of \$3.6 million, excluding transfers. General Fund revenues, excluding transfers, increased \$3.4 million from the previous year to \$53.1 million. Property taxes increased \$1.6 million, sales tax increased \$0.8 million, and investment earnings increased \$0.8 million.

General Fund expenditures, excluding transfers, were \$49.5 million, an increase of \$1.9 million from the previous year. The increase was related primarily to increased costs of \$1.6 million for Public Safety services.

The General Fund's fund balance at fiscal year-end was \$27.0 million, an increase of \$0.5 million from the previous year. Committed and Assigned fund balances at year end were \$21.7 million and \$4.3 million, respectively. These balances are utilized to fund various emergency and operating funds, including a \$9.2 million reserve for economic fluctuations, \$1.7 million for continuing capital projects, \$2.0 million for future capital improvements and \$5.6 million for emergencies. Unassigned fund balance of \$1.0 million serves as an additional reserve for unanticipated needs that may arise.

There was a final budget-to-actual variance for total General Fund expenditures of \$0.7 million. Positive variances in all functional areas were realized except for a \$1.4 million negative variance in Field Services of Public Safety resulting from increased staffing costs and pay-off of sick leave and vacation leave due to retirement. The remaining net positive variances for the General Fund resulted from continued efforts to conserve budget, as well as rescheduling of some projects and work to the following year due to staffing and workload constraints.

Housing Assets Special Revenue Fund

The principal assets of this fund consist of long-term housing loans receivable from various housing programs which were formerly administered by the Campbell Redevelopment Agency. Limited funds are available for new homebuyers, consisting primarily of loan repayment proceeds and interest earnings.

Other Governmental Funds

These funds are not separately presented in the basic financial statements, but are individually presented as supplemental information.

Capital Assets

The City had net capital assets of \$57.1 million as of June 30, 2019. The following is a summary of the City's capital assets for the fiscal year ended June 30:

	2019	2018 As restated
Land	\$9.1	\$9.1
Construction in progress	2.2	5.7
Building & improvements	13.7	13.7
Other improvements	10.7	9.8
Machinery & equipment	11.4	10.5
Infrastructure	52.2	48.7
Less: Accumulated depreciation	<u>(42.2)</u>	<u>(39.7)</u>
Net capital assets:	<u>\$57.1</u>	<u>\$57.8</u>

Total additions to capital assets were \$1.7 million during the year consisting primarily of other improvements and infrastructure offset by an increase in accumulated depreciation. Additional detail on capital assets can be found in Note 5 of the notes to the basic financial statements. Deletions of capital assets consisted primarily of vehicles and equipment which were no longer serviceable.

Debt Administration

In August 2016, the City and its Successor Agency concurrently refinanced a combined four outstanding debt issues to achieve significant interest savings for the City and the Agency, given the low rate environment that existed for the past couple of years. Additional detail regarding the City's long-term debt can be found at Note 6 in the notes to financial statements. The Successor Agency debt is reported in a Private Purpose Trust separate from the City's financial statement reporting entity. The debt obligations appear on the Fiduciary Funds Statement of Net Position of the CAFR. Total outstanding debt of the Successor Agency for the refunding tax allocation bonds was \$19.8 million at June 30, 2019.

The City had \$3.3 million in outstanding certificates of participation and \$6.3 million in refunding lease revenue bonds outstanding at June 30, 2019.

Economic Outlook and Next Year's Budget

The City was again able to maintain and enhance its reserves at or above their target levels. In developing the FY20 budget, the following information was used:

- Property tax revenues are expected to grow 4.9% compared to FY 19 due to continued appreciation in the property tax base. Growth and demand in the commercial and residential real estate markets are expected to remain strong into the next year.
- Sales tax revenue is expected to be 2.0% higher during the year based on limited growth in retail sales adjusted for a slight increase in new businesses.
- Development fee revenue is expected to decrease compared to FY 19 levels reflecting fewer large-scale developments than what was experienced in the previous years.
- Employer retirement costs are expected to continue rising considerably for the next several years due to ongoing changes in actuarial and demographic assumptions reflecting more conservative funding requirements and reduced earnings expectations.
- Premiums for employee health care are also expected to increase in the foreseeable future.

The economic outlook for the local Silicon Valley remains positive with some cautious optimism. The unemployment rate in Campbell for June 2019 was 2.4%, unchanged from a year ago, marking historically low levels not seen in many years. Concern over possible increases in inflation continues but is not expected to have a significant impact during the FY 2019-20 budget year. The Silicon Valley region has contributed significantly to job growth in the past and is expected to continue to do so in the near term.

Despite the overall positive outlook, there remain uncertainties facing the City. Consequently, the City is continuing to closely monitor its primary revenue sources while being cognizant of the need to minimize expenditure growth from year to year. General Fund operating appropriations for fiscal 2019-20 are \$56.2 million, an increase of \$2.7 million (5.0%) from the previous year's adopted budget.

This financial report is designed to provide a general overview of the City of Campbell's finances for residents, taxpayers, investors, creditors and any other interested parties. Questions about this report may be directed to the City's Finance Department at 70 N. First St., Campbell, CA 95008 or by e-mail at finance@cityofcampbell.com.

CITY OF CAMPBELL

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis of accounting. The effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. It focuses the reader on the composition of the City's net position, by subtracting total liabilities and total deferred inflows of resources from total assets and total deferred outflows of resources. The Statement of Net Position summarizes the financial position of all the City's Governmental Activities in a single column.

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

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis of accounting, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands.

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

Both these Statements include the financial activities of the City and the City of Campbell Lighting and Landscape District, which is a legally separate but blended component unit of the City because it is controlled by the City, which is financially accountable for its activities.

CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities
ASSETS:	
Cash and investments	\$ 43,748,455
Cash held with fiscal agent	3,944
Receivables:	
Taxes	3,428,546
Accounts	1,029,252
Interest	218,288
Notes and loans	7,903,726
Deposits	90,000
Capital assets, not depreciated	11,330,390
Capital assets, depreciated, net	45,798,812
TOTAL ASSETS	113,551,413
DEFERRED OUTFLOWS OF RESOURCES:	
Amount related to pensions	12,516,610
Amount related to OPEB	675,398
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,192,008
LIABILITIES:	
Accounts payable	2,622,089
Accrued expenses	1,702,935
Deposits payable	1,976,738
Interest payable	57,662
Long-term liabilities:	
Due within one year	2,805,763
Due in more than one year	15,012,795
Net OPEB liability - Due in more than one year	4,283,560
Net pension liability - Due in more than one year	56,275,327
TOTAL LIABILITIES	84,736,869
DEFERRED INFLOWS OF RESOURCES:	
Amount related to pensions	1,411,135
Amount related to OPEB	75,976
TOTAL DEFERRED INFLOWS OF RESOURCES	1,487,111
NET POSITION:	
Net investment in capital assets	47,429,206
Restricted for:	
Debt service	3,944
Streets and roads	2,674,825
Museum and adult center	156,164
Public safety	323,892
Low and moderate income housing	9,158,603
Community development	4,894,096
Unrestricted	(24,121,289)
TOTAL NET POSITION	\$ 40,519,441

See accompanying notes to the basic financial statements.

CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2019

Functions/programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Change in Net Position
					Governmental Activities
Governmental activities:					
General government	\$ 7,315,270	\$ 18,592	\$ 8,668	\$ -	\$ (7,288,010)
Recreation	7,183,132	5,946,637	96,398	-	(1,140,097)
Community development	3,661,787	2,817,123	61,750	-	(782,914)
Public safety	29,623,711	693,216	865,987	-	(28,064,508)
Public works	13,981,288	3,522,641	2,479,844	634,321	(7,344,482)
Interest expense and other charges	330,687	-	-	-	(330,687)
Total governmental activities	\$ 62,095,875	\$ 12,998,209	\$ 3,512,647	\$ 634,321	(44,950,698)
General revenues:					
Taxes:					
Property					16,921,874
Sales and use					15,684,222
Transient occupancy					4,768,870
Franchise					3,515,547
Other					1,239,121
Motor vehicle in lieu, unrestricted					20,494
Investment income					1,040,069
Miscellaneous					293,126
Total general revenues					43,483,323
Change in net position					(1,467,375)
Net Position At Beginning of Year, as restated (Note 19)					41,986,816
Net Position At End of Year					\$ 40,519,441

See accompanying notes to the basic financial statements.



CITY OF CAMPBELL
Fund Financial Statements - Governmental

Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds by the City in fiscal year 2019. Individual other governmental (nonmajor) funds may be found in the Supplemental Section.

General Fund

Accounts for activities traditionally associated with governments, such as administration, recreation, community development, engineering and public safety, which are not required to be accounted for in another fund.

Housing Assets Special Revenue Fund

Accounts for assets of the City's Successor Housing Agency, formed to take over certain housing assets from the former Redevelopment Agency Low-Moderate Income Housing Fund upon its dissolution by the State of California.

CITY OF CAMPBELL, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2019

	General Fund	Special Revenue Funds Housing Assets	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 27,105,975	\$ 1,409,351	\$ 10,139,047	\$ 38,654,373
Cash held with fiscal agent	-	-	3,944	3,944
Receivables:				
Accounts	588,595	-	412,603	1,001,198
Taxes	3,423,278	-	5,268	3,428,546
Interest	162,568	7,977	47,743	218,288
Notes and loans	-	7,763,726	140,000	7,903,726
Due from other funds	1,030,724	-	-	1,030,724
TOTAL ASSETS	\$ 32,311,140	\$ 9,181,054	\$ 10,748,605	\$ 52,240,799
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 1,751,383	\$ 21,433	\$ 676,335	\$ 2,449,151
Accrued payroll	1,555,197	1,364	104,123	1,660,684
Deposits payable	1,976,738	-	-	1,976,738
Due to other funds	-	-	441,353	441,353
TOTAL LIABILITIES	5,283,318	22,797	1,221,811	6,527,926
FUND BALANCES (DEFICIT):				
Restricted	-	9,158,257	8,053,267	17,211,524
Committed	21,743,948	-	-	21,743,948
Assigned	4,257,115	-	1,715,955	5,973,070
Unassigned	1,026,759	-	(242,428)	784,331
TOTAL FUND BALANCES (DEFICIT)	27,027,822	9,158,257	9,526,794	45,712,873
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 32,311,140	\$ 9,181,054	\$ 10,748,605	\$ 52,240,799

See accompanying notes to the basic financial statements.

CITY OF CAMPBELL, CALIFORNIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2019

Fund balances - total governmental funds		\$ 45,712,873
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet:		
Capital assets	\$ 91,003,897	
Accumulated depreciation	<u>(35,292,533)</u>	55,711,364
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditures when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances as of June 30, 2019 are:		
Lease revenue bonds and certificates of participation	(10,329,913)	
Compensated absences	(4,060,913)	
Claims payable	(213,524)	
Accrued interest	<u>(57,662)</u>	(14,662,012)
OPEB related liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities:		
Deferred outflows of resources	675,398	
Deferred inflows of resources	(75,976)	
Net OPEB liability	<u>(4,283,560)</u>	(3,684,138)
Pension related liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities:		
Deferred outflows of resources	12,516,610	
Deferred inflows of resources	(1,411,135)	
Net pension liability	<u>(56,275,327)</u>	(45,169,852)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, information technology, and workers' compensation self-insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
		<u>2,611,206</u>
Net position of governmental activities		<u>\$ 40,519,441</u>



CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2019

	General Fund	Special Revenue Funds Housing Assets	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 15,646,867	\$ -	\$ 1,275,007	\$ 16,921,874
Sales and use taxes	15,684,222	-	-	15,684,222
Other taxes	9,539,163	-	-	9,539,163
Special assessments	-	-	1,469,308	1,469,308
Licenses and permits	3,232,524	-	-	3,232,524
Fines and forfeitures	704,030	-	-	704,030
Investment income	998,446	61,448	263,870	1,323,764
Rents and leases	2,949,774	-	-	2,949,774
Intergovernmental	307,567	-	2,955,329	3,262,896
Charges for services	3,730,189	-	1,054,054	4,784,243
Project revenues	-	-	150,927	150,927
Donations	65,516	-	1,744	67,260
Parkland dedication fees	-	-	622,569	622,569
Miscellaneous revenues	211,569	22,024	31,080	264,673
TOTAL REVENUES	53,069,867	83,472	7,823,888	60,977,227
EXPENDITURES:				
Current:				
General government	7,245,353	-	-	7,245,353
Recreation	6,663,662	-	-	6,663,662
Community development	3,114,633	265,908	6,574	3,387,115
Public safety	27,275,040	-	148,069	27,423,109
Public works	5,212,141	-	5,728,799	10,940,940
Capital outlay	-	-	2,103,720	2,103,720
Debt service:				
Principal	-	-	605,000	605,000
Interest and fiscal charges	-	-	244,275	244,275
TOTAL EXPENDITURES	49,510,829	265,908	8,836,437	58,613,174
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,559,038	(182,436)	(1,012,549)	2,364,053
OTHER FINANCING SOURCES (USES):				
Transfers in	1,294,226	-	5,465,008	6,759,234
Transfers out	(4,306,206)	-	(2,607,428)	(6,913,634)
TOTAL OTHER FINANCING SOURCES (USES)	(3,011,980)	-	2,857,580	(154,400)
NET CHANGE IN FUND BALANCES	547,058	(182,436)	1,845,031	2,209,653
FUND BALANCES AT BEGINNING OF YEAR	26,480,764	9,340,693	7,681,763	43,503,220
FUND BALANCES AT END OF YEAR	\$ 27,027,822	\$ 9,158,257	\$ 9,526,794	\$ 45,712,873

CITY OF CAMPBELL, CALIFORNIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2019

Net change in fund balances - total governmental funds	\$ 2,209,653
Amounts reported for governmental activities in the Statement of Activities are different because:	
<p>When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.</p>	
Capital outlay	\$ 1,807,193
Depreciation expense	<u>(2,330,732)</u>
	(523,539)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	
Principal payment on lease revenue bond	605,000
<p>Accrued interest expense related to the long-term liabilities. This amount is the difference between the amount of interest paid and the amount of interest incurred on long-term liabilities.</p>	
	(86,412)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.</p>	
Net change in compensated absences	(75,487)
Net change in claims payable	<u>356,214</u>
	280,727
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	
	(348,727)
<p>Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.</p>	
	(3,304,137)
<p>OPEB expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, OPEB expense includes the change in the net OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.</p>	
	36,808
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment management, information technology, and workers' compensation self-insurance, to individual funds. The net revenue (expense) of these internal service funds are included in the governmental activities in the Statement of Net Position.</p>	
	<u>(336,748)</u>
Change in net position of governmental activities	<u><u>\$ (1,467,375)</u></u>

See accompanying notes to the basic financial statements.

CITY OF CAMPBELL
Fund Financial Statements - Proprietary

Internal Service Funds

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

CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

June 30, 2019

	Governmental Activities
	<u>Internal Service Funds</u>
ASSETS:	
CURRENT ASSETS:	
Cash and investments	\$ 5,094,082
Accounts receivable	28,054
Deposits	<u>90,000</u>
TOTAL CURRENT ASSETS	<u>5,212,136</u>
NONCURRENT ASSETS:	
Capital assets, net of accumulated depreciation	<u>1,417,838</u>
TOTAL NONCURRENT ASSETS	<u>1,417,838</u>
TOTAL ASSETS	<u>6,629,974</u>
LIABILITIES:	
CURRENT LIABILITIES:	
Accounts payable	172,938
Accrued payroll	42,251
Due to other funds	589,371
Compensated absences, current portion	39,907
Claims and judgments payable, current portion	<u>433,065</u>
TOTAL CURRENT LIABILITIES	<u>1,277,532</u>
LONG-TERM LIABILITIES:	
Compensated absences	45,839
Claims payable and judgments	<u>2,695,397</u>
TOTAL LONG-TERM LIABILITIES	<u>2,741,236</u>
TOTAL LIABILITIES	<u>4,018,768</u>
NET POSITION:	
Net investment in capital assets	1,417,838
Unrestricted	<u>1,193,368</u>
TOTAL NET POSITION	<u><u>\$ 2,611,206</u></u>

CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS

For the fiscal year ended June 30, 2019

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES:	
Investment income	\$ 109,732
Charges for services	3,465,920
Other	<u>49,676</u>
TOTAL OPERATING REVENUES	<u>3,625,328</u>
OPERATING EXPENSES:	
Personnel services	1,340,497
Services and supplies	2,470,136
Depreciation	<u>303,319</u>
TOTAL OPERATING EXPENSES	<u>4,113,952</u>
OPERATING LOSS	(488,624)
NONOPERATING INCOME (EXPENSES):	
Loss on disposal of capital assets	<u>(2,524)</u>
LOSS BEFORE TRANSFERS	<u>(491,148)</u>
TRANSFERS:	
Transfers in	254,000
Transfers out	<u>(99,600)</u>
TOTAL TRANSFERS	<u>154,400</u>
CHANGE IN NET POSITION	(336,748)
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	<u>2,947,954</u>
NET POSITION AT END OF YEAR	<u>\$ 2,611,206</u>

CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the fiscal year ended June 30, 2019

	Governmental Activities
	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from department users	\$ 3,600,039
Cash payments to suppliers of goods and services	(1,835,420)
Cash payments to employees for services	(1,351,292)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>413,327</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash received from other funds	254,000
Cash paid to other funds	(220,985)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>33,015</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	(122,478)
Proceeds of capital assets	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(122,478)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 323,864
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>4,770,218</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 5,094,082</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (488,624)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	303,319
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(25,289)
Increase (decrease) in accounts payable	72,432
Increase (decrease) in accrued payroll	739
Increase (decrease) in compensated absences	(11,534)
Increase (decrease) in claims and judgments payable	562,284
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 413,327</u>

See accompanying notes to the basic financial statements.

CITY OF CAMPBELL
Fund Financial Statements - Fiduciary

Private-Purpose Trust Fund

The private-purpose trust fund was created to account for the assets and liabilities of the Campbell Successor Agency, effective February 1, 2012. These amounts represent the assets and liabilities of the former Campbell Redevelopment Agency.

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2019

	Private-Purpose Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS:		
CURRENT ASSETS:		
Cash and investments	885,721	\$ 396,425
Cash held with fiscal agent	338	-
Accounts receivable	759	1,560
	<u> </u>	<u> </u>
TOTAL CURRENT ASSETS	<u>886,818</u>	<u>397,985</u>
NONCURRENT ASSETS:		
Capital assets, not being depreciated	7,123,531	-
Capital assets, net of accumulated depreciation	10,427,569	-
	<u> </u>	<u> </u>
TOTAL NONCURRENT ASSETS	<u>17,551,100</u>	<u>-</u>
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>18,437,918</u>	<u>\$ 397,985</u>
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	-	\$ 45,236
Accrued interest payable	104,040	-
Due to West Valley Solid Waste JPA	-	321,475
Due to bondholders	-	31,274
	<u> </u>	<u> </u>
TOTAL CURRENT LIABILITIES	<u>104,040</u>	<u>397,985</u>
LONG-TERM LIABILITIES:		
Due within one year	1,175,000	-
Due in more than one year	18,625,000	-
	<u> </u>	<u> </u>
TOTAL LONG-TERM LIABILITIES	<u>19,800,000</u>	<u>-</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>19,904,040</u>	<u>\$ 397,985</u>
NET POSITION:		
Held in trust for other purposes	<u>\$ (1,466,122)</u>	

CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

For the fiscal year ended June 30, 2019

	<u>Private-Purpose Trust Fund</u>
ADDITIONS:	
Distributions from county-administered redevelopment property tax trust fund	\$ 1,584,266
Investment income	<u>11,571</u>
TOTAL ADDITIONS	<u>1,595,837</u>
DEDUCTIONS:	
Professional and special services	29,048
Depreciation	703,117
Interest and fiscal agent costs	<u>427,245</u>
TOTAL DEDUCTIONS	<u>1,159,410</u>
CHANGE IN NET POSITION	436,427
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	<u>(1,902,549)</u>
NET POSITION AT END OF YEAR	<u><u>\$ (1,466,122)</u></u>



CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Campbell, California (the City), have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

a. Reporting Entity

The City of Campbell was incorporated March 28, 1952, under the general laws of the State of California. The City operates under a Council Manager form of government providing such services as public safety (police, contracted fire services, and building inspection), street and sidewalk maintenance, recreation, planning and zoning, and general administrative services. The accompanying financial statements present the activities of the City of Campbell (the primary government) and its blended component units, entities for which the City is financially accountable.

City of Campbell Lighting and Landscape District (the District) is a City-wide assessment District established in 1980 to provide lighting and landscape services and a funding source for these services. The District is governed by a Board composed of City Council members and lighting services are provided by City employees. Although legally separate, this District is so intertwined with the City that it is, in substance, one and the same. Accordingly, it is blended with the City in these financial statements. No separate financial statements are prepared for the District.

b. Measurement Focus and Basis of Accounting

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements:

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include a column for the governmental activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, interfund services provided and used are not eliminated in the process of consolidation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Measurement Focus and Basis of Accounting (Continued)

Government-wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Government-wide financial statements are presented using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary fund financial statements and the fiduciary private-purpose trust fund financial statements. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations are reported. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources, resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds. Fiduciary statements include financial information for the private-purpose trust fund, and agency funds. Agency funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations. Agency funds are reported using no measurement focus, but utilize the accrual basis of accounting.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so they have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first.

Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Measurement Focus and Basis of Accounting (Continued)

Governmental Funds (Continued)

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary and Fiduciary Funds

The City's internal service funds are proprietary funds. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds and the fiduciary private-purpose trust fund, are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. The fiduciary agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting assets and liabilities.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Fund Classifications

The City reports the following major governmental funds:

The General Fund is used to account for resources traditionally associated with governments, such as administration, engineering and public safety, which are not required to be accounted for in another fund.

The Housing Assets Special Revenue Fund is used to account for resources received from the dissolution of the former Campbell Redevelopment Agency dedicated to low and moderate income housing activities pursuant to the California Health and Safety Code.

Additionally, the City reports the following fund types:

Special Revenue Funds - These funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose.

Capital Projects Fund is used to account for the expenditures and financing of the City's capital projects.

Debt Service Fund - This fund is used to account for the activity related to the City's share of proceeds from the 2016 Refunding Lease Revenue Bonds, which were utilized chiefly to refund debt related to the City's Community Center and deferred street maintenance projects.

Internal Service Funds - These funds are used to account for the City's motor vehicle pool, workers' compensation self-funded insurance program and information technology services. Departments of the City are charged for the services provided or benefits received from these funds.

Fiduciary Funds - The City maintains two types of Fiduciary Funds - a Private-Purpose Trust Fund and Agency Funds. The Private-Purpose Trust Fund accounts for activities of the Successor Agency to the Campbell Redevelopment Agency. Agency Funds are used to account for monies held for the West Valley Solid Waste Management Authority and for the 1915 Act Bonds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. New Accounting Pronouncements

Current Year Standards

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018. This standard did not impact the City.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018. This standard did not significantly impact the City.

Pending Accounting Standards

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future:

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.

e. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflows related to OPEB and pension plans equal to employer contributions made after the measurement date of the net OPEB liability and the net pension liability.
- Deferred outflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Deferred Outflows/Inflows of Resources (Continued)

- Deferred outflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to pension plans for the changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to pensions resulting from the net differences between projected and actual earnings on plan investments of the pension plans fiduciary net position. These amounts are amortized over five years.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to pensions for the changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to OPEB plans resulting from the net differences between projected and actual earnings on plan investments of the OPEB plan's fiduciary net position. These amounts are amortized over five years.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Net Position and Fund Balance Flow Assumptions

In the government-wide financial statements, when expenses are incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

In the governmental fund financial statements, when expenditures are incurred for purposes for which all categories of fund balances are available, the City's general policy is to apply the expenditures against fund balance in the following order: restricted, committed, assigned, and unassigned.

g. Property Taxes

All property taxes and special assessments are levied and collected by the County of Santa Clara (the County) and paid upon collection to the various taxing entities including the City, Successor Agency of the former Redevelopment Agency, and Lighting and Landscape District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured taxes are due on July 1 and become delinquent on August 31. The lien date for secured and unsecured property taxes is January 1 of the preceding fiscal year.

The County is permitted by State law to levy taxes at 1% of full market value at time of purchase plus other increases approved by the voters, and can increase the assessed value no more than 2% per year. The City receives its proportionate share of this levy.

The City has adopted an alternative method of property tax distribution called the Teeter Plan. Under this method, the City receives 100% of its secured property tax levied in exchange for foregoing any interest and penalties collected on delinquent taxes. The City receives payments as a series of advances made by the County throughout the year. Secured property tax levy is recognized as revenue upon receipt, including the final payment, which generally is received within 60 days after the fiscal year end.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Cash and Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in external investment pools are valued based on the stated fair value represented by the external investment pool.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's quarterly average cash and investment balance.

For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary fund's share in the cash and investment pool of the City.

i. Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their acquisition value at the date of the contribution. Generally, the City capitalizes all infrastructures with a value greater than \$25,000. All other capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of more than one year. Capital assets include all public domain (infrastructure) assets consisting of certain improvements, including roads, streets, sidewalks, medians, and storm drains.

The following schedule summarizes capital asset useful lives:

Buildings and improvements	40 years
Other improvements	20 years
Machinery and equipment	3 to 20 years
Infrastructure	15 to 40 years

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Compensated Absences

Accrued vacation and sick leave are accrued as earned by employees. City employees may accrue vacation up to certain maximums as of December 31 of each calendar year, which vary depending on classification and years of service. Upon termination, they may be compensated for their vacation balance at current hourly rates. Similarly, sick leave may be accumulated without limit and employees may be compensated upon termination based on a vesting schedule determined by years of service, compensated at current hourly rates.

For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the Statement of Net Position. For Internal Service Funds, liabilities of these amounts are recorded liabilities of those funds.

Compensated absences are typically liquidated in the General Fund.

k. Pensions

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

l. Postemployment Benefits Other Than Pensions (OPEB):

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

m. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS

Cash and Investments

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 43,748,455
Cash held with fiscal agent	3,944
Statement of Fiduciary Net Position:	
Cash and investments	1,282,146
Cash held with fiscal agent	<u>338</u>
Total cash and investments	<u><u>\$ 45,034,883</u></u>

Cash and investments as of June 30, 2019 consisted of the following:

Cash on hand	\$ 8,551
Deposits with financial institutions (1)	(24,657)
Investments	<u>45,050,989</u>
Total cash and investments	<u><u>\$ 45,034,883</u></u>

- (1) The City utilizes a sweep account in connection with their general checking account whereby available funds in the account are invested in a repurchase agreement overnight or over the weekend. On June 30, 2019, the City's available cash in the general checking account of \$1,399,581 was swept into a three-day repurchase agreement which has been included with investments for disclosure purposes.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Types	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	75%	None
Federal Instrumentality (government sponsored enterprise)	5 years	None	75%	None
Repurchase Agreements	1 year	A/A-1	10%	None
Commercial Paper	270 days	*	25%	10%
Banker's Acceptance	180 days	A-1 or P-1 or F-1	30%	10%
Medium-Term Notes	5 years	AA or Aa2	10%	None
Non-negotiable Time Certificates of Deposit	5 years	None	25%	\$1 million
Negotiable Certificates of Deposit	5 years	None	30%	None
California Local Agency Investment Fund (LAIF)	N/A	None	None	\$50 million per account
Mutual Funds	N/A	AAAm or Aaa or AAA/V1+	15%	10%
Money Market Mutual Funds	N/A	AAAm or Aaa or AAA/V1+	15%	10%
Municipal and State Obligations	5 years	A-A-1	10%	None

* Issuer must be U.S. general corporation having assets in excess of \$500,000,000 with debt other than commercial paper rated A or higher or U.S. special purpose corporation, trust or limited liability company having program-wide credit enhancements and commercial paper rated A-1 or higher.

N/A - Not Applicable

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Types</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bonds, Notes and Bills	5-7 years	None	No Limit	No Limit
U.S. Government Sponsored Entities	5-7 years	AAA	No Limit	No Limit
Time Certificates of Deposit - Banks or Savings and Loans	1 year	None	No Limit	No Limit
Banker's Acceptance	360 days	A-1/P-1	No Limit	No Limit
Commercial Paper	270 days	A	No Limit	No Limit
Repurchase Agreements	30 days-7 years	A	No Limit	No Limit
California Local Agency Investment Fund (LAIF)	N/A	None	No Limit	\$50 million per account
Money Market Funds	N/A	A	No Limit	10%
Investment Agreements	5-7 years	A	No Limit	No Limit
Other Tax Exempt Organizations	7 years	A	No Limit	No Limit
California Asset Management Program (CAMP)	N/A	None	No Limit	No Limit

Disclosures Relating to 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 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.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. For purposes of the schedule shown below, any callable securities are assumed to be held to maturity.

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 to 24 Months	25 to 60 Months	
U.S. Government Sponsored Entities	\$ -	\$ 4,995,775	\$ 11,495,805	\$ 16,491,580
California Local Agency Investment Fund	27,159,327	-	-	27,159,327
Repurchase Agreement	1,399,581	-	-	1,399,581
Held with Fiscal Agent:				
Money Market Mutual Funds	501	-	-	501
Total Investments	\$ 28,559,409	\$ 4,995,775	\$ 11,495,805	\$ 45,050,989

Disclosures Relating to Credit Risk

Generally, 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 minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual Standard & Poor's rating as of year-end for each investment type.

Investment Type	Minimum Legal Rating	Total as of				Not Rated
		June 30, 2019	AAA	AA+	AA-	
U.S. Government Sponsored Entities	None	\$ 16,491,580	\$ -	\$ 16,491,580	\$ -	\$ -
California Local Agency Investment Fund	None	27,159,327	-	-	-	27,159,327
Repurchase Agreement	None	1,399,581	1,399,581	-	-	-
Held with Fiscal Agent:						
Money Market Mutual Funds	AAA	501	501	-	-	-
Total Investments		\$ 45,050,989	\$ 1,400,082	\$ 16,491,580	\$ -	\$ 27,159,327

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2019, the City's investment's with the following issuers represented more than 5% of total City investments:

Federal Home Loan Mortgage Corporation	\$3,501,425
Federal Farm Credit Banks	5,496,730
Federal Home Loan Bank	5,498,265

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2019, the City's deposits were either federally insured or collateralized.

For investments identified herein as held with fiscal agent, the trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
U.S. Government Sponsored Entities	\$ -	\$ 16,491,580	\$ -	\$ 16,491,580
Corporate Notes	-	-	-	-
Total Leveled Investments	<u>\$ -</u>	<u>\$ 16,491,580</u>	<u>\$ -</u>	16,491,580
California Local Agency Investment Fund* Repurchase Agreement*				27,159,327 1,399,581
Held with Fiscal Agent: Money Market Mutual Funds*				<u>501</u>
Total Investment Portfolio				<u>\$ 45,050,989</u>

* Not subject to fair value measurement hierarchy.

NOTE 3 - INTERFUND TRANSACTIONS

Due To/From Other Funds

The current interfund outstanding balances result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are normally repaid as they arise.

Current interfund balances are as follows:

Due from Other Funds	Due to Other Funds	Amount
General Fund	Other Governmental Funds	\$ 441,353
General Fund	Internal Service Funds	589,371
		<u>\$ 1,030,724</u>

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 3 - INTERFUND TRANSACTIONS (CONTINUED)

Transfers In/Out

Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Other Governmental Funds (a)(b)(d)(f)	\$ 4,052,206
	Internal Service Funds (c)	254,000
Other Governmental Funds	General Fund (a)(c)(e)	1,194,626
	Other Governmental Funds (a)(e)(f)	1,412,802
Internal Service Funds	General Fund (a)	99,600
		<u>\$ 7,013,234</u>

Interfund transfers were principally used for the following purposes:

- (a) To fund specific program expenditures
- (b) To fund equipment and vehicle replacements
- (c) To fund a portion of debt service payments
- (d) Grant funded program expenditures
- (e) Capital project expenditures
- (f) Capital project expenditures

NOTE 4 - NOTES AND LOANS RECEIVABLES

First-Time Homebuyer Loan Program

The City's Housing Assets Special Revenue Fund engages in a first-time homebuyer down payment assistance program designed to encourage home ownership among low and moderate income households. Under this program, a loan up to \$50,000 is provided to eligible households to be used as part of the down payment for the purchase of a home in the City of Campbell. These promissory notes are secured by second deeds of trust and are due thirty years from the date the property was purchased. The notes require a payback of principal plus an 8% fee or an equity share payment, whichever is lower. The balance of the notes receivable arising from this program at June 30, 2019 was \$582,000.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 4 - NOTES AND LOANS RECEIVABLES (CONTINUED)

Housing Rehabilitation and Affordable Housing Loans:

The City's Housing Assets Special Revenue Fund engages in programs designed to encourage construction or improvement in low to moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. The balance of the loans receivable arising from these programs at June 30, 2019 was \$1,410,468.

Maravilla Loans

The City's Housing Assets Special Revenue Fund engages in programs designed to encourage home ownership among low and moderate income households in the Maravilla Community in the City of Campbell. Under this program, an interest free loan up to \$200,274 is provided to eligible households to be used as part of the down payment for the purchase of a home in the Maravilla Community in the City of Campbell. These promissory notes are secured by second deeds of trust, and are due forty five years from the date the property was purchased. The balance of the notes receivable arising from this program at June 30, 2019 was \$3,515,258.

Additionally, under this program, a loan of \$94,000 is provided to eligible households to be used as part of the down payment for the purchase of a home in the Maravilla Community in the City of Campbell. These promissory notes are secured by second deeds of trust, earn interest at a rate of 1% per annum, and are due thirty years from the date the property was purchased. The balance of the notes receivable arising from this program at June 30, 2019 was \$2,256,000.

Rehabilitation Loans

The City administers a housing rehabilitation program using Housing and Community Development Act funds. Under the Program, individuals with incomes below a certain level are eligible to receive low or no interest loans, secured by deeds of trust, for construction work on their homes. Federal funds received by the City are deposited with a commercial bank. Upon approval of loans, the bank disburses the funds and arranges for and collects repayments.

At June 30, 2019, the City had outstanding rehabilitation loans of \$140,000 in its Community Development Block Grant Special Revenue Fund.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 is as follows:

	Balance at July 1, 2018 As Restated	Additions	Deletions	Transfers	Balance at June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 9,105,635	\$ -	\$ -	\$ -	\$ 9,105,635
Construction in progress	5,748,808	1,807,193	-	(5,331,246)	2,224,755
Total capital assets, not being depreciated	14,854,443	1,807,193	-	(5,331,246)	11,330,390
Capital assets, being depreciated:					
Buildings and improvements	13,690,155	-	-	-	13,690,155
Other improvements	9,815,461	-	-	910,147	10,725,608
Machinery and equipment	10,517,117	122,478	(132,454)	842,131	11,349,272
Infrastructure	48,654,654	-	-	3,578,968	52,233,622
Total capital assets, being depreciated	82,677,387	122,478	(132,454)	5,331,246	87,998,657
Less accumulated depreciation for:					
Buildings and improvements	(8,061,291)	(218,259)	-	-	(8,279,550)
Other improvements	(7,254,244)	(250,351)	-	-	(7,504,595)
Machinery and equipment	(8,374,037)	(543,317)	129,930	-	(8,787,424)
Infrastructure	(16,006,152)	(1,622,124)	-	-	(17,628,276)
Total accumulated depreciation	(39,695,724)	(2,634,051)	129,930	-	(42,199,845)
Total capital assets, being depreciated, net	42,981,663	(2,511,573)	(2,524)	5,331,246	45,798,812
Governmental Activities capital assets, net	\$ 57,836,106	\$ (704,380)	\$ (2,524)	\$ -	\$ 57,129,202

Depreciation expense, including \$303,319 relating to the internal service funds, was charged in the following functions in the Statement of Activities:

General government	\$ 330,457
Recreation	202,558
Public safety	161,305
Public works	1,939,731
Total depreciation expense - governmental activities	<u>\$ 2,634,051</u>

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Other Debt:					
2002 Refunding Certificates of					
Participation - Civic Center Project	\$ 3,070,519	\$ 181,268	\$ -	\$ 3,251,787	\$ -
2016 Refunding Lease Revenue Bonds	6,865,000		(605,000)	6,260,000	535,000
Bond premium	909,029	-	(90,903)	818,126	-
Other Long-term Liabilities:					
Compensated absences	4,082,706	2,566,271	(2,502,318)	4,146,659	1,689,107
Claims payable (Note 12)	3,135,916	1,315,722	(1,109,652)	3,341,986	581,656
	<u>\$ 18,063,170</u>	<u>\$ 4,063,261</u>	<u>\$ (4,307,873)</u>	<u>\$ 17,818,558</u>	<u>\$ 2,805,763</u>

2002 Refunding Certificates of Participation - Civic Center Project

Net proceeds of \$9,678,751 from the City's 2002 Refunding Certificates of Participation were used to prepay and refund the City's 1993 Certificates of Participation. An additional \$1,830,975 of proceeds was used to provide partial funding or renovation and expansion of the City's Police Department and construction of an animal shelter. As of June 30 2019, the defeased 1993 Certificates had been retired.

Capital Appreciation Certificates in the amount of \$1,245,844 bear interest at rates ranging from 5.80% to 5.83%. Capital Appreciation Certificate maturities begin October 1, 2029 and continue annually through 2032. The Capital Appreciation Certificates are subject to optional redemption in whole or in part any time after October 1, 2022. Each year the outstanding principal balance is increased for the accretion of interest associated with the Capital Appreciation Certificates. The accumulated accreted interest at June 30, 2019 is \$2,005,943.

Principal and interest payments are guaranteed under an insurance policy issued by Ambac Assurance Corporation.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

2002 Refunding Certificates of Participation - Civic Center Project (Continued)

The amount shown in the schedule of changes include the accreted value to date. The future debt service requirements on the 2002 Refunding Certificates of Participation outstanding at June 30, 2019 are as follows:

2002 Refunding COP			
Fiscal Year Ending	Principal	Interest	Total
2028 - 2032	\$ 961,507	\$ 3,883,493	\$ 4,845,000
2033	284,337	1,330,663	1,615,000
	1,245,844	5,214,156	6,460,000
Accumulated Accreted Interest	2,005,943	(2,005,943)	-
	<u>\$ 3,251,787</u>	<u>\$ 3,208,213</u>	<u>\$ 6,460,000</u>

2016 Refunding Lease Revenue Bonds

In August of 2016, the Campbell Joint Public Finance Authority issued 2016 Refunding Lease Revenue Bonds (the 2016 PFA Bonds), in the aggregate principal amount of \$8,085,000. The bonds pay interest at a rate from 2.0% to 4.0% payable semiannually on April 1 and October 1, commencing on April 1, 2016. The bonds were issued to prepay a portion of the 1997 Refunding Certificates of Participation (Civic Center Project) (the 1997 Certificates) of the City of Campbell (the City), prepay a portion of the 2002 Refunding Certificates of Participation (Civic Center Project) (the 2002 Certificates) of the City, and pay the costs of bond issuance. There is no reserve requirement on bonds.

The annual debt service requirements to amortize the 2016 Lease Revenue Bonds outstanding at June 30, 2019 are as follows:

2016 Lease Revenue Bonds			
Fiscal Year Ending	Principal	Interest	Total
2020	\$ 535,000	\$ 225,825	\$ 760,825
2021	550,000	209,550	759,550
2022	570,000	192,750	762,750
2023	585,000	172,500	757,500
2024	605,000	148,700	753,700
2025 - 2029	3,415,000	352,500	3,767,500
	<u>\$ 6,260,000</u>	<u>\$ 1,301,825</u>	<u>\$ 7,561,825</u>

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 7 - COMMITMENTS

In the regular course of business, the City enters into contracts for various services and construction projects. At June 30, 2019, the City had the following outstanding commitments under various contracts:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 649,112
Capital Projects Fund	895,498
Other Governmental Funds	91,682
Internal Service Funds	<u>84,632</u>
Total commitments	<u>\$ 1,720,924</u>

NOTE 8 - NET POSITION AND FUND BALANCES

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

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

Restricted Net Position reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable enabling legislation restriction is one that a party external to a government - such as citizens, public interest groups, or the judiciary - can compel a government to honor.

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

Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for government funds are classified as follows:

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

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 8 - NET POSITION AND FUND BALANCES

Fund Balances (Continued)

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

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by a City Council resolution taking the same formal action that imposed the constraint originally.

Within this classification of fund balance, the City has established by City Council resolution, an *Economic Fluctuations Reserve* that is maintained at \$9,192,787 to provide budget stabilization during an economic downturn that could otherwise result in significant reductions in service levels and/or organizational staffing. The reserve shall not be less than \$2,000,000. However, if the reserve balance falls below \$4 million, or the City's five-year financial projections indicate the reserve will fall below this minimum requirement at any time during this period, City staff shall present to Council, by the following year's budget adoption, a plan to return to the target amount within five years.

Within this classification of fund balance, the City has established by City Council resolution, a *General Fund Emergency Reserve* that shall be maintained at a level of 10% of General Fund revenues and used only in case of dire need as a result of physical or financial emergencies as determined by the City Council.

Assigned Fund Balance - includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as committed. City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily.

Unassigned Fund Balance - is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. In the event that funds other than the General Fund are included in the unassigned fund balance it would be a deficit.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 8 - NET POSITION AND FUND BALANCES (CONTINUED)

Fund balances for all the major and other governmental funds as of June 30, 2019, were classified as follows:

	General Fund	Special Revenue Funds Housing and Assets	Other Governmental Funds	Total Governmental Funds
Restricted:				
Debt service	\$ -	\$ -	\$ 3,944	\$ 3,944
Streets and roads	-	-	2,608,492	2,608,492
Museum and adult center	-	-	156,164	156,164
Public safety	-	-	323,892	323,892
Community development	-	-	4,894,096	4,894,096
Housing	-	9,158,257	346	9,158,603
Total restricted	-	9,158,257	7,986,934	17,145,191
Committed:				
General plan update	559,757	-	-	559,757
City council reserve	417,380	-	-	417,380
Civic center plan	241,150	-	-	241,150
Compensated absences	1,117,642	-	-	1,117,642
Economic fluctuations	9,192,787	-	-	9,192,787
Liability insurance	148,591	-	-	148,591
Capital improvements reserve	1,984,450	-	-	1,984,450
Capital projects	1,702,509	-	-	1,702,509
Workers' compensation	433,065	-	-	433,065
Heritage Theater	360,301	-	-	360,301
Emergency	5,586,316	-	-	5,586,316
Total committed	21,743,948	-	-	21,743,948
Assigned:				
Capital projects	1,001,003	-	1,700,306	2,701,309
Unemployment insurance	60,000	-	-	60,000
PERS	2,252,000	-	-	2,252,000
OPEB	295,000	-	-	295,000
Other	649,112	-	15,649	664,761
Total assigned	4,257,115	-	1,715,955	5,973,070
Unassigned	1,026,759	-	(242,428)	784,331
Total fund balances	\$ 27,027,822	\$ 9,158,257	\$ 9,460,461	\$ 45,646,540

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS

The following is a summary of pension related items for the year ended June 30, 2019:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS Miscellaneous	\$ 28,003,576	\$ 4,938,745	\$ (816,293)	\$ 5,067,645
CalPERS Safety	28,271,751	7,577,865	(594,842)	5,017,222
	<u>\$ 56,275,327</u>	<u>\$ 12,516,610</u>	<u>\$ (1,411,315)</u>	<u>\$ 10,084,867</u>

a. Public Employees' Retirement System (CalPERS)

General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's Safety (police) cost-sharing multiple-employer defined benefit plan or the Miscellaneous (all other) Plan, 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 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of services. PEPR miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 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. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

a. Public Employees' Retirement System (CalPERS) (Continued)

General Information about the Pension Plans (Continued)

The Plans' provisions and benefits in effect for the measurement period ended June 30, 2018, are summarized as follows:

	Miscellaneous		
	Prior to March 7, 2011	On or After March 7, 2011 and Prior to January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
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 - 55	50-63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.1% to 2.4%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.75%
Required employer contribution rates:			
Normal cost rate	9.902%	9.902%	9.902%
Employer portion of unfunded liability	\$ 1,350,130	\$ -	\$ -
	Safety		
	Prior to October 18, 2010	On or After October 18, 2010 and Prior to January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	12.00%
Required employer contribution rates:			
Normal cost rate	21.418%	15.928%	11.990%
Employer portion of unfunded liability	\$ 2,036,893	\$ 1,096	\$ 122

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

a. Public Employees' Retirement System (CalPERS) (Continued)

General Information about the Pension Plans (Continued)

Employees Covered

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	192
Inactive employees entitled to but not yet receiving benefits	143
Active employees	135
Total	<u>470</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

a. Public Employees' Retirement System (CalPERS) (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial methods and assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
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%
Salary Increase	(1)	(1)
Mortality	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Long-term Expected Rate of Return

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

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

a. Public Employees' Retirement System (CalPERS) (Continued)

Net Pension Liability (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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
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%		

(a) In the Cal PERS 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

(b) An expected inflation of 2.0% used for this period

(c) An expected inflation of 2.92% used for this period

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.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

a. Public Employees' Retirement System (CalPERS) (Continued)

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

Changes in the Net Pension Liability

The changes in the net pension liability for the Miscellaneous Plan during the measurement period are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2017	<u>\$105,922,540</u>	<u>\$ 76,568,039</u>	<u>\$ 29,354,501</u>
Changes in the Year:			
Service cost	2,318,339	-	2,318,339
Interest on the total pension liability	7,392,762	-	7,392,762
Changes of assumptions	(809,156)	-	(809,156)
Differences between expected and actual experience	(487,309)	-	(487,309)
Net plan to plan resource movement		(189)	189
Contribution - employer	-	2,683,458	(2,683,458)
Contribution - employee	-	1,040,310	(1,040,310)
Net investment income	-	6,387,875	(6,387,875)
Administrative expenses	-	(119,314)	119,314
Benefit payments, including refunds of employee contributions	(4,779,950)	(4,779,950)	-
Other miscellaneous income (expense)	-	(226,579)	226,579
Net Changes	<u>3,634,686</u>	<u>4,985,611</u>	<u>(1,350,925)</u>
Balance at June 30, 2018	<u>\$109,557,226</u>	<u>\$ 81,553,650</u>	<u>\$ 28,003,576</u>

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

a. Public Employees' Retirement System (CalPERS) (Continued)

Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability - Safety Plan

The City's Safety Plan is included in the Safety Risk Pool administered by CalPERS in its Public Agency Cost-Sharing Multiple Employer Defined Benefit Pension Plan (PERFC). As of the measurement date of June 30, 2018, the City's proportionate share of the net pension liability for the Safety Risk Pool was as follows:

	Proportionate Share of Net Pension Liability
	<hr/>
Safety Plan	\$ 28,271,751
	<hr/>

The City's net pension liability for the Safety Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's change in proportionate share of the net pension liability for each Plan as of the measurement dates ended June 30, 2017 and 2018 was as follows:

	<u>Safety</u>
Proportion - June 30, 2017	0.47999%
Proportion - June 30, 2018	0.48183%
Change - Increase (Decrease)	0.00184%

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

a. Public Employees' Retirement System (CalPERS) (Continued)

Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for the Miscellaneous Plan and proportionate share of net pension liability for the Safety Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability and proportionate share of 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:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 42,443,905	\$ 41,239,912
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 28,003,576	\$ 28,271,751
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 16,067,647	\$ 17,646,664

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the City recognized pension expense of \$5,067,645 related to the Miscellaneous Plan and \$5,017,222 related to the Safety Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

a. Public Employees' Retirement System (CalPERS) (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Miscellaneous		Safety		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	\$ 3,124,037	\$ -	\$ 3,579,757	\$ -	\$ 6,703,794	\$ -
Differences between actual and expected experience	43,096	(306,824)	607,465	(2,304)	650,561	(309,128)
Change in assumptions	1,524,278	(509,469)	2,773,952	(374,255)	4,298,230	(883,724)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	-	425,278	(218,283)	425,278	(218,283)
Net differences between projected and actual earnings on plan investments	247,334	-	191,413	-	438,747	-
Total	<u>\$ 4,938,745</u>	<u>\$ (816,293)</u>	<u>\$ 7,577,865</u>	<u>\$ (594,842)</u>	<u>\$ 12,516,610</u>	<u>\$ (1,411,135)</u>

\$3,124,037 and \$3,579,757 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the miscellaneous and safety plans, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Miscellaneous	Safety	Total
2020	\$ 2,061,888	\$ 2,786,153	\$ 4,848,041
2021	(118,436)	1,609,668	1,491,232
2022	(750,954)	(796,729)	(1,547,683)
2023	(194,083)	(195,826)	(389,909)
2024	-	-	-

Payable to the Pension Plans

At June 30, 2019, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2019.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - PENSION PLANS (CONTINUED)

b. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

NOTE 10 - OTHER RETIREMENT SYSTEM

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. Effective July 1, 2004, the City contracted with the Public Agency Retirement System (PARS), a defined contribution plan. This Plan covers employees that are part-time, seasonal or temporary and all other employees that are not covered by another retirement system. All eligible employees covered by the Plan are fully vested. Employer liabilities are limited to the amount of current contributions.

Under PARS, employees contribute 6.2% and the City contributes 1.3% of the employees' salary each pay period. For the fiscal year ended June 30, 2019, total contributions of \$138,526 (\$114,513 employee and \$24,013 employer) were made based on covered compensation of \$1,846,951.

NOTE 11 - POST-EMPLOYMENT BENEFITS PLAN

a. General Information about the OPEB Plan:

Plan Description

The City administers Retiree Award Program which provides medical insurance benefits on a reimbursement basis to eligible retirees in accordance with various labor agreements. The City pays up to \$325 per month for retiree only medical insurance premiums or the actual cost of the retiree premium, whichever is less. Eligible retirees must be retired from the City with at least 17 years of service with the City and be at least 50 years of age.

The City has established a trust with the California Employers Retiree Benefit Trust, an agent multiple-employer trust, for the purpose of holding assets accumulated for plan benefits. Copies of PERS' annual financial reports for its OPEB Trust may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

a. General Information about the OPEB Plan (Continued):

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on the most recent actuarial study using a 10-year phase-in option.

Employees Covered:

As of the June 30, 2018 measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees or beneficiaries entitled to but not yet receiving benefits	17
Active employees	<u>184</u>
 Total	 <u><u>276</u></u>

Contributions

The contribution requirements are established by the City and may be amended by City Council. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2019, the City's cash contributions were \$1,158,000 in payments to a trust, \$278,022 of cash benefits payments and an estimated implied subsidy of \$130,000 resulting in payments of \$1,566,022.

b. Net OPEB Liability:

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

b. Net OPEB Liability (Continued):

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Expected long term investment rate of return	6.75%
Inflation	2.75%
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2017
Salary Increase	3.00% per annum, in aggregate
Medical Trend	7.5% Non-Medicare/6.5% Medicare for 2020, decreasing to an ultimate rate of 4.0% in 2076

The actuarial assumptions used in the June 30, 2017 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

Long Term Expected Rate of Return

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018, the measurement date, are summarized in the following table:

Asset Class	New Strategic Allocation	Long-Term Expected Real Rate of Return
CEBRT		
Global Equity	57.00%	4.82%
US Fixed Income	27.00%	1.47%
TIPS	5.00%	1.29%
Commodities	3.00%	0.84%
REITs	8.00%	3.76%
Total	100.00%	

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

b. Net OPEB Liability (Continued):

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's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB'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.

c. Changes in the net OPEB Liability:

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017 (Measurement Date)	\$ 8,019,262	\$ 2,798,998	\$ 5,220,264
Changes in the Year:			
Service cost	329,653	-	329,653
Interest on the total OPEB liability	549,781	-	549,781
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	1,566,022	(1,566,022)
Net investment income	-	255,576	(255,576)
Administrative expenses	-	(5,460)	5,460
Benefit payments	(408,022)	(408,022)	-
Net Changes	471,412	1,408,116	(936,704)
Balance at June 30, 2018 (Measurement Date)	\$ 8,490,674	\$ 4,207,114	\$ 4,283,560

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

c. Changes in the net OPEB Liability (Continued):

Change of Assumptions

There were no changes of assumptions.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 5,319,641	\$ 4,283,560	\$ 3,415,874

Sensitivity of the Net OPEB Liability to Changes in Health-Care 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 healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (6.50% Non-Medicare/ 5.50% Medicare decreasing to 3.00% Non-Medicare/ 3.00% Medicare)	Current Healthcare Cost Trend Rates (7.50% Non-Medicare/ 6.50% Medicare decreasing to 4.00% Non-Medicare/ 4.00% Medicare)	1% Increase (8.50% Non-Medicare/ 7.50% Medicare decreasing to 5.00% Non-Medicare/ 5.00% Medicare)
Net OPEB Liability	\$ 3,686,938	\$ 4,283,560	\$ 5,018,230

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

d. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB:

For the year ended June 30, 2019, the City recognized OPEB expense of \$639,590. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Employer contributions made subsequent to the measurement date	\$ 675,398	\$ -
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>(75,976)</u>
Total	<u>\$ 675,398</u>	<u>\$ (75,976)</u>

\$675,398 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	<u>Amount</u>
2020	\$ (23,163)
2021	(23,163)
2022	(23,163)
2023	(6,487)
2024	-
Thereafter	-

e. Payable to the OPEB Plan:

At June 30, 2019, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

NOTE 12 - RISK MANAGEMENT

General Liability

Risk management activity for City exposure to torts (general liability) is accounted for as a liability on the Statement of Net Position. The City is self-insured for the first \$100,000 of liability for each occurrence, and the excess (up to \$20,000,000) is covered through the City's participation in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) general liability risk pool. PLAN JPA also provides \$1,000,000 of employee theft coverage in the excess of the City's \$5,000 deductible.

PLAN JPA pool consists of twenty-eight member agencies within the San Francisco Bay Area. The stated purpose of the PLAN JPA pool is to provide certain levels of liability insurance coverage, claims management, risk management services, and legal defense to each participating city within the pool.

Each city was required to make an initial deposit premium based on an actuarial study of each City's risk exposure. The premium consists of a risk portion and administrative portion. The premium is revised each year based on claims experience and risk exposure.

Workers' Compensation

The City has a risk financing fund to account for work related injuries and accidents to City employees. This fund is accounted for as an internal service fund in which assets are set aside for claim payments. Under the California Workers' Disability and Compensation laws, the City, as an employer, is permissibly self-insured for the first \$1,000,000 of claims arising from each occurrence. The City obtains excess Workers' Compensation insurance through a policy up to statutory limits. A premium is charged to each fund and program that budgets for part-time or full-time employees. The total charge allocated is based upon the percentage of each fund's current-year payroll as it relates to total payroll of the City.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. For the past three fiscal years, no claims were settled in excess of commercial insurance coverage.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 12 - RISK MANAGEMENT (CONTINUED)

City's Claims Liabilities

The City's liability for uninsured claims was estimated by management based on prior year claims experience, as follows:

	General Liability	Workers' Compensation	Total
Balance as of July 1, 2017	\$ 128,848	\$ 2,823,003	\$ 2,951,851
Liability for current year fiscal claims	582,602	1,171,811	1,754,413
Increase (decrease) in estimated liability	93,273	(867,799)	(774,526)
Claims paid	(234,985)	(560,837)	(795,822)
Balance as of June 30, 2018	<u>\$ 569,738</u>	<u>\$ 2,566,178</u>	<u>\$ 3,135,916</u>
Balance as of July 1, 2018	\$ 569,738	\$ 2,566,178	\$ 3,135,916
Liability for current year fiscal claims	141,575	1,174,147	1,315,722
Increase (decrease) in estimated liability	(416,793)	(158,711)	(575,504)
Claims paid	(80,996)	(453,152)	(534,148)
Balance as of June 30, 2019	<u>\$ 213,524</u>	<u>\$ 3,128,462</u>	<u>\$ 3,341,986</u>

NOTE 13 - JOINT POWERS AGREEMENTS

Congestion Management Agency

The Congestion Management Agency (CMA) was formed in 1991 by a joint exercise of powers agreement between the County of Santa Clara and each of the cities of Santa Clara County for the purpose of preparing, implementing, and administering a traffic congestion management plan pursuant to California Government Code Section 66531. The City's share of CMA assets, liabilities, and fund equity is approximately 2.10%.

The CMA financial statements are included as part of the Special Fund of the Santa Clara Valley Transportation Authority. Audited financial statements may be obtained at 3331 N. First Street, Building B-2, San Jose, California 95134-1927.

Silicon Valley Animal Control Authority

The City is a member of Silicon Valley Animal Control Authority (SVACA), established in 2000 to deliver animal control services. SVACA provides its own field services and has an agreement with the Humane Society of Santa Clara Valley to provide facilities, personnel, shelter, and animal services. SVACA is governed by a Board of Directors consisting of representatives from member cities.

During the fiscal year ended June 30, 2019, the City contributed \$285,946 to SVACA for field services and sheltering costs. Audited financial statements are available from SVACA at 2340-A Walsh Avenue, Santa Clara, California 95051.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 13 - JOINT POWERS AGREEMENTS (CONTINUED)

West Valley Solid Waste Management Authority

The West Valley Solid Waste Management Authority (WVSWMA) was formed on October 1, 1997 to implement and administer the West Valley Solid Waste Management Plan, manage rate studies, and negotiate the related contracts for member’s entities.

WVSWMA includes the Cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos. The City of Campbell maintains the financial records and provides accounting services for WVSWMA. Audited financial statements are available from the City of Campbell.

California Municipal Finance Authority

The California Municipal Finance Authority (CMFA) was created to assist local governments, non-profit organizations and business with the issuance of taxable and tax-exempt bonds aimed at improving the standards of living in California. In order for the CMFA to have the authority to serve as the issuer of the bonds for the rehabilitation of a project within the City limits, it was necessary for the City to become a member of the CMFA. The City has no obligation with respect to the bonds issued by the CMFA, and the City has the right to withdraw from the Joint Exercise of Powers Agreement upon written notice to the Board of Directors of the CMFA.

NOTE 14 - RENTAL INCOME FROM USE OF CITY PROPERTY

The City leases a portion of the space at its Community Center. Rental income from leases and facility rentals during the fiscal year ended June 30, 2019 amounted to \$1,637,957. Major tenants include Delphi Academy, Old Orchard School, Casa DiMir Montessori, Santa Clara County Office of Education, and West Valley College.

Minimum future lease rental commitments at June 30, 2019 are as follows:

Fiscal Year Ending	Amount
2020	\$ 1,604,136
2021	1,107,743
2022	1,076,956
2023	120,846
Total minimum future lease rentals	<u>\$ 3,909,681</u>

The carrying value and accumulated depreciation of related assets under the leases totaled \$6,347,043 and \$6,347,043, respectively, at June 30, 2019, which is recorded in the Successor Agency private-purpose trust fund since it was considered an asset of the former City of Campbell Redevelopment Agency and is security for outstanding Successor Agency debt.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 15 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Excess of Expenditures over Appropriations

Expenditures exceeded budgeted appropriations in the following funds:

	Final Budget	Actual	Variance with Final Budget
Major Fund:			
General Fund - Public Safety	\$ 25,845,005	\$ 27,275,040	\$ (1,430,035)
Housing Assets Special Revenue Fund	242,232	265,908	(23,676)
Other Governmental Funds:			
Special Revenue Funds:			
Community Development Block Grant	-	432	(432)

Deficit Fund Balances

At June 30, 2019, the following funds had deficit fund balances:

Other Governmental Funds:		
Lighting and Landscaping District		\$ (242,428)

Management intends to eliminate these deficits with future revenues and transfers of monies from the General Fund.

NOTE 16 - CONTINGENT LIABILITIES

Litigation

The City is subject to litigation arising in the normal course of business. In the opinion of the City attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

Grant Programs

The City participates in Federal and State grant programs. The amounts received or receivable from granting agencies are subject to audit adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 16 - CONTINGENT LIABILITIES (CONTINUED)

Annexation of Territory

On May 1, 2013, the City annexed approximately 103 acres from the County of Santa Clara and 24 acres from the City of San Jose as part of a territorial reorganization between these entities. As a condition to the reorganization of territory from the City of San Jose to the City, the City entered into a 40-year agreement with the City of San Jose to provide it with compensation for future net revenues it has given up as a result of the territorial reorganization. Under the terms of the agreement, the City is committed to make annual payments to San Jose based on an initial base amount for the first five years, effective fiscal year 2013-14. This base amount is subject to adjustment if certain conditions are met. In the sixth year, and every subsequent fifth year thereafter, the payment is to be adjusted by an agreed upon formula that calculates the increase/decrease in net revenues, as defined in the agreement, as a percentage, and applies it to the base payment resulting in a revised based payment amount for the ensuing five year period. Other provisions call for a recalculation of the revised base payment in between calculation dates if certain economic conditions are met. The City expects its annual payment amount to be approximately \$199,000 through fiscal 2018-19, however if certain conditions are met, this annual amount may be adjusted.

NOTE 17 - RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES

Under the Assembly Bill 1x 26 (Dissolution Act), each California redevelopment agency (each Dissolved RDA) was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. On January 17, 2012, the City elected to serve as the Successor Agency to the City of Campbell Redevelopment Agency and to serve as the Housing Successor Agency.

As of the date of dissolution, the housing assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in the Housing Assets Special Revenue Fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

In the current and future fiscal years, the Successor Agency will only be allocated revenue from the County of Santa Clara in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the Dissolved RDA until all enforceable obligations of the Dissolved RDA have been paid in full and all assets have been liquidated.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 18 - SUCCESSOR AGENCY

Capital Assets

Capital assets of the Successor Agency as of June 30, 2019 consisted of the following:

	Balance at July 1, 2018 As Restated	Additions	Deletions	Reclassification	Balance at June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 7,123,531	\$ -	\$ -	\$ -	\$ 7,123,531
Capital assets, being depreciated:					
Buildings and improvements	18,939,961	-	-	-	18,939,961
Other improvements	11,805,911	-	-	-	11,805,911
Total capital assets, being depreciated	30,745,872	-	-	-	30,745,872
Less accumulated depreciation for:					
Buildings and improvements	(10,181,858)	(309,151)	-	-	(10,491,009)
Other improvements	(9,433,328)	(393,966)	-	-	(9,827,294)
Total accumulated depreciation	(19,615,186)	(703,117)	-	-	(20,318,303)
Total capital assets, being depreciated, net	11,130,686	(703,117)	-	-	10,427,569
Total capital assets, net	<u>\$ 18,254,217</u>	<u>\$ (703,117)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,551,100</u>

Long-term Liabilities

Long-term liabilities of the Successor Agency as of June 30, 2019 consisted of the following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
2016 Tax Allocation Refunding Bonds	<u>\$ 20,970,000</u>	<u>\$ -</u>	<u>\$ (1,170,000)</u>	<u>\$ 19,800,000</u>	<u>\$ 1,175,000</u>

Advances from the City of Campbell

The City has advanced funds to the former redevelopment agency under the terms of a Third Amended and Restated Indebtedness Agreement. Principal was payable out of the excess of tax increment revenues over other similar liabilities and agreements. The Campbell Redevelopment Agency was dissolved on January 31, 2012 and the advance liability was transferred to the Successor Agency to be paid as an enforceable obligation. This advance was refunded in August 2016 with proceeds from the 2016 Tax Allocation Refunding Bonds issued by the Successor Agency of the former Campbell Redevelopment Agency. The proceeds repaid to the City were utilized by the City to refund a portion of the 1997 Refunding Certificates of Participation and a portion of the 2002 Refunding Certificates of Participation as described in Note 6.

CITY OF CAMPBELL
Notes to Basic Financial Statements
June 30, 2019

NOTE 18 - SUCCESSOR AGENCY (CONTINUED)

2016 Tax Allocation Refunding Bonds

Concurrently with the issue of the 2016 Refunding Lease Revenue Bonds, the City of Campbell Successor Agency issued Tax Allocation Refunding Bonds, Series 2016 in the aggregate principal amount of \$22,705,000. These bonds were private placement bonds that pay interest at a rate from 1.825% to 2.15% payable semiannually on April 1 and October 1 commencing on April 1, 2017. The proceeds from the Tax Allocation Refunding Bonds, Series 2016 were used to prepay the 2002 RDA Tax Allocation Bonds, Series A, to prepay the 2005 RDA Tax Allocation Bonds, Series A, to prepay a portion of the 1997 Refunding Certificates of Participation and the 2002 Refunding Certificates of Participation, and to pay the cost of issuing the bonds.

The annual debt service requirements to amortize the 2016 Tax Allocation Refunding Bonds outstanding at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,175,000	\$ 415,741	\$ 1,590,741
2021	1,200,000	390,737	1,590,737
2022	1,375,000	365,150	1,740,150
2023	1,555,000	334,192	1,889,192
2024	1,595,000	300,984	1,895,984
2025 - 2029	8,465,000	978,931	9,443,931
2030 - 2031	4,435,000	134,375	4,569,375
Totals	<u>\$ 19,800,000</u>	<u>\$ 2,920,110</u>	<u>\$ 22,720,110</u>

NOTE 19 - RESTATEMENT

Net position as of July 1, 2018, has been restated as follows:

	Governmental Activities	Internal Service Funds	Private- Purpose Trust Fund
Net position at July 1, 2018, as originally reported	\$ 32,542,358	\$ 3,038,359	\$ 3,498,405
Corrections to capital asset and related accumulated depreciation balances	9,444,457	(90,405)	(5,400,954)
Net position at July 1, 2018, as restated	<u>\$ 41,986,815</u>	<u>\$ 2,947,954</u>	<u>\$ (1,902,549)</u>

NOTE 20 - SUBSEQUENT EVENTS

Events occurring after June 30, 2019 have been evaluated for possible adjustments to the financial statements or disclosure as of February 21, 2020, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CalPERS MISCELLANEOUS PLAN

Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service cost	\$ 2,318,339	\$ 2,334,869	\$ 1,958,173	\$ 1,794,374	\$ 1,803,589
Interest on total pension liability	7,392,762	7,134,146	6,827,812	6,544,912	6,237,266
Differences between expected and actual experience	(487,309)	166,228	(487,339)	(413,601)	-
Changes in assumptions	(809,156)	5,879,356	-	(1,598,990)	-
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(4,779,950)	(4,314,617)	(4,673,560)	(3,798,085)	(3,467,485)
Net Change in Total Pension Liability	3,634,686	11,199,982	3,625,086	2,528,610	4,573,370
Total Pension Liability - Beginning of Year	105,922,540	94,722,558	91,097,472	88,568,862	83,995,492
Total Pension Liability - End of Year (a)	\$ 109,557,226	\$ 105,922,540	\$ 94,722,558	\$ 91,097,472	\$ 88,568,862
Plan Fiduciary Net Position:					
Contributions - employer	\$ 2,683,458	\$ 2,424,792	\$ 2,168,070	\$ 1,811,356	\$ 1,592,734
Contributions - employee	1,040,310	920,368	903,290	818,954	869,838
Net investment income	6,387,875	7,735,412	518,527	1,566,471	10,321,563
Plan to plan resource movement	(189)	-	-	(12,655)	-
Administrative expenses	(119,314)	(103,210)	(43,290)	(79,967)	-
Benefit payments	(4,779,950)	(4,314,617)	(4,673,560)	(3,798,085)	(3,467,485)
Other miscellaneous income/expense	(226,579)	-	-	-	-
Net Change in Plan Fiduciary Net Position	4,985,611	6,662,745	(1,126,963)	306,074	9,316,650
Plan Fiduciary Net Position - Beginning of Year	76,568,039	69,905,294	71,032,257	70,726,183	61,409,533
Plan Fiduciary Net Position - End of Year (b)	\$ 81,553,650	\$ 76,568,039	\$ 69,905,294	\$ 71,032,257	\$ 70,726,183
Net Pension Liability - Ending (a)-(b)	\$ 28,003,576	\$ 29,354,501	\$ 24,817,264	\$ 20,065,215	\$ 17,842,679
Plan fiduciary net position as a percentage of the total pension liability	74.44%	72.29%	73.80%	77.97%	79.85%
Covered payroll	\$ 12,620,931	\$ 12,359,036	\$ 11,526,124	\$ 10,550,178	\$ 9,939,320
Net pension liability as percentage of covered payroll	221.88%	237.51%	215.31%	190.19%	179.52%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF CONTRIBUTIONS
CalPERS MISCELLANEOUS PLAN

Last Ten Fiscal Years*

Fiscal year ended	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,124,037	\$ 2,606,519	\$ 2,425,906	\$ 2,165,546	\$ 1,811,474
Contributions in relation to the actuarially determined contributions	<u>(3,124,037)</u>	<u>(2,606,519)</u>	<u>(2,425,906)</u>	<u>(2,165,546)</u>	<u>(1,811,474)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 13,302,927	\$ 12,620,931	\$ 12,359,036	\$ 11,526,124	\$ 10,550,178
Contributions as a percentage of covered - payroll	23.48%	20.65%	19.63%	18.79%	17.17%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry Age				
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375%(3)	7.50%(3)	7.50%(3)	7.50%(3)	7.50%(3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 2.5% at 55 and 2% at 60 retirement age from 50-63, 2% at 62 retirement age 52-67
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CalPERS SAFETY PLANS

Last Ten Fiscal Years*

Fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.29339%	0.28920%	0.29965%	0.31713%	0.32550%
Plan's proportionate share of the net pension liability	\$ 28,271,751	\$ 28,680,686	\$ 25,928,666	\$ 21,767,656	\$ 19,752,687
Plan's covered payroll	\$ 6,180,899	\$ 5,832,083	\$ 5,370,852	\$ 5,168,789	\$ 5,062,342
Plan's proportionate share of the net pension liability as a percentage of covered payroll	457.41%	491.77%	482.77%	421.14%	390.19%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.26%	73.31%	74.06%	78.40%	74.85%
Plan's proportionate share of aggregate employer contributions	\$ 2,775,805	\$ 2,036,893	\$ 1,968,412	\$ 1,960,049	\$ 1,664,775

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF CONTRIBUTIONS
CalPERS SAFETY PLANS

Last Ten Fiscal Years*

Fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 3,579,757	\$ 3,180,698	\$ 2,928,596	\$ 2,610,566	\$ 2,079,597
Contributions in relation to the actuarially determined contributions	<u>(3,579,757)</u>	<u>(3,180,698)</u>	<u>(2,928,596)</u>	<u>(2,610,566)</u>	<u>(2,079,597)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 6,194,278	\$ 6,180,899	\$ 5,832,083	\$ 5,370,852	\$ 5,168,789
Contributions as a percentage of covered payroll	57.79%	51.46%	50.22%	48.61%	40.23%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry Age				
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375%(3)	7.50%(3)	7.50%(3)	7.50%(3)	7.50%(3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closec
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 2.5% at 55 and 2% at 60 retirement age from 50-63, 2% at 62 retirement age 52-67
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

Fiscal year end	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement date	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB Liability:		
Service cost	\$ 329,653	\$ 320,051
Interest on total OPEB liability	549,781	518,912
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(408,022)</u>	<u>(374,490)</u>
Net Change in Total OPEB Liability	471,412	464,473
Total OPEB Liability - Beginning of Year	<u>8,019,262</u>	<u>7,554,789</u>
Total OPEB Liability - End of Year (a)	<u>8,490,674</u>	<u>8,019,262</u>
Plan Fiduciary Net Position:		
Contributions - employer	1,566,022	829,490
Net investment income	255,576	251,971
Administrative expenses	(5,460)	(1,332)
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(408,022)</u>	<u>(374,490)</u>
Net Change in Plan Fiduciary Net Position	1,408,116	705,639
Plan Fiduciary Net Position - Beginning of Year	<u>2,798,998</u>	<u>2,093,359</u>
Plan Fiduciary Net Position - End of Year (b)	<u>4,207,114</u>	<u>2,798,998</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 4,283,560</u>	<u>\$ 5,220,264</u>
Plan fiduciary net position as a percentage of the total OPEB liability		
	49.55%	34.90%
Covered - employee payroll	\$ 22,223,899	\$ 21,017,236
Net OPEB liability as percentage of covered - employee payroll	19.27%	24.84%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

* Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.



CITY OF CAMPBELL, CALIFORNIA

Schedule of Contributions

Last Ten Fiscal Years*

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 629,000	\$ 1,038,000
Contributions in relation to the actuarially determined contribution	<u>(675,398)</u>	<u>(1,566,022)</u>
Contribution deficiency (excess)	<u>\$ (46,398)</u>	<u>\$ (528,022)</u>
Covered-employee payroll	\$ 22,349,167	\$ 22,223,899
Contributions as a percentage of covered-employee payroll	3.02%	7.05%

Notes to Schedule:

Valuation Date	June 30, 2017	June 30, 2015
----------------	---------------	---------------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, level percentage of payroll	
Amortization method	Level percentage of payroll	
Asset valuation method	Market Value	
Discount Rate	6.75%	7.25%
Inflation	2.75%	3.00%
Medical Trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years	Non-Medicare - 6.5% for 2018, decreasing to an ultimate rate of 5% in 2021 and later years Medicare - 6.7% for 2018, decreasing to an ultimate rate of 5.0% in 2021 and later years
Mortality	CalPERS 1997-2015 experience study Mortality projected fully generational with Scale MP-17	CalPERS 1997-2011 experience study Mortality projected fully generational with Scale MP-14
Mortality Improvement		

*Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.

CITY OF CAMPBELL, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Property taxes	\$ 14,968,000	\$ 15,303,000	\$ 15,646,867	\$ 343,867
Sales and use taxes	14,656,000	14,656,000	15,684,222	1,028,222
Other taxes	9,564,500	9,564,500	9,539,163	(25,337)
Licenses and permits	2,753,500	2,877,500	3,232,524	355,024
Fines and forfeitures	775,600	775,600	704,030	(71,570)
Investment income	403,000	403,000	998,446	595,446
Rents and leases	2,870,337	2,870,337	2,949,774	79,437
Intergovernmental	406,694	306,694	307,567	873
Charges for services	3,731,612	3,784,612	3,730,189	(54,423)
Donations	63,328	63,328	65,516	2,188
Miscellaneous revenues	142,300	142,300	211,569	69,269
TOTAL REVENUES	50,334,871	50,746,871	53,069,867	2,322,996
EXPENDITURES:				
GENERAL GOVERNMENT				
City Council	309,439	346,939	366,716	(19,777)
City Manager	1,043,535	1,058,535	944,728	113,807
City Clerk	545,067	545,067	537,475	7,592
Human Resources	1,064,906	1,088,947	1,106,833	(17,886)
Accounting	1,642,112	1,642,112	2,056,700	(414,588)
Non-Departmental Finance	2,170,200	2,170,200	1,374,535	795,665
Legal Services	437,095	767,095	858,367	(91,272)
TOTAL GENERAL GOVERNMENT	7,212,354	7,618,895	7,245,353	373,542
RECREATION				
Community services and administration	690,408	690,408	809,231	(118,823)
Senior citizens nutrition program	186,712	186,712	205,361	(18,649)
Adult services	702,258	702,258	754,989	(52,731)
Campbell Community Center	1,330,554	1,343,218	1,121,159	222,059
Museum services	410,826	410,826	429,093	(18,267)
Theater	998,091	1,146,049	1,017,234	128,815
Sports, aquatics and fitness	1,203,010	1,203,010	1,181,757	21,253
Trips, tours and classes	1,144,585	1,186,335	1,144,838	41,497
TOTAL RECREATION	6,666,444	6,868,816	6,663,662	205,154
COMMUNITY DEVELOPMENT				
Community Development administration	516,446	516,446	517,664	(1,218)
Current planning	924,046	928,821	859,829	68,992
Policy development	159,914	597,478	192,113	405,365
Building	1,488,575	1,522,729	1,352,236	170,493
Economic development	236,237	236,237	192,791	43,446
TOTAL COMMUNITY DEVELOPMENT	3,325,218	3,801,711	3,114,633	687,078

(Continued)

CITY OF CAMPBELL, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND
(CONTINUED)

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
EXPENDITURES (CONTINUED):				
PUBLIC SAFETY				
Police administration	\$ 1,173,312	\$ 1,233,312	\$ 1,195,752	\$ 37,560
Communications	2,282,263	2,307,788	2,425,312	(117,524)
Records	1,371,745	1,371,745	1,329,672	42,073
Special enforcement services	4,435,299	4,437,899	4,375,842	62,057
Field services	8,930,548	7,902,287	9,356,488	(1,454,201)
Fire protection services	8,591,974	8,591,974	8,591,974	-
TOTAL PUBLIC SAFETY	<u>26,785,141</u>	<u>25,845,005</u>	<u>27,275,040</u>	<u>(1,430,035)</u>
PUBLIC WORKS				
Public Works administration	744,871	794,871	696,680	98,191
Transportation engineering	369,584	392,152	424,573	(32,421)
Engineering	1,408,416	1,421,669	1,185,346	236,323
Land Development/Env. programs	1,270,703	1,328,209	941,849	386,360
Maintenance administration	539,810	539,810	516,832	22,978
Building maintenance	1,542,987	1,576,558	1,446,861	129,697
TOTAL PUBLIC WORKS	<u>5,876,371</u>	<u>6,053,269</u>	<u>5,212,141</u>	<u>841,128</u>
TOTAL EXPENDITURES	<u>49,865,528</u>	<u>50,187,696</u>	<u>49,510,829</u>	<u>676,867</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>469,343</u>	<u>559,175</u>	<u>3,559,038</u>	<u>2,999,863</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,291,626	1,294,226	1,294,226	-
Transfers out	<u>(3,056,628)</u>	<u>(6,063,553)</u>	<u>(4,306,206)</u>	<u>1,757,347</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,765,002)</u>	<u>(4,769,327)</u>	<u>(3,011,980)</u>	<u>1,757,347</u>
NET CHANGE IN FUND BALANCE	(1,295,659)	(4,210,152)	547,058	4,757,210
FUND BALANCE AT BEGINNING OF YEAR	<u>26,480,764</u>	<u>26,480,764</u>	<u>26,480,764</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 25,185,105</u>	<u>\$ 22,270,612</u>	<u>\$ 27,027,822</u>	<u>\$ 4,757,210</u>

See accompanying note to required supplementary information.

CITY OF CAMPBELL, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE

HOUSING ASSETS SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 18,000	\$ 18,000	\$ 61,448	\$ 43,448
Miscellaneous revenue	50,000	50,000	22,024	(27,976)
TOTAL REVENUES	68,000	68,000	83,472	15,472
EXPENDITURES:				
Current:				
Community development	242,232	242,232	265,908	(23,676)
TOTAL EXPENDITURES	242,232	242,232	265,908	(23,676)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(174,232)	(174,232)	(182,436)	(8,204)
FUND BALANCE AT BEGINNING OF YEAR	9,340,693	9,340,693	9,340,693	-
FUND BALANCE AT END OF YEAR	\$ 9,166,461	\$ 9,166,461	\$ 9,158,257	\$ (8,204)

CITY OF CAMPBELL
Note to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

NOTE 1 - BUDGETS AND BUDGETARY DATA

The City adopts a budget annually for General, Special Revenue, Capital Projects and Debt Service Funds. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted by the City Council and controlled by each department head, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. Budget adjustments within the adopted budget of less than \$10,000, or requiring a transfer from reserves of less than \$5,000, may be approved by the City Manager; otherwise, City Council approval is required. All budget adjustments to capital projects must be approved by the City Council. The City Manager is authorized to transfer at the fund level budgeted appropriations, including capital projects, provided no change is made to the total amount provided for any one fund. Thus, the legal level of expenditure control is, effectively, at the fund level. For the General Fund, budgetary comparisons for line operating departments are presented and supporting departments, Finance and City Manager are combined as General Government. All appropriations lapse at year-end. During the fiscal year, supplemental adjustments to appropriations were adopted by City Council and have been included in the budget versus actual statements.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except for the Museum and Adult Center and Community Development Block Grant Special Revenue Funds for which no budget was adopted in the current fiscal year. Accordingly, no budgetary comparison for these funds are presented in the financial statements.

Under encumbrance accounting, purchase orders, contracts and other commitments of the expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end lapse and must be reappropriated as part of the following year budget.



SUPPLEMENTARY INFORMATION

CITY OF CAMPBELL
Other Governmental Funds

Other Governmental Special Revenue Funds:

Gas Tax

Accounts for revenues and expenditures pertaining to the construction and maintenance of City streets.

Vehicle Impact Fees

Accounts for revenues and expenditures pertaining to street maintenance.

Other Grants Special Revenue Fund

Accounts for Federal, State and local grant funds which are provided for specific purposes.

Parkland Dedication Fees

Accounts for Quimby Act monies received from developers and records expenditures related to development of designated areas.

Lighting and Landscaping District

Accounts for revenues and expenditures providing for City street lighting and landscaping.

Community Development Block Grant

Accounts for Federal Block Grant Funds used for community development, such as low-and-moderate rehabilitation grants and loans.

Drug Enforcement Revenue

Accounts for revenues received through drug related asset seizures and any drug related convictions.

Environmental Services

Accounts for revenues received from developers and franchised garbage collection to be utilized for solid waste management and storm drain improvements.

Supplemental Law Enforcement

Accounts for revenues and expenditures pertaining to grants received from enhancing law enforcement services.

CITY OF CAMPBELL
Other Governmental Funds (Continued)

Other Governmental Special Revenue Funds (Continued):

Community Facilities District #1

Accounts for revenues and expenditures pertaining to specific ongoing maintenance of the District's boundaries.

Community Facilities District #2

Accounts for revenues and expenditures pertaining to specific ongoing maintenance of the District's boundaries.

Museum and Adult Center

Accounts for donations received from expenditures related to the City's Museum and Adult Center.

Other Governmental Capital Projects Fund:

Capital Projects Fund

Accounts for the expenditures and financing of the City's capital projects.

Other Governmental Debt Service Fund:

2016 LRB

Accounts for the City's share of proceeds from the repayments of the 2016 Lease Revenue Bonds, which were utilized for the refunding of the City's 1997 and 2002 COP obligations.

CITY OF CAMPBELL, CALIFORNIA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

June 30, 2019

		Special Revenue Funds		
		Gas	Vehicle	Other
		Tax	Impact	Grants
			Fees	
ASSETS				
Cash and investments		\$ 191,924	\$ 1,440,366	557,674
Cash held with fiscal agent		-	-	-
Receivables:				
Accounts		141,866	39,800	-
Taxes		-	-	-
Interest		1,262	7,753	2,930
Notes and loans		-	-	-
Due from other funds		-	-	-
	TOTAL ASSETS	<u>\$ 335,052</u>	<u>\$ 1,487,919</u>	<u>\$ 560,604</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable		\$ 169,025	\$ -	\$ -
Accrued payroll		32,117	-	-
Due to other funds		-	-	280,410
	TOTAL LIABILITIES	<u>201,142</u>	<u>-</u>	<u>280,410</u>
FUND BALANCES:				
Restricted		133,910	1,487,919	280,194
Assigned		-	-	-
Unassigned		-	-	-
	TOTAL FUND BALANCES	<u>133,910</u>	<u>1,487,919</u>	<u>280,194</u>
	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 335,052</u>	<u>\$ 1,487,919</u>	<u>\$ 560,604</u>

Special Revenue Funds (Continued)

Parkland Dedication Fees	Lighting and Landscaping District	Community Development Block Grant	Drug Enforcement Revenue	Environmental Services	Supplemental Law Enforcement
\$ 4,739,140	\$ -	\$ 16	\$ 54,082	\$ 549,552	\$ 314,091
-	-	-	-	-	-
-	11,128	-	-	219,809	-
-	4,959	-	-	-	-
29,051	-	-	307	3,441	1,480
-	-	140,000	-	-	-
-	-	-	-	-	-
<u>\$ 4,768,191</u>	<u>\$ 16,087</u>	<u>\$ 140,016</u>	<u>\$ 54,389</u>	<u>\$ 772,802</u>	<u>\$ 315,571</u>
\$ -	\$ 165,236	\$ -	\$ -	\$ -	\$ 46,068
-	72,006	-	-	-	-
-	21,273	139,670	-	-	-
-	258,515	139,670	-	-	46,068
4,768,191	-	346	54,389	772,802	269,503
-	-	-	-	-	-
-	(242,428)	-	-	-	-
<u>4,768,191</u>	<u>(242,428)</u>	<u>346</u>	<u>54,389</u>	<u>772,802</u>	<u>269,503</u>
<u>\$ 4,768,191</u>	<u>\$ 16,087</u>	<u>\$ 140,016</u>	<u>\$ 54,389</u>	<u>\$ 772,802</u>	<u>\$ 315,571</u>

(Continued)

CITY OF CAMPBELL, CALIFORNIA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2019

		Special Revenue Funds (Continued)		
		Community Facilities District #1	Community Facilities District #2	Museum and Adult Center
ASSETS				
Cash and investments		\$ 4,151	\$ 121,308	\$ 170,858
Cash held with fiscal agent		-	-	-
Receivables:				
Accounts		-	-	-
Taxes		309	-	-
Interest		-	564	955
Notes and loans		-	-	-
Due from other funds		-	-	-
	TOTAL ASSETS	<u>\$ 4,460</u>	<u>\$ 121,872</u>	<u>\$ 171,813</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable		\$ -	\$ 427	\$ -
Accrued payroll		-	-	-
Due to other funds		-	-	-
	TOTAL LIABILITIES	<u>-</u>	<u>427</u>	<u>-</u>
FUND BALANCES:				
Restricted		4,460	121,445	156,164
Assigned		-	-	15,649
Unassigned		-	-	-
	TOTAL FUND BALANCES	<u>4,460</u>	<u>121,445</u>	<u>171,813</u>
	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,460</u>	<u>\$ 121,872</u>	<u>\$ 171,813</u>

Capital Projects Fund	Debt Service Fund	Total Other Governmental Funds
Capital Projects Fund	2016 LRB	
\$ 1,995,885	\$ -	\$ 10,139,047
-	3,944	3,944
-	-	412,603
-	-	5,268
-	-	47,743
-	-	140,000
-	-	-
<u>\$ 1,995,885</u>	<u>\$ 3,944</u>	<u>\$ 10,748,605</u>
\$ 295,579	\$ -	\$ 676,335
-	-	104,123
-	-	441,353
<u>295,579</u>	<u>-</u>	<u>1,221,811</u>
-	3,944	8,053,267
1,700,306	-	1,715,955
-	-	(242,428)
<u>1,700,306</u>	<u>3,944</u>	<u>9,526,794</u>
<u>\$ 1,995,885</u>	<u>\$ 3,944</u>	<u>\$ 10,748,605</u>

CITY OF CAMPBELL, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2019

	Special Revenue Funds		
	Gas Tax	Vehicle Impact Fees	Other Grants
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Investment income	19,005	28,958	11,866
Intergovernmental	1,615,000	638,820	503,759
Charges for services	-	-	-
Project revenues	-	-	-
Donations	-	-	-
Parkland dedication fees	-	-	-
Miscellaneous revenues	1,873	-	-
TOTAL REVENUES	<u>1,635,878</u>	<u>667,778</u>	<u>515,625</u>
EXPENDITURES:			
Current:			
Community development	-	-	-
Public safety	-	-	-
Public works	1,790,085	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal agent charges	-	-	-
TOTAL EXPENDITURES	<u>1,790,085</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(154,207)</u>	<u>667,778</u>	<u>515,625</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	583,670	-	49,224
Transfers out	(81,000)	-	(297,054)
TOTAL OTHER FINANCING SOURCES (USES)	<u>502,670</u>	<u>-</u>	<u>(247,830)</u>
NET CHANGE IN FUND BALANCES	348,463	667,778	267,795
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	(214,553)	820,141	12,399
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 133,910</u>	<u>\$ 1,487,919</u>	<u>\$ 280,194</u>

Special Revenue Funds (Continued)

Parkland Dedication Fees	Lighting and Landscaping District	Community Development Block Grant	Drug Enforcement Revenue	Environmental Services	Supplemental Law Enforcement
\$ -	\$ 1,275,007	\$ -	\$ -	\$ -	\$ -
-	1,275,920	-	-	-	-
166,212	1,705	-	1,251	19,566	6,783
-	15,950	-	22,172	10,881	148,747
-	-	-	-	1,054,054	-
-	-	-	-	-	-
-	-	-	-	-	-
622,569	-	-	-	-	-
-	29,207	-	-	-	-
<u>788,781</u>	<u>2,597,789</u>	<u>-</u>	<u>23,423</u>	<u>1,084,501</u>	<u>155,530</u>
-	-	432	-	-	-
-	-	-	-	-	148,069
-	3,926,361	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>3,926,361</u>	<u>432</u>	<u>-</u>	<u>-</u>	<u>148,069</u>
<u>788,781</u>	<u>(1,328,572)</u>	<u>(432)</u>	<u>23,423</u>	<u>1,084,501</u>	<u>7,461</u>
-	1,481,343	-	-	437,000	131,000
(490,077)	(111,300)	-	(11,100)	(1,472,897)	-
<u>(490,077)</u>	<u>1,370,043</u>	<u>-</u>	<u>(11,100)</u>	<u>(1,035,897)</u>	<u>131,000</u>
298,704	41,471	(432)	12,323	48,604	138,461
4,469,487	(283,899)	778	42,066	724,198	131,042
<u>\$ 4,768,191</u>	<u>\$ (242,428)</u>	<u>\$ 346</u>	<u>\$ 54,389</u>	<u>\$ 772,802</u>	<u>\$ 269,503</u>

(Continued)

CITY OF CAMPBELL, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the fiscal year ended June 30, 2019

	Special Revenue Funds (Continued)		
	Community Facilities District #1	Community Facilities District #2	Museum and Adult Center
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	145,033	48,355	-
Investment income	364	2,373	5,615
Intergovernmental	-	-	-
Charges for services	-	-	-
Project revenues	-	-	-
Donations	-	-	1,744
Parkland dedication fees	-	-	-
Miscellaneous revenues	-	-	-
TOTAL REVENUES	145,397	50,728	7,359
EXPENDITURES:			
Current:			
Community development	3,511	2,631	-
Public safety	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
TOTAL EXPENDITURES	3,511	2,631	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	141,886	48,097	7,359
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(140,000)	(4,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(140,000)	(4,000)	-
NET CHANGE IN FUND BALANCES	1,886	44,097	7,359
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	2,574	77,348	164,454
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 4,460</u>	<u>\$ 121,445</u>	<u>\$ 171,813</u>

Capital Projects Fund	Debt Service Fund	Total Other Governmental Funds
Capital Projects Fund	2016 LRB	
\$ -	\$ -	\$ 1,275,007
-	-	1,469,308
-	172	263,870
-	-	2,955,329
-	-	1,054,054
150,927	-	150,927
-	-	1,744
-	-	622,569
-	-	31,080
<u>150,927</u>	<u>172</u>	<u>7,823,888</u>
-	-	6,574
-	-	148,069
12,353	-	5,728,799
2,103,720	-	2,103,720
-	605,000	605,000
-	244,275	244,275
<u>2,116,073</u>	<u>849,275</u>	<u>8,836,437</u>
<u>(1,965,146)</u>	<u>(849,103)</u>	<u>(1,012,549)</u>
1,932,846	849,925	5,465,008
-	-	(2,607,428)
<u>1,932,846</u>	<u>849,925</u>	<u>2,857,580</u>
(32,300)	822	1,845,031
<u>1,732,606</u>	<u>3,122</u>	<u>7,681,763</u>
<u>\$ 1,700,306</u>	<u>\$ 3,944</u>	<u>\$ 9,526,794</u>

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GAS TAX SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 19,005	\$ 19,005
Intergovernmental	1,043,100	1,043,100	1,615,000	571,900
Miscellaneous revenues	136,500	136,500	1,873	(134,627)
TOTAL REVENUES	1,179,600	1,179,600	1,635,878	456,278
EXPENDITURES:				
Current:				
Public works	1,834,979	1,858,887	1,790,085	68,802
TOTAL EXPENDITURES	1,834,979	1,858,887	1,790,085	68,802
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(655,379)	(679,287)	(154,207)	525,080
OTHER FINANCING SOURCES (USES):				
Transfers in	583,670	583,670	583,670	-
Transfers out	(781,000)	(781,000)	(81,000)	700,000
TOTAL OTHER FINANCING SOURCES (USES)	(197,330)	(197,330)	502,670	700,000
NET CHANGE IN FUND BALANCE	(852,709)	(876,617)	348,463	1,225,080
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(214,553)	(214,553)	(214,553)	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (1,067,262)	\$ (1,091,170)	\$ 133,910	\$ 1,225,080

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

VEHICLE IMPACT FEES SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 28,958	\$ 28,958
Intergovernmental	777,000	777,000	638,820	(138,180)
TOTAL REVENUES	777,000	777,000	667,778	(138,180)
EXCESS OF REVENUES OVER EXPENDITURES	777,000	777,000	667,778	(138,180)
OTHER FINANCING (USES):				
Transfers out	(777,000)	(1,163,594)	-	1,163,594
TOTAL OTHER FINANCING (USES)	(777,000)	(1,163,594)	-	1,163,594
NET CHANGE IN FUND BALANCE	-	(386,594)	667,778	1,025,414
FUND BALANCE AT BEGINNING OF YEAR	820,141	820,141	820,141	-
FUND BALANCE AT END OF YEAR	\$ 820,141	\$ 433,547	\$ 1,487,919	\$ 1,025,414

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

OTHER GRANTS SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 11,866	\$ 11,866
Intergovernmental	5,000	46,260	503,759	457,499
TOTAL REVENUES	5,000	46,260	515,625	469,365
EXCESS OF REVENUES OVER EXPENDITURES	5,000	46,260	515,625	469,365
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	49,224	49,224
Transfers out	(2,233,240)	(4,849,925)	(297,054)	4,552,871
TOTAL OTHER FINANCING (USES)	(2,233,240)	(4,849,925)	(247,830)	4,602,095
NET CHANGE IN FUND BALANCE	(2,228,240)	(4,803,665)	267,795	5,071,460
FUND BALANCE AT BEGINNING OF YEAR	12,399	12,399	12,399	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (2,215,841)	\$ (4,791,266)	\$ 280,194	\$ 5,071,460

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARKLAND DEDICATION FEES SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 166,212	\$ 166,212
Parkland dedication fees	-	-	622,569	622,569
TOTAL REVENUES	-	-	788,781	788,781
EXCESS OF REVENUES OVER EXPENDITURES	-	-	788,781	788,781
OTHER FINANCING (USES):				
Transfers out	(330,000)	(1,162,979)	(490,077)	672,902
TOTAL OTHER FINANCING (USES)	(330,000)	(1,162,979)	(490,077)	672,902
NET CHANGE IN FUND BALANCE	(330,000)	(1,162,979)	298,704	1,461,683
FUND BALANCE AT BEGINNING OF YEAR	4,469,487	4,469,487	4,469,487	-
FUND BALANCE AT END OF YEAR	\$ 4,139,487	\$ 3,306,508	\$ 4,768,191	\$ 1,461,683

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LIGHTING AND LANDSCAPING DISTRICT SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 1,143,000	\$ 1,143,000	\$ 1,275,007	\$ 132,007
Special assessments	1,207,500	1,207,500	1,275,920	68,420
Investment income	-	-	1,705	1,705
Intergovernmental	2,500	42,500	15,950	(26,550)
Miscellaneous revenues	75,000	75,000	29,207	(45,793)
TOTAL REVENUES	2,428,000	2,468,000	2,597,789	129,789
EXPENDITURES:				
Current:				
Public works	3,798,043	3,873,146	3,926,361	(53,215)
TOTAL EXPENDITURES	3,798,043	3,873,146	3,926,361	(53,215)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,370,043)	(1,405,146)	(1,328,572)	76,574
OTHER FINANCING SOURCES (USES):				
Transfers in	1,481,343	1,481,343	1,481,343	-
Transfers out	(111,300)	(111,300)	(111,300)	-
TOTAL OTHER FINANCING SOURCES	1,370,043	1,370,043	1,370,043	-
NET CHANGE IN FUND BALANCE	-	(35,103)	41,471	76,574
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(283,899)	(283,899)	(283,899)	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (283,899)	\$ (319,002)	\$ (242,428)	\$ 76,574

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DRUG ENFORCEMENT REVENUE SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 1,251	\$ 1,251
Intergovernmental	8,500	23,640	22,172	(1,468)
TOTAL REVENUES	8,500	23,640	23,423	(217)
OTHER FINANCING USES:				
Transfers out	(8,500)	(11,100)	(11,100)	-
TOTAL OTHER FINANCING USES	(8,500)	(11,100)	(11,100)	-
NET CHANGE IN FUND BALANCE	-	12,540	12,323	(217)
FUND BALANCE AT BEGINNING OF YEAR	42,066	42,066	42,066	-
FUND BALANCE AT END OF YEAR	\$ 42,066	\$ 54,606	\$ 54,389	\$ (217)

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ENVIRONMENTAL SERVICES SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 19,566	\$ 19,566
Intergovernmental	43,731	43,731	10,881	(32,850)
Charges for services	973,885	973,885	1,054,054	80,169
TOTAL REVENUES	1,017,616	1,017,616	1,084,501	66,885
EXCESS OF REVENUES OVER EXPENDITURES	1,017,616	1,017,616	1,084,501	66,885
OTHER FINANCING SOURCES (USES):				
Transfers in	437,000	437,000	437,000	-
Transfers out	(1,522,897)	(1,732,311)	(1,472,897)	259,414
TOTAL OTHER FINANCING SOURCES (USES)	(1,085,897)	(1,295,311)	(1,035,897)	259,414
NET CHANGE IN FUND BALANCE	(68,281)	(277,695)	48,604	326,299
FUND BALANCE AT BEGINNING OF YEAR	724,198	724,198	724,198	-
FUND BALANCE AT END OF YEAR	\$ 655,917	\$ 446,503	\$ 772,802	\$ 326,299

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ 200	\$ 6,783	\$ 6,583
Intergovernmental	-	100,000	148,747	48,747
TOTAL REVENUES	-	100,200	155,530	55,330
EXPENDITURES:				
Current:				
Public safety	-	231,200	148,069	83,131
TOTAL EXPENDITURES	-	231,200	148,069	83,131
EXCESS OF REVENUES OVER EXPENDITURES	-	(131,000)	7,461	138,461
OTHER FINANCING USES:				
Transfers in	-	131,000	131,000	-
TOTAL OTHER FINANCING USES	-	131,000	131,000	-
NET CHANGE IN FUND BALANCE	-	-	138,461	138,461
FUND BALANCE AT BEGINNING OF YEAR	131,042	131,042	131,042	-
FUND BALANCE AT END OF YEAR	\$ 131,042	\$ 131,042	\$ 269,503	\$ 138,461

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COMMUNITY FACILITIES DISTRICT #1 SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 145,000	\$ 145,000	\$ 145,033	\$ 33
Investment income	-	-	364	364
TOTAL REVENUES	<u>145,000</u>	<u>145,000</u>	<u>145,397</u>	<u>397</u>
EXPENDITURES				
Current:				
Community development	<u>5,000</u>	<u>5,000</u>	<u>3,511</u>	<u>1,489</u>
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>3,511</u>	<u>1,489</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>140,000</u>	<u>140,000</u>	<u>141,886</u>	<u>1,886</u>
OTHER FINANCING (USES):				
Transfers out	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
TOTAL OTHER FINANCING (USES)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	1,886	1,886
FUND BALANCE AT BEGINNING OF YEAR	<u>2,574</u>	<u>2,574</u>	<u>2,574</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,574</u>	<u>\$ 2,574</u>	<u>\$ 4,460</u>	<u>\$ 1,886</u>

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COMMUNITY FACILITIES DISTRICT #2 SPECIAL REVENUE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 35,250	\$ 35,250	\$ 48,355	\$ 13,105
Investment income	-	-	2,373	2,373
TOTAL REVENUES	<u>35,250</u>	<u>35,250</u>	<u>50,728</u>	<u>15,478</u>
EXPENDITURES				
Current:				
Community development	<u>19,000</u>	<u>19,000</u>	<u>2,631</u>	<u>16,369</u>
TOTAL EXPENDITURES	<u>19,000</u>	<u>19,000</u>	<u>2,631</u>	<u>16,369</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>16,250</u>	<u>16,250</u>	<u>48,097</u>	<u>31,847</u>
OTHER FINANCING USES:				
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	12,250	12,250	44,097	31,847
FUND BALANCE AT BEGINNING OF YEAR	<u>77,348</u>	<u>77,348</u>	<u>77,348</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 89,598</u>	<u>\$ 89,598</u>	<u>\$ 121,445</u>	<u>\$ 31,847</u>

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE AT BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Project revenues	\$ -	\$ 298,920	\$ 150,927	\$ (147,993)
TOTAL REVENUES	-	298,920	150,927	(147,993)
EXPENDITURES:				
Current:				
Public works	-	79,384	12,353	67,031
Capital outlay	4,936,600	11,716,953	2,103,720	9,613,233
TOTAL EXPENDITURES	4,936,600	11,796,337	2,116,073	9,680,264
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,936,600)	(11,497,417)	(1,965,146)	9,532,271
OTHER FINANCING SOURCES:				
Transfers in	4,936,600	11,608,197	1,932,846	(9,675,351)
TOTAL OTHER FINANCING SOURCES	4,936,600	11,608,197	1,932,846	(9,675,351)
NET CHANGE IN FUND BALANCE	-	110,780	(32,300)	(143,080)
FUND BALANCE AT BEGINNING OF YEAR	1,732,606	1,732,606	1,732,606	-
FUND BALANCE AT END OF YEAR	\$ 1,732,606	\$ 1,843,386	\$ 1,700,306	\$ (143,080)

CITY OF CAMPBELL, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2016 LRB DEBT SERVICE FUND

For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 172	\$ 172
TOTAL REVENUES	-	-	172	172
EXPENDITURES:				
Debt service:	1,140,065			
Principal	605,000	605,000	605,000	-
Interest	244,925	244,925	244,275	650
TOTAL EXPENDITURES	1,989,990	849,925	849,275	650
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,989,990)	(849,925)	(849,103)	822
OTHER FINANCING SOURCES:				
Transfers in	849,925	849,925	849,925	-
TOTAL OTHER FINANCING SOURCES	849,925	849,925	849,925	-
NET CHANGE IN FUND BALANCE	(1,140,065)	-	822	822
FUND BALANCE AT BEGINNING OF YEAR	3,122	3,122	3,122	-
FUND BALANCE AT END OF YEAR	\$ (1,136,943)	\$ 3,122	\$ 3,944	\$ 822

CITY OF CAMPBELL
Internal Service Funds

Account for goods or services provided to other departments of the City where the intent of the City is that the costs of these goods or services are to be recovered through interdepartmental charges at the time that the goods are delivered or the services rendered to those departments.

Motor Vehicle Pool

Accounts for the costs of operating maintaining and replacing vehicle and other equipment used by City departments. Rental rates charged to user departments include costs and equipment depreciation.

Workers' Compensation Self-Insurance

Accounts for revenues derived from charges made to operating departments at rates based on the State Compensation Fund, annually adjusted to ensure an adequate reserve for future claims. This fund is charged for administrative costs of settling claims, as well as material and other costs of job related illness or injury.

Information Technology Services

Accounts for the costs of operating maintaining, and replacing computer hardware and software. Rental rates charged to the user departments include operating costs and equipment depreciation.

CITY OF CAMPBELL, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2019

	Motor Vehicle Pool	Workers' Compensation Self-Insurance	Information Technology Services	Totals
ASSETS:				
CURRENT ASSETS:				
Cash and investments	\$ -	\$ 4,325,482	\$ 768,600	\$ 5,094,082
Accounts receivable	-	23,951	4,103	28,054
Deposits	-	90,000	-	90,000
TOTAL CURRENT ASSETS	-	4,439,433	772,703	5,212,136
NONCURRENT ASSETS:				
Capital assets, net of accumulated depreciation	1,140,065	-	277,773	1,417,838
TOTAL NONCURRENT ASSETS	1,140,065	-	277,773	1,417,838
TOTAL ASSETS	1,140,065	4,439,433	1,050,476	6,629,974
LIABILITIES:				
CURRENT LIABILITIES:				
Accounts payable	33,715	122,212	17,011	172,938
Accrued payroll	15,777	1,744	24,730	42,251
Due to other funds	589,371	-	-	589,371
Compensated absences, current portion	22,524	-	17,383	39,907
Claims and judgments payable, current portion	-	433,065	-	433,065
TOTAL CURRENT LIABILITIES	661,387	557,021	59,124	1,277,532
LONG-TERM LIABILITIES:				
Compensated absences	22,052	-	23,787	45,839
Claims payable and judgments	-	2,695,397	-	2,695,397
TOTAL LONG-TERM LIABILITIES	22,052	2,695,397	23,787	2,741,236
TOTAL LIABILITIES	683,439	3,252,418	82,911	4,018,768
NET POSITION:				
Net investment in capital assets	1,140,065	-	277,773	1,417,838
Unrestricted	(683,439)	1,187,015	689,792	1,193,368
TOTAL NET POSITION	\$ 456,626	\$ 1,187,015	\$ 967,565	\$ 2,611,206

CITY OF CAMPBELL, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the fiscal year ended June 30, 2019

	Motor Vehicle Pool	Workers' Compensation Self-Insurance	Information Technology Services	Totals
OPERATING REVENUES:				
Investment income	\$ -	\$ 94,026	\$ 15,706	\$ 109,732
Charges for services	1,328,129	725,799	1,411,992	3,465,920
Other	40,221	-	9,455	49,676
TOTAL OPERATING REVENUES	1,368,350	819,825	1,437,153	3,625,328
OPERATING EXPENSES:				
Personnel services	451,023	47,658	841,816	1,340,497
Services and supplies	659,254	1,208,506	602,376	2,470,136
Depreciation	229,759	-	73,560	303,319
TOTAL OPERATING EXPENSES	1,340,036	1,256,164	1,517,752	4,113,952
OPERATING INCOME (LOSS)	28,314	(436,339)	(80,599)	(488,624)
NONOPERATING REVENUES (EXPENSES)				
Loss on disposal of assets	(2,524)	-	-	(2,524)
INCOME (LOSS) BEFORE TRANSFERS	25,790	(436,339)	(80,599)	(491,148)
TRANSFERS:				
Transfers in	50,000	-	204,000	254,000
Transfers out	(50,000)	-	(49,600)	(99,600)
TOTAL TRANSFERS	-	-	154,400	154,400
CHANGE IN NET POSITION	25,790	(436,339)	73,801	(336,748)
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	430,836	1,623,354	893,764	2,947,954
NET POSITION AT END OF YEAR	\$ 456,626	\$ 1,187,015	\$ 967,565	\$ 2,611,206

CITY OF CAMPBELL, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the fiscal year ended June 30, 2019

	Motor Vehicle Pool	Workers' Compensation Self-Insurance	Information Technology Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from department users	\$ 1,371,115	\$ 795,874	\$ 1,433,050	\$ 3,600,039
Cash payments to suppliers of goods and services	(676,011)	(531,061)	(628,348)	(1,835,420)
Cash payments to employees for services	(451,241)	(47,533)	(852,518)	(1,351,292)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>243,863</u>	<u>217,280</u>	<u>(47,816)</u>	<u>413,327</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	50,000	-	204,000	254,000
Cash paid to other funds	(171,385)	-	(49,600)	(220,985)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>(121,385)</u>	<u>-</u>	<u>154,400</u>	<u>33,015</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(122,478)	-	-	(122,478)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(122,478)</u>	<u>-</u>	<u>-</u>	<u>(122,478)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	217,280	106,584	323,864
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>-</u>	<u>4,108,202</u>	<u>662,016</u>	<u>4,770,218</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ -</u>	<u>\$ 4,325,482</u>	<u>\$ 768,600</u>	<u>\$ 5,094,082</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 28,314	\$ (436,339)	\$ (80,599)	\$ (488,624)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	229,759	-	73,560	303,319
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	2,765	(23,951)	(4,103)	(25,289)
Increase (decrease) in accounts payable	(16,757)	115,161	(25,972)	72,432
Increase (decrease) in accrued payroll	784	125	(170)	739
Increase (decrease) in compensated absences	(1,002)	-	(10,532)	(11,534)
Increase (decrease) in claims and judgments payable	-	562,284	-	562,284
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 243,863</u>	<u>\$ 217,280</u>	<u>\$ (47,816)</u>	<u>\$ 413,327</u>

CITY OF CAMPBELL

Agency Funds

Account for assets held by the City on behalf of other organizations.

West Valley Solid Waste Management Authority

Accounts for the monies of the West Valley Solid Waste Management Authority. The City acts as custodian for the operating resources of the entity.

1915 Acts Bonds

Accounts for the assessments received and the payment of principal and interest under the Improvement Bond Act of 1915.

CITY OF CAMPBELL, CALIFORNIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS

June 30, 2019

	West Valley Solid Waste Management Authority	1915 Act Bonds	Totals
ASSETS:			
Cash and investments	\$ 365,151	\$ 31,274	\$ 396,425
Accounts receivable	1,560	-	1,560
	<u>\$ 366,711</u>	<u>\$ 31,274</u>	<u>\$ 397,985</u>
TOTAL ASSETS			
LIABILITIES:			
Accounts payable	\$ 45,236	\$ -	\$ 45,236
Due to West Valley Solid Waste JPA	321,475	-	321,475
Due to bondholders	-	31,274	31,274
	<u>\$ 366,711</u>	<u>\$ 31,274</u>	<u>\$ 397,985</u>
TOTAL LIABILITIES			

CITY OF CAMPBELL, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the fiscal year ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY				
ASSETS:				
Cash and investments	\$ 206,053	\$ 159,098	\$ -	\$ 365,151
Accounts receivable	75,388	-	73,828	1,560
TOTAL ASSETS	\$ 281,441	\$ 159,098	\$ 73,828	\$ 366,711
LIABILITIES:				
Accounts payable	\$ 6,284	\$ 38,952	\$ -	\$ 45,236
Due to West Valley Solid Waste JPA	275,157	46,318	-	321,475
TOTAL LIABILITIES	\$ 281,441	\$ 85,270	\$ -	\$ 366,711
1915 ACT BONDS				
ASSETS:				
Cash and investments	\$ 31,274	\$ -	\$ -	\$ 31,274
TOTAL ASSETS	\$ 31,274	\$ -	\$ -	\$ 31,274
LIABILITIES:				
Due to bondholders	\$ 31,274	\$ -	\$ -	\$ 31,274
TOTAL LIABILITIES	\$ 31,274	\$ -	\$ -	\$ 31,274
TOTAL AGENCY FUNDS				
ASSETS:				
Cash and investments	\$ 237,327	\$ 159,098	\$ -	\$ 396,425
Accounts receivable	75,388	-	73,828	1,560
TOTAL ASSETS	\$ 312,715	\$ 159,098	\$ 73,828	\$ 397,985
LIABILITIES:				
Accounts payable	\$ 6,284	\$ 38,952	\$ -	\$ 45,236
Due to West Valley Solid Waste JPA	275,157	46,318	-	321,475
Due to bondholders	31,274	-	-	31,274
TOTAL LIABILITIES	\$ 312,715	\$ 85,270	\$ -	\$ 397,985

**STATISTICAL SECTION
(UNAUDITED)**



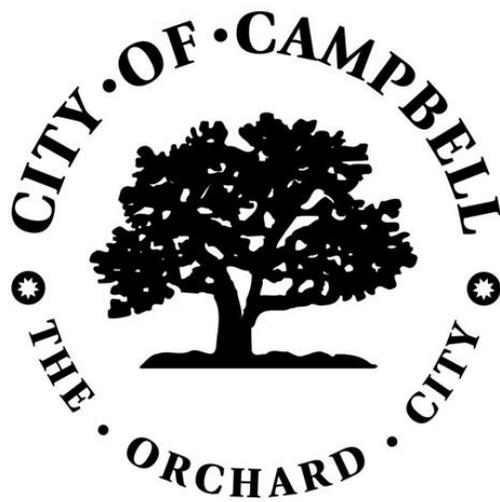
CITY OF CAMPBELL
Description of Statistical Section Contents
For the Fiscal Year Ended June 30, 2019

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

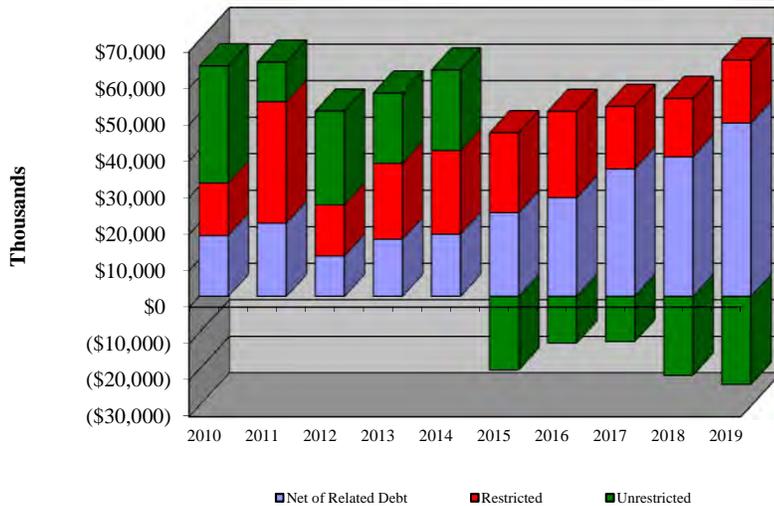
Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	127 - 133
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	134 - 137
<u>Debt Capacity</u> 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.	138 - 141
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	142 - 143
<u>Operating Information</u> 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.	144 - 146

Sources:

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.



CITY OF CAMPBELL
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)



	Fiscal Year Ended June 30, 2019				
	2010	2011	2012	2013	2014
Governmental activities			(A)	(B)	
Net investment in capital assets	\$16,661,364	\$20,021,321	\$11,036,245	\$15,612,650	\$17,024,512
Restricted	14,402,444	33,241,978	13,973,818	20,802,425	22,841,487
Unrestricted	31,978,555	10,797,722	25,667,911	19,239,382	22,067,786
Total governmental activities net position	<u>\$63,042,363</u>	<u>\$64,061,021</u>	<u>\$50,677,974</u>	<u>\$55,654,457</u>	<u>\$61,933,785</u>
Primary government					
Net investment in capital assets	\$16,661,364	\$20,021,321	\$11,036,245	\$15,612,650	\$17,024,512
Restricted	14,402,444	33,241,978	13,973,818	20,802,425	22,841,487
Unrestricted	31,978,555	10,797,722	25,667,911	19,239,382	22,067,786
Total governmental activities net position	<u>\$63,042,363</u>	<u>\$64,061,021</u>	<u>\$50,677,974</u>	<u>\$55,654,457</u>	<u>\$61,933,785</u>
	Fiscal Year Ended June 30, 2019				
	2015	2016	2017	2018	2019
Governmental activities	(C)				
Net investment in capital assets	\$22,884,579	\$26,997,661	\$34,884,223	\$38,177,017	\$47,429,206
Restricted	21,868,884	23,616,442	17,077,829	15,970,726	17,211,524
Unrestricted	<u>(20,170,607)</u>	<u>(12,748,328)</u>	<u>(12,358,383)</u>	<u>(21,605,385)</u>	<u>(24,121,289)</u>
Total governmental activities net position	<u>\$24,582,856</u>	<u>\$37,865,775</u>	<u>\$39,603,669</u>	<u>\$32,542,358</u>	<u>\$40,519,441</u>
Primary government					
Net investment in capital assets	\$22,884,579	\$26,997,661	\$34,884,223	\$38,177,017	\$47,429,206
Restricted	21,868,884	23,616,442	17,077,829	15,970,726	17,211,524
Unrestricted	<u>(20,170,607)</u>	<u>(12,748,328)</u>	<u>(12,358,383)</u>	<u>(21,605,385)</u>	<u>(24,121,289)</u>
Total governmental activities net position	<u>\$24,582,856</u>	<u>\$37,865,775</u>	<u>\$39,603,669</u>	<u>\$32,542,358</u>	<u>\$40,519,441</u>

(A) Activities previously classified as Unrestricted have been reclassified to Restricted in order to comply with provision of GASB 54.

(B) Dissolution of the Redevelopment Agency on 1/31/2012 resulted in a \$17.2 million reduction in net position.

(C) Reported Pension Liability resulted in a negative \$20.1 million of unrestricted in net position in order to comply with provision of GASB 68.

CITY OF CAMPBELL
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Fiscal Year 1</u> <u>2014</u>
Expenses					
Governmental Activities:					
General Government	\$4,591,916	\$4,454,242	\$4,768,208	\$5,895,629	\$5,165,958
Public Safety	18,120,168	18,560,647	19,808,247	20,871,425	20,361,802
Public Works	8,781,674	8,634,025	9,756,513	9,397,310	9,945,032
Community Development	7,814,061	6,855,318	6,124,075	2,119,263	1,787,491
Recreation and Community Services	5,391,171	4,739,270	3,938,036	5,164,889	5,297,874
Interest on Long Term Debt	2,269,160	2,207,529	1,791,038	1,013,545	990,140
Total Governmental Activities Expenses	<u>46,968,150</u>	<u>45,451,031</u>	<u>46,186,117</u>	<u>44,462,061</u>	<u>43,548,297</u>
Total Business-Type Activities Expenses	-	-	-	-	-
Total Primary Government Expenses	<u>\$46,968,150</u>	<u>\$45,451,031</u>	<u>\$46,186,117</u>	<u>\$44,462,061</u>	<u>\$43,548,297</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$78,516	\$133,160	\$0	\$1,201	\$1,492,558
Public Safety	757,093	840,455	789,476	685,552	684,986
Public Works	1,101,854	1,002,765	1,150,645	2,421,622	2,696,169
Community Development	1,161,234	2,338,664	2,090,710	3,372,735	2,851,264
Recreation and Community Services	4,637,180	4,804,171	4,918,137	3,592,223	3,887,599
Operating Grants and Contributions	3,383,020	2,110,026	4,418,376	2,313,510	3,725,646
Capital Grants and Contributions	2,265,145	3,191,724	3,117,438	3,117,506	1,760,526
Total Government Activities Program Revenues	<u>13,384,042</u>	<u>14,420,965</u>	<u>16,484,782</u>	<u>15,504,349</u>	<u>17,098,748</u>
Total Business-Type Activities Program Revenue	-	-	-	-	-
Total Primary Government Program Revenues	<u>\$13,384,042</u>	<u>\$14,420,965</u>	<u>\$16,484,782</u>	<u>\$15,504,349</u>	<u>\$17,098,748</u>
Net (Expense)/Revenue					
Governmental Activities	(\$33,584,108)	(\$31,030,066)	(\$29,701,335)	(\$28,957,712)	(\$26,449,549)
Business-Type Activities	-	-	-	-	-
Total Primary Government Net Expense	<u>(\$33,584,108)</u>	<u>(\$31,030,066)</u>	<u>(\$29,701,335)</u>	<u>(\$28,957,712)</u>	<u>(\$26,449,549)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	\$16,680,859	\$15,836,085	\$11,893,082	\$10,621,755	\$11,134,726
Sales Taxes	9,538,242	10,524,344	11,777,407	12,649,768	13,115,263
Transient Occupancy Tax	1,297,573	2,031,585	2,578,323	2,875,976	3,417,412
Franchise Fees	2,337,022	2,619,457	2,657,964	2,776,192	2,917,263
Business License Taxes	214,198	218,252	598,342	625,050	647,872
Property Transfer Taxes	172,449	191,118	199,791	285,292	354,112
Construction Taxes	1,469	134,444	87,701	67,920	212,522
Motor Vehicle In Lieu	155,074	185,864	20,214	20,946	17,335
Interest Earnings	473,694	241,369	221,274	329,371	621,301
Other General Revenues	146,851	66,207	471,107	627,170	291,071
Total Government Activities	<u>31,017,431</u>	<u>32,048,725</u>	<u>30,505,205</u>	<u>30,879,440</u>	<u>32,728,877</u>
Total Business-Type Activities	-	-	-	-	-
Total Primary Government	<u>\$31,017,431</u>	<u>\$32,048,725</u>	<u>\$30,505,205</u>	<u>\$30,879,440</u>	<u>\$32,728,877</u>
Change in Net Position					
Governmental Activities	(\$2,566,677)	\$1,018,659	\$803,870	\$1,921,728	\$6,279,328
Business-Type Activities	-	-	-	-	-
Extraordinary Loss	-	-	(18,006,154) (a)	(1,159,962) (b)	-
Total Primary Government	<u>(\$2,566,677)</u>	<u>\$1,018,659</u>	<u>(\$17,202,284)</u>	<u>\$761,766</u>	<u>\$6,279,328</u>

(a) Extraordinary gain resulted from the State mandated dissolution of the Redevelopment Agency as of 1/31/2012.

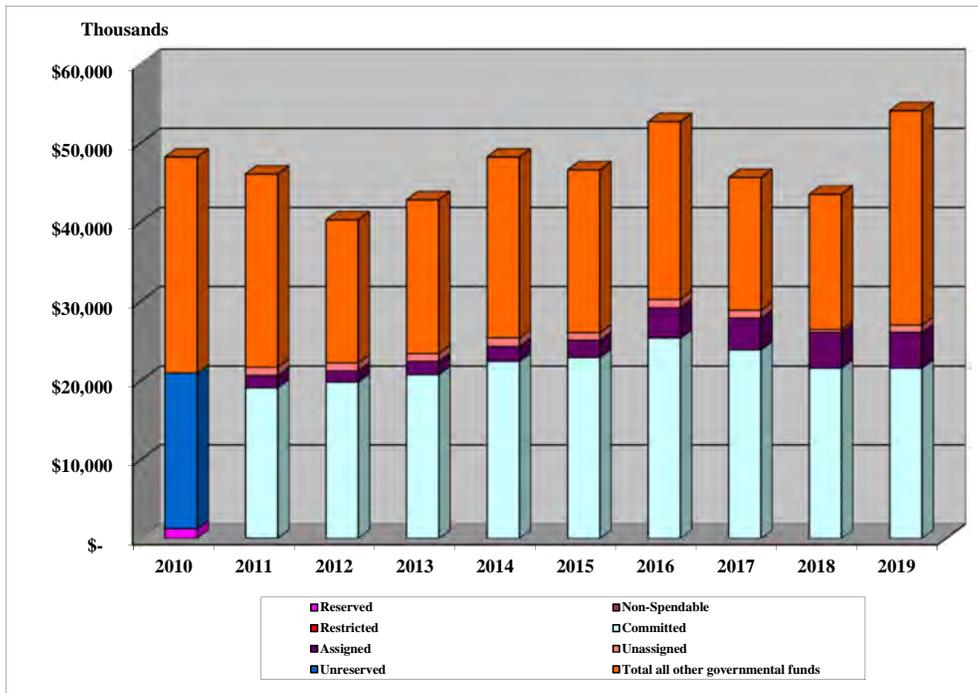
(b) Housing rehab loans transferred to the County due to dissolution of RDA.

Ended June 30, 2019

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$6,146,700	\$6,679,357	\$9,472,432	\$7,671,343	7,315,270
21,022,373	22,179,057	23,679,842	27,628,421	29,623,711
11,194,915	10,595,886	11,122,831	15,187,009	13,981,288
2,047,303	2,590,034	3,111,691	3,484,767	3,661,787
5,613,775	5,689,721	6,166,806	6,894,086	7,183,132
965,225	936,250	579,013	336,577	330,687
<u>46,990,291</u>	<u>48,670,305</u>	<u>54,132,615</u>	<u>61,202,203</u>	<u>62,095,875</u>
-	-	-	-	-
<u>\$46,990,291</u>	<u>\$48,670,305</u>	<u>\$54,132,615</u>	<u>61,202,203</u>	<u>62,095,875</u>
\$1,478,895	\$1,624,617	\$1,602,647	\$1,586,881	18,592
686,364	740,750	790,163	857,212	693,216
2,787,091	3,443,486	3,464,407	3,178,780	3,522,641
2,072,487	4,375,330	3,335,990	2,947,460	2,817,123
3,831,513	3,822,648	4,136,749	4,142,115	5,946,637
4,133,704	5,437,108	2,316,936	2,789,656	3,512,647
1,744,822	3,240,726	1,688,085	534,583	634,321
<u>16,734,876</u>	<u>22,684,665</u>	<u>17,334,977</u>	<u>16,036,687</u>	<u>17,145,177</u>
-	-	-	-	-
<u>\$16,734,876</u>	<u>\$22,684,665</u>	<u>\$17,334,977</u>	<u>\$16,036,687</u>	<u>\$17,145,177</u>
(\$30,255,415)	(\$25,985,640)	(\$36,797,638)	(\$45,165,516)	(\$44,950,698)
-	-	-	-	-
<u>(\$30,255,415)</u>	<u>(\$25,985,640)</u>	<u>(\$36,797,638)</u>	<u>(\$45,165,516)</u>	<u>(\$44,950,698)</u>
\$12,297,621	\$13,161,587	\$14,191,181	\$15,251,542	16,921,874
13,915,291	14,818,495	14,297,751	14,859,014	15,684,222
4,091,923	4,439,668	4,420,208	4,554,949	4,768,870
3,322,031	3,319,603	3,478,916	3,586,297	3,515,547
662,787	683,445	694,569	698,184	693,263
526,054	551,007	467,990	761,583	519,407
50,710	338,718	208,373	85,406	26,451
26,321	69,109	19,077	45,523	20,494
529,495	487,662	171,257	181,016	1,040,069
153,958	1,399,265	586,210	436,370	293,126
<u>35,576,191</u>	<u>39,268,559</u>	<u>38,535,532</u>	<u>40,459,884</u>	<u>43,483,323</u>
-	-	-	-	-
<u>\$35,576,191</u>	<u>\$39,268,559</u>	<u>\$38,535,532</u>	<u>\$40,459,884</u>	<u>\$43,483,323</u>
\$5,320,776	\$13,282,919	\$1,737,894	(\$4,705,632)	(\$1,467,375)
-	-	-	-	-
-	-	-	-	-
<u>\$5,320,776</u>	<u>\$13,282,919</u>	<u>\$1,737,894</u>	<u>(\$4,705,632)</u>	<u>(\$1,467,375)</u>



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



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$1,236,593	\$0	-	-	-	-	-	-	-	-
Non-Spendable	-	\$0	-	\$12,782	-	-	-	-	-	-
Restricted	-	\$32,756	-	-	-	-	-	-	-	-
Committed	-	\$19,061,518	\$19,816,774	\$20,748,137	\$22,443,923	\$22,930,342	\$25,392,112	\$23,896,221	\$21,592,089	\$21,743,948
Assigned	-	\$1,552,458	\$1,414,030	\$1,681,171	\$1,881,401	\$2,176,615	\$3,830,100	\$4,027,890	\$4,528,546	\$4,257,115
Unassigned	-	\$1,060,784	\$1,013,113	\$987,225	\$1,104,285	\$961,258	\$1,000,000	\$999,994	\$360,129	\$1,026,759
Unreserved	19,732,965	-	-	-	-	-	-	-	-	-
Total General Fund	\$20,969,558	\$21,707,516	\$22,243,917	\$23,429,315	\$25,429,609	\$26,068,215	\$30,222,212	\$28,924,105	\$26,480,764	\$27,027,822
All Other Governmental Funds										
Reserved	\$19,974,459	-	-	-	-	-	-	-	-	-
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	\$24,561,868	\$17,983,177	\$20,467,472	\$22,443,840	\$21,623,743	\$23,493,450	\$16,993,836	\$15,772,926	\$17,211,524
Committed	-	\$15,970,726	-	-	-	-	\$1,223,623	-	-	-
Assigned	-	(\$21,605,385)	\$93,599	\$303,127	\$371,381	\$108,767	\$140,666	\$1,758,104	\$1,747,982	\$1,715,955
Unassigned	-	\$18,927,209	(\$70,955)	(\$1,411,586)	(\$44,852)	(\$1,234,364)	(\$2,414,736)	(\$2,064,713)	(\$498,452)	(\$242,428)
Unreserved, reported in:										
Special revenue funds	6,130,381	-	-	-	-	-	-	-	-	-
Capital project funds	2,760,842	-	-	-	-	-	-	-	-	-
Debt service funds	(1,634,874)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$27,230,808	\$37,854,418	\$18,005,821	(b) \$19,359,013	\$22,770,369	\$20,498,146	\$22,443,003	\$16,687,227	\$17,022,456	\$18,685,051

- (a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
- (b) Implementation of GASB 54, "Fund Balance Reporting and Governmental Fund Type Definition", beginning in fiscal year 2011 changed the nature of the fund balance classifications.

CITY OF CAMPBELL
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

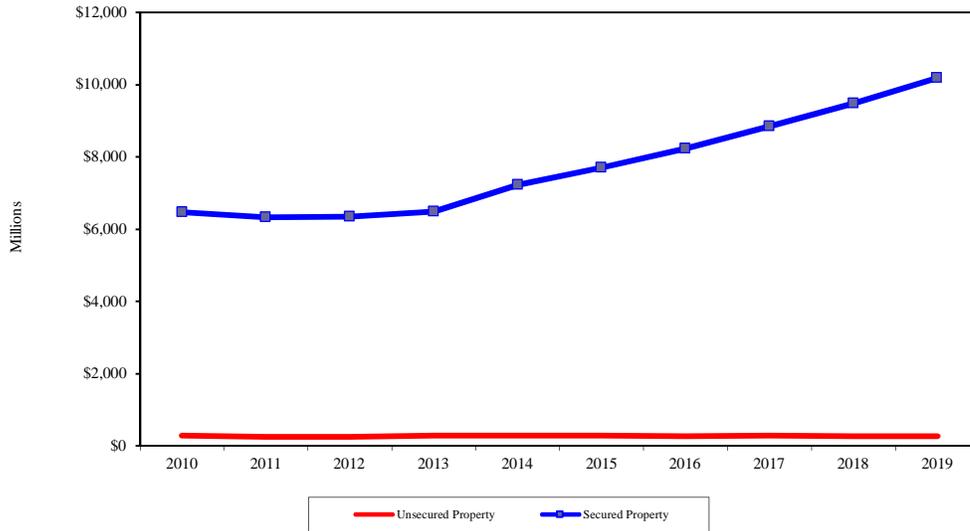
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u> (b)	<u>2014</u>
Revenues					
Taxes	\$30,241,812	\$31,557,784	\$29,804,611	\$29,913,954	\$31,811,171
Licenses, permits and fees	1,288,664	2,364,085	2,676,684	2,914,942	4,852,752
Special Assessments	1,135,464	1,135,466	1,135,465	1,139,132	1,309,750
Fines and forfeitures	436,679	394,275	354,359	302,199	332,100
Use of money and property	3,136,727	2,486,510	2,095,435	2,259,585	2,567,440
Intergovernmental revenues	4,414,326	4,142,685	3,723,529	2,957,860	4,626,035
Charges for services	3,736,998	4,209,986	4,059,731	4,150,652	4,256,235
Other	461,727	611,880	3,246,290	1,110,711	1,275,310
Total Revenues	<u>44,852,397</u>	<u>46,902,671</u>	<u>47,096,104</u>	<u>44,749,035</u>	<u>51,030,793</u>
Expenditures					
Current:					
General government	3,917,093	4,204,006	4,380,461	4,915,926	5,210,662
Public safety	18,221,484	18,305,304	19,384,848	20,379,876	20,299,917
Public works	7,397,394	6,858,938	10,156,056	9,012,996	9,040,957
Community development	7,090,693	5,595,382	6,090,582	2,087,094	1,791,094
Recreation and Community Services	4,668,299	4,497,252	4,721,100	4,841,625	4,983,642
Capital outlay	4,874,101	5,493,620	201,883	2,191,794	2,512,727
Debt service:					
Principal repayment	1,605,000	1,675,000	1,745,000	715,000	740,000
Interest and fiscal charges	2,577,786	2,501,091	1,688,531	892,369	861,944
Bond issuance costs	-	-	-	-	-
Payments to refunding escrow agent	-	-	-	-	-
Total Expenditures	<u>50,351,850</u>	<u>49,130,593</u>	<u>48,368,461</u>	<u>45,036,680</u>	<u>45,440,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,499,453)</u>	<u>(2,227,922)</u>	<u>(1,272,357)</u>	<u>(287,645)</u>	<u>5,589,850</u>
Other Financing Sources (Uses)					
Transfers in	9,043,078	10,151,253	14,780,957	7,533,103	7,489,674
Transfers (out)	(8,987,897)	(10,078,433)	(14,711,057)	(7,478,203)	(7,667,874)
Extraordinary Loss	-	-	(4,593,067)	(1,159,962)	-
Issuance of debt	-	-	-	-	-
Premium from bond issuance	-	-	-	-	-
Payments to refunding escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>55,181</u>	<u>72,820</u>	<u>(4,523,167)</u>	<u>(1,105,062)</u>	<u>(178,200)</u>
Net Change in fund balances	<u><u>(\$5,444,272)</u></u>	<u><u>(\$2,155,102)</u></u>	<u><u>(\$5,795,524)</u></u>	<u><u>(\$1,392,707)</u></u>	<u><u>\$5,411,650</u></u>
Debt service as a percentage of noncapital expenditures	9.1%	9.4%	7.7%	3.8%	3.7%

NOTE:

- (a) The City implemented GASB Statement 34 in fiscal year 2002. Therefore this calculation is included only for fiscal years subsequent to that date.
- (b) Implementation of GASB 54, "Fund Balance Reporting and Governmental Fund Type Definition," beginning fiscal year 2011.

2015	2016	2017	2018	2019
\$34,881,417	\$37,324,522	\$37,768,238	\$39,809,475	\$42,145,259
2,839,871	6,900,052	3,873,976	3,214,847	3,232,524
1,329,637	1,369,696	1,387,853	1,377,069	1,469,308
354,445	324,137	320,193	345,627	704,030
2,604,602	2,746,371	2,829,484	3,115,345	4,273,538
3,880,357	5,346,920	4,172,179	4,630,928	3,262,896
4,422,552	4,491,002	4,623,876	4,897,185	4,784,243
1,117,511	2,237,463	1,200,939	981,249	1,105,429
<u>51,430,392</u>	<u>60,740,163</u>	<u>56,176,738</u>	<u>58,371,725</u>	<u>60,977,227</u>
5,673,874	6,220,587	8,543,097	6,832,027	7,245,353
21,049,851	23,007,615	24,544,078	25,837,666	27,423,109
10,305,115	10,506,080	11,493,731	12,576,675	10,940,940
2,063,640	2,702,702	3,230,153	3,166,797	3,387,115
5,340,786	5,611,544	6,080,395	6,235,452	6,663,662
6,773,543	4,675,614	2,487,393	4,878,204	2,103,720
775,000	810,000	625,000	595,000	605,000
829,600	793,300	176,642	259,200	244,275
-	-	209,762	-	-
-	-	6,203,790	-	-
<u>52,811,409</u>	<u>54,327,442</u>	<u>63,594,041</u>	<u>60,381,021</u>	<u>58,613,174</u>
<u>(1,381,017)</u>	<u>6,412,721</u>	<u>(7,417,303)</u>	<u>(2,009,296)</u>	<u>2,364,053</u>
11,266,904	10,100,282	9,809,123	\$10,383,455	\$6,759,234
(11,519,504)	(10,414,149)	(9,659,635)	(\$10,481,271)	(\$6,913,634)
-	-	-	-	-
-	-	8,085,000	-	-
-	-	1,090,835	-	-
-	-	(8,962,993)	-	-
<u>(252,600)</u>	<u>(313,867)</u>	<u>362,330</u>	<u>(97,816)</u>	<u>(154,400)</u>
<u>(\$1,633,617)</u>	<u>\$6,098,854</u>	<u>(\$7,054,973)</u>	<u>(\$2,107,112)</u>	<u>\$2,209,653</u>
3.5%	3.3%	1.3%	1.5%	1.5%

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

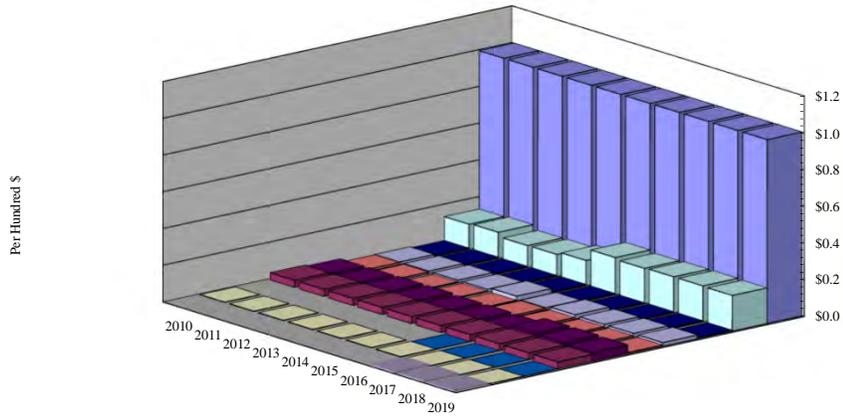


Fiscal Year	Secured Property	HOPTR Exemptions	SBE Utilities	Total Secured Value	Unsecured Property	Total Assessed (a)	Total Direct Tax Rate (b)
2010	6,145,647,005	47,023,200	132,500	6,192,802,705	277,622,054	6,470,424,759	1%
2011	6,028,040,396	46,446,400	132,500	6,074,619,296	258,641,006	6,333,260,302	1%
2012	6,042,798,505	46,079,600	145,750	6,089,023,855	253,185,951	6,342,209,806	1%
2013	6,155,290,542	45,424,400	145,750	6,200,860,692	280,367,332	6,481,228,024	1%
2014	6,903,997,112	46,993,800	145,750	6,951,136,662	284,251,723	7,235,388,385 (c)	1%
2015	7,361,679,060	46,186,046	172,250	7,408,037,356	288,458,347	7,696,495,703	1%
2016	7,912,201,031	45,357,200	172,250	7,957,730,481	273,569,603	8,231,300,084	1%
2017	8,522,484,862	45,200,400	172,250	8,567,857,512	290,398,591	8,858,256,103	1%
2018	9,158,664,046	44,251,200	172,250	9,203,087,496	276,228,712	9,479,316,208	1%
2019	9,866,148,537	43,876,000	238,500	9,910,263,037	276,847,459	10,187,110,496	1%

Source: Santa Clara County Assessor's Office

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Campbell encompasses more than 20 tax rate areas.
- (c) Total assessed value increased 11.6% due primarily to the annexation of several County pockets in 2013.

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



■ Housing Bond	■ Basic Library Retirement	■ Mid-Pen Open Space	■ Basic SCC Retirement
■ High School Bonds	■ Hospital Facilities Bond	■ West Valley College	■ SCVWD State Project
■ Elem or Unified School Bonds	■ Basic Direct Tax Rate		

Fiscal Year	Basic Direct Tax Rate	SCC Retirement	Library Retirement	Elem or Unified School Bonds	High School Bonds	SCVWD State Project	Mid-Pen Open Space	West Valley College	Hospital Facilities Bond	Housing Bond	Total
2010	1.0000	0.039	0.002	0.137	0.031	0.007		0.014	0.0122		1.2433
2011	1.0000	0.039	0.002	0.143	0.033	0.007		0.014	0.0095		1.2472
2012	1.0000	0.039	0.002	0.120	0.034	0.006		0.014	0.0047		1.2196
2013	1.0000	0.039	0.002	0.121	0.034	0.006		0.014	0.0047		1.2209
2014	1.0000	0.039	0.002	0.137	0.029	0.007		0.026	0.0035		1.2434
2015	1.0000	0.039	0.002	0.202	0.028	0.007		0.012	0.0091		1.2996
2016	1.0000	0.039	0.002	0.193	0.026	0.006	0.001	0.023	0.0088		1.2982
2017	1.0000	0.039	0.002	0.196	0.052	0.006	0.001	0.020	0.0082	0.01266	1.3371
2018	1.0000	0.039	0.002	0.196	0.052	0.006	0.001	0.020	0.0082	0.01266	1.3371
2019	1.0000	0.039	0.002	0.193	0.049	0.004	0.002	0.020	0.0072	0.01050	1.3268

Source: Santa Clara County Assessors Office

Note: In 1978, California voters passed Proposition 13 which set the property tax rate at a fixed amount of 1.00% of assessed value .

Each year, the assessed values may be increased by the California CPI, not to exceed 2.0%. Properties are reassessed at market value upon sale.

The 1.0% tax levy is shared by all jurisdictions within the County. Based upon the Assessors report for 2018-19 the levy was distributed as follows:

School Districts	44%	Community Colleges	7%
Cities	13%	Special Districts	6%
Other (Successor Agencies)	12%	County	18%
		Total	100%

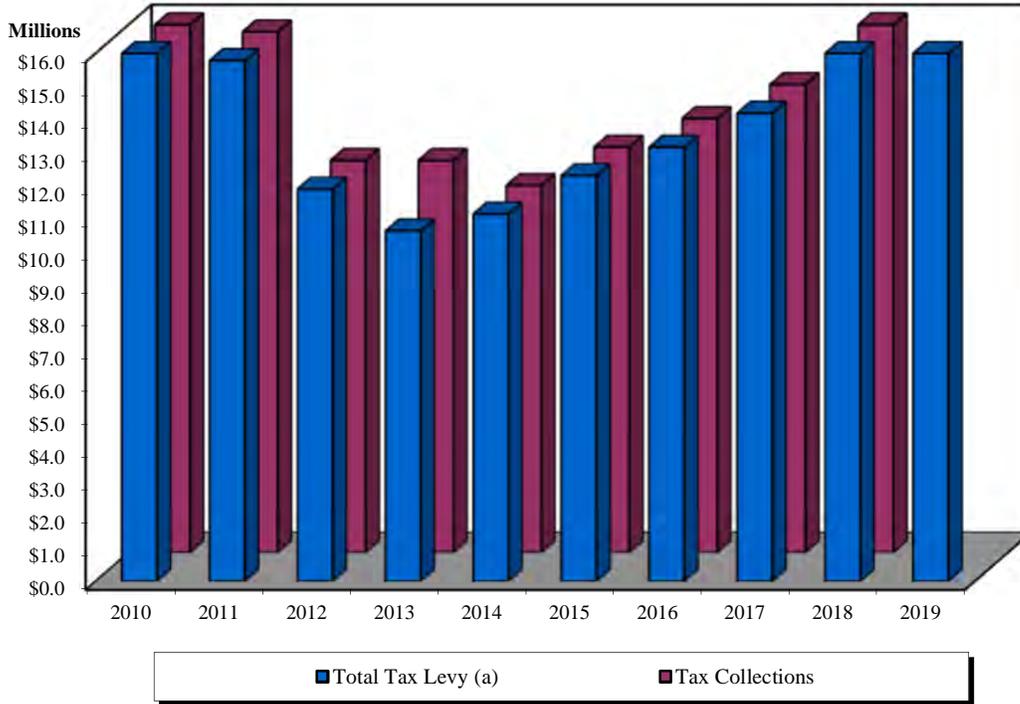
CITY OF CAMPBELL
Principal Property Tax Payers
Current Year and Ten Years Ago

<u>Taxpayer</u>	<u>2018-2019</u>			<u>2009-2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
PRUNEYARD OFFICE INVESTORS LLC	\$ 130,817,986	1	1.284%			
PRUNEYARD REGENCY LLC	123,546,554	2	1.213%			
REVRES LLC	123,178,301	3	1.209%			
PARC RESIDENCES LLC	107,645,406	4	1.057%			
AG-SW HAMILTON PLAZA OWNER	72,863,918	5	0.715%			
SHI-III CAMPBELL LP	69,774,425	6	0.685%			
RAILWAY CAMPBELL LLC	69,518,932	7	0.682%			
RAINTREE CAMPBELL LLC	69,336,778	8	0.681%			
AG-SW HAMILTON PLAZA OWNER	67,929,110	9	0.667%			
KBS SOR II LINCOLN COURT	55,745,254	10	0.547%			
BLACKHAWK PARENT, LLC				\$ 321,157,629	1	4.963%
HINES VAF NO CAL PROPERTIES LP				130,778,280	2	2.021%
LEGACY III CAMPBELL LLC				123,369,000	3	1.907%
CAMPBELL TECHNOLOGY PARKWAY LLC				72,162,144	4	1.115%
MARC W BUZOLICH				55,850,039	5	0.863%
FUND X PY CAMPBELL LLC				53,638,723	6	0.829%
BAY APARTMENT COMMUNITIES, INC.				47,492,717	7	0.734%
747 CAMDEN LLC				40,069,962	8	0.619%
ALLERGEN SALES LLC				38,593,256	9	0.596%
LYON THE COMMONS APARTMENTS LLC				32,089,965	10	0.496%
Total	\$ 890,356,664		8.7%	\$ 915,201,715		14.1%

Total Net Assessed Valuation:
Fiscal Year 2018-2019 \$10,187,110,496
Fiscal Year 2009-2010 \$6,470,424,759

Source: Santa Clara County Assessor Fiscal Year Combined Tax Rolls
Santa Clara County GIS Services
2009-2010 City of Campbell Comprehensive Annual Financial Report

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



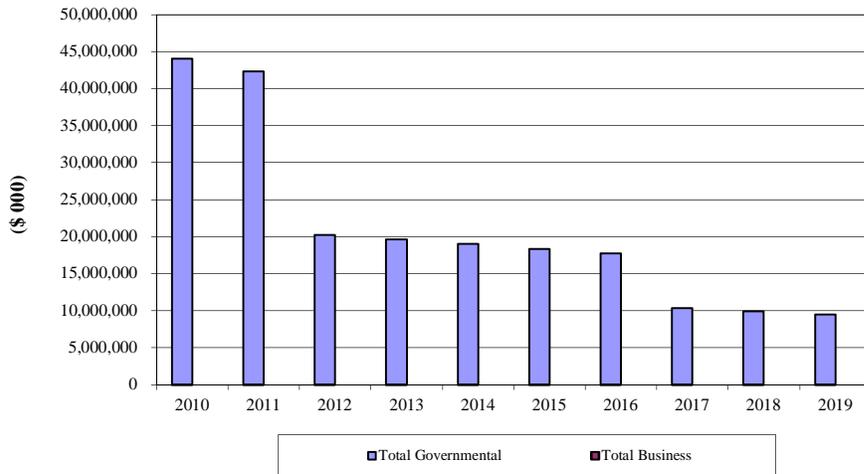
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2010	16,631,707	16,631,707	100.0000%		16,631,707	100.0000%
2011	15,787,084	15,787,084	100.0000%		15,787,084	100.0000%
2012	11,893,082	11,893,082	100.0000%		11,893,082	100.0000%
2013	10,621,754	11,893,082	111.9691%		11,893,082	111.9691%
2014	11,134,726	11,134,726	100.0000%		11,134,726	100.0000%
2015	12,297,621	12,297,621	100.0000%		12,297,621	100.0000%
2016	13,161,587	13,161,587	100.0000%		13,161,587	100.0000%
2017	14,191,181	14,191,181	100.0000%		14,191,181	100.0000%
2018	16,058,014	16,058,014	100.0000%		16,058,014	100.0000%
2019	16,882,323	16,882,323	100.0000%		16,882,323	100.0000%

Source: City of Campbell Records

NOTES: Proposition 13 approved by the voters in 1978 provided for a maximum tax rate. The proceeds are apportioned to the various taxing entities on a formula basis. In 1981 - 1982 the basis of assessed valuation was adjusted to full cash value upon resale or new construction, rather than the previous 25 percent estimate. The property tax levy was not to exceed one percent.

(a) Includes Redevelopment Agency in total tax levy through 1/31/2012.

CITY OF CAMPBELL
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Governmental Activities

Fiscal Year	Tax Allocation Bonds (b)	Certificates of Participation (c)	Special Assessment Debt	Other Indebtedness	Total
2010	22,730,000	21,310,488	-	-	44,040,488
2011	21,715,000	20,650,488	-	-	42,365,488
2012	-	20,201,391	-	-	20,201,391
2013	-	19,614,880	-	-	19,614,880
2014	-	19,010,976	-	-	19,010,976
2015	-	18,380,066	-	-	18,380,066
2016	-	17,722,700	-	-	17,722,700
2017	-	10,359,329	-	-	10,359,329
2018	-	9,935,519	-	-	9,935,519
2019	-	9,511,787	-	-	9,511,787

Business-Type Activities

Fiscal Year	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2010	0	44,040,488	1.9650%	1,118.83
2011	0	42,365,488	1.7149%	1,068.11
2012	0	20,201,391	0.7452%	506.53
2013	0	19,614,880	0.6920%	485.47
2014	0	19,010,976	0.6470%	452.72
2015	0	18,380,066	0.6290%	439.12
2016	0	17,722,700	0.5742%	416.18
2017	0	10,359,329	0.3175%	242.46
2018	0	9,935,519	0.2892%	232.70
2019	0	9,511,787	0.2636%	219.93

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

RDA tax allocation bonds are included in total debt through 1/31/2012.

Sources: City of Campbell

State of California, Department of Finance (population)

U.S. Department of commerce, Bureau of the Census (income)

(a) See Page 134 (Demographic Statistics) for personal income and population data.

(b) Tax allocation bonds related to the RDA dissolution are no longer an obligation of the City

(c) Certificates of Participation were refinanced in 2017. A portion of the Certificates related to the Campbell Successor Agency was repaid during the refinancing.

**CITY OF CAMPBELL
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2019**

2018-19 Assessed Valuation _____

\$10,187,110,496

	Net Debt Outstanding	% Applicable(1)	Amount Applicable To City of Campbell
OVERLAPPING TAX AND ASSESSMENT DEBT			
Santa Clara County Valley Water District Benefit Assessment District	\$73,570,000	2.110%	\$1,552,327
Santa Clara County	947,220,000	2.110%	19,986,342
Campbell Union High School District	389,345,000	21.016%	81,824,745
Cambrian School District	49,514,944	31.281%	15,488,770
Campbell Union School District	194,775,237	31.268%	60,902,322
Moreland School District	103,742,251	12.009%	12,458,407
West Valley -Mission Community College District	635,310,000	7.235%	45,964,679
Midpeninsula Regional Open Space District	92,460,000	0.032%	29,587
SUB-TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$238,207,179
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Santa Clara County General Fund Obligations	\$987,719,120	2.110%	\$20,840,873
Santa Clara County Board of Education Certificates of Participation	4,255,000	2.110%	89,781
Santa Clara County Vector Control District Certificates of Participation	2,245,000	2.110%	47,370
Santa Clara County Pension Obligations	352,378,882	2.110%	7,435,194
Campbell Union High School District General Fund Obligations	20,000,000	21.016%	4,203,200
Campbell Union School District General Fund Obligations	2,680,000	31.268%	837,982
West Valley-Mission Community College District General Fund Obligations	62,200,000	7.235%	4,500,170
City of Campbell General Fund Obligations	9,511,787	100.000%	9,511,787 *
Midpeninsula Regional Open Space District General Fund Obligations	117,450,600	0.032%	37,584
SUB-TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$47,503,941
Les: Santa Clara County supported obligations			6,791,424
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$40,712,517
OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	19,800,000	100.000%	\$19,800,000
TOTAL DIRECT DEBT (City of Campbell Certificates of Participation)			\$9,511,787
TOTAL GROSS OVERLAPPING DEBT			\$295,999,332
TOTAL NET OVERLAPPING DEBT			\$289,207,908
GROSS COMBINED TOTAL DEBT			\$305,511,120
NET COMBINED TOTAL DEBT (excludes County supported item)			\$298,719,696

- (1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. 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.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

RATIOS TO 2017-18 ASSESSED VALUATION:

Total Overlapping Tax and Assessment Debt	2.34%
Total Direct Debt (\$9,511,787)	0.07%
Gross Combined Total Debt	2.98%
Net Combined Total Debt	2.91%

RATIOS TO REDEVELOPMENT INCREMENTAL VALUATION (\$1,026,198,436)

Total Overlapping Tax Increment Debt	1.93%
--------------------------------------	-------

*Note: Prepared for the City of Campbell by California Municipal Statistics, Inc., except that Campbell Certificates of Participation include accreted interest for Capital Appreciation Bonds of \$2,005,943.

**CITY OF CAMPBELL
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2019**

ASSESSED VALUATION:

Total Taxable Property	\$10,187,110,496
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$382,016,644
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$9,511,787
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	9,511,787
Amount of debt subject to limit	0

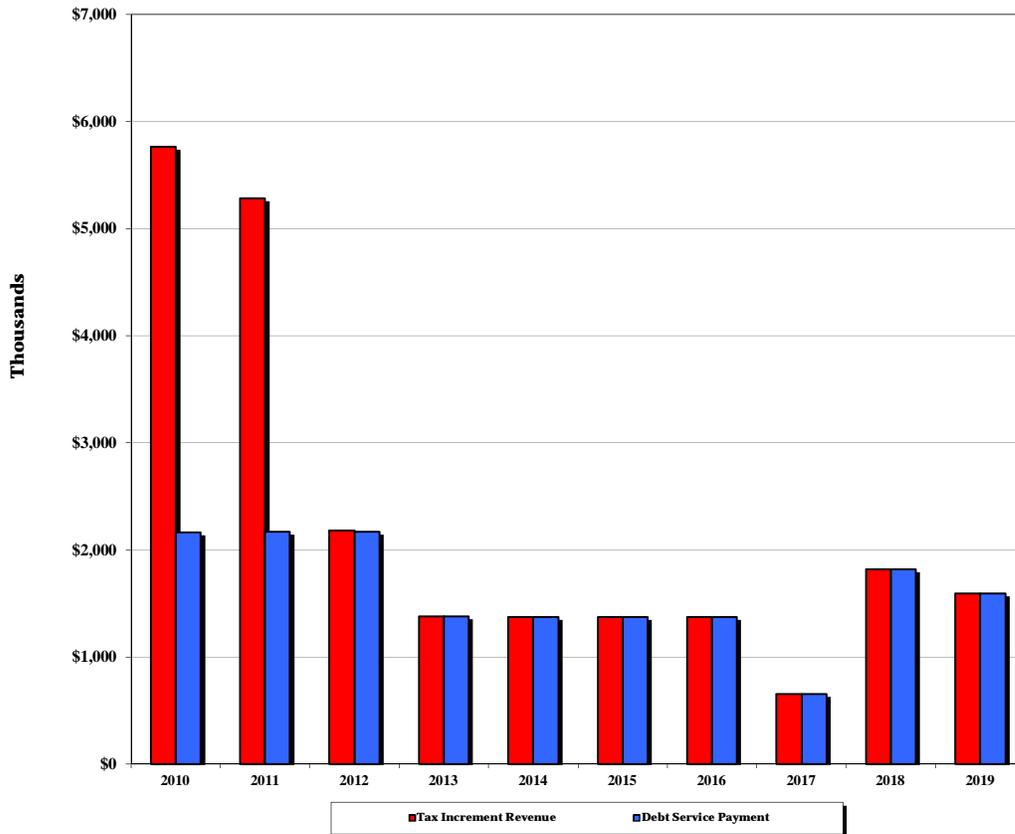
LEGAL BONDED DEBT MARGIN	\$382,016,644
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2010	242,640,928		242,640,928	0.00%
2011	237,497,261		237,497,261	0.00%
2012	237,832,868		237,832,868	0.00%
2013	243,046,051		243,046,051	0.00%
2014	271,327,064		271,327,064	0.00%
2015	286,886,612		286,886,612	0.00%
2016	308,673,753		308,673,753	0.00%
2017	332,184,604		332,184,604	0.00%
2018	355,474,358		355,474,358	0.00%
2019	382,016,644		382,016,644	0.00%

NOTE:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

**CITY OF CAMPBELL
 BONDED DEBT PLEDGED REVENUE COVERAGE
 REDEVELOPMENT/SUCCESSOR AGENCY TAX ALLOCATION BONDS
 LAST TEN FISCAL YEARS**



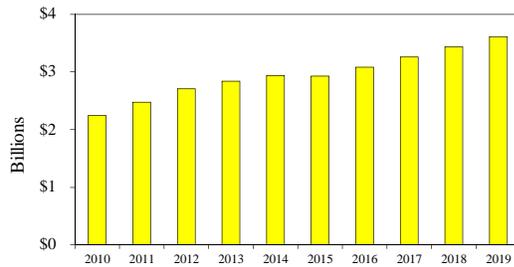
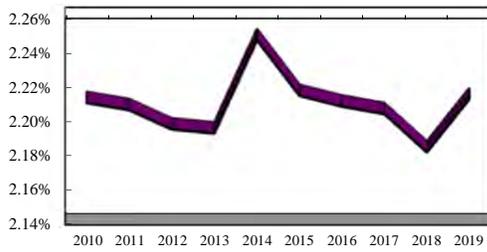
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2010	5,763,885	970,000	1,196,974	2,166,974	2.66
2011	5,283,202	1,015,000	1,154,235	2,169,235	2.44
2012	2,180,452	1,060,000	1,107,923	2,167,923	1.01
2013	1,377,810	300,000	1,077,810	1,377,810	1.00
2014	1,375,013	310,000	1,065,013	1,375,013	1.00
2015	1,376,201	325,000	1,051,201	1,376,201	1.00
2016	1,376,380	340,000	1,036,380	1,376,380	1.00
2017	652,867	335,000	317,867	652,867	1.00
2018	1,821,338	1,355,000	466,338	1,821,338	1.00
2019	1,595,695	1,170,000	425,695	1,595,695	1.00

* Effective 1/31/2012 Redevelopment Agencies in the State of California were dissolved. A Successor Agency was established by the City of Campbell to receive all of the assets and liabilities of the former RDA and assume responsibility for all legal debt service obligations. Tax increment revenues are received from the County of Santa Clara in an amount equal to the debt service requirements based on a Recognized Obligation Payment Schedule.

** In August 2016, the Successor Agency debt was refinanced with the 2016 Tax Allocation Bonds. Only one debt service payment was required in this year.

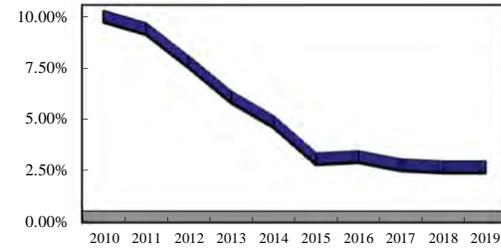
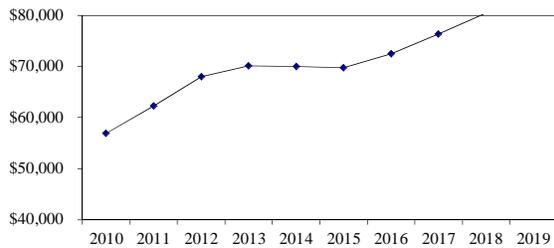
Source: City of Campbell Annual Financial Statements

CITY OF CAMPBELL
DEMOGRAPHIC AND ECONOMIC STATISTICS



■ City Population % of County

■ Total Personal Income (000's)



◆ Per Capita Personal Income

■ Unemployment Rate (%)

Fiscal Year	City Population	Total Personal Income (000's)	Per Capita Personal Income	Unemployment Rate (%)	Santa Clara County Population	City Population % of County
2010	39,363	2,241,290	56,939	9.7%	1,780,384	2.21%
2011	39,664	2,470,393	62,283	9.1%	1,797,375	2.21%
2012	39,882	2,710,939	67,974	7.5%	1,816,486	2.20%
2013	(1) 40,404	2,834,381	70,151	5.8%	1,842,254	2.19%
2014	41,993	2,938,192	69,969	4.6%	1,868,558	2.25%
2015	41,857	2,921,953	69,808	2.8%	1,889,638	2.22%
2016	42,584	3,086,261	72,475	2.9%	1,927,888	2.21%
2017	42,726	3,262,837	76,367	2.5%	1,938,180	2.20%
2018	42,696	3,435,638	80,467	2.4%	1,956,598	2.18%
2019	43,250	3,607,941	83,421	2.4%	1,954,286	2.21%

Source: California State Department of Finance; Employment Development Department Bureau of Economic Analysis, U.S. Department of Commerce

Note: Unemployment rates for FY2004-2011 are FY average. FY12-16 collected as of June 30.

Per Capita Income for 2017 is adjusted using the CA Department of Finance Change in Per Capita Income as reported in May 2016 (5.37%)

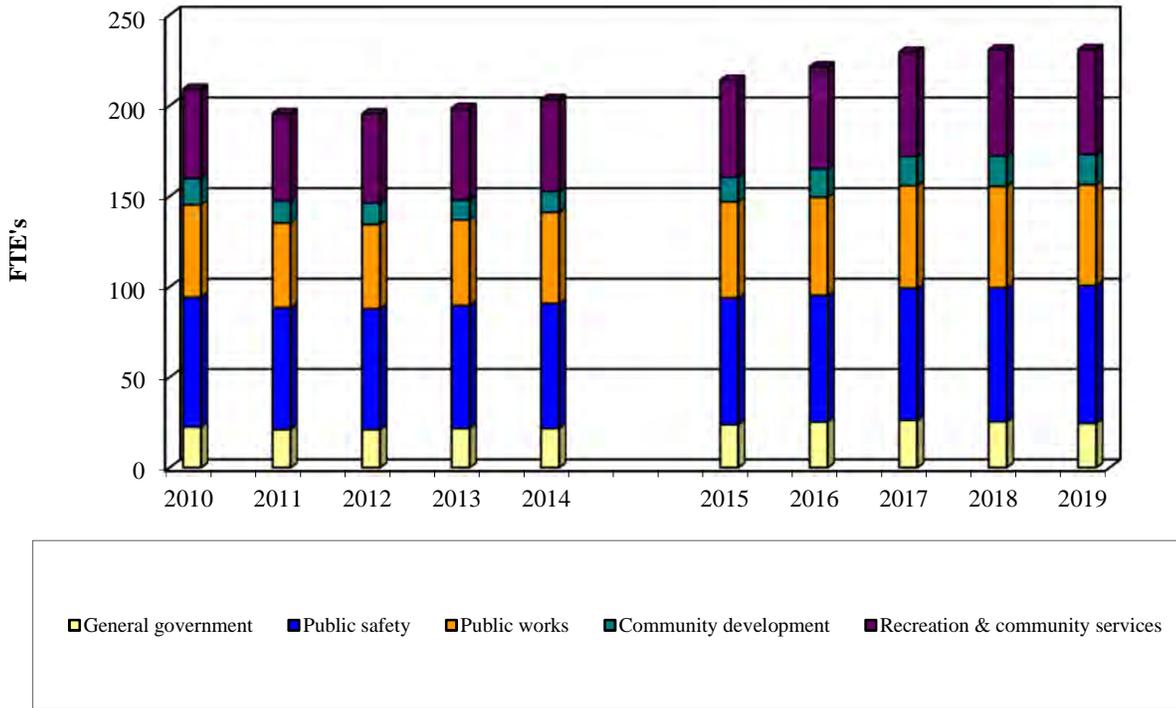
(1) The City annexed several County pockets effective May 1, 2013.

CITY OF CAMPBELL
Top Ten Principal Employers
Current Year and Ten Years Ago

<u>Employer</u>	<u>2018-19</u>			<u>2009-10</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Daley's Drywall & Taping, Inc.	557	1	2.11%			
Barracuda Networks Inc.	350	2	1.33%	250	3	1.1%
Net Polarity, Inc.	341	3	1.29%			
Dewinter Group	300	4	1.14%			
Saama Technologies	274	5	1.04%	121	10	0.5%
Safeway	248	6	0.94%	143	7	0.6%
On-Site.com	230	7	0.87%			
Home Depot	228	8	0.86%	209	4	0.9%
Whole Foods	226	9	0.86%	250	2	1.1%
Chargepoint, Inc.	225	10	0.85%			
Fry's Electronics, Inc.				287	1	1.2%
Mohler, Nixon & Williams Accountancy				162	5	0.7%
City of Campbell				162	6	0.7%
Durham School Services LP				144	8	0.6%
Pacific Netsoft Inc.				138	9	0.6%
Subtotal	<u>2,979</u>		<u>11.3%</u>	<u>1,866</u>		<u>7.9%</u>
Total City Labor Force	<u>26,400</u>			<u>23,693</u>		

Source: City of Campbell - California Employment Development Department

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



	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Function					
General government	22.45	21.07	21.07	21.65	21.72
Public safety	71.81	67.36	66.81	68.01	69.01
Public works	51.12	46.97	46.67	47.42	50.50
Community development	14.73	12.06	11.91	10.91	11.51
Recreation & community services	48.99	48.19	49.04	50.52	50.67
Total	<u>209.10</u>	<u>195.65</u>	<u>195.50</u>	<u>198.51</u>	<u>203.41</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function					
General government	23.88	25.28	26.26	25.35	24.45
Public safety	70.01	70.01	73.01	74.13	76.33
Public works	53.14	54.26	56.65	56.05	55.70
Community development	13.51	15.55	16.10	16.77	16.77
Recreation & community services	53.48	56.37	57.49	58.50	57.73
Total	<u>214.02</u>	<u>221.47</u>	<u>229.51</u>	<u>230.80</u>	<u>230.98</u>

Source: City of Campbell, CA Budget Documents

CITY OF CAMPBELL, CALIFORNIA
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:									
Fire:									
Fire calls for service	74	72	70	76	90	81	67	72	90
Medical aid calls	1,806	1,931	1,946	1,886	1,966	2,177	2,318	2,354	2,174
Police:									
Police calls for Service	22,272	22,098	23,353	24,151	24,624	24,408	23,275	23,312	26,242
Law violations:									
Arrests	1,725	1,535	1,660	1,835	2,141	2,183	2,027	2,080	1,898
Traffic violations	6,038	4,232	4,083	4,607	6,205	4,501	4,638	4,339	3,544
Parking violations	3,315	2,986	2,394	2,335	3,110	3,733	4,384	3,741	3,716
Public works:									
Miles of streets (major)	15	15	15	16	16	16	16	16	16
Miles of Streets (secondary)	77	77	77	80	80	80	80	80	80
Potholes repaired	150	151	160	78	81	90	108	58	228
Culture and recreation:									
Community Services:									
Recreation class participants	33,886	32,674	33,526	31,749	30,022	35,082	35,737	42,195	63,207
Performing Arts Center performances	13	10	7	8	8	6	6	7	6
Wastewater									
Miles of sewers (storm)	50	50	50	50	50	50	50	59	59
Miles of sewers (sanitary - entire district)	618	618	618	618	618	618	618	602	602
Miles of sewers (sanitary - Campbell only)	158	158	158	158	158	158	158	168	168
Solid Waste									
Refuse Landfilled (tons per year)	24,951	25,761	25,514	26,555	27,398	29,422	28,386	28,300	22,082
Green Waste	-	-	-	-	-	-	6,781	7,312	6,893
Recyclables Processed (tons per year)	17,505	15,561	14,541	15,414	16,702	15,866	10,004	18,483	10,251

Source: City of Campbell

Note: n/a denotes information not available.

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program									
Public safety:									
Fire stations	2	2	2	2	2	2	2	2	2
Police stations	1	1	1	1	1	1	1	1	1
Police patrol units	12	12	12	12	12	15	15	15	15
Public works									
Miles of streets	92	92	92	96	96	96	96	96	96
Street lights	2,535	2,535	2,535	2,610	2,610	2,705	2,705	2,706	2,715
Traffic Signals	43	43	43	43	43	44	44	44	45
Culture and recreation:									
Community services:									
City parks	12	12	12	12	12	12	12	12	12
City parks acreage	87	87	87	87	87	87	87	87	87
Playgrounds	7	7	7	7	7	7	7	7	8
City trails	1	1	1	1	1	1	1	1	1
City trails miles	3	3	3	3	3	3	3	3	3
Historic house (museum)	1	1	1	1	1	1	1	1	1
Community gardens	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1
Adult centers	1	1	1	1	1	1	1	1	1
Sports centers	1	1	1	1	1	1	1	1	1
Performing arts centers	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1
Tennis courts	8	8	8	8	8	8	8	8	4
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3
Soccer/football fields	9	9	9	9	9	9	9	9	9
Library:									
City Libraries	1	1	1	1	1	1	1	1	1

Source: City of Campbell