



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (Amendment of GASB No. 3), certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Receivables

During the course of normal operations, the City carries various receivable balances for taxes, interest, grants and special assessments.

F. Property Taxes

Alameda County assesses properties and bills, collects and distributes property taxes, including special assessments, to the City. The County remits amounts collected and handles all delinquencies. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property; not real estate, land or buildings. These taxes are secured by liens on the property being taxed. The City does not participate in the "Teeter Plan" offered by the County, thereby retaining the right to any interest and penalties collected on the delinquent taxes.

Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they are collected within sixty days after the end of the fiscal year.

G. Interfund Transactions

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds, reported in the fund financial statements are not available for appropriation and are nonspendable financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the Government-Wide Financial Statements presentation.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. The City has assigned the useful lives listed below to capital assets:

Buildings	60 years
Improvements other than buildings	20 -30 years
Infrastructure:	
Streets and bridges	40-50 years
Sidewalks, curbs, gutters, and walls	35-45 years
Street lights	25-30 years
Traffic signals	20 years
Equipment	5-30 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Governmental Accounting Standards Board (GASB) Statement No. 34 requires the inclusion of infrastructure capital assets in local government's basic financial statements. In accordance with GASB No. 34, the City has included the value of all infrastructure assets into its Basic Financial Statements. The City defines infrastructure as the basic physical assets that allow the City to function, which consists of the street system.

I. Compensated Absences

Compensated absences include unused accrued vacation, general leave, and compensatory time. The City's liability for compensated absences is recorded at the Entity-wide level in the Statement of Net Position for Governmental Activities and in Proprietary funds as appropriate.

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Long-Term Debt

Government-Wide Financial Statements - Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts, as well as amounts paid related to prepaid bond issuance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Other issuance costs are expensed in the current period.

Fund Financial Statements - The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts are recognized during the current period as other financing sources or uses. Bond proceeds are reported as other financing sources. Issuance costs are recognized during the current period as expenditures.

K. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Net Position/Fund Balances

Government-Wide Financial Statements

In the government-wide financial statements, Net Position is the excess of all the City's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position, which is determined only at the government-wide level, and are described below.

Net Investment in Capital Assets - Describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Net Position/Fund Balances, Continued

Restricted Net Position – Describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees and grant funds received for use on capital projects, debt service requirements, funds received for recycling programs and future waste disposal costs; and fees for use on emergency medical services.

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

Fund Financial Statements

GASB 54 established Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned and Unassigned amounts as described below:

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, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. The restriction 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 the City Council taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by City Council or an official to which the City Council has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. *Net Position Fund Balances, Continued*

The City established the following policies relating to its fund balance classifications:

Committed Fund Balances

- *Highest Level of Decision-Making Authority* - the City Council is the highest level of decision-making authority in terms of established fund balance classifications and creating Committed Fund Balances.
- *Formal Action Required* - Ordinances are the highest level action taken by City Council that constitutes the most binding constraint to establish, modify, or rescind a fund balance commitment.
- *Timing* - the City takes formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual report.

Assigned Fund Balances

- *Approved Authority* - the City Council has delegated the authority to the City Manager to assign fund balance amounts to specific purposes when such policies are enacted by the government body.
- *Specific Policies* - the City Council may establish policies as needed to delegate authority to an appropriate official to assign resources to specific purposes in terms of creating, modifying or rescinding Assigned Fund Balances. Such policies are approved by the government body by Resolution.

Expenditure of Funds - Order of Expenditure

- *Restricted and Unrestricted Funds* - when an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund Balances are available, the City considers that Restricted Funds are spent first until such funds are exhausted, at which time Committed, Assigned or Unassigned Funds are used.
- *Committed, Assigned or Unassigned Funds* - when an expenditure is incurred where there are no Restricted Funds available, and for which Committed and/or Assigned Fund Balances are available, the City exhausts Committed Funds first until such funds are exhausted and then exhausts Assigned Funds until such funds are exhausted.

Classification of Fund Balances

- The City at least on an annual basis, and by virtue of the adoption of its annual budget, establishes a listing of all Fund Balances and their classifications.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. New Pronouncements

In 2014, the City incorporated new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* - The objective of this statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows or resources (revenues). The City restated beginning net position as part of implementation of this standard.
- GASB Statement No. 66, *Technical Corrections (2012)* - The objective of this statement is to improve accounting and financial reporting for a government financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements (GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB AND AICPA Pronouncements*). There was no effect on net position by the City implementing this new accounting standard.
- GASB Statement No. 67, *Financial Reporting for Pension Plans* - This statement replaces the requirements of Statements No. 25, *Financial Report for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they related to pension plans that are administered through trusts or equivalent arrangements (referred to as trusts). There was no effect on net position by the City implementing this new accounting standard.
- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* - The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. There was no effect on net position by the City implementing this new accounting standard.

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



2. CASH AND INVESTMENTS

The City maintains cash and investment pools for all funds. Certain cash and investment are restricted under the provisions of the City's debt agreements. These restricted funds are not pooled and are held by trustees.

The following is a summary of cash and investments at June 30, 2014:

	Government-Wide Statement of Net Position	Fiduciary Funds	
	Governmental Activities	Statement of Net Position	Total
Cash and investments	\$ 35,324,343	\$ 4,306,469	\$ 39,630,812
Restricted cash and investments	633,760	-	633,760
Total	\$ 35,958,103	\$ 4,306,469	\$ 40,264,572

At June 30, 2014, the City's pooled cash and investments, including restricted funds consisted of the following:

City Treasury:	
Deposits:	
Cash on hand	\$ 6,400
Deposits with banks	2,439,898
Total deposits	2,446,298
Investments:	
California Local Agency Investment Fund	37,184,514
Total City Treasury	39,630,812
Cash and Investment with Fiscal Agents:	
Money market funds	633,760
Total Restricted Cash and Investments	633,760
Total Cash and Investments	\$ 40,264,572

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



2. CASH AND INVESTMENTS, Continued

A. Deposits

The carrying amount of the City's cash deposit was \$2,439,898 at June 30, 2014. Bank balances before reconciling items were \$2,804,295, the total amount of which was insured and/or collateralized with securities held by pledging financial institutions in the City's name discussed below.

The California Government Code requires banks and savings and loan institutions to secure City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of the creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may and has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The City pools cash and investment of all funds, excluding restricted funds required to be held by fiscal agents under the terms of the City's debt agreements. Investment income earned on pooled cash investment is allocated on a quarterly basis to the various funds based on the quarter-end cash and investment balances. Interest earnings on restricted cash and investments are credited directly to the related fund.

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality Requirements
California Local Agency Investment Fund	None	None	None
Securities of the U.S. Government	5 years	None	None
Banker Acceptances	180 days	40%	None
Collateralized Certificates of Deposit	5 years	50%	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper	270 days	25%	A-1
Repurchase Agreements	1 year	50%	None
Reverse Repurchase Agreements	92 days	50%	None

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



2. CASH AND INVESTMENTS, Continued

Under the provisions of bond indentures, the following are authorized investment types for investments held by fiscal agents:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality Requirements
U.S. Treasury Obligations	None	None
Federal Housing Administration Bonds	None	None
U.S. Agency Securities	None	None
Senior Debt Obligations	None	Aaa, AAA
FDIC Insured Deposits	None	None
Unsecured Certificates of Deposits, Time Deposits, and Banker's Acceptances	360 days	A-1, P-1
Commercial Paper	270 days	A-1, P-1
Money Market Funds	None	AAAm, AAAm-G
State Obligations	None	A, A3
Pre-funded Municipal Obligations	None	Aaa, AAA
Investment Agreements	None	AA, Aa
Repurchase Agreements	None	A
California Arbitrage Management Program	None	None
California Local Agency Investment Fund	None	None
Investment approved by Municipal Bond Insurer	None	None

GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, require that the City's investments be carried at fair value. The total amount of the fair value gain was \$11,108 for fiscal year 2013/14 and approximates the book value of investments.

C. Risk Disclosures

Interest Risk - Interest rate risk is the fluctuation in fair value of investment due to changes in interest rates. The City's exposure to losses caused by rising interest rates is minimized by limiting the average maturity of the City's investments to not exceed five years. The City had the following investment maturities at June 30, 2014:

Investment Type	Fair Value	Maturity 1 Year or Less	Maturity 2 Years	Maturity 3 Years	Maturity 4 Years	Maturity 5 Years
Local Agency Investment Funds	\$ 37,184,514	\$ 37,184,514	\$ -	\$ -	\$ -	\$ -
Money Market Funds	633,760	633,760	-	-	-	-
Total	\$ 37,818,274	\$ 37,818,274	\$ -	\$ -	\$ -	\$ -



2. CASH AND INVESTMENTS, Continued

Credit Risk – Credit risk is the risk of loss of value of a security or investment due to downgrade of its rating due to a change in the ability of the issuer to fulfill its debt obligation. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution to reduce the City's exposure to credit risks.

Custodial Credit Risk – The custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

D. Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The balance is available for withdrawal on demand. The City's investments with LAIF at June 30, 2014, include a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30 2014, the City had \$37,184,514 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Backed Securities. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The fair value of LAIF was calculated by applying a factor of 1.000298749 to the total investments held by LAIF.

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



3. INTERFUND TRANSACTIONS

A. Interfund Receivables / Payables

Due to/from Other Funds

The following due to and from amounts represent cash flow needs by the receiving funds that are repaid shortly after the end of the year.

	Due to other funds
	Major
	Governmental Fund:
	Community Development Act
Due from other funds	
General Fund	\$ 32,912
Total	\$ 32,912

Transfers In/Out

Transfers in/out for the year ended as of June 30, 2014, were as follows:

	Transfers In				
	Governmental Funds:			Non-Major Governmental Funds:	
Transfers Out	General	Capital Projects Funds	COPS Interest and Redemption	Internal Service Funds	Total
<i>Governmental Funds:</i>					
General	\$ -	\$ 368,084	\$ 869,500	\$ 292,286	\$ 1,529,870
State Construction Maint. Funds	500,000	-	-	-	500,000
<i>Non-Major Governmental Funds:</i>					
Community Development Maintenance Fees	-	100,000	-	-	100,000
Paramedic Tax	229,000	-	-	-	229,000
Alameda County Fire Fees	145,000	-	-	-	145,000
Total Governmental Funds	\$ 874,000	\$ 468,084	\$ 869,500	\$ 292,286	\$ 2,503,870



3. INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables, Continued

Transfers to the General Fund from the State Construction Maintenance Special Revenue Fund were to fund general maintenance operations.

Transfers to the General Fund from the Paramedic Tax and Alameda County Fire Special Revenue Funds were to fund public safety programs.

Transfers from the General Fund to the Capital Projects Funds and Internal Services Funds were to fund additional reserves and services approved in the Service Restoration Plan for Utility Users Tax revenue.

Transfers from the General Fund to the COPS Interest and Redemption Fund were to fund debt service.

Transfers from the Community Development Maintenance Fees Fund to the Capital Projects Fund were to fund the General Plan.

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Retirements & Reclassifications *	Balance June 30, 2014
Governmental activities:				
Nondepreciable assets:				
Land	\$ 4,384,073	\$ -	\$ -	\$ 4,384,073
Park land	30,107,748	-	-	30,107,748
Landscaping	8,878,284	-	(193,500) *	8,684,784
Street trees	739,733	-	-	739,733
Construction in progress	11,372	1,588,105	-	1,599,477
Total nondepreciable assets	<u>44,121,210</u>	<u>1,588,105</u>	<u>(193,500)</u>	<u>45,515,815</u>
Depreciable assets:				
Buildings and land improvements	43,737,590	35,332	193,500 *	43,966,422
Infrastructure				
Streets	70,597,718	71,107	-	70,668,825
Sidewalks, curbs, gutters and walls	14,110,653	660,663	-	14,771,316
Street lights	3,219,325	30,282	-	3,249,607
Traffic signals	3,936,784	-	-	3,936,784
Machinery and equipment	8,600,320	854,508	(140,000)	9,314,828
Total depreciable assets	<u>144,202,390</u>	<u>1,651,892</u>	<u>53,500</u>	<u>145,907,782</u>
Less accumulated depreciation:				
Buildings and improvements	(11,027,435)	(724,461)	-	(11,751,896)
Infrastructure				
Streets	(10,279,940)	(1,829,158)	-	(12,109,098)
Sidewalks, curbs, gutters and walls	(2,339,662)	(408,498)	-	(2,748,160)
Street lights	(772,639)	(129,782)	-	(902,421)
Traffic signals	(3,728,365)	(196,839)	-	(3,925,204)
Machinery and equipment	(6,192,826)	(514,879)	102,667	(6,605,038)
Total accumulated depreciation	<u>(34,340,867)</u>	<u>(3,803,617)</u>	<u>102,667</u>	<u>(38,041,817)</u>
Net depreciable assets	<u>109,861,523</u>	<u>(2,151,725)</u>	<u>156,167</u>	<u>107,865,965</u>
Governmental activities capital assets, net	<u>\$ 153,982,733</u>	<u>\$ (563,620)</u>	<u>\$ (37,333)</u>	<u>\$ 153,381,780</u>

* The Lakeshore Park Irrigation Renovation Project was reclassified from a landscaping asset to a land improvement asset.

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



4. CAPITAL ASSETS, Continued

Depreciation expense was charged to various governmental functions as follows:

General Government	\$ 115,657
Public Safety:	
Fire	240,069
Police	292,061
Streets and Parks	2,659,757
Community Development	36,478
Recreation	459,595
Total depreciation – governmental functions	<u>\$ 3,803,617</u>

5. LONG-TERM DEBT

The City's long-term debt is comprised the following at June 30, 2014:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Amounts Due Within One Year	Amounts Due in More than One Year
Governmental Activities:						
2012 Bank refinancing \$9,703,757; 3.5% due 2028	\$ 8,723,806	\$ -	\$ (453,090)	8,270,716	\$ 465,454	\$ 7,805,262
2002 Certificates of Participa \$9,925,000; 2-5% due 2032	2,240,000	-	-	2,240,000	-	2,240,000
Capital Lease Obligation Equipment lease, due 2015	94,786	-	(46,307)	48,479	48,479	-
Capital Lease Obligation Equipment lease, due 2017	215,073	-	(50,003)	165,070	52,434	112,636
Capital Lease Obligation Equipment lease, due 2020	-	156,573	(22,913)	133,660	22,913	110,747
Total	<u>\$ 11,273,665</u>	<u>\$ 156,573</u>	<u>\$ (572,313)</u>	<u>\$ 10,857,925</u>	<u>\$ 589,280</u>	<u>\$ 10,268,645</u>

2012 Compass Bank Debt Refinancing

On April 5, 2012, the City refinanced \$9.7 million of outstanding debt through Compass Bank at a fixed rate of 3.5% to refund the outstanding 1998 COPs and a portion of the 2002 COPs in order to achieve significant annual interest savings. A portion of the 2002 COPs having maturities through 2032 will remain as the originally issued COPs.

The 2012 Bank refinancing is secured by payments made from the General Fund of the City through a lease arrangement between the Old Town Fire Station and Mayhew's Landing Park, which is encumbered by the lease for the 2002 COPs and will remain encumbered for the non-refinanced portion of the 2002 COPs.

The refinancing is expected to save the City about \$70,392 per year from FY2013-14 through FY2027-28, with a net present value savings to the City of \$1,196,657.



5. LONG-TERM DEBT, Continued

2002 Certificates of Participation

On August 1, 2002, \$9,925,000 principal amount of Certificates of Participation (COPs) for the 2002 Silliman Community Activity Center/Old Town Fire Station Project, were issued to fund construction of the swim facility at the Activity Center and a fire station in the Old Town area. Lease payments are due annually on June 1 until June 1, 2032. Interest at rates of 2.0-5.0% are payable semi-annually on June 1 and December 1. On April 5, 2012, \$5,975,000 of the principal balance was paid down from the refunding proceeds of the 2012 bank refinancing through Compass Bank.

Capital Lease Obligations

On November 10, 2004, the City entered into a non-cancelable lease agreement in the amount of \$397,864 with Oshkosh Capital to acquire a fire pumper truck. Annual lease payments of \$50,752 are due on November 19 until 2014. Ownership of the fire pumper truck reverts to the City at the end of the lease.

On December 13, 2006, the City entered into a non-cancelable lease agreement in the amount of \$470,015 with Oshkosh Capital to acquire a fire pumper truck. Annual lease payments of \$60,456 are due on December 20 until 2016. Ownership of the fire pumper truck reverts to the City at the end of the lease.

On August 14, 2012, the City entered into a non-cancelable lease agreement in the amount of \$160,393 with Acme Auto Leasing LLC to acquire a police armored vehicle. Monthly lease payments of \$1,910 are due on May 16 until 2020. Ownership of the armored vehicle reverts to the City at the end of the lease.

Debt Service Requirements

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	589,280	407,734
2016	560,194	386,475
2017	583,924	366,740
2018	541,570	346,187
2019	556,150	327,908
2020-2024	3,003,557	1,341,709
2025-2029	3,303,250	783,617
2030-2034	1,720,000	174,750
Total	\$ 10,857,925	\$ 4,135,120

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



5. LONG-TERM DEBT, Continued

Area Improvement District Bonds with No City Commitment

Area Improvement Districts (AID) Bonds were issued to finance public improvements within the District. Neither the City's General Fund nor the full faith and credit of the City is pledged for the repayment of these bonds. The AID bonds will be repaid solely by special assessments levied on the properties within that District. The bonds are secured by the special taxes on those properties.

In May 2013, the AID 26 outstanding bonds of \$8,264,834 were advance refunded to benefit property owners with lower debt service payments. The escrow funds were used to pay off the original 1998 bonds on September 2, 2013.

All the AID bonds transactions are accounted for in a separate Agency fund established by the City for that purpose. As of June 30, 2014, the remaining balance outstanding on these bonds was \$8,478,257.

6. COMPENSATED ABSENCES

The City's compensated absences include accrued vacation, general leave and compensatory time. The value of unpaid leave is recorded as a liability of the City on the entity-wide statement of net assets.

Changes in compensated absences for the fiscal year ended June 30, 2014 were as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Governmental Activities	\$ 1,906,155	\$ 1,371,800	\$ (1,323,006)	\$ 1,954,949	\$ 1,935,400

7. DEFINED BENEFIT PENSION PLAN

A. California Public Employees' Retirement Plan (PERS)

Plan Description - The City contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability retirement benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of the PERS annual financial report may be obtained from their Executive Office located at 400 Q Street, Sacramento, California 95814.

Funding Policy - Without cost sharing, active members are required by State statute to contribute 8% of their annual covered salary for a miscellaneous member and 9% for a safety member. The City's employer required contribution rates, without cost sharing, were 23.146% for miscellaneous employees and 38.55% for safety employees in 2013-2014. The City is currently paying benefits from the City's General Fund.



7. DEFINED BENEFIT PENSION PLAN, Continued

A. *California Public Employees' Retirement Plan (PERS), Continued*

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired after January 1, 2013, who are new to PERS. These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2% at 62 plan and PEPRA safety members will be enrolled in a 2.7% at 57 plan. PEPRA members will be required to pay half the normal cost of their plans.

The City and its employee groups entered into a variable cost sharing agreement for classic members allowing the employer contribution rate to float below and the employee rate to float above the non-cost sharing rates by the cost sharing percentage. For the Classic Miscellaneous rate plan, sharing half the cost over 10% produces a 3.468% cost sharing between the City and Miscellaneous members. This results in a 19.678% employer contribution rate and a 11.468% employee contribution rate. For the Safety rate plan, sharing half the cost over 17.208% produces a 4.0% cost sharing between the City and Classic Safety employees. This resulted in a 34.55% employer contribution rate and a 13.0% employee contribution rate.

The cost sharing in the agreements also applied to PEPRA members. PEPRA Miscellaneous rates are 19.678% for the employer and 9.718% for the employees. PEPRA Safety member rates are 10% for the employer and 13% for the employee. PEPRA Non-Sworn Miscellaneous rates are 20.175% for the employer and 9.221% for the employee (City picks-up .497% cost share - this matches current Non-Sworn Classic Miscellaneous members capped at 2.971%). These rates are for fiscal year 2013/14.

Annual Pension Cost - For 2013-2014, the City's annual pension cost of \$4,067,397 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.3% to 14.2% for both miscellaneous employees and safety employees depending on age, service, and type of employment, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.75%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. PERS unfunded actuarial liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period as of June 30, 2011 was 21 years for safety employees and 28 years for miscellaneous employees for prior and current service unfunded liability.

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



7. DEFINED BENEFIT PENSION PLAN, Continued

A. California Public Employees' Retirement Plan (PERS), Continued

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)		APC Funded
	Safety Plan	Total APC	
6/30/2012	1,748,474	1,748,474	100%
6/30/2013	2,173,344	2,173,344	100%
6/30/2014	2,407,553	2,407,553	100%

Fiscal Year	Annual Pension Cost (APC)		APC Funded
	Miscellaneous Plan	Total APC	
6/30/2012	1,292,755	1,292,755	100%
6/30/2013	1,501,041	1,501,041	100%
6/30/2014	1,659,844	1,659,844	100%

B. Funding Status as of the Most Recent Actuarial Date

The City retirement plans for safety employees are part of the CalPERS risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool.

A schedule of funding progress as of the most recent actuarial date is presented below.

CalPERS Miscellaneous Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2013	\$ 60,391,817	\$ 89,227,402	\$ 28,835,585	67.7%	\$ 8,661,759	332.9%

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



8. OTHER POST EMPLOYMENT BENEFITS

The City participates in the CalPERS healthcare programs Public Employees Medical and Hospital Care Act (PEMHCA) providing retirees the statutory minimum contribution using the 5% "unequal method." The City currently pays for the cost of the retiree PEHMCA on a pay-as-you-go basis. For fiscal year ended June 30, 2014, there were 77 retirees receiving this benefit and total City costs amounted to \$116,972.

The City is not required by law or contractual agreement to provide funding for retiree health costs other than the pay-as-you-go amount necessary to provide current benefits to retirees. The City has not set up a trust fund and is currently paying benefits from the City's General Fund.

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table illustrates the City's June 30, 2014 Net OPEB Obligation:

Annual required contribution	\$ 483,000
Interest on net OPEB obligation	86,000
Amortization of net OPEB obligation	<u>(96,000)</u>
Annual OPEB cost	473,000
Payments made	<u>(116,972)</u>
Increase in net OPEB obligation	356,028
Net OPEB obligation - beginning of the year	<u>2,041,354</u>
Estimated NET OPEB Obligation June 30, 2014	<u><u>\$ 2,397,382</u></u>

The City's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Year Ended	Annual OPEB Cost	Contributions Made	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2012	471,000	104,779	22.2%	1,684,759
6/30/2013	454,000	97,405	21.5%	2,041,354
6/30/2014	473,000	116,972	24.7%	2,397,382

Funded Status and Funding Progress - As of January 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$5,020,000, and the actuarial value of plan assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,020,000. The covered payroll (annual payroll of active employees covered by the plan) was \$14,228,000 and the ratio of UAAL to the covered payroll was 35%.



8. OTHER POST EMPLOYMENT BENEFITS, Continued

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

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City's January 1, 2013 retiree healthcare valuation was prepared using the Entry Age Normal (EAN) actuarial cost method. Under the EAN cost method, the plan's Normal Cost is developed as a level percent of payroll throughout the participants' working lifetime. Entry age is based on current age minus years of service. The Actuarial Accrued Liability (AAL) is the cumulative value on the valuation date of prior Normal Cost. For the retirees, the AAL is the present value of all projected benefits. The Unfunded AAL is being amortized as a level dollar closed 30 year basis, as a level percent of payroll with a remaining amortization period at January 1, 2013 of 27 years.

GASB 45 requires the interest rate to represent the underlying expected long-term rate of return for the source of funds used to pay benefits. Since the source of funds for an unfunded plan is usually the General Fund and California law restricts the City's investment vehicles, this valuation included a 4.25% interest rate. Another key assumption is that future healthcare inflation rate used to increase the PEMHCA minimum contribution and benefits are expected to increase 4.0% in 2014 and 4.5% for the following years. Annual general inflation is assumed to increase at 3% and aggregate payroll to increase at 3.25% per annum. The study also used assumptions for the salary merit and longevity increases, and demographic assumptions such as mortality, withdrawal, and disability based on CalPERS 1997-2007 Experience Study. Retirement assumption was also based on CalPERS 1997-2007 Experience Study of the Miscellaneous Plan 2.5% at 55 years, with expected retirement age of approximate 59 for females and 61 for males and Public Safety 3% at 50 years, with expected retirement age of approximately 52 for Police.



9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The City has established various self-insurance programs and participated in pooled approach to manage excessive risks and provide liability coverage.

The City participates in Association of Bay Area Governments (ABAG) Plan Corporation which is a nonprofit benefit corporation established to provide liability insurance coverage, claims and risk management, and legal defense to its participating members. ABAG Plan provides \$25,000,000 of general liability coverage per occurrence and is responsible for paying claims in excess of the City's \$100,000 deductible. For the year ended June 30, 2014, the City paid ABAG Plan \$316,457 in premiums. ABAG Plan has not determined the value of the City's interest in its net assets. Financial statements may be obtained from ABAG Services, P.O. Box 2050, Oakland, CA 94604-2050.

The City participates in the Local Agency Workers Compensation Excess Joint Powers Authority (LAWCX), which covers workers compensation claims in excess of \$350,000 per claim, up to statutory limits. LAWCX is governed by a board of directors comprised of representatives from member municipalities. The board controls the operations of each risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the board.

The City's contributions to each risk pool equal the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. In each of the past three years, the amount of settlements did not exceed insurance coverage.

During the fiscal year ended June 30, 2014, the City contribution was \$138,204. Audited financial statements may be obtained from Bickmore Risk Services, 1831 K Street, Sacramento, CA 95814.

Self-Insurance Internal Service Funds

The City's risk management activities are recorded in the Public Liability Self-Insurance and Workers' Compensation Self-Insurance Internal Service Funds. Estimated liabilities are recorded when a loss is deemed probable and the amount of the loss can be reasonably estimated. Claims that have been incurred but not reported (IBNRs) are also included in the liability estimates. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



9. RISK MANAGEMENT, Continued

The following is a summary of the changes in general liability claims and workers' compensation liabilities for the past three fiscal years:

	General Liability Claims	Workers' Compensation Claims	Total	2013	2012
Liability at beginning of fiscal year	\$ 550,864	\$ 2,007,635	\$ 2,558,499	\$ 2,139,863	\$ 2,174,778
Claims and changes in estimates	(134,600)	225,671	91,071	889,026	409,522
Claims payments	(115,398)	(495,685)	(611,083)	(470,390)	(444,437)
Liability at end of fiscal year	\$ 300,866	\$ 1,737,621	\$ 2,038,487	\$ 2,558,499	\$ 2,139,863
Current Portion	\$ 109,067	\$ 373,013	\$ 482,080	\$ 477,522	\$ 465,480

10. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Newark that previously had reported a redevelopment agency within the reporting entity of the city as a blended component unit. On January 12, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 9910. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments up to an amount equal to the former increment on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

As of fiscal years ending June 30, 2012 and June 30, 2013, the City continued to recognize an unbudgeted uncollectible allowance equal to 100% of the outstanding \$451,595 City loan to the Redevelopment Successor Agency pending the State Department of Finance's Finding of Completion. The City has since then received the Finding of Completion for the Successor Agency, therefore the loan is eligible for repayment. Health and Safety Code Section (HSC) 34191.4(b) (2) required that the interest rate be recalculated on the loan at the LAIF rate, which reduced the eligible repayment amount to \$409,990.

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



11. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2014 is as follows:

	General Fund	State Construction Maintenance Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies and other assets	\$ 555,097	\$ -	\$ -	\$ -	\$ 555,097
Subtotal nonspendable fund balance	555,097	-	-	-	555,097
Restricted for:					
Public safety	-	-	-	198,840	198,840
Community development	241,891	-	-	14,922	256,813
Highways and streets	-	3,245,914	-	493,712	3,739,626
Recycling programs	-	-	-	313,378	313,378
Health and welfare	-	-	-	34,619	34,619
Park improvement	-	-	-	110,949	110,949
Debt reserves	-	-	-	676,998	676,998
Landscape and lighting	-	-	-	664,825	664,825
Subtotal restricted fund balance	241,891	3,245,914	-	2,508,243	5,996,048
Committed:					
Community development	-	-	-	303,566	303,566
Subtotal committed fund balance	-	-	-	303,566	303,566
Assigned to:					
Fire side fund	613,000	-	-	-	613,000
Waste disposal fund	817,479	-	-	-	817,479
Equipment Replacement	404,539	-	-	-	404,539
Pension/OPEB Reserves	150,000	-	-	-	150,000
Art in public places	-	-	-	673,051	673,051
Capital asset acquisition	-	-	6,159,286	-	6,159,286
Subtotal assigned fund balance	1,985,018	-	6,159,286	673,051	8,817,355
Unassigned					
Catastrophic contingencies	6,000,000	-	-	-	6,000,000
Fiscal uncertainty	10,776,017	-	-	-	10,776,017
Total fund balances	\$ 19,558,023	\$ 3,245,914	\$ 6,159,286	\$ 3,484,860	\$ 32,448,083

City of Newark
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014



12. PRIOR PERIOD ADJUSTMENT

The City recorded the following prior period adjustment as a result of implementing GASB 65. Previously, bond issuance costs were amortized over the terms of the bonds in the Government-wide Statement of Position and Government-wide Statement of Activities and Changes in Net Position. With the implementation of GASB 65, such costs with the exception of prepaid bond insurance costs, are recognized in the current period.

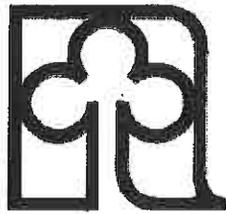
	Net Position as Previously Reported	Prior Period Adjustment Unamortized Bond Issuance Costs	Net Position as Restated
Governmental Activities	\$ 169,171,233	\$ (136,765)	\$ 169,034,468

13. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The following is a summary of construction commitments at the end of the fiscal year:

	Project Authorizations	Expenditures Fiscal Year 2014	Unexpended Authorization Balances
Park Construction	\$ 112,750	\$ 4,622	\$ 108,128
Street Construction	7,006,810	1,694,799	5,312,011
Capital Improvements	4,348,827	1,848,522	2,500,305
Housing and Community	564,386	457,985	106,401
	<u>\$ 12,032,773</u>	<u>\$ 4,005,928</u>	<u>\$ 8,026,845</u>

The City had no significant encumbrances outstanding as of June 30, 2014.



REQUIRED SUPPLEMENTARY INFORMATION

City of Newark
Required Supplementary Information
For the year ended June 30, 2014



1. BUDGETARY BASIS OF ACCOUNTING

A. *Budgetary Control and Budgetary Accounting*

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

1. Every other year, the City Manager submits to the City Council a proposed biennial operating budget and capital improvement plan for the two fiscal years commencing the following July 1, which include proposed expenditures and the means of financing them.
2. Public work sessions are conducted to obtain taxpayer comments.
3. The budget is adopted by City Council resolution prior to July 1 of even-numbered years.
4. Expenditures may not legally exceed budgeted appropriations at the department level.
5. All budget adjustments and transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to transfer any unencumbered appropriations within a department within the same funds.
6. Formal budgetary integration, including the recording of encumbrances, is employed as a management control device during the year in all budgeted funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.
7. Budgets are adopted for all funds except for Debt Service Fund. Budgets are on a basis consistent with generally accepted accounting principles (GAAP).
8. Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were amended.

City of Newark
Required Supplementary Information, Continued
For the year ended June 30, 2014



1. BUDGETARY BASIS OF ACCOUNTING, Continued

The following are the budget comparison schedules for General Fund, Special Revenue major Governmental Funds.

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
General property taxes	\$ 11,656,100	\$ 12,652,100	\$ 13,035,256	\$ 383,156
Other local taxes	17,929,000	20,311,400	21,118,799	807,399
Licenses, permits and fees	1,928,000	1,928,000	2,524,339	596,339
Fines and forfeitures	525,000	525,000	362,429	(162,571)
Use of money and property	98,000	98,000	54,219	(43,781)
Other governmental agencies	396,000	396,000	207,905	(188,095)
Current services charges	3,313,900	3,453,900	3,754,002	300,102
Other revenue	315,000	729,000	1,082,683	353,683
Total revenues	36,161,000	40,093,400	42,139,632	2,046,232
EXPENDITURES:				
Current:				
General government	4,069,700	4,767,200	4,525,982	241,218
Public safety:				
Fire	8,891,400	8,591,400	8,441,662	149,738
Police	13,792,800	14,921,600	14,872,376	49,224
Streets and parks	2,899,000	2,939,000	2,864,881	74,119
Community development	2,306,600	3,194,583	2,906,843	287,740
Recreation	3,889,100	3,889,100	3,795,576	93,524
Capital outlay	-	133,660	133,660	-
Debt Service:				
Principal repayment	92,000	115,000	119,223	(4,223)
Interest and fiscal charges	20,000	20,000	14,898	5,102
Total expenditures	35,960,600	38,571,543	37,675,101	896,442
OTHER FINANCING SOURCES (USES):				
Capital lease	-	133,660	133,660	-
Transfers in	500,000	874,000	874,000	-
Transfers out	(861,800)	(1,529,870)	(1,529,870)	-
Total other financing sources (uses)	(361,800)	(655,870)	(522,210)	-
Net change in fund balance	\$ (161,400)	\$ 865,987	3,942,321	\$ 2,942,674
FUND BALANCES:				
Beginning of year			15,615,702	
End of year			\$ 19,558,023	

City of Newark
Required Supplementary Information, Continued
For the year ended June 30, 2014



1. BUDGETARY BASIS OF ACCOUNTING, Continued

Budgetary Comparison Schedule, State Construction Maintenance Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 12,500	\$ 12,500	\$ 6,617	\$ (5,883)
Other governmental agencies	1,385,500	1,385,500	2,154,982	769,482
Current service charge	-	-	1,933	1,933
Total revenues	1,398,000	1,398,000	2,163,532	765,532
EXPENDITURES:				
Current:				
Streets and Parks	780,000	1,270,900	1,069,611	201,289
Capital outlay	590,000	3,938,169	51,257	3,886,912
Total expenditures	1,370,000	5,209,069	1,120,868	4,088,201
REVENUE OVER (UNDER) EXPENDITURES	28,000	(3,811,069)	1,042,664	4,853,733
OTHER FINANCING SOURCES (USES):				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses)	(500,000)	(500,000)	(500,000)	-
Net change in fund balance	\$ (472,000)	\$ (4,311,069)	542,664	\$ 4,853,733
FUND BALANCES:				
Beginning of year			2,703,250	
End of year			\$ 3,245,914	

City of Newark
Required Supplementary Information, Continued
For the year ended June 30, 2014



2. DEFINED PENSION PLAN

A schedule of funding progress for the past three actuarial valuations is presented below.

Safety Plan

The City retirement plans for safety employees are part of the CalPERS risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of funding progress for the City's safety employees is no longer available.

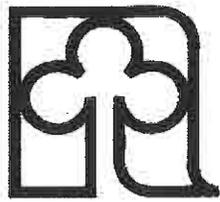
Miscellaneous Plan

Actuarial Valuation Date*	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	(Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2011	\$ 64,540,235	\$ 83,229,864	\$ 18,689,629	77.5%	\$ 8,272,628	225.9%
6/30/2012	65,859,776	85,946,250	20,086,474	76.6%	8,725,759	230.2%
6/30/2013	60,391,817	89,227,402	28,835,585	67.7%	8,661,759	332.9%

3. OTHER POST EMPLOYMENT BENEFIT PLAN

Actuarial Valuation Date*	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
1/1/2009	-	\$ 4,341,000	\$ 4,341,000	0.0%	\$ 21,469,000	20.2%
1/1/2011	-	4,484,000	4,484,000	0.0%	13,781,000	32.5%
1/2/2013	-	5,020,000	5,020,000	0.0%	14,228,000	35.3%

* Latest information available.



SUPPLEMENTARY INFORMATION

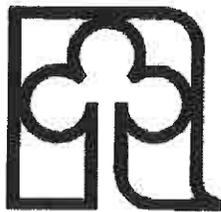
**MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND
AND SPECIAL REVENUE FUNDS**

Capital Projects Fund

The Capital Projects Funds accounts for financial resources to be used for capital acquisition, construction and rehabilitation projects.

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 12,500	\$ 12,500	\$ 4,957	\$ (7,543)
Current service charges	-	-	638,578	638,578
Other revenue	100,000	100,000	38,334	(61,666)
Total revenues	112,500	112,500	681,869	569,369
EXPENDITURES:				
Current:				
Streets and parks	70,000	1,171,830	20,552	1,151,278
Community development	-	38,500	38,500	-
Capital outlay	595,000	2,753,102	1,789,470	963,632
Total expenditures	665,000	3,963,432	1,848,522	2,114,910
REVENUE OVER (UNDER) EXPENDITURES	(552,500)	(3,850,932)	(1,166,653)	2,684,279
OTHER FINANCING SOURCES (USES):				
Transfers in	13,084	468,084	468,084	-
Total other financing sources (uses)	13,084	468,084	468,084	-
Net change in fund balance	\$ (539,416)	\$ (3,382,848)	(698,569)	\$ 2,684,279
FUND BALANCES:				
Beginning of year			6,857,855	
End of year			<u>\$ 6,159,286</u>	



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Paramedic Tax

Accounts for funds used to support the Fire Department Paramedic Program. This voter-approved property tax is used to pay for training, supplies and certain personnel costs associated with the program.

Alameda County Fire Fees

Accounts for funds received from the County for emergency medical services.

Police Grants

Accounts for grant funds received for specific law enforcement purposes and to support drug resistance and education programs for community youth.

Community Development Act

Accounts for funds received from federal grants administered by the County to fund improvements to low-income housing and neighborhoods.

Community Maintenance Fees

Accounts for fees to be used in updating and implementing the Newark General Plan and zoning ordinance, which is needed by all new development within the City.

Recycle AB 939

Accounts for funds received from Waste Management and Republic Services franchise fees. These funds are used to fund and promote City recycling efforts as required by Assembly Bill 939.

Measure D - Recycling

Accounts for Measure D funds from the Alameda County Waste Reduction Initiative to be used for the continuation and expansion of municipal recycling programs.

Measure B - ACTIA

Accounts for Measure B funds from the Alameda County Transportation Improvement Authority (ACTIA) to be used for the maintaining of local streets and roadways, funding bikes and pedestrian projects, and providing paratransit services to the senior community.

Hazardous Materials Program

Accounts for grant proceeds for specific hazardous materials education and mitigation programs.

DEBT SERVICE FUND:

Newark Public Financing Authority

Accounts for funds reserved for the debt financing of the George M. Silliman Community Activity Center. This fund will accumulate monies earmarked for principal and interest payments for the Activity Center.

CAPITAL PROJECTS FUNDS:

Park Improvement

Accounts for funds received from developers and grants to maintain City-owned parks.

Art in Public Places

Accounts for funds collected from developers to be used for the procurement and enhancement of public art.

Landscape and Lighting District

Accounts for funds collected through special assessments for the maintenance of landscaping and street lighting in the Landscape and Lighting Districts.

City of Newark
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue Funds					
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Comununity Development Act	Community Development Maint. Fees	Recycle AB 939
ASSETS						
Cash and investments						
Available for operations	\$ 12,408	\$ 33,765	\$ 156,417	\$ -	\$ 303,845	\$ 45,192
Restricted cash and investments	-	-	-	-	-	-
Receivables:						
Special assessments	3,025	-	-	-	-	-
Intergovernmental	-	-	-	71,939	-	11,611
Interest	-	-	11	-	154	-
Other, net	-	-	-	-	-	-
Total assets	<u>\$ 15,433</u>	<u>\$ 33,765</u>	<u>\$ 156,428</u>	<u>\$ 71,939</u>	<u>\$ 303,999</u>	<u>\$ 56,803</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 6,786	\$ 24,105	\$ 433	\$ -
Due to other funds	-	-	-	32,912	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>6,786</u>	<u>57,017</u>	<u>433</u>	<u>-</u>
Fund Balances:						
Committed	\$ -	\$ -	\$ -	\$ -	\$ 303,566	\$ -
Restricted	15,433	33,765	149,642	14,922	-	56,803
Assigned	-	-	-	-	-	-
Total fund balances	<u>15,433</u>	<u>33,765</u>	<u>149,642</u>	<u>14,922</u>	<u>303,566</u>	<u>56,803</u>
Total liabilities and fund balances	<u>\$ 15,433</u>	<u>\$ 33,765</u>	<u>\$ 156,428</u>	<u>\$ 71,939</u>	<u>\$ 303,999</u>	<u>\$ 56,803</u>

Special Revenue Funds			Debt Service Fund	Capital Project Funds			Total Non-Major Governmental Funds
Measure D - Recycling	Measure B - ACTIA	Hazardous Materials Program	Public Financing Authority	Park Improvement	Art in Public Places	Landscape and Lighting District	
\$ 233,981	\$ 654,290	\$ 35,143	\$ 43,284	\$ 110,949	\$ 673,051	\$ 671,480	\$ 2,973,805
-	-	-	633,714	-	-	-	633,714
-	-	-	-	-	-	2,471	5,496
-	115,841	-	-	-	-	-	199,391
118	342	18	-	-	-	346	989
30,276	-	-	-	-	-	-	30,276
<u>\$ 264,375</u>	<u>\$ 770,473</u>	<u>\$ 35,161</u>	<u>\$ 676,998</u>	<u>\$ 110,949</u>	<u>\$ 673,051</u>	<u>\$ 674,297</u>	<u>\$ 3,843,671</u>
\$ 7,800	\$ 276,761	\$ 542	\$ -	\$ -	\$ -	\$ 9,472	\$ 325,899
-	-	-	-	-	-	-	32,912
<u>7,800</u>	<u>276,761</u>	<u>542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,472</u>	<u>358,811</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,566
256,575	493,712	34,619	676,998	110,949	-	664,825	2,508,243
-	-	-	-	-	673,051	-	673,051
<u>256,575</u>	<u>493,712</u>	<u>34,619</u>	<u>676,998</u>	<u>110,949</u>	<u>673,051</u>	<u>664,825</u>	<u>3,484,860</u>
<u>\$ 264,375</u>	<u>\$ 770,473</u>	<u>\$ 35,161</u>	<u>\$ 676,998</u>	<u>\$ 110,949</u>	<u>\$ 673,051</u>	<u>\$ 674,297</u>	<u>\$ 3,843,671</u>

City of Newark
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2014

	Special Revenue Funds					
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act	Community Development Maint. Fees	Recycle AB 939
REVENUES:						
Special assessments	\$ 231,739	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	43	-	710	-
Other governmental agencies	-	-	356,408	457,986	-	11,611
Current service charges	-	133,003	49,550	-	-	-
Other revenues	180	-	1,513	-	251,612	-
Total revenues	231,919	133,003	407,514	457,986	252,322	11,611
EXPENDITURES:						
Current:						
Public safety:						
Fire	3,818	2,965	-	-	-	-
Police	-	-	409,303	-	-	-
Streets and parks	-	-	-	-	-	-
Community development	-	-	-	-	675	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	457,986	-	-
Debt service:						
Principal repayment	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	3,818	2,965	409,303	457,986	675	-
REVENUE OVER (UNDER) EXPENDITURES	228,101	130,038	(1,789)	-	251,647	11,611
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	(229,000)	(145,000)	-	-	(100,000)	-
Total other financing sources (uses)	(229,000)	(145,000)	-	-	(100,000)	-
Net change in fund balances	(899)	(14,962)	(1,789)	-	151,647	11,611
FUND BALANCES:						
Beginning of year	16,332	48,727	151,431	14,922	151,919	45,192
End of year	\$ 15,433	\$ 33,765	\$ 149,642	\$ 14,922	\$ 303,566	\$ 56,803

Special Revenue Funds			Debt Service Fund	Capital Project Funds			Total
Measure D - Recycling	Measure B - ACTIA	Hazardous Materials Program	Public Financing Authority	Park Improvement	Art in Public Places	Landscape and Lighting District	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,417	\$ 319,156
455	1,055	69	26	-	-	1,431	3,789
119,033	717,001	12,381	-	-	-	-	1,674,420
-	-	-	-	-	26,851	-	209,404
-	-	-	-	-	-	-	253,305
119,488	718,056	12,450	26	-	26,851	88,848	2,460,074
-	-	11,416	-	-	-	-	18,199
-	-	-	-	-	-	-	409,303
-	265,198	-	-	4,622	-	125,379	395,199
58,685	-	-	-	-	-	-	59,360
-	153,094	-	-	-	-	-	153,094
-	155,639	-	-	-	-	-	613,625
-	-	-	453,090	-	-	-	453,090
-	-	-	415,361	-	-	-	415,361
58,685	573,931	11,416	868,451	4,622	-	125,379	2,517,231
60,803	144,125	1,034	(868,425)	(4,622)	26,851	(36,531)	(57,157)
-	-	-	869,500	-	-	-	869,500
-	-	-	-	-	-	-	(474,000)
-	-	-	869,500	-	-	-	395,500
60,803	144,125	1,034	1,075	(4,622)	26,851	(36,531)	338,343
195,772	349,587	33,585	675,923	115,571	646,200	701,356	3,146,517
\$ 256,575	\$ 493,712	\$ 34,619	\$ 676,998	\$ 110,949	\$ 673,051	\$ 664,825	\$ 3,484,860

City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Paramedic Tax

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Taxes and special assessments	\$ 220,000	\$ 220,000	\$ 231,739	\$ 11,739
Other revenues	-	-	180	180
Total revenues	220,000	220,000	231,919	11,919
EXPENDITURES:				
Current:				
Public Safety - Fire	-	4,000	3,818	182
Total expenditures	-	4,000	3,818	182
REVENUE OVER (UNDER) EXPENDITURES	220,000	216,000	228,101	12,101
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(229,000)	(229,000)	-
Total other financing sources (uses)	-	(229,000)	(229,000)	-
Net change in fund balance	\$ 220,000	\$ (9,000)	(899)	\$ 11,919
FUND BALANCES:				
Beginning of year			16,332	
End of year			\$ 15,433	

City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Alameda County Fire Fees

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Current service charges	\$ 120,000	\$ 120,000	\$ 133,003	\$ 13,003
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>133,003</u>	<u>13,003</u>
EXPENDITURES:				
Current:				
Public safety:				
Fire	-	3,000	2,965	35
Total expenditures	<u>-</u>	<u>3,000</u>	<u>2,965</u>	<u>35</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>120,000</u>	<u>117,000</u>	<u>130,038</u>	<u>13,038</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(145,000)	(145,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(145,000)</u>	<u>(145,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 120,000</u>	<u>\$ (28,000)</u>	<u>(14,962)</u>	<u>\$ 13,038</u>
FUND BALANCES:				
Beginning of year			<u>48,727</u>	
End of year			<u>\$ 33,765</u>	

City of Newark

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Police Grants**

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 43	\$ 43
Other governmental agencies	425,000	440,800	356,408	(84,392)
Current service charges	50,000	50,000	49,550	(450)
Other revenue	-	-	1,513	1,513
Total revenues	475,000	490,800	407,514	(83,286)
EXPENDITURES:				
Current:				
Public safety:				
Police	433,300	512,600	409,303	103,297
Total expenditures	433,300	512,600	409,303	103,297
Net change in fund balance	\$ 41,700	\$ (21,800)	(1,789)	\$ 20,011
FUND BALANCES:				
Beginning of year			151,431	
End of year			\$ 149,642	

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Development Act
For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other governmental agencies	\$ 7,800	\$ 457,986	\$ 457,986	\$ -
Total revenues	<u>7,800</u>	<u>457,986</u>	<u>457,986</u>	<u>-</u>
EXPENDITURES:				
Current:				
Capital outlay	-	564,386	457,986	106,400
Total expenditures	<u>-</u>	<u>564,386</u>	<u>457,986</u>	<u>106,400</u>
Net change in fund balance	<u>\$ 7,800</u>	<u>\$ (106,400)</u>	<u>-</u>	<u>\$ 106,400</u>
FUND BALANCES:				
Beginning of year			14,922	
End of year			<u>\$ 14,922</u>	

City of Newark

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Development Maintenance Fees**

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 710	\$ 710
Other revenues	85,000	85,000.00	251,612	166,612
Total revenues	85,000	85,000.00	252,322	167,322
EXPENDITURES:				
Current:				
Community development	-	1,000	675	325
Total expenditures	-	1,000	675	325
REVENUE OVER (UNDER) EXPENDITURES	85,000	84,000	251,647	167,647
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(100,000)	(100,000)	-
Total other financing sources (uses)	-	(100,000)	(100,000)	-
Net change in fund balance	\$ 85,000	\$ 84,000	151,647	\$ 67,647
FUND BALANCES:				
Beginning of year			151,919	
End of year			\$ 303,566	

City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Recycle AB 939

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other governmental agencies	\$ -	\$ -	\$ 11,611	\$ 11,611
Total revenues	-	-	11,611	11,611
Net change in fund balance	\$ -	\$ -	11,611	\$ 11,611
FUND BALANCES:				
Beginning of year			45,192	
End of year			\$ 56,803	

City of Newark

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure D - Recycling**

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 455	\$ 455
Other revenues	-	-	119,033	119,033
Total revenues	-	-	119,488	119,488
EXPENDITURES:				
Current:				
Community development	-	77,600	58,685	18,915
Total expenditures	-	77,600	58,685	18,915
Net change in fund balance	\$ -	\$ (77,600)	60,803	\$ 138,403
FUND BALANCES:				
Beginning of year			195,772	
End of year			\$ 256,575	

City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Measure B - ACTIA

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1,055	\$ 1,055
Other governmental agencies	633,000	633,000	717,001	84,001
Total revenues	633,000	633,000	718,056	85,056
EXPENDITURES:				
Current:				
Streets and parks	440,700	440,700	265,198	175,502
Recreation	140,000	140,000	153,094	(13,094)
Capital outlay	110,000	227,456	155,639	71,817
Total expenditures	690,700	808,156	573,931	234,225
Net change in fund balance	\$ (57,700)	\$ (175,156)	144,125	\$ 319,281
FUND BALANCES:				
Beginning of year			349,587	
End of year			\$ 493,712	

City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Hazardous Materials Program For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 69	\$ 69
Other governmental agencies	-	-	12,381	12,381
Total revenues	-	-	12,450	12,450
EXPENDITURES:				
Current:				
Public safety:				
Fire	15,000	15,000	11,416	3,584
Total expenditures	15,000	15,000	11,416	3,584
Net change in fund balance	\$ (15,000)	\$ (15,000)	1,034	\$ 16,034
FUND BALANCES:				
Beginning of year			33,585	
End of year			\$ 34,619	

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Park Improvement
For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
Streets and parks	-	112,750	4,622	108,128
Total expenditures	-	112,750	4,622	108,128
Net change in fund balance	\$ -	\$ (112,750)	(4,622)	\$ 108,128
FUND BALANCES:				
Beginning of year			115,571	
End of year			\$ 110,949	

City of Newark

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Art in Public Places**

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Current service charges	\$ -	\$ -	\$ 26,851	\$ 26,851
Total revenues	-	-	26,851	26,851
 FUND BALANCES:				
Beginning of year			646,200	
End of year			\$ 673,051	

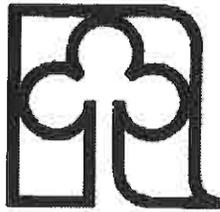
City of Newark

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Landscape and Lighting District

For the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and special assessments	\$ -	\$ -	\$ 87,417	\$ 87,417
Use of money	-	-	1,431	1,431
Total revenues	-	-	88,848	88,848
EXPENDITURES:				
Current:				
Streets and parks	-	518,152	125,379	392,773
Total expenditures	-	518,152	125,379	392,773
Net change in fund balance	\$ -	\$ (518,152)	(36,531)	\$ 481,621
FUND BALANCES:				
Beginning of year			701,356	
End of year			\$ 664,825	



INTERNAL SERVICE FUNDS

Equipment Replacement

Accounts for funds used to pay for the anticipated replacement of general equipment needs.

Equipment Operations

Accounts for funds used to support the maintenance and operation of general equipment.

Office Support

Accounts for funds used to support general office support needs including office supply purchases.

Building Maintenance

Accounts for funds used for general City-owned building maintenance.

Public Liability Self-Insurance

Accounts for funds used to cover general liability claims against the City and premiums for coverage above the City's risk retention level.

Workers' Compensation Self-Insurance

Accounts for funds used to cover premiums and claims paid related to Workers' Compensation coverage.

City of Newark
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
ASSETS				
Current assets:				
Cash and investments	\$ 724,052	\$ 174,241	\$ 47,427	\$ 631,834
Receivables	4,025	441	-	2,837
Supplies and other assets	-	43,112	3,000	14,997
Total current assets	728,077	217,794	50,427	649,668
Capital assets, net of accumulated depreciation	1,383,984	-	-	-
Total assets	2,112,061	217,794	50,427	649,668
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,850	26,330	454	99,068
Claims payable, due within one year	-	-	-	-
Total current liabilities	1,850	26,330	454	99,068
Noncurrent liabilities:				
Claims payable, due in more than one year	-	-	-	-
Total liabilities	1,850	26,330	454	99,068
NET POSITION				
Net Investment in Capital Assets	1,383,984	-	-	-
Unrestricted	726,227	191,464	49,973	550,600
Total net position	\$ 2,110,211	\$ 191,464	\$ 49,973	\$ 550,600

<u>Public</u>	<u>Workers'</u>	
<u>Liability</u>	<u>Compensation</u>	
<u>Self-Insurance</u>	<u>Self-Insurance</u>	<u>Total</u>
\$ 638,048	\$ 2,037,129	\$ 4,252,731
19,835	-	27,138
-	-	61,109
<u>657,883</u>	<u>2,037,129</u>	<u>4,340,978</u>
-	-	1,383,984
<u>657,883</u>	<u>2,037,129</u>	<u>5,724,962</u>
400	32,300	160,402
109,067	373,013	482,080
<u>109,467</u>	<u>405,313</u>	<u>642,482</u>
191,799	1,364,608	1,556,407
<u>301,266</u>	<u>1,769,921</u>	<u>2,198,889</u>
-	-	1,383,984
<u>356,617</u>	<u>267,208</u>	<u>2,142,089</u>
<u>\$ 356,617</u>	<u>\$ 267,208</u>	<u>\$ 3,526,073</u>

City of Newark
Combining Statement of Activities and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2014

	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
OPERATING REVENUES:				
Charges to departments	\$ 400,000	\$ 853,781	\$ 106,399	\$ 1,589,396
Other revenue	6,244	441	-	27,677
Total operating revenues	406,244	854,222	106,399	1,617,073
OPERATING EXPENSES:				
Personnel services	-	399,298	18,179	368,317
Materials and supplies	92,271	288,724	20,335	36,958
Contractual Services	-	122,544	69,880	454,927
Utilities	-	-	-	568,553
Insurance claims and premiums	-	-	-	-
Depreciation	263,885	-	-	-
Total operating expenses	356,156	810,566	108,394	1,428,755
OPERATING INCOME (LOSS)	50,088	43,656	(1,995)	188,318
NONOPERATING REVENUES (EXPENSES):				
Transfers in	154,539	112,000	-	25,747
Loss on disposal of asset	(37,333)	-	-	-
Total nonoperating revenue (expenses)	117,206	112,000	-	25,747
Change in net position	167,294	155,656	(1,995)	214,065
NET POSITION:				
Beginning of year	1,942,917	35,808	51,968	336,535
End of year	\$ 2,110,211	\$ 191,464	\$ 49,973	\$ 550,600

<u>Public Liability Self-Insurance</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total</u>
\$ 658,858	\$ 641,323	\$ 4,249,757
19,113	-	53,475
<u>677,971</u>	<u>641,323</u>	<u>4,303,232</u>
71,804	21,987	879,585
-	182	438,470
(134,600)	293,820	806,571
-	-	568,553
316,457	138,204	454,661
-	-	263,885
<u>253,661</u>	<u>454,193</u>	<u>3,411,725</u>
<u>424,310</u>	<u>187,130</u>	<u>891,507</u>
-	-	292,286
-	-	(37,333)
-	-	<u>254,953</u>
424,310	187,130	1,146,460
(67,693)	80,078	2,379,613
<u>\$ 356,617</u>	<u>\$ 267,208</u>	<u>\$ 3,526,073</u>

City of Newark
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2014

	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from other funds	\$ 406,244	\$ 854,222	\$ 106,399	\$ 1,617,073
Payments to suppliers/other fund	(113,717)	(422,974)	(93,333)	(1,057,327)
Payments to employees	-	(399,298)	(18,179)	(368,317)
Claims paid	-	-	-	-
Net cash provided (used) by operating activities	<u>292,527</u>	<u>31,950</u>	<u>(5,113)</u>	<u>191,429</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund receipts	154,539	112,000	-	25,747
Net cash provided (used) by noncapital financing activities	<u>154,539</u>	<u>112,000</u>	<u>-</u>	<u>25,747</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(629,072)	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(629,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(182,006)	143,950	(5,113)	217,176
CASH AND CASH EQUIVALENTS:				
Beginning of year	906,058	30,291	52,540	414,658
End of year	<u>\$ 724,052</u>	<u>\$ 174,241</u>	<u>\$ 47,427</u>	<u>\$ 631,834</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 50,088	\$ 43,656	\$ (1,995)	\$ 188,318
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	263,885	-	-	-
Change in assets and liabilities:				
Accounts receivable and other assets	(4,025)	(11,634)	-	(94)
Accounts payable and accrued liabilities	(17,421)	(72)	(3,118)	3,205
Total adjustments	<u>242,439</u>	<u>(11,706)</u>	<u>(3,118)</u>	<u>3,111</u>
Net cash provided (used) by operating activities	<u>\$ 292,527</u>	<u>\$ 31,950</u>	<u>\$ (5,113)</u>	<u>\$ 191,429</u>

	Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Total
\$	658,198	\$ 641,323	\$ 4,283,459
	128,560	(298,021)	(1,856,812)
	(71,804)	(21,987)	(879,585)
	(566,455)	(408,218)	(974,673)
	148,499	(86,903)	572,389
	-	-	292,286
	-	-	292,286
	-	-	(629,072)
	-	-	(629,072)
	148,499	(86,903)	235,603
	489,549	2,124,032	4,017,128
\$	638,048	\$ 2,037,129	\$ 4,252,731
\$	424,310	\$ 187,130	\$ 891,507
	-	-	263,885
	(19,773)	-	(35,526)
	(256,038)	(274,033)	(547,477)
	(275,811)	(274,033)	(319,118)
\$	148,499	\$ (86,903)	\$ 572,389

AGENCY FUNDS

Area Improvement Districts Fund

Accounts for cash and investments held on behalf of assessment districts formed within the City. The City is not obligated for repayment of any debt issued by these assessment districts.

City of Newark
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Area Improvement Districts</u>				
Assets:				
Cash and investments for operations	\$ 3,547,311	\$ 8,384,555	\$ 7,631,774	\$ 4,300,092
Restricted cash and investments	8,878,647	-	8,878,647	-
Receivables	2,496	3,283	2,496	3,283
Total assets	<u>\$ 12,428,454</u>	<u>\$ 8,387,838</u>	<u>\$ 7,634,270</u>	<u>\$ 4,303,375</u>
Liabilities:				
Due to bondholders	\$ 12,428,454	\$ 4,280,377	\$ 12,405,456	\$ 4,303,375
Total liabilities	<u>\$ 12,428,454</u>	<u>\$ 4,280,377</u>	<u>\$ 12,405,456</u>	<u>\$ 4,303,375</u>

City of Newark
Utility Users Tax - Budget to Actual Comparison
For the year ended June 30, 2014

In November 2010, Measure U was passed which allowed for the utility users tax. This new revenue source funded programs previously cut as a result of budget reductions. The following table summarized how the revenue was spent during fiscal year 2013/14.

	2013-14 <u>Approved Budget</u>	2013-14 <u>Actuals</u>
Management/Support Services		
Human Resources	\$ 38,700	\$ 19,112
Information Systems	7,300	7,300
Financial Services	90,500	90,130
Subtotal	<u>136,500</u>	<u>116,542</u>
Public Safety		
Patrol	197,200	197,200
Investigation	148,700	148,700
School Crossing Guard	64,000	55,484
Administration	50,000	50,000
Subtotal	<u>459,900</u>	<u>451,384</u>
Community Promotion		
Community Preservation	62,400	36,545
Engineering	37,800	13,084
Subtotal	<u>100,200</u>	<u>49,629</u>
Recreation		
General Recreation Services	44,100	30,279
Youth/Adult Sports	20,100	-
Activity & Family Aquatic Center	130,600	163,905
Senior Services	67,000	38,947
Subtotal	<u>261,800</u>	<u>233,131</u>
Park & Landscape Maintenance		
Environmental Services	83,300	83,300
Street Repairs	6,400	4,868
Park & Landscape	207,800	207,800
Subtotal	<u>297,500</u>	<u>295,968</u>
Internal Service Funds		
Equipment Maintenance	38,000	38,000
Building Maintenance	25,800	25,747
Subtotal	<u>63,800</u>	<u>63,747</u>
TOTAL UTILITY USERS TAX EXPENDITURES	1,319,700	1,210,401
GENERAL FUND SUPPORT AND		
TRANSFER TO FISCAL UNCERTAINTY	\$ 2,324,368	\$ 2,433,667

CITY OF NEWARK

Statistical Section

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

Contents

Financial Trends

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

- 1 Net Position by Component
- 2 Changes in Net Position
- 3 Fund Balances of Governmental Funds
- 4 Changes in Fund Balances of Governmental Funds

Revenue Source

These schedules present information to help reader assess the City's property and sales tax revenues.

- 5 Assessed Value of Taxable Property
- 6 Property Tax Rates - All Overlapping Government
- 7 Principal Property Tax Payers
- 8 Property Tax Levies and Collections
- 9 Taxable Sales by Category

Debt Capacity

These schedules present information to help 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.

- 10 Ratio of Outstanding Debt by Type
- 11 Direct and Overlapping Governmental Activities Debt
- 12 Legal Bonded Debt Margin Information

Demographic and Economic Information

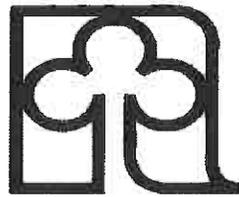
These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- 13 Demographic and Economic Statistics
- 14 Principal Employers

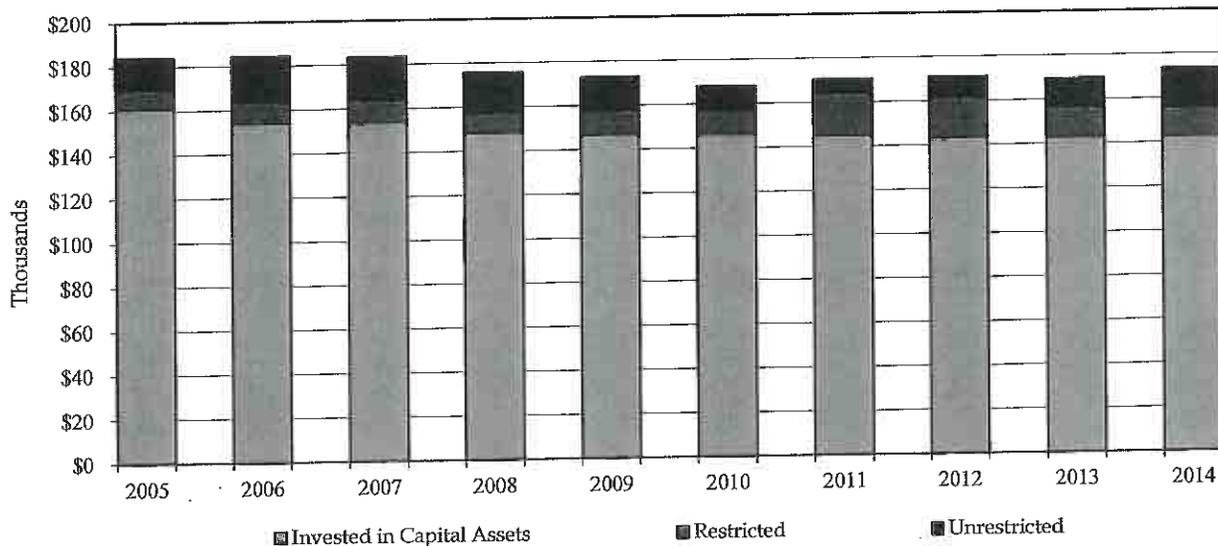
Operating Information

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

- 15 Full-Time Equivalent City Government Employees by Function/Program
- 16 Operating Indicators by Function/Program
- 17 Capital Asset Statistics by Function/Program



City of Newark
Net Position by Component
Last Ten Years
 (accrual basis of accounting)
 (dollars in thousands)



	Fiscal year ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<i>Primary government</i>										
<i>Governmental activities:</i>										
Net Investment in Capital Assets	\$160,837	\$153,827	\$153,668	\$148,171	\$146,665	\$145,913	\$144,678	\$143,258	\$142,709	\$142,524
Restricted	8,190	9,055	9,462	8,560	10,389	10,406	18,563	17,596	13,198	12,806
Unrestricted	14,784	21,403	20,143	18,804	15,435	11,490	6,865	9,806	13,264	17,903
Total governmental activities net position	\$183,811	\$184,285	\$183,273	\$175,535	\$172,489	\$167,809	\$170,106	\$170,660	\$169,171	\$173,233

Source: City of Newark Basic Financial Statements

City of Newark
Changes in Net Position
Last Ten Years
 (accrual basis of accounting)
 (dollars in thousands)

	Fiscal year ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$4,754	\$6,099	\$4,017	\$5,183	\$4,711	\$3,965	\$3,838	\$3,891	\$3,796	\$4,643
Public safety:										
Fire	8,416	8,091	8,940	8,726	9,839	9,026	8,294	8,380	8,669	8,665
Police	12,280	12,866	14,062	15,842	13,519	13,814	12,535	13,598	14,643	15,310
Streets and parks	5,256	4,900	4,729	7,696	5,685	6,763	5,644	6,065	9,834	6,743
Community development	2,726	2,911	3,567	3,299	2,946	2,863	2,821	3,127	2,749	3,052
Recreation	5,043	5,452	6,048	7,398	5,053	4,717	4,865	4,440	3,839	4,212
Interest on long-term debt	692	727	682	705	668	645	618	601	455	430
Total governmental activities expenses	39,167	41,046	42,045	48,849	42,421	41,793	38,615	40,102	43,985	43,055
Program revenues										
Governmental activities:										
Charges for services:										
General government	27	22	49	18	79	82	97	73	45	50
Public safety:										
Fire	505	745	467	462	415	239	69	94	135	115
Police	758	506	624	820	769	924	753	521	555	563
Streets and parks	687	746	796	768	432	666	585	563	560	530
Community development	1,875	1,774	1,344	1,389	1,140	1,183	1,198	1,398	1,268	1,858
Recreation	2,387	2,560	2,597	2,685	2,497	2,384	2,349	2,391	1,686	2,432
Operating grants and contributions	500	1,185	3,477	1,700	2,426	3,227	1,838	1,492	1,053	938
Capital grants and contributions	1,504	2,946	894	1,253	3,351	2,719	1,560	1,625	2,337	2,725
Total governmental program revenues	8,243	10,484	10,248	9,095	11,109	11,424	8,449	8,157	7,639	9,211
Net (expense)/revenue										
Total governmental activities net expense	(30,924)	(30,562)	(31,797)	(39,754)	(31,312)	(30,369)	(30,166)	(31,945)	(36,345)	(33,844)
General revenues and other changes in net assets										
Governmental activities:										
Taxes:										
Property taxes	9,946	11,900	12,036	12,969	12,962	12,498	11,801	11,843	12,559	13,035
Sales taxes	11,552	10,574	9,805	10,856	8,463	6,702	8,807	8,819	9,631	10,182
Franchise taxes	2,231	2,366	2,443	2,449	2,453	2,475	2,512	2,538	2,870	2,938
Transient occupancy tax	2,320	2,775	3,182	3,326	2,573	2,337	2,785	3,323	3,705	4,320
Utility users tax	0	0	0	0	0	0	765	3,231	3,376	3,644
Other local taxes	373	316	500	1,080	950	958	1,097	1,117	1,132	1,272
Motor vehicle in-lieu	474	230	292	187	157	0	203	22	23	19
Use of money and property	932	1,342	1,640	1,314	658	129	79	147	49	70
Gain on sale of assets	0	0	0	0	0	523	0	423	0	0
Miscellaneous	888	1,533	888	44	50	66	4,414	1,037	1,510	2,562
Total governmental activities general revenues	28,716	31,036	30,786	32,225	28,266	25,688	32,463	32,500	34,855	38,042
Change in net position governmental activities	(\$2,208)	\$474	(\$1,011)	(\$7,529)	(\$3,046)	(\$4,681)	\$2,297	\$555	(\$1,490)	\$4,198

Source: City of Newark Basic Financial Statements

CITY OF NEWARK
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Fiscal year ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable:										
Supplies and prepaid assets	-	-	-	-	-	-	\$633	\$134	\$121	\$555
Assigned for:										
Community development	-	-	-	-	-	-	-	-	-	242
Fire side fund	-	-	-	-	-	-	-	363	463	613
Equipment replacement	-	-	-	-	-	-	-	-	155	405
Pension/OPEB reserves	-	-	-	-	-	-	-	972	1,028	817
Waste disposal fund	-	-	-	-	-	-	-	-	-	-
Reserved	\$486	\$668	\$607	\$223	\$421	\$449	-	-	-	-
Unreserved	11,953	12,123	11,225	11,659	9,790	6,715	-	-	-	-
Unassigned	-	-	-	-	-	-	8,566	10,700	13,849	16,776
Total General Fund	<u>\$12,439</u>	<u>\$12,791</u>	<u>\$11,832</u>	<u>\$11,882</u>	<u>\$10,211</u>	<u>\$7,164</u>	<u>\$9,199</u>	<u>\$12,169</u>	<u>\$15,616</u>	<u>\$19,558</u>
All other governmental funds										
Committed:										
Community development	-	-	-	-	-	-	-	173	152	304
Restricted for:										
Public safety	-	-	-	-	-	-	182	126	216	198
Street improvements	-	-	-	-	-	-	4,678	4,460	3,053	3,740
Environmental programs	-	-	-	-	-	-	193	190	240	314
Health and welfare	-	-	-	-	-	-	-	122	34	35
Recreation programs	-	-	-	-	-	-	181	151	116	111
Debt service	-	-	-	-	-	-	1,014	675	676	677
Landscape and lighting	-	-	-	-	-	-	-	623	701	665
Other purposes	-	-	-	-	-	-	506	-	-	-
Assigned to:										
Capital projects	-	-	-	-	-	-	10,499	10,310	6,858	-
Community development	-	-	-	-	-	-	-	(5)	15	15
Art in public places	-	-	-	-	-	-	-	646	646	673
Capital asset acquisition	-	-	-	-	-	-	-	-	-	6,159
Other purposes	-	-	-	-	-	-	1,745	-	-	-
Unassigned										
Reserved	\$3,478	\$2,300	\$2,196	\$1,000	\$3,559	\$990	-	-	-	-
Unreserved, reported in:										
Debt service funds	-	-	-	71	49	49	-	-	-	-
Special revenue funds	6,416	10,220	8,130	7,788	6,262	7,492	-	-	-	-
Capital project funds	9,766	7,899	10,091	9,777	8,159	8,306	-	-	-	-
Total all other governmental funds	<u>\$19,660</u>	<u>\$20,419</u>	<u>\$20,417</u>	<u>\$18,636</u>	<u>\$18,029</u>	<u>\$16,837</u>	<u>\$18,534</u>	<u>\$17,471</u>	<u>\$12,707</u>	<u>\$12,891</u>

Source: City of Newark Basic Financial Statements

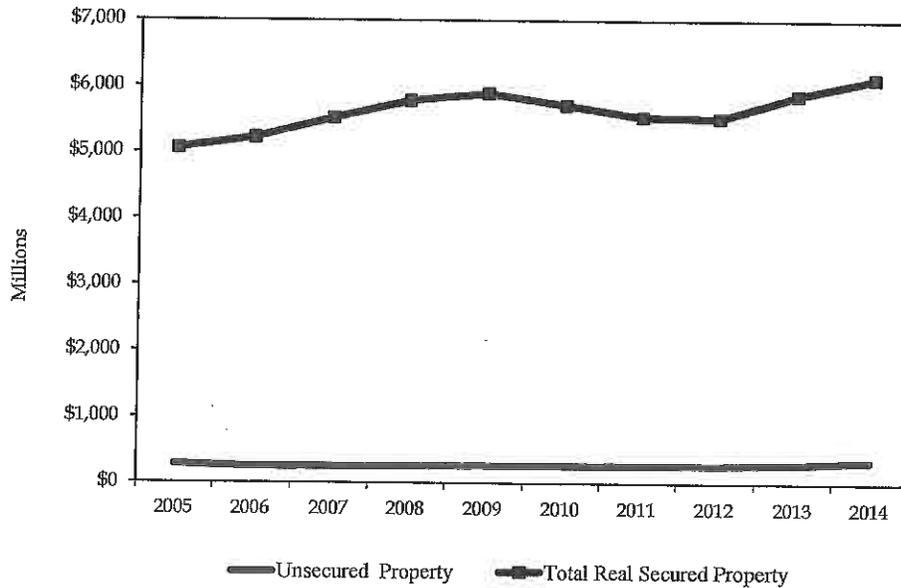
CITY OF NEWARK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Fiscal year ended June 30,			
	2005	2006	2007	2008
Revenues				
Property taxes	\$9,946	\$11,900	\$11,943	\$12,880
Other local taxes	16,477	16,031	17,089	17,710
Special assessments	229	181	199	374
Licenses, permits and fees	1,713	1,930	1,048	1,089
Fines and forfeitures	202	195	263	569
Use of money and property	932	1,342	1,739	1,397
Intergovernmental revenues	2,841	3,598	3,636	2,643
Charges for services	3,587	4,107	3,635	4,104
Other	1,032	2,236	1,482	554
Total revenues	36,959	41,520	41,034	41,320
Expenditures				
Current:				
General government	4,215	4,023	3,830	4,185
Public safety:				
Fire	8,382	8,060	8,716	8,597
Police	12,245	12,609	13,831	14,113
Streets and parks	4,991	4,691	4,446	5,324
Community development	2,678	2,689	3,212	2,974
Recreation	5,294	5,375	5,508	5,630
Capital outlay	5,173	1,772	1,323	1,269
Debt service:				
Principal repayment	652	716	444	498
Interest and fiscal charges	698	722	685	697
Total expenditures	44,328	40,657	41,995	43,287
Excess (deficiency) of revenues over (under) expenditures	(7,369)	863	(961)	(1,967)
Other financing sources (uses)				
Proceeds from sale of property	-	-	-	-
Transfers in	5,257	4,982	3,097	3,915
Transfers (out)	(5,536)	(5,132)	(3,097)	(3,940)
Issuance of debt	-	-	-	-
Debt refunding	-	-	-	-
Certificates of participation issued	-	-	-	-
Capital lease proceeds	-	398	-	470
Total other financing sources (uses)	(279)	248	0	445
Extraordinary gain				
RDA Dissolution	-	-	-	-
Net change in fund balances	(\$7,648)	\$1,111	(\$961)	(\$1,522)
Debt service as a percentage of noncapital expenditures	3.1%	3.7%	2.8%	2.8%

Source: City of Newark Basic Financial Statements

Fiscal year ended June 30,					
2009	2010	2011	2012	2013	2014
\$12,875	\$12,281	\$11,802	\$11,843	\$12,559	\$13,035
14,684	13,197	15,926	19,028	20,558	22,200
898	904	443	472	473	319
873	1,040	820	1,117	939	1,443
528	591	473	383	377	363
776	109	80	147	49	70
4,760	3,482	4,575	2,996	2,974	4,037
3,587	3,306	3,607	3,808	3,098	4,604
394	435	4,123	850	984	1,374
<u>39,375</u>	<u>35,345</u>	<u>41,849</u>	<u>40,644</u>	<u>42,011</u>	<u>47,445</u>
4,503	3,807	3,739	3,790	3,722	4,526
9,426	8,897	8,082	8,142	8,433	8,460
13,321	13,270	12,725	13,406	14,433	15,282
4,904	5,934	4,224	4,881	7,159	4,350
2,713	2,809	2,466	3,085	2,708	3,005
4,562	4,248	4,413	3,914	3,458	3,949
1,034	634	374	20	2,365	2,588
516	975	454	632	527	572
674	659	621	761	450	430
<u>41,653</u>	<u>41,233</u>	<u>37,098</u>	<u>38,631</u>	<u>43,255</u>	<u>43,162</u>
<u>(2,278)</u>	<u>(5,888)</u>	<u>4,751</u>	<u>2,013</u>	<u>(1,244)</u>	<u>4,283</u>
-	1,199	-	-	-	-
2,163	1,475	3,244	3,085	1,852	2,212
(2,163)	(1,475)	(3,244)	(3,618)	(1,924)	(2,504)
-	-	-	9,704	-	-
-	-	-	(9,700)	-	-
-	-	-	-	-	-
-	-	-	-	-	134
<u>0</u>	<u>1,199</u>	<u>0</u>	<u>(529)</u>	<u>(72)</u>	<u>(158)</u>
-	-	-	423	-	-
<u>(\$2,278)</u>	<u>(\$4,689)</u>	<u>\$4,751</u>	<u>\$1,907</u>	<u>(\$1,316)</u>	<u>\$4,125</u>
2.9%	4.1%	3.0%	3.7%	2.3%	2.4%

CITY OF NEWARK
Assessed Value of Taxable Property
Last Ten Fiscal Years



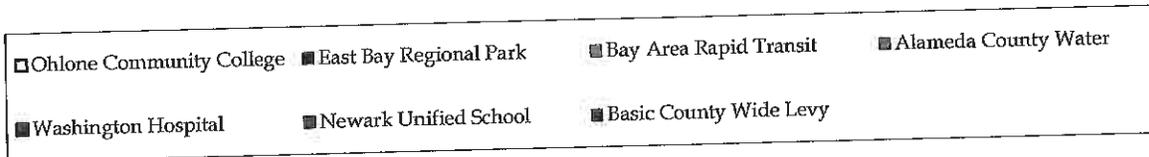
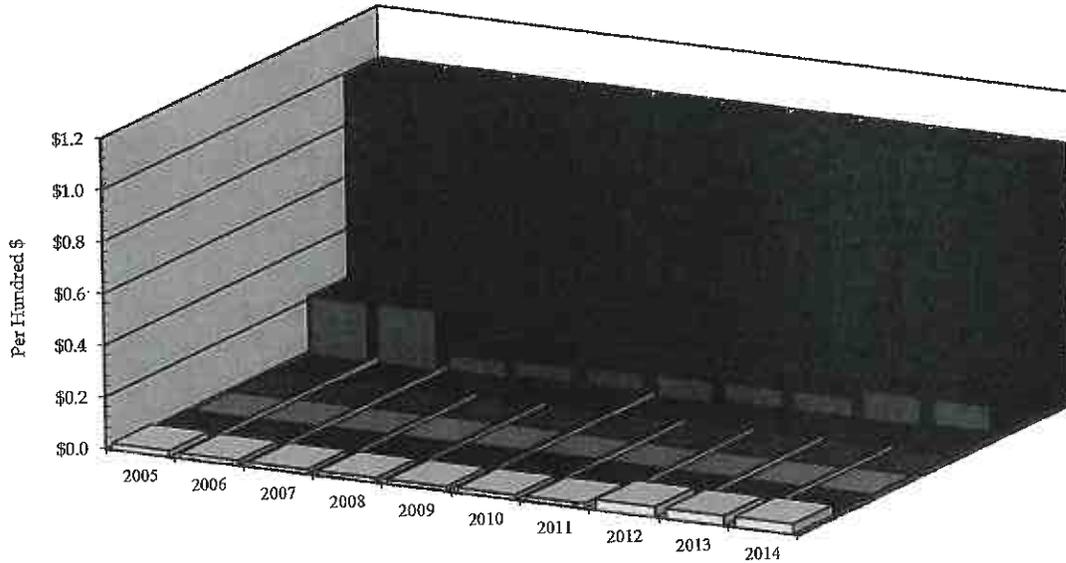
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other				
2005	\$ 2,840,384,466	\$ 753,767,218	\$ 1,082,310,566	\$ 103,544,323	\$ 4,780,006,573	\$ 281,919,874	\$ 5,061,926,447	0.16361%
2006	3,101,852,346	767,460,260	1,017,840,541	89,986,320	4,977,139,467	247,226,831	5,224,366,298	0.16385%
2007	3,404,836,502	792,256,841	973,078,766	101,984,764	5,272,156,873	250,610,326	5,522,767,199	0.16501%
2008	3,655,787,270	876,293,567	873,977,913	124,265,251	5,530,324,001	256,002,340	5,786,326,341	0.16517%
2009	3,763,035,574	711,435,191	1,004,845,064	150,245,353	5,629,561,182	264,529,850	5,894,091,032	0.16442%
2010	3,410,144,357	731,005,849	1,154,628,273	155,739,144	5,451,517,623	267,890,978	5,719,408,601	0.16549%
2011	3,290,823,839	659,297,835	1,158,994,181	159,093,100	5,268,208,955	271,695,467	5,539,904,422	0.16479%
2012	3,309,572,447	635,000,800	1,179,565,507	127,692,323	5,251,831,077	270,167,762	5,521,998,839	0.15069%
2013	3,340,615,739	634,931,937	1,427,641,007	174,120,993	5,577,309,676	295,619,089	5,872,928,765	0.16512%
2014	3,518,280,012	643,728,541	1,422,471,808	197,838,511	5,782,318,872	341,646,838	6,123,965,710	0.16432%

Source: Alameda County Assessor 2004/05 - 2013/14 Combined Tax Rolls

Note:

(a) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

CITY OF NEWARK
Property Tax Rates
All Overlapping Governments
Last Ten Fiscal Years



Fiscal Year	Basic County Wide Levy	Alameda County Water District	Bay Area Rapid Transit	East Bay Regional Park District	Newark Unified School District	Ohlone Community College	Washington Hospital	Total
2005	1.0000	0.0035	0.0000	0.0057	0.2248	0.0229	0.0000	1.2569
2006	1.0000	0.0049	0.0048	0.0057	0.2296	0.0193	0.0000	1.2643
2007	1.0000	0.0056	0.0050	0.0085	0.0659	0.0177	0.0055	1.1082
2008	1.0000	0.0064	0.0076	0.0080	0.0755	0.0177	0.0182	1.1334
2009	1.0000	0.0075	0.0090	0.0100	0.0845	0.0176	0.0188	1.1474
2010	1.0000	0.0065	0.0057	0.0108	0.0865	0.0188	0.0063	1.1346
2011	1.0000	0.0071	0.0031	0.0084	0.0900	0.0190	0.0188	1.1464
2012	1.0000	0.0077	0.0041	0.0071	0.0935	0.0400	0.0186	1.1710
2013	1.0000	0.0069	0.0043	0.0051	0.1298	0.0384	0.0181	1.2026
2014	1.0000	0.0066	0.0075	0.0078	0.1280	0.0399	0.0291	1.2189

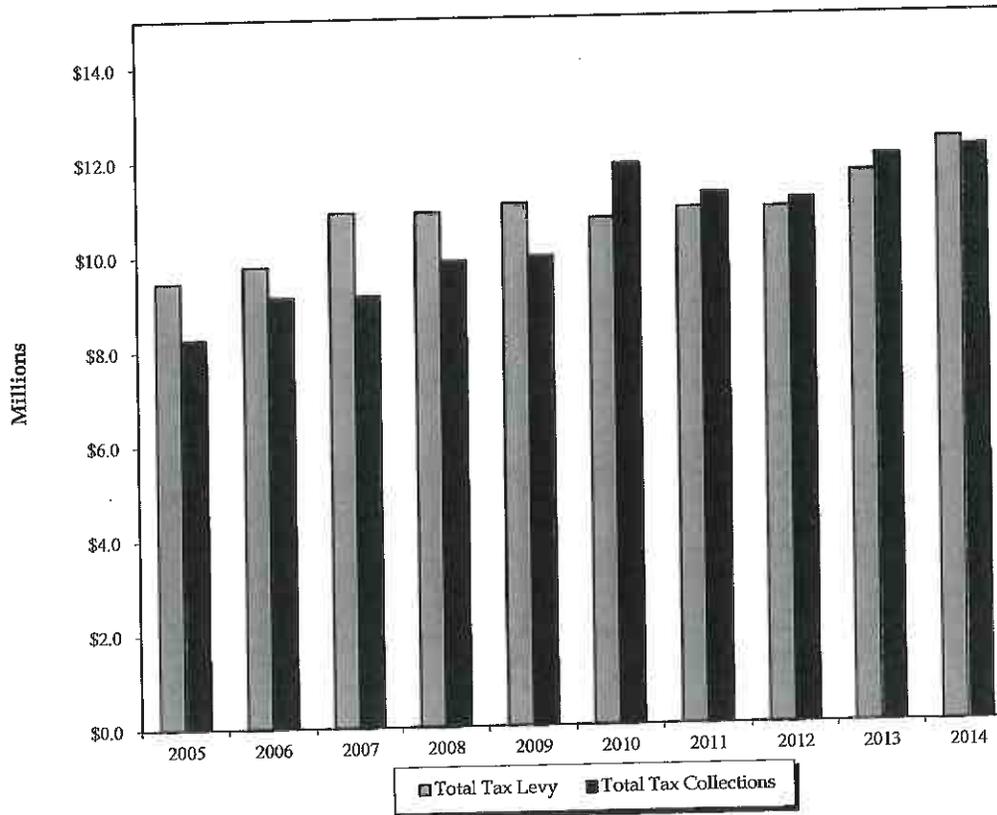
Source: Alameda County Assessor 2004/05 - 2013/14 Combined Tax Rolls

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

Taxpayer	2013-14			2004-05		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Apple Computer Inc.	\$411,561,741	1	6.77%			
BMR Gateway Boulevard LLC	200,189,671	2	3.30%			
JMB Newpark Associates & GGP	77,117,972	3	1.27%	\$66,667,619	2	1.32%
Leslie Salt Company	65,384,781	4	1.08%			
Evergreen Oil Inc.	55,678,384	5	0.92%			
Sycamore Bay LLC	54,495,092	6	0.90%	47,512,280	5	0.94%
SI XVIII LLC	45,688,123	7	0.75%			
BRE US Industrial Properties	41,716,866	9	0.69%			
BRCP Stevenson Point LLC	34,797,561	8	0.57%			
DCT Cherry Street California LP	34,000,000	10	0.56%			
Security Capital Industrial Trust				49,387,787	4	0.98%
Sun Microsystems Inc.				490,160,336	1	9.68%
Agilent Technologies				38,019,753	7	0.75%
Nancy's Specialty Foods				34,214,112	10	0.68%
Industrial Properties Portfolio Subsidiary				37,024,812	9	0.73%
CNL Hotel MI 4 LP				50,819,613	3	1.00%
Broadway Corp				37,840,414	8	0.75%
Metropolitan Life Insurance Co				47,120,464	6	0.93%
Subtotal	<u>\$1,020,630,191</u>		<u>18.28%</u>	<u>\$898,767,190</u>		<u>17.76%</u>
Total Net Assessed Valuation:						
Fiscal Year 2013/14	\$6,075,184,698					
Fiscal Year 2004/05	\$5,061,926,447					

Source: Alameda County Assessor 2004/05 - 2013/14 Combined Tax Rolls

CITY OF NEWARK
Property Tax Levies and Collections
Last Ten Fiscal Years



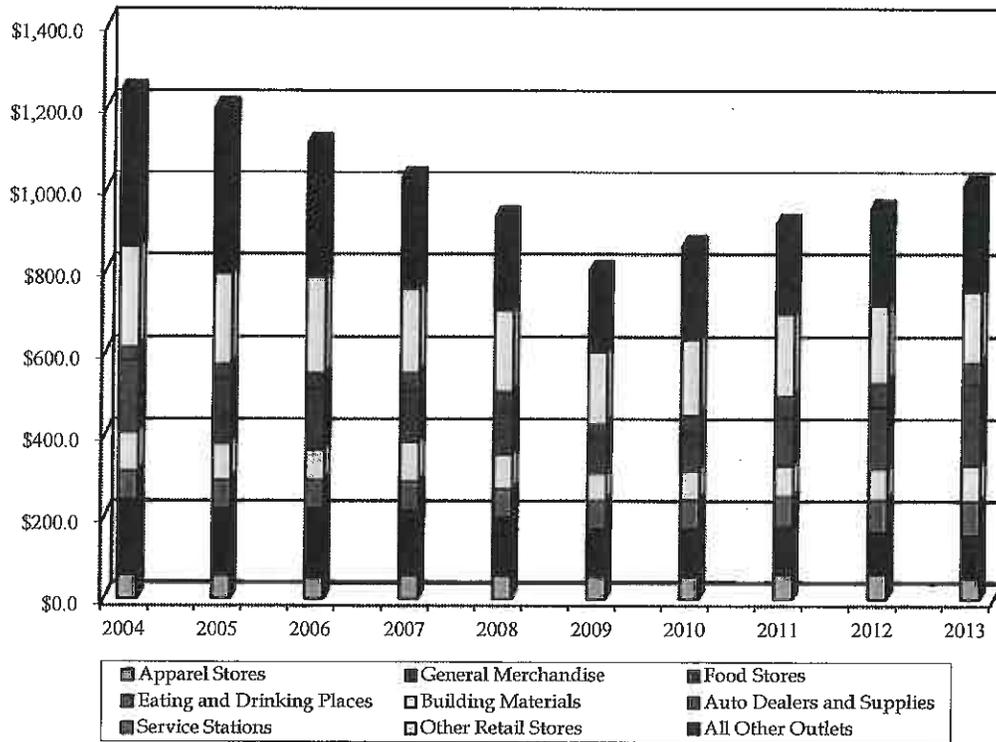
Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2005	\$ 9,454,666	\$ 8,061,017	85.2597%	\$ 188,015	\$ 8,249,032	87.2483%
2006	9,777,924	8,946,459	91.4965%	190,182	9,136,641	93.4415%
2007	10,903,599	8,984,826	82.4024%	166,235	9,151,061	83.9270%
2008	10,894,495	9,619,682	88.2986%	244,843	9,864,525	90.5460%
2009	11,060,851	9,426,933	85.2279%	520,217	9,947,150	89.9311%
2010	10,733,042	11,538,768	107.5070%	334,409	11,873,177	110.6227%
2011	10,929,642	10,940,663	100.1008%	296,965	11,237,628	102.8179%
2012	10,916,957	10,833,299	99.2337%	260,623	11,093,922	101.6210%
2013	11,661,505	11,627,668	99.7098%	376,444	12,004,112	102.9379%
2014	12,341,426	12,055,900	97.6864%	104,849	12,160,749	98.5360%

Source: City of Newark

Note:

- (a) Information required by GASB Statement 44 differs from information reported. Delinquent tax collections represent total delinquent amounts received during the fiscal year, regardless of the fiscal year of the tax levy. Data for delinquent tax collections by levy year is not available from the Alameda County Assessor's Office.

CITY OF NEWARK
Taxable Sales by Category
Last Ten Calendar Years

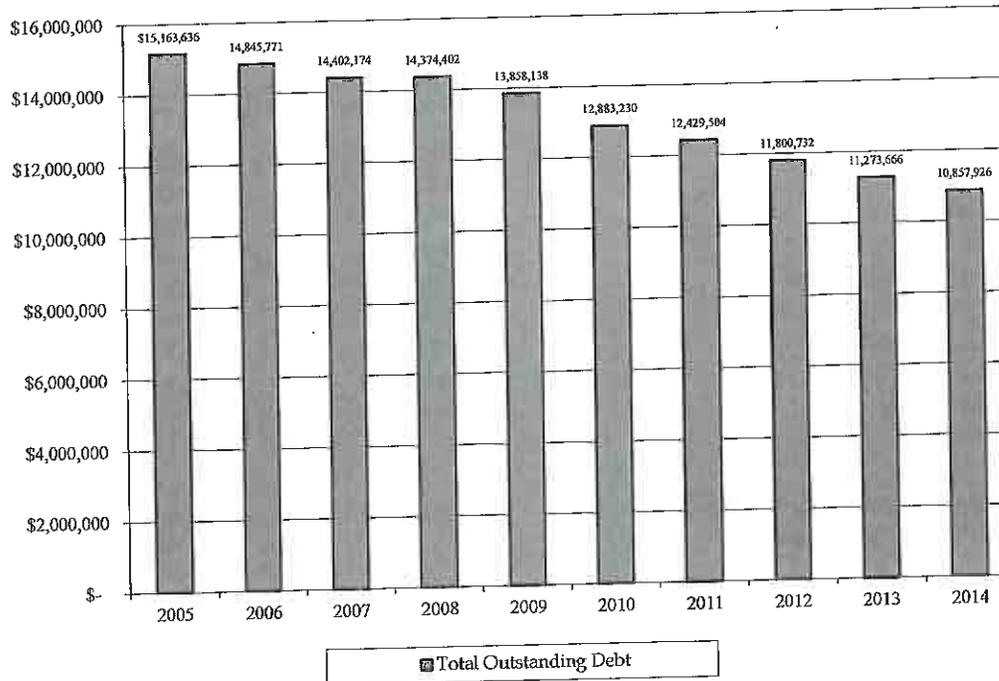


	Calendar Year (in millions)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Apparel Stores	\$59.2	\$56.6	\$56.0	\$58.2	\$57.6	\$57.8	\$55.2	\$59.0	\$62.0	\$58.4
General Merchandise	157.4	138.6	136.7	132.3	115.9	90.1	90.1	91.0	71.7	68.5
Food Stores	27.2	25.1	26.6	24.8	25.1	25.4	27.0	28.0	29.4	28.5
Eating and Drinking Places	67.4	69.9	70.5	70.1	69.9	67.7	70.1	72.7	80.0	84.5
Building Materials	94.2	89.2	73.4	97.1	86.4	67.5	72.0	76.6	76.0	87.4
Auto Dealers and Supplies	175.3	157.6	148.8	123.8	104.5	82.5	88.3	115.9	148.8	196.7
Service Stations	31.5	35.2	38.1	44.2	46.1	35.2	44.9	53.1	59.2	53.6
Other Retail Stores	248.6	221.4	235.0	209.4	198.2	176.8	185.2	200.5	188.8	172.8
All Other Outlets	376.8	403.0	326.5	269.7	228.4	197.1	229.2	218.1	234.8	255.6
Total	\$ 1,237.6	\$ 1,196.6	\$ 1,111.6	\$ 1,029.6	\$ 932.1	\$ 800.1	\$ 862.0	\$ 914.9	\$ 950.7	\$ 1,006.0

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Information by fiscal year is not readily available.

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



Governmental Activities						
Fiscal Year	Certificates of Participation and Bank Refinancing	Refunding Bonds	Capital Lease Obligation	Total Outstanding Debt	Percentage of Personal Income (a)	Per Capita (a)
2005	\$ 13,985,000	\$ 890,000	\$ 288,636	\$ 15,163,636	1.27%	550.70
2006	13,675,000	805,000	365,771	14,845,771	1.16%	502.34
2007	13,350,000	720,000	332,174	14,402,174	1.07%	466.18
2008	13,015,000	630,000	729,402	14,374,402	1.05%	460.66
2009	12,670,000	535,000	653,138	13,858,138	1.04%	458.38
2010	12,310,000	-	573,230	12,883,230	1.04%	462.29
2011	11,940,000	-	489,504	12,429,504	1.01%	436.64
2012	11,398,955	-	401,777	11,800,732	0.95%	411.42
2013	10,963,807	-	309,859	11,273,666	0.91%	393.04
2014	10,510,717	-	347,209	10,857,926	0.84%	369.44

Sources: City of Newark
 State of California, Department of Finance (population)
 U.S. Department of Commerce, Bureau of the Economic Analysis (income)

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.
 (a) Personal income and population data are presented in the Schedule of Demographic Statistics.

CITY OF NEWARK

Direct and Overlapping Governmental Activities Debt

June 30, 2014

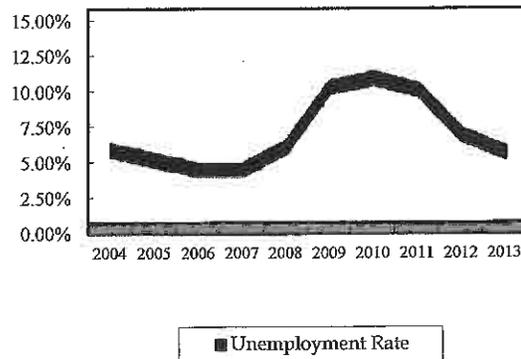
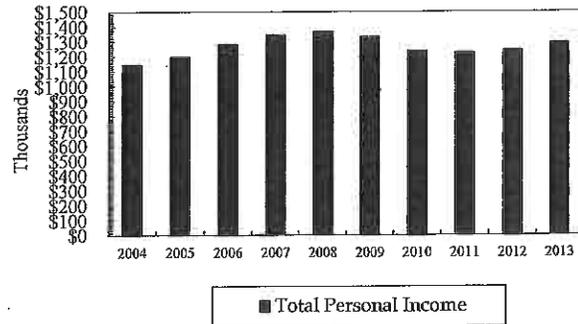
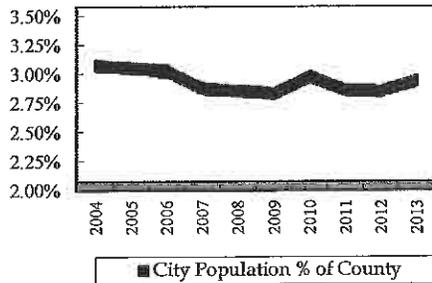
	Debt Outstanding	Percentage Applicable (a)	Share of Overlapping Debt
<u>Debt Repaid with Property Taxes</u>			
Bay Area Rapid Transit District	\$648,275,000	1.156%	\$7,494,059
East Bay Regional Park District	202,210,000	1.784%	3,607,426
Ohlone Community College District	190,664,503	14.220%	27,112,492
Newark Unified School District	96,083,622	100.000%	96,083,622
Washington Township Healthcare District	199,910,000	11.897%	23,783,293
Alameda County General Fund Obligations	893,799,500	2.920%	26,098,945
Alameda County Pension Obligations	87,787,424	2.920%	2,563,393
Alameda-Contra Costa Transit District Certificates of Participation	28,155,000	3.458%	973,600
City of Newark 1915 Act Bonds	8,478,257	100.000%	8,478,257
SUB-TOTAL OVERLAPPING DEBT			<u>196,195,088</u>
<u>Direct Debt</u> - City of Newark General Fund Obligations	10,510,717	100.000%	10,510,717
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$206,705,805</u></u> (b)

Source: California Municipal Statistics, Inc.

Notes:

- (a) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
- (b) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

CITY OF NEWARK
Demographic and Economic Statistics
Last Ten Calendar Years



Calendar Year	City Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Alameda County Population	City Population % of County
2004	43,713	1,144,281	26,177	5.5%	1,439,743	3.04%
2005	43,522	1,198,388	27,535	4.8%	1,443,492	3.02%
2006	43,431	1,283,525	29,553	4.1%	1,453,646	2.99%
2007	43,553	1,345,541	30,894	4.1%	1,534,959	2.84%
2008	43,801	1,366,781	31,204	5.7%	1,554,220	2.82%
2009	44,064	1,332,171	30,233	9.9%	1,578,264	2.79%
2010	44,380	1,236,782	27,868	10.5%	1,510,271	2.94%
2011	43,041	1,225,205	28,466	9.7%	1,525,655	2.82%
2012	43,342	1,243,179	28,683	6.5%	1,540,490	2.81%
2013	43,856	1,288,928	29,390	5.3%	1,510,271	2.90%

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

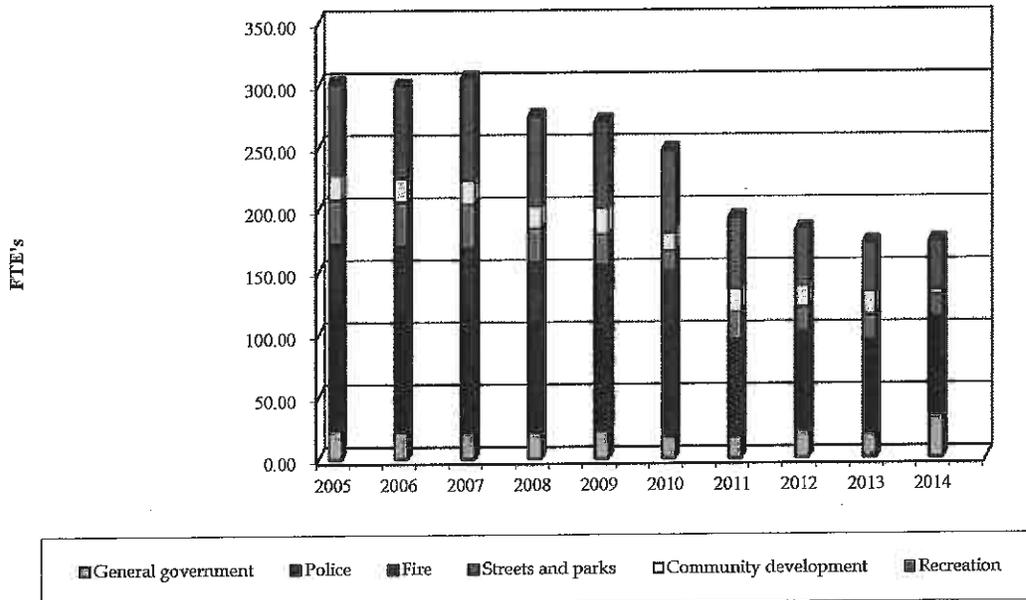
CITY OF NEWARK
Principal Employers
Current Year and Ten Years Ago

Employer	2013-14			2004-05		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Newark Unified School District	700	1	3.2%	700	2	3.4%
Logitech	689	2	3.1%			
WorldPac	280	3, 4	1.3%	290	6	1.4%
Full Bloom Baking Company	280	3, 4	1.3%			
Risk Management Solutions	270	5	1.2%	200	10	1.0%
Smart Modular Technologies	249	6	1.1%			
Morpho Detection	208	7	0.9%			
Cargill Salt	182	8	0.8%	230	9	1.1%
City of Newark	174	9	0.8%	280	5	1.3%
Valassis (formerly ADVO)	166	10	0.8%	270	7	1.3%
Staples (formerly Corporate Express)				600	3	2.9%
Sun Microsystems				3,700	1	17.7%
ModusLink				300	4	1.4%
Nancy's Specialty Foods				250	8	1.2%
Total	<u>3,198</u>		<u>14.5%</u>	<u>6,820</u>		<u>32.7%</u>
Total City Employment	<u>22,100</u>			<u>20,852</u>		

Source: City of Newark Community Development Department
U.S. Department of Labor, Bureau of Labor Statistics

CITY OF NEWARK

Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years



Function/Program:	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	23.95	22.25	22.10	20.86	22.38	18.25	18.43	22.19	20.43	34.15
Public safety										
Police	97.75	97.75	95.75	88.45	84.17	85.00	76.39	79.19	74.06	79.00
Fire	50.70	50.70	50.70	48.00	48.20	46.65	0.00	0.00	0.00	0.00
Streets and parks	35.35	35.15	35.70	27.45	25.03	16.45	21.94	19.20	19.89	16.88
Community development	19.60	19.50	19.35	17.57	20.74	14.30	18.80	17.14	19.00	4.48
Recreation	73.40	73.40	81.65	71.57	69.94	66.25	57.22	45.52	39.00	38.88
Total	300.75	298.75	305.25	273.90	270.46	246.90	192.78	183.24	172.38	173.39

Source: City of Newark

CITY OF NEWARK
Operating Indicators by Function/Program
Last Six Fiscal Years

Function/Program	Fiscal Year					
	2009	2010	2011	2012	2013	2014
Public safety:						
Fire						
Fire calls for service	2,787	2,392	2,644	2,688	2,981	2,988
Primary fire inspections conducted	1,089	1,177	1,177	407 *	400	1,566
Environmental safety inspections conducted	646	126	126	145	502	18,004
Police						
Communication center calls answered	38,201	37,863	32,935	28,200	27,658	33,428
Police calls for service	35,248	35,447	32,935	28,200	27,658	33,428
Law violations						
Part I crimes	2,556	2,012	1,800	1,779	1,681	1,305
Traffic violations	5,353	5,838	5,061	3,056	3,232	4,071
Parking violations	833	1,292	1,511	1,433	1,088	1,514
Public works:						
Street resurfacing (miles)	0	11	6	6	10	9
Street lights repaired	486	342	492	455	428	423
Recreation:						
Recreation class/program participants	260,196	211,684	279,071	284,572	129,253 **	182,642
Recreation facilities rentals	1,967	1,262	1,190	1,456	1,018 **	1,940
Silliman Activity Center use	129,238	114,540	108,609	132,602	81,654 **	141,672
Miscellaneous:						
Library:						
Library visitors	215,524	230,443	202,461	196,130	189,148	177,606
Library materials circulated	298,456	318,510	291,352	284,796	276,176	272,695

* The reduction in number of primary fire inspections conducted for fiscal year 2012 is due largely to how the inspections are now being counted; for prior years, each unit within a building was counted as a separate inspection, but starting in fiscal year 2012, an inspection for a building is counted as one, regardless of the number of units.

** The reduction in the number of Recreation class/program participants, facilities rentals and Silliman Activity Center use due to the eight-month closure of the Silliman Family Aquatic Center for the ceiling paint repair project.

Source: City of Newark
 Alameda County Library

CITY OF NEWARK
Capital Asset Statistics by Function/Program
Last Six Fiscal Years

Function/Program	Fiscal Year					
	2009	2010	2011	2012	2013	2014
Public safety:						
Fire stations	3	3	3	3	3	3
Police stations	1	1	1	1	1	1
Police patrol units	15	15	15	18	18	20
Public works:						
Miles of streets	105	105	105	105	105	105
Street lights	2,848	2,848	2,848	2,849	2,849	2,849
Traffic signals	43	43	43	43	43	43
Recreation:						
Community services:						
City parks	14	14	14	14	14	14
City parks acreage	124	124	124	124	124	124
Roadway landscaping acreage	56	56	56	56	56	56
Lake acreage	16	16	16	16	16	16
Community activity centers	2	2	2	2	2	2
Senior center	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1
Miscellaneous						
Library	1	1	1	1	1	1

Source: City of Newark