

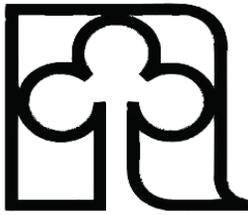
# City of Newark

Newark, California

## *Comprehensive Annual Financial Report*

*For the year ended June 30, 2019*

Prepared by:  
Finance Department  
Krysten Lee  
Finance Manager



CITY OF NEWARK  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i
Letter of Transmittal .....	v
Organization Chart .....	x
Newark Mayor and City Council .....	xi
List of City Officials .....	xii
Map of City's Location .....	xiii
Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officers Association .....	xiv
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities .....	17
Governmental Fund Financial Statements:	
Balance Sheet .....	18
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances .....	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities .....	24
Proprietary Fund Financial Statements:	
Statement of Net Position .....	25
Statement of Revenues, Expenses and Changes in Net Position .....	26
Statement of Cash Flows .....	27
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position .....	28
Statement of Changes in Fiduciary Net Position .....	29
Notes to Basic Financial Statements .....	31

CITY OF NEWARK  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR FISCAL YEAR ENDED JUNE 30, 2019

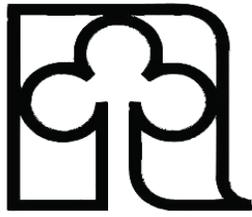
TABLE OF CONTENTS

	<u>Page(s)</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund .....	64
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual State Construction Maintenance Special Revenue Fund .....	65
Notes to Required Supplementary Information.....	66
Defined Benefit Pension Plan:	
Schedule of Changes in Net Pension Liability – Agent Multiple Employer Plan .....	68
Schedule of Plan Contributions – Agent Multiple Employer Plan .....	69
Schedule of Proportionate Share of the Net Pension Liability – Cost Sharing Plan.....	70
Schedule of Plan Contributions – Cost Sharing Plan .....	71
Other Post Employment Benefit Plan:	
Schedule of Changes in Net OPEB Liability and Related Ratios .....	72
Schedule of OPEB Contributions.....	73
<b>SUPPLEMENTARY INFORMATION:</b>	
Non-Major Governmental Funds:	
Combining Balance Sheet .....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	84
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Paramedic Tax .....	89
Alameda County Fire Fees .....	90
Police Grants.....	91
Community Development Maintenance Fees.....	92
Measure D – Recycling .....	93
Measure B – ACTC .....	94
Measure BB – ACTC.....	95
RMRA SB1 – Special Revenue .....	96
Hazardous Materials Program .....	97
Capital Projects Fund.....	98
Park Improvement.....	99
PEG Fees.....	100
Art in Public Places .....	101
Landscape and Lighting District.....	102

CITY OF NEWARK  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page(s)</u>
<b>SUPPLEMENTARY INFORMATION (CONTINUED)</b>	
Internal Service Funds:	
Combining Statement of Net Position .....	104
Combining Statement of Activities and Changes in Net Position .....	106
Combining Statement of Cash Flows .....	108
Agency Funds:	
Combining Statement of Assets and Liabilities .....	112
Combining Statement of Changes in Assets and Liabilities .....	113
<b>STATISTICAL SECTION</b>	
Net Position by Component .....	116
Changes in Net Position .....	117
Fund Balances of Governmental Funds .....	118
Changes in Fund Balances of Governmental Funds .....	119
Assessed Value and Estimated Actual Value of Taxable Property .....	120
Property Tax Rates .....	121
Principal Property Tax Payers .....	122
Property Tax Levies and Collections .....	123
Taxable Sales by Category .....	124
Ratio of Outstanding Debt by Type .....	125
Direct and Overlapping Governmental Activities Debt .....	126
Legal Bonded Debt Margin Information .....	127
Demographic and Economic Statistics .....	128
Principal Employers .....	129
Full-Time Equivalent City Government Employees by Function/Program .....	130
Operating Indicators by Function/Program .....	131
Capital Asset Statistics by Function/Program .....	132





## CITY OF NEWARK, CALIFORNIA

37101 Newark Boulevard • Newark, California, 94560-3976 • (510) 578-4000

March 30, 2020

*Honorable Mayor, Members of the City Council, and the Citizens of the City of Newark, California:*

I am pleased to present the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. Various financing covenants and rules associated with restricted funding sources require the City of Newark, California (City) to publish a complete set of audited financial statements presented in conformance with generally accepted accounting principles (GAAP). This report was prepared by the City's Finance Department to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control the City has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the City's financial statements are free of any material misstatements.

The independent certified public accounting firm, Lance, Soll and Lunghard Certified Public Accountants (LSL CPAs) has rendered its unmodified opinion on the City's financial statements for the year ended June 30, 2019. The independent auditor's report is presented at the front of the financial section of this CAFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the City of Newark, California**

The City of Newark, incorporated in 1955, is located on the eastern shores of San Francisco Bay at the end of the Dumbarton Bridge and in the northern part of Silicon Valley, fifteen miles north of San Jose, California. As of January 1, 2019, the City's population was estimated by the California Department of Finance at 48,712, approximately 2.9% of the total Alameda County population. The City occupies an area of approximately fourteen square miles.

The City is a general law city and operates under the Council-Manager form of government. Under this form of government, policy-making and legislative authority are vested in a five-member elected City Council consisting of the Mayor and four Council members. The Mayor and City Council are responsible for passing ordinances, adopting and amending the operating and capital budgets, appointing various committee members, and hiring both the City's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances established by the City Council, for overseeing the day-to-day operations of the City, and for appointing the various department heads.

The City provides a full range of municipal services to its citizens. These include police protection; construction and maintenance of streets, parks, storm drains, and other infrastructure; recreational activities and cultural events; planning, zoning, and other community development activities; and administrative services including information systems, finance, and human resources. Fire protection services are contracted from the Alameda County Fire Department.

The City's financial report includes all funds and activities of the City of Newark as the primary government and its component units. These component units are Public Financing Authority and the Newark Betterment Corporation. The Newark Public Financing Authority is a blended component unit because the governing board consists of all five members of the City Council. The Newark Betterment Corporation is a discrete component unit, and funds are not blended in with City funds.

A biennial operating budget and capital improvement plan are adopted by City Council resolution prior to July 1 of even number years. This serves as the foundation for Newark's financial planning and control. The City Council must approve all budget amendments and transfers between funds by resolution during the fiscal year. The City Council places the legal level of budgetary control at the department level. The City Manager is authorized to transfer unencumbered appropriations within a department within the same fund and is also authorized to assign funds from the unassigned fund balance per GASB 54.

### **Local Economy**

The City's geographic location in the San Francisco Bay Area (Bay Area) is a significant factor affecting its economic position. The City's healthy housing market and consumer spending continue to drive the local economy. In fiscal year 2018-2019, the City of Newark economy experienced a modest improvement similar to the rest of the State – as did other neighboring cities in the San Francisco Bay Area. The City's primary revenue sources, property tax, and sales tax continue to reflect a healthy community.

Since 2014, over 2600 new homes have been occupied or are under construction in Newark. Proposals to redevelop Newark's regional retail center under the NewPark Specific Plan are submitted and in review and will continue through fiscal year 2020. In Summer 2019, Staybridge Suites and Springhill Suites hotels opened adjacent to NewPark Mall and I-880, increasing total hotel rooms citywide to over 1600 rooms.

Several businesses continue to expand their Newark footprint, and several Peninsula-headquartered companies have chosen to open offices here in Newark to reduce the number of employees crossing the Bay.

New housing units being added to the assessor's roll, coupled with commercial developments in the community and higher property values, have led to a steady increase in local property tax revenues. Developments in the community, combined with increased consumer confidence and a strong labor market, have all contributed to the strengthening of the local economy.

Sales tax continues to increase but at a slower pace. Automobile sales have been lagging along with business-to-business transactions. Still, a strongly growing sector in the sales tax area is the county pool, where tax generated from online purchases is distributed. Voters approved Measure GG; a ½ cent sales tax is also providing an increase in general fund revenues.

Despite a thriving economy, the City faces similar challenges as do other local jurisdictions in California. Management is still cautious regarding the outlook for the future due to the continued growth of expenditures related to personnel costs and deferred infrastructure improvements. In addition, the State's continued policy to push services down to the local level without reallocating revenue to support service delivery is a continued challenge.

The City continues to be prudent with its financial resources by monitoring expenditures closely and maintaining sufficient reserves to help mitigate the City's budget should another recession scenario occur.

### **Long-Term Financial Planning**

The City established the General Fund Emergency Reserves, which is approximately 15% of the final operating expenditures, to be set aside for catastrophic events. This \$7.8 million is shown in the General Fund unassigned fund balance, but it is prudent fiscal policy to recognize that these funds are not intended for normal unanticipated expenditures.

The Fiscal Uncertainty Reserve was developed as a budget-balancing reserve, to mitigate a possible economic slowdown, recession, or other revenue losses. The Fund Balance Policy sets this reserve at 10% of the final operating expenditures. For fiscal year 2018-2019, the balance is \$5.2 million.

In early 2017, the City Council adopted a policy to establish a Pension and Other Post-Employment Benefits (OPEB) Reserve. The initial deposit into this reserve was \$5.0 million, and the ending balance for fiscal year 2018-2019 is \$10.8 million. This reserve was established to offset future pension, and OPEB required contributions as a result of the City opting to use a 20-year amortization schedule and not to use the ramp-up method for unfunded liabilities. These two choices can result in high year over year increases due to CalPERS changing methodology or CalPERS investment losses.

A Capital Project Reserve was established by the City to fund capital improvement projects. This reserve increases from surplus funds generated by the General Fund and proceeds from the sale of the City's capital assets. There were a budgeted transfer of \$5.2 million and impact fee revenues of \$3.2 million, bringing the reserves to \$25.1 million. Capital spending has continued to focus on asset preservation of the City's building, parks, streets, and fleet management, as well as risk management activities.

### **Relevant Financial Policies**

As mentioned above, in February of 2017, the City Council adopted a Pension and OPEB Reserve Policy. This policy established that the City would use 20-year amortization schedules for the payment of unfunded liabilities. The policy also acknowledges the changes to the discount rate that PERS has scheduled for the next several years and the effects this will have on the required contributions. The policy established a committed Reserve fund with an initial deposit of \$5.0 million. The reserve fund can be used for pension or OPEB costs.

### **Major Initiatives**

- ***Approval of Measure GG*** – In November 2016, Newark voters approved a ½ cent transaction tax (sales tax). This revenue will allow the City to move forward with the new Civic Center Project. The Project will include replacement of the existing facilities with a new police operation center, a new library, and a new City administration building.
- ***NewPark Place Specific Plan*** – The Specific Plan has been approved to provide guidelines for further revitalizing the surrounding NewPark Mall area, which is envisioned to include premier retail, restaurant, entertainment, residential, office, and community spaces.
- ***Citywide Parks Master Plan*** – **The** City Council has approved a Citywide Parks Master Plan. The Plan forms the framework for future park construction and improvements.
- ***Newark Pedestrian and Bicycle Master Plan*** – This long-range planning document provides a vision of Newark's future biking and walking environment. It is also a necessary tool that will allow the City to compete for discretionary local, State, and federal funding.

### **GASB 54**

The City is required to produce its financial statements in conformity with GASB 54. This GASB requirement concerns mainly the designation of fund balance into use categories. In addition, GASB Statement No. 54 clarifies how rainy-day amounts are reported by treating stabilization arrangements as a specified purpose. Please refer to Note 11 for more information.

### **GASB 68 & 71**

These accounting standards deal with reporting of pension liabilities. These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. These standards were designed to improve and provide transparency to the accounting, and financial reporting for state and local government defined benefit pension plans and to bring governmental employer accounting and reporting standards closer in line with private sector requirements. The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal year 2014-2015. In prior years, information on the pension liabilities was disclosed in the note disclosure and required supplementary information sections of the CAFR. With the implementation of GASB 68, the net pension liability is reported on the face of the Statement of Net Position, effectively reducing an entity's overall net position. Thus, GASB 68 changed the accounting and financial reporting requirements of pension obligations by reporting pension obligations not only on the note disclosure and required supplementary information sections but also on the face of the basic financial statements. GASB 68 affected the reporting and accounting "presentation" of the City's pension liability; however, it is not a new liability, and the City has been disclosing and is profoundly aware of this liability.

### **GASB 75**

Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions: The primary objective of this statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability, and inter-period equity, and creating additional transparency.

This statement replaced the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 75, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, established new accounting and financial reporting requirements for OPEB plans.

The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of State and local governmental employers. This statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity. The City has implemented GASB 75 in fiscal year 2017-2018.

### **GASB 88**

Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements: The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of the statement are effective for reporting periods beginning after June 15, 2018. The City will be implementing GASB Statement No. 88 for disclosures in the fiscal year 2018-2019 financial statements.

**Gann Limit vs. Appropriations Subject to Limit**

Proposition 4, the "Gann Initiative," was passed by California voters in 1978, and is intended to limit government appropriations. The Tax Appropriations Limit is based on actual appropriations during the State of California Fiscal Year 1978-79 and adjusted each year using population and inflation adjustment factors that have occurred in subsequent years.

On June 28, 2018, the City Council adopted Resolution No. 10815, establishing the Fiscal Year 2018-2019 Tax Appropriations Limit to \$376,055,491. The City's Tax Appropriations Limit was calculated using the percentage change in California per capita income as the price factor adjustment since the Local assessment roll data necessary to calculate the percentage change in the nonresidential assessed valuation is generally not available from the County Assessor's Office until well into the fiscal year. In the absence of final information on this important factor, it is recommended that the known California per capita personal income of 3.85 percent be adopted for Fiscal Year 2019-2020. For the population adjustment factor, it is recommended that the City's percent change in the population of 3.25 percent be adopted for Fiscal Year 2019-2020 since the higher percentage change in population is most advantageous to the City.

In accordance with Proposition 111 guidelines, and based on the above information, the proposed Fiscal Year 2019-2020 Tax Appropriations Limit is \$ 403,225,969. The 2019-2020 Biennial Budget appropriations subject to the limit are estimated to be well below the proposed Tax Appropriations Limit.

**Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized, comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirement, and we are submitting it to GFOA to determine its eligibility for another certificate.

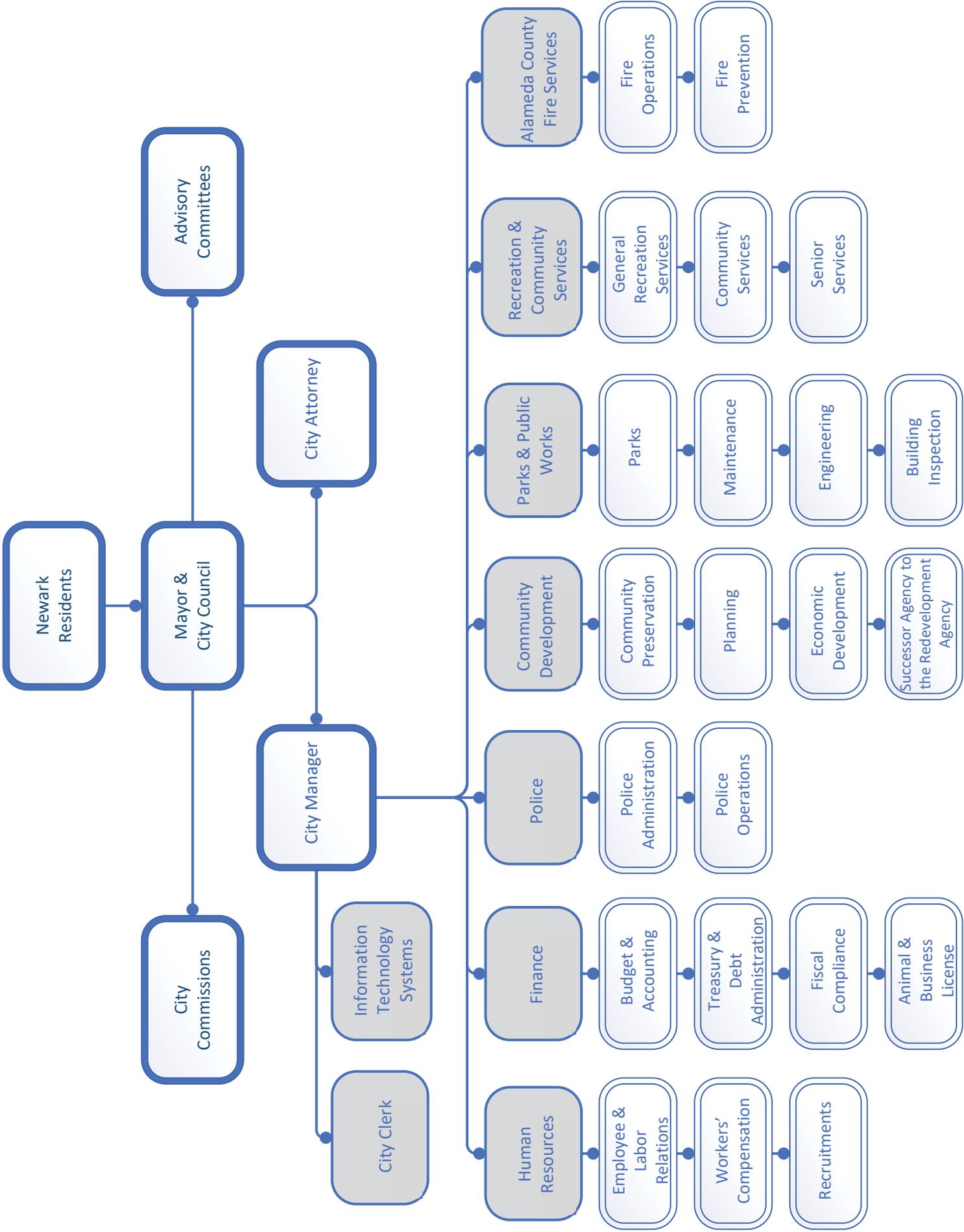
The preparation of the CAFR would not be possible without the dedicated efforts of the entire Finance Department staff. I would like to express special acknowledgment to our auditors LSL CPAs, for their cooperation and assistance.

Finally, sincere appreciation is expressed to the City Manager, the Mayor, and members of the City Council for their unfailing support for maintaining the highest standards of professionalism in review and management of the City's finances.

Respectfully submitted,



Krysten Lee  
Finance Manager



# Newark Mayor & City Council

June 30, 2019



Alan L. Nagy  
Mayor



Maria "Sucy" Collazo  
Vice Mayor



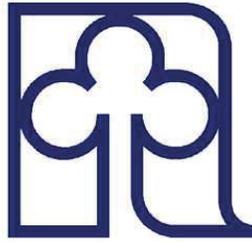
Michael K. Hannon  
Council Member



Mike Bucci  
Council Member



Luis L. Freitas  
Council Member



## **CITY STAFF**

June 30, 2019

CITY MANAGER  
**David Benoun**

CITY ATTORNEY  
**Kristopher Kokotaylo**

## **EXECUTIVE TEAM**

FINANCE MANAGER  
**Krysten Lee**

POLICE CHIEF  
**Michael Carroll**

PUBLIC WORK DIRECTOR  
**Soren Fajeau**

RECREATION & COMMUNITY SERVICES DIRECTOR  
**David Zehnder**

HUMAN RESOURCES DIRECTOR  
**Sandy Abe**

FIRE CHIEF (ALAMEDA CO. FIRE DEPARTMENT)  
**David Rocha**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Newark  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities each major fund, and the aggregate remaining fund information of the City of Newark, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, state construction maintenance special revenue fund, the schedule of changes in net pension liability and related ratios – agent multiple employer plan, the schedule of plan contributions – agent multiple employer plan, the schedule of proportionate share of the net pension liability – cost sharing plan, the schedule of plan contributions – cost sharing plan, the schedule of changes in net OPEB liability and related ratios, and the schedule of OPEB contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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



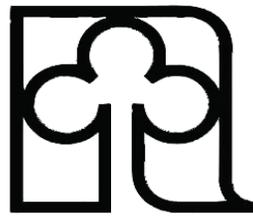
To the Honorable Mayor and Members of the City Council  
City of Newark, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Solt & Loughard, LLP*

Sacramento, California  
March 30, 2020





---

As management of the City of Newark (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. Summary reports showing comparisons of current financial information with that of the previous year are included to enhance the clarity and usefulness of the reports. To gain a broad perspective of the City and its financial activities, we encourage the reader to consider the information presented here, in conjunction with the information that we have provided in the letter of transmittal presented at the beginning of this report.

## **FINANCIAL HIGHLIGHTS**

### *Government-wide:*

- At June 30, 2019, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$167.6 million (net position). This is an increase of \$17.8 million from the prior fiscal year. Of this amount, \$31.1 million are restricted, and (\$9.1) million represents unrestricted net position.
- Government-wide revenues include program revenues of \$26 million and general revenues of \$58.6 million, an increase of \$10.2 million total revenues from the prior fiscal year.
- Government-wide expenses totaled \$66.8 million, an increase of \$4 million from the prior year's total of \$62.8 million.

### *Governmental Funds:*

- At the close of fiscal year 2018-2019, the City's governmental funds reported combined fund balances of \$113 million, an increase of \$19.4 million in comparison with the prior fiscal year.
- Governmental Fund revenues were \$84.7 million in fiscal year 2018-2019, increased by \$9.7 million from fiscal year 2018.
- Governmental Fund expenditures were \$64.7 million in fiscal year 2018-2019, an increase of \$3.9 million more than fiscal year 2018.
- Approximately 33% of the fund balance (\$36.8 million) is unassigned and available for spending at the government's discretion, although \$7.8 million is designated as catastrophic and \$5.2 million as fiscal uncertainty reserves. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) non-spendable form or legally required to be maintained intact (\$0.4 million), 2) restricted for specific purposes (\$31.1 million), 3) committed for specific purposes (\$13.6 million), or 4) assigned for specific purposes (\$31.2 million).



---

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which consists of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Basic Financial Statements. Required Supplementary Information is included in addition to the basic financial statements.

The Government-wide Financial Statements provide readers with a broad overview of the City's financial position and activities, using accounting methods similar to those in private-sector businesses. The Government-wide Financial Statements include the Statement of Net Position and the Statement of Activities.

- *The Statement of Net Position* - presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the residual amount reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- *The Statement of Activities* - provides information on how the City's net position changed during the most recent fiscal year. All revenues earned and expenses incurred during the fiscal year are reported in this statement, regardless of the timing of related cash flows.

The Government-wide Financial Statements only present governmental activities because the City does not have business-type activities. The governmental activities of the City include general government, public safety, streets and parks, community development, and recreation. Property and local taxes, investment earnings, charges for services, operating and capital grants, and contributions finance these activities.

### *Fund Financial Statements*

Funds are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund Financial Statements are used to report essentially the same functions as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as the available balances of spendable resources at the end of the fiscal year. This information may be useful in assessing the City's near-term financial requirements.

In order to better understand the City's long-term and near-term financial requirements, it is useful to compare the information presented for governmental funds with the information provided for governmental activities in the Government-wide Financial Statements. Both the governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City reports 21 governmental funds. The major governmental funds are the General Fund, State Construction Maintenance Special Revenue Fund, Housing Impact Fee Special Revenue Fund, Park



---

## **OVERVIEW OF THE FINANCIAL STATEMENTS, Continued**

### *Fund Financial Statements, Continued*

Improvement, and Capital Projects Fund, which are presented separately in the Governmental Fund Financial Statements. Information on the other governmental funds is combined into a single aggregated presentation as non-major governmental funds. Individual fund data for each non-major governmental fund is provided in the form of combining statements as supplementary information elsewhere in the report.

Proprietary funds of the City consist of the internal service funds. The internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Equipment Replacement, Equipment Operations, Office Support, Building Maintenance, Public Liability Self-Insurance, and Workers' Compensation functions. Because these services predominantly benefit governmental activities, they have been included within governmental activities in the Government-wide Financial Statements.

The City's six internal service funds are combined into a single aggregated presentation in the Proprietary Fund Financial Statements. Individual fund data for the internal service funds is provided in the form of combining statements as supplementary information elsewhere in the report.

Fiduciary funds are used to account for resources held for the benefit of parties external to the City. These funds are not included in the Government-wide Financial Statements because the resources of the fiduciary funds are not available to support the City's programs. The City's Fiduciary Fund Financial Statements provide financial information about the activities of the Special Assessment Districts, for which the City acts solely as an agent. The Redevelopment Agency Successor funds are also included in the Fiduciary Funds as Private Purpose Trust Funds after the dissolution of the Redevelopment Agency Funds as of January 31, 2012.

### *Notes to Basic Financial Statements*

The Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data presented in the Government-wide and Fund Financial Statements.

### *Supplementary Information*

The Required Supplementary Information includes budgetary comparison schedules for the General Fund, State Construction Maintenance Special Revenue Fund, and the funding progress of the City's pension plans.

Combined and individual fund statements and schedules provide information for non-major governmental and internal service funds and are presented immediately following the Required Supplementary Information.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table shows the condensed comparative Statement of Net Position for the fiscal years ended June 30, 2019 and 2018.

**Comparative Statements of Net Position**  
**June 30, 2019 and 2018**  
**(Amounts in Millions)**

	Governmental Activities	
	2019	2018
<b>Assets:</b>		
Cash and investments	\$121.2	\$97.1
Capital assets, net	153.6	151.7
Other assets	8.2	7.1
Total assets	<u>283.0</u>	<u>255.9</u>
Deferred outflow of resources	<u>18.4</u>	<u>22.6</u>
<b>Liabilities:</b>		
Long-term liabilities	117.4	117.4
Other Liabilities	12.1	7.9
Total liabilities	<u>129.5</u>	<u>125.3</u>
Deferred inflow of resources	<u>4.4</u>	<u>3.2</u>
<b>Net Position:</b>		
Net investment in capital assets	145.6	143.0
Restricted	31.1	43.0
Unrestricted	(9.1)	(36.0)
<b>Total net position - before restatement</b>	<u><b>\$167.6</b></u>	<u><b>\$150.0</b></u>
Restatement*		(0.3)
<b>Total net position - restated</b>	<u><b>\$167.6</b></u>	<u><b>\$149.8</b></u>

\* FY19 beginning balance has been restated to correct net position previously reported at June 30, 2018 and as discussed in Note 14

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$167.6 million (net position). The increase of \$17.8 million from the prior fiscal year is mainly due to the increase in Cash and Investments.

The City invested \$35 million into CAMP in which the interest and dividends helped increase cash and investment earnings for the year. In addition, the combination of increased funding for capital projects and an increase in general revenue with expenses relatively staying the same compared to the prior year, resulted in a bigger surplus this current fiscal year.

During the fiscal year 2019, the City made corrections that resulted in restatements (see Note 14) to beginning net position. This is summarized by the change in net position as recorded in the Statement of Activities, which flows through the Statement of Net Position.

The most significant portion of the City's net position, \$145.6 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related outstanding debt used in acquiring those assets. The City uses these capital assets to provide a variety of services to its residents;



**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay the outstanding debt must be provided from other sources since the capital assets cannot be used to liquidate the debt.

Another portion of the City's net position, \$31.1 million, are resources subject to external restrictions and may only be used for the purpose intended by the entities that provided these funds to the City.

The remaining balance of the City's net position of (\$9.1) million represents the unrestricted net position, which, if this was a positive amount, may be used to finance daily operations without constraints established by debt covenants or other legal requirements. This is currently reported as a deficit due to the recognition of the net pension liabilities as required by GASB 68 and due to the Net OPEB liabilities as required by GASB 75.

The following table shows the condensed comparative Statements of Activities and Changes in Net Position for the fiscal years ended June 30, 2019 and 2018.

**Comparative Statements of Activities and Changes in Net Position**  
**June 30, 2019 and 2018**  
(Amounts in Millions)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$20.1	\$17.2
Operating grants and contributions	0.9	0.6
Capital grants and contributions	5.0	2.8
<b>Total program revenues</b>	<u>26.0</u>	<u>20.6</u>
General revenues:		
Taxes:		
General property taxes	20.7	19.2
Sales tax	19.0	16.4
Franchise fees	4.0	3.8
Transient occupancy tax	6.7	6.4
Utility users tax	3.3	3.7
Others local taxes	2.2	2.3
Use of money and property	2.0	0.9
Miscellaneous	0.7	1.0
<b>Total general revenues</b>	<u>58.6</u>	<u>53.8</u>
<b>Total revenues</b>	<u>84.6</u>	<u>74.4</u>
<b>Expenses:</b>		
General government	6.7	6.1
Public safety:		
Fire	10.8	11.4
Police	24.0	21.8
Public works	16.8	8.6
Community development	2.2	6.9
Recreation	6.0	7.6
Interest on long-term debt	0.3	0.4
<b>Total expenses</b>	<u>66.8</u>	<u>62.8</u>
Increase (decrease) in net position	17.8	11.6
Net position - beginning	150.0	142.0
Restatement	(0.3)	(3.6)
Net position - beginning, restated*	149.8	138.4
<b>Net position - ending</b>	<u>\$167.6</u>	<u>\$150.0</u>

\* FY19 beginning balance has been restated to correct net position previously reported at June 30, 2018 and as discussed in Note 14



---

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The City's expenses totaled \$66.8 million in fiscal year 2018-2019. These expenses were offset by program revenues of \$26.0 million and general revenues of \$58.6 million, resulting in a \$17.8 million increase in net position.

*Program Revenues* – Program Revenues include fees and other specific charges designed to cover all or part of the costs of programs provided to the residents. Fiscal year 2018-2019 charges for services revenue was \$2.9 million higher compared to the prior fiscal year, which was due to an increase in revenue from zoning and housing impact fees. Community development maintenance fees were also categorized into charges for services this year, whereas in prior years were classified as Other Revenue. Revenue from operating grants and contributions had an increase this year as well due to strong motion fees and police grants. Capital Grants and Contributions were \$2.2 million higher. The surge was due to an increase in revenue from SB 1 gasoline tax and State Highway Users Tax.

*General Revenues* – Comprises of the largest source of revenue for the City, both the City's property tax revenues and sales tax revenues were higher by 8% and 16%, respectively, compared to the prior fiscal year. The assessed value of secured property in the City has continued to increase, resulting in higher property tax income. Sales tax increased by \$2.6 million due to an increase in consumer spending. Transient occupancy tax revenue also increased by 5%, which reflects the continued consumer confidence in the economy.

*Expenses* – Expenses increased in total by \$4.0 million. Most of this increase is the result of the construction of the new Civic Center, the rising development in the City, maintenance on streets, and pension costs.

## **FUND FINANCIAL ANALYSIS**

### *Governmental Funds*

The City's governmental funds provide information on short-term inflows, outflows, and balances of spendable resources. This information is useful in evaluating the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

On June 30, 2019, the City's governmental funds reported combined fund balances of \$113 million, an increase of \$19.4 million in comparison with the prior fiscal year. Approximately 33% of the fund balance amount (\$36.8 million) is unassigned and available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) non-spendable form or legally required to be maintained intact (\$0.4 million), 2) restricted for specific purposes (\$31.1 million), 3) committed for specific purposes (\$13.6 million), or 4) assigned for specific purposes (\$31.2 million). Further details of the fund balances can be found in Note 11 in the disclosures.

Governmental revenues in fiscal year 2018-2019 were \$84.7 million, an increase of \$9.7 million from fiscal year 2018. The increase in General Fund are primarily related to increases in property taxes and sales taxes due to the sustained economy and new development added to the tax roll. Transaction use tax generated \$5.7 million.



---

## **FUND FINANCIAL ANALYSIS, Continued**

### *Governmental Funds, Continued*

Other significant components of the increase are in the State Construction Maintenance Special Revenue Fund and Housing Impact Fee Special Revenue Fund.

Governmental expenditures in fiscal year 2018-2019 were \$64.7 million, an increase of \$3.9 million from the prior fiscal year. This increase was due to the construction of the new Civic Center, maintenance on streets, pension costs, and departmental restructuring that added several positions citywide.

### **General Fund**

The General Fund is the primary operating fund of the City. At June 30, 2019, the spendable assigned and unassigned fund balance of the General Fund was \$41.3 million, while total fund balance was \$52.5 million. The City Council has maintained operating reserves to provide the City a cushion for unexpected events, such as legal liability or costs associated with an unexpected disaster. The assigned fund balance also includes balances assigned for use in community development, equipment replacement, waste disposal, and the fire side fund.

The fund balance of the City's General Fund increased by \$8.5 million from fiscal year 2018. Revenues exceeded expenditures, including transfers out, by \$8.8 million. Transfers out were from the General Fund to the Capital Projects Funds, Debt Service Funds, and Park Improvement Fund.

### **State Construction Maintenance Special Revenue Fund**

The State Construction Maintenance Special Revenue Fund showed \$0.9 million of revenue over expenditures during fiscal year 2018-2019. The increase was from SB 1 gasoline tax and State Highway Users Tax. Fiscal year 2017-2018 was the first year that SB1 took effect and was only a partial year. Fiscal year 2018-2019 reflects the full year of revenue.

### **Capital Projects Fund**

The Capital Projects Fund showed a \$1.6 million deficiency of expenditures over revenue during fiscal year 2018-2019, mostly attributable to the construction of the new Civic Center. The net change in fund balance, however, was increased by \$3.2 million due to transfers in from the General Fund.

### *Proprietary Funds*

The City's proprietary funds consist of the Internal Service Funds with a combined total net position of \$7.1 million at the end of fiscal year 2018-2019. Total operating expenses of \$4.8 million were less than operating revenues of \$6.4 million. Adding transfers in of \$0.2 million from the General Fund, the result was a \$1.9 million increase in net position for the fiscal year.



## GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary comparison schedule for the General Fund is presented in the Required Supplementary Information.

Fiscal year 2018-2019 was the first year of the City's biennial budget, which was adopted on June 14, 2018. The General Fund revenue budget for fiscal year 2018-2019 was amended during the year by \$2.9 million. Actual revenues were \$1.2 million over the final amended budget and \$4 million over the original budget. This increase was primarily due to higher property tax assessed valuations and higher than anticipated sales tax revenue. Actual expenditures, excluding transfers out, for the fiscal year were \$5.7 million under the final amended budget and \$5.1 million under the original budget. The variances reflect a lower than anticipated volume of development activity, lower contract services, and vacancies in the departments.

## CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

### *Capital Assets*

The City's capital assets include those assets that are used in the performance of the City's services. At June 30, 2019, the City's capital assets used in governmental activities amounted to \$153.6 million, net of depreciation.

Capital assets for governmental activities are presented below to illustrate changes from prior fiscal year (amounts in millions):

	Governmental Activities	
	2019	2018
Land	\$ 4.4	\$ 4.4
Park land	30.1	30.1
Landscaping	8.7	8.7
Street trees	0.7	0.7
Construction in progress	8.3	5.4
Buildings and Improvements	44.5	44.3
Infrastructure:		
Streets	76.8	75.7
Sidewalks, curbs, gutters, and walls	17.2	16.2
Street lights	3.2	3.2
Traffic signals	3.9	3.9
Equipment	11.7	11.3
Less: accumulated depreciation	(55.9)	(52.2)
Total capital assets	<u>\$ 153.6</u>	<u>\$ 151.7</u>

Additional information on capital assets can be found in Note 4 to the Basic Financial Statements.



**CAPITAL ASSETS AND LONG-TERM OBLIGATIONS, Continued**

*Long-term Obligations*

On June 30, 2019, the City had long-term debt outstanding of \$8.0 million compared to \$8.6 million in the prior year. The City's long-term debt obligations at June 30, 2019 and 2018 were as follows (amounts in millions):

	Governmental Activities	
	2019	2018
Certificates of participation	\$ 2.20	\$ 2.20
Bank refunding	5.80	6.30
Capital lease obligations	0.02	0.10
Total	\$ 8.02	\$ 8.60

Not included in the above total outstanding debt amount is the Area Improvement District Special Assessment Bonds issued to finance public improvements within specific districts in the City. At June 30, 2019, a total of \$4.5 million in Area Improvement District debt was outstanding. This debt is secured by special assessments levied on the real property within the district issuing the debt. Although the City acts as the district's agent in the collection and remittance of assessments, the City is not obligated in any manner for repayment of these bonds.

Additional information on long-term obligations is provided in Note 5 to the Basic Financial Statements.

**ECONOMIC FACTORS AND CURRENT BIENNIAL BUDGET**

The City's adopted biennial budget for 2018-2020 recognized that:

- The economy will continue to be steady, but the imprint of the recession continues to play a role in future planning, making it prudent to continue using conservative projections and retaining emergency reserves.
- The Labor Compensation Agreements will expire in June 2019. The 2018-2020 budget document included salary increases for FY 2018-19 but did not include increases for FY 2019-20 which could result from newly negotiated agreements.
- Capital project expenditures will continue to focus on preserving City assets, meeting regulatory requirements, and safety issues. In addition, allocation of resources will be given to projects that improve service levels to the community, take advantage of outside funding matches, and implement community priorities.

Additional information about the City's economy and financial planning and policies is provided in the accompanying letter of transmittal in the Introductory Section of this report.



---

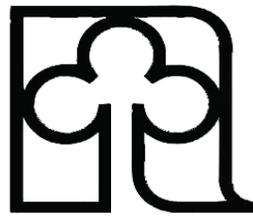
**REQUEST FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the City of Newark, Finance Department, 37101 Newark Boulevard, Newark, California 94560-3796.

## CITY OF NEWARK

STATEMENT OF NET POSITION  
JUNE 30, 2019

	<b>Governmental Activities</b>
<b>Assets:</b>	
Current Assets:	
Pooled cash and investments	\$ 121,183,403
Receivables:	
Accounts	185,610
Taxes	5,464,166
Special assessments	75,102
Accrued interest	415,783
Prepaid costs	72,482
Due from other governments	974,791
Inventories	169,072
Due from Successor Redevelopment Agency	184,225
Restricted assets:	
Cash with fiscal agent	636,305
Total Current Assets	<u>129,360,939</u>
Noncurrent Assets:	
Capital assets not being depreciated	52,176,182
Capital assets, net of depreciation	101,453,464
Total Noncurrent Assets	<u>153,629,646</u>
<b>Total Assets</b>	<b><u>282,990,585</u></b>
<b>Deferred Outflows of Resources:</b>	
Pension related amounts	17,754,455
OPEB related amounts	685,208
<b>Total Deferred Outflows         of Resources</b>	<b><u>18,439,663</u></b>
<b>Liabilities:</b>	
Current Liabilities:	
Accounts payable	6,988,043
Accrued liabilities	163,470
Accrued interest	29,995
Unearned revenue	680,822
Deposits payable	1,072,182
Compensated absences due in one year	1,773,955
Claims payable due in one year	817,422
Bonds payable due in one year	576,251
Total Current Liabilities	<u>12,102,140</u>
Noncurrent liabilities:	
Compensated absences due in more than one year	17,919
Claims payable due in more than one year	1,410,671
Bonds payable due in more than one year	7,450,555
Net pension liability	102,628,196
Net OPEB liability	5,898,668
Total Noncurrent Liabilities	<u>117,406,009</u>
<b>Total Liabilities</b>	<b><u>129,508,149</u></b>
<b>Deferred Inflows of Resources:</b>	
Pension related amounts	4,115,113
OPEB related amounts	253,798
<b>Total Deferred Inflows         of Resources</b>	<b><u>4,368,911</u></b>
<b>Net Position:</b>	
Net investment in capital assets	145,602,840
Restricted for:	
Community development projects	20,649,661
Special projects	686,101
Parks and recreation	1,786,015
Public works	2,377,776
Capital projects	4,877,380
Debt service	699,516
Unrestricted	(9,126,101)
<b>Total Net Position</b>	<b><u>\$ 167,553,188</u></b>



CITY OF NEWARK

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Total Governmental Activities
<b>Functions/Programs</b>					
Governmental Activities:					
General government	\$ 6,655,764	\$ 10,650	\$ 45,493	\$ -	\$ (6,599,621)
Public safety					
Fire	10,821,306	193,414	264,878	-	(10,363,014)
Police	24,011,513	1,182,376	174,934	-	(22,654,203)
Community development	2,172,541	7,421,705	405,819	135,318	5,790,301
Recreation and community services	6,017,348	5,899,092	-	1,083,585	965,329
Public works	16,837,273	5,367,411	-	3,811,718	(7,658,144)
Interest on long-term debt	329,645	-	-	-	(329,645)
<b>Total Governmental Activities</b>	<b>\$ 66,845,390</b>	<b>\$ 20,074,648</b>	<b>\$ 891,124</b>	<b>\$ 5,030,621</b>	<b>(40,848,997)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purpose					20,699,783
Transient occupancy taxes					6,717,286
Sales taxes					19,040,583
Franchise taxes					3,970,458
Utility users tax					3,289,168
Other taxes					2,161,783
Motor vehicle in lieu - unrestricted					22,784
Use of money and property					2,045,056
Other					686,329
<b>Total General Revenues</b>					<b>58,633,230</b>
Change in Net Position					17,784,233
Net Position at Beginning of Year, as previously reported					150,014,997
Restatement of Beginning Net Position					(246,042)
<b>Net Position at End of Year</b>					<b>\$ 167,553,188</b>

CITY OF NEWARK

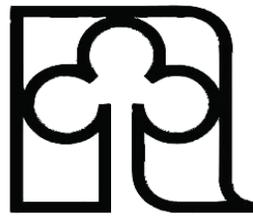
**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	General	Special Revenue Funds		Capital Projects Funds
		State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund
<b>Assets:</b>				
Pooled cash and investments	\$ 51,071,597	\$ 1,536,116	\$ 18,673,921	\$ 25,881,676
Receivables:				
Accounts	165,778	-	-	-
Taxes	5,230,214	77,716	-	-
Accrued interest	415,783	-	-	-
Special assessments	-	-	-	-
Prepaid costs	69,482	-	-	-
Due from other governments	392,561	36,579	-	-
Due from other funds	35,542	-	-	-
Inventories	115,670	-	-	-
Due from Successor Redevelopment Agency	184,225	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 57,680,852</b>	<b>\$ 1,650,411</b>	<b>\$ 18,673,921</b>	<b>\$ 25,881,676</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,324,534	\$ 145,670	\$ -	\$ 776,459
Accrued liabilities	162,563	-	-	-
Unearned revenues	680,822	-	-	-
Deposits payable	1,059,413	12,769	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>5,227,332</b>	<b>158,439</b>	<b>-</b>	<b>776,459</b>
<b>Fund Balances:</b>				
Nonspendable	369,377	-	-	-
Restricted	-	1,491,972	18,673,921	-
Committed	10,788,846	-	-	-
Assigned	4,516,725	-	-	25,105,217
Unassigned	36,778,572	-	-	-
<b>Total Fund Balances</b>	<b>52,453,520</b>	<b>1,491,972</b>	<b>18,673,921</b>	<b>25,105,217</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 57,680,852</b>	<b>\$ 1,650,411</b>	<b>\$ 18,673,921</b>	<b>\$ 25,881,676</b>

CITY OF NEWARK

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<u>Capital Projects Funds</u>		
	<u>Park Improvement</u>	<u>Other Governmental Funds</u>	
<b>Assets:</b>			
Pooled cash and investments	\$ 6,273,435	\$ 10,140,445	\$ 113,577,190
Receivables:			
Accounts	-	19,832	185,610
Taxes	-	156,236	5,464,166
Accrued interest	-	-	415,783
Special assessments	-	75,102	75,102
Prepaid costs	-	-	69,482
Due from other governments	-	537,601	966,741
Due from other funds	-	-	35,542
Inventories	-	-	115,670
Due from Successor Redevelopment Agency	-	-	184,225
Restricted assets:			
Cash and investments with fiscal agents	-	636,305	636,305
<b>Total Assets</b>	<b>\$ 6,273,435</b>	<b>\$ 11,565,521</b>	<b>\$ 121,725,816</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,173,251	\$ 299,840	\$ 6,719,754
Accrued liabilities	-	401	162,964
Unearned revenues	-	-	680,822
Deposits payable	-	-	1,072,182
Due to other funds	-	35,542	35,542
<b>Total Liabilities</b>	<b>2,173,251</b>	<b>335,783</b>	<b>8,671,264</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	369,377
Restricted	4,100,184	6,810,372	31,076,449
Committed	-	2,793,464	13,582,310
Assigned	-	1,625,902	31,247,844
Unassigned	-	-	36,778,572
<b>Total Fund Balances</b>	<b>4,100,184</b>	<b>11,229,738</b>	<b>113,054,552</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,273,435</b>	<b>\$ 11,565,521</b>	<b>\$ 121,725,816</b>



CITY OF NEWARK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

Fund balances of governmental funds		\$ 113,054,552
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		151,721,654
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (8,026,806)	
Compensated absences	<u>(1,791,874)</u>	(9,818,680)
Net pension liability not included in the governmental fund activity		(102,628,196)
Net OPEB liability not included in the governmental fund activity		(5,898,668)
Deferred outflows related to pension items are not included in the governmental fund activity		17,754,455
Deferred inflows to pension items are not included in the governmental fund activity		(4,115,113)
Deferred outflows related to OPEB items are not included in the governmental fund activity		685,208
Deferred inflows related to OPEB items are not included in the governmental fund activity		(253,798)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(29,995)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		
Pooled cash and investments	\$ 7,606,213	
Prepaid costs	3,000	
Due from other governments	8,050	
Inventories	53,402	
Capital assets, net of accumulated depreciation	1,907,992	
Accounts payable	(268,289)	
Accrued liabilities	(506)	
Claims payable	<u>(2,228,093)</u>	<u>7,081,769</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 167,553,188</u></b>

CITY OF NEWARK

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	General	Special Revenue Funds		Capital Projects Funds
		State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund
<b>Revenues:</b>				
Taxes	\$ 55,879,061	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	3,638,188	-	-	-
Intergovernmental	303,408	1,839,848	-	-
Charges for services	4,928,012	-	6,297,354	3,230,905
Use of money and property	1,017,659	49,989	300,983	488,246
Fines and forfeitures	965,802	-	-	-
Miscellaneous	511,065	-	-	-
<b>Total Revenues</b>	<b>67,243,195</b>	<b>1,889,837</b>	<b>6,598,337</b>	<b>3,719,151</b>
<b>Expenditures:</b>				
Current:				
General government	5,770,710	-	-	-
Public safety				
Fire	10,801,242	-	-	-
Police	20,771,736	-	-	-
Community development	1,441,208	-	-	-
Recreation and community services	5,348,141	-	-	-
Public works	8,044,475	345,051	-	4,551,128
Capital outlay	-	602,467	-	736,767
Debt service:				
Principal retirement	22,913	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>52,200,425</b>	<b>947,518</b>	<b>-</b>	<b>5,287,895</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,042,770	942,319	6,598,337	(1,568,744)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	5,177,128
Transfers out	(6,287,728)	-	-	(362,522)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,287,728)</b>	<b>-</b>	<b>-</b>	<b>4,814,606</b>
Net Change in Fund Balances	8,755,042	942,319	6,598,337	3,245,862
Fund Balances, Beginning of Year, as previously reported	43,944,520	549,653	12,075,584	21,859,355
Restatements	(246,042)	-	-	-
Fund Balances, Beginning of Year, as restated	43,698,478	549,653	12,075,584	21,859,355
<b>Fund Balances, End of Year</b>	<b>\$ 52,453,520</b>	<b>\$ 1,491,972</b>	<b>\$ 18,673,921</b>	<b>\$ 25,105,217</b>

CITY OF NEWARK

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Capital Projects Funds		Total Governmental Funds
	Park Improvement	Other Governmental Funds	
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 55,879,061
Special assessments	-	528,927	528,927
Licenses and permits	-	-	3,638,188
Intergovernmental	308,596	3,034,612	5,486,464
Charges for services	-	1,014,387	15,470,658
Use of money and property	-	141,814	1,998,691
Fines and forfeitures	-	-	965,802
Miscellaneous	-	175,264	686,329
<b>Total Revenues</b>	<b>308,596</b>	<b>4,895,004</b>	<b>84,654,120</b>
<b>Expenditures:</b>			
Current:			
General government	-	3,651	5,774,361
Public safety			
Fire	-	20,064	10,821,306
Police	-	198,722	20,970,458
Community development	-	416,585	1,857,793
Recreation and community services	-	206,196	5,554,337
Public works	-	91,100	13,031,754
Capital outlay	2,615,360	1,885,688	5,840,282
Debt service:			
Principal retirement	-	533,237	556,150
Interest and fiscal charges	-	329,765	329,765
<b>Total Expenditures</b>	<b>2,615,360</b>	<b>3,685,008</b>	<b>64,736,206</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,306,764)	1,209,996	19,917,914
<b>Other Financing Sources (Uses):</b>			
Transfers in	362,522	862,000	6,401,650
Transfers out	-	-	(6,650,250)
<b>Total Other Financing Sources (Uses)</b>	<b>362,522</b>	<b>862,000</b>	<b>(248,600)</b>
Net Change in Fund Balances	(1,944,242)	2,071,996	19,669,314
Fund Balances, Beginning of Year, as previously reported	6,044,426	9,157,742	93,631,280
Restatements	-	-	(246,042)
Fund Balances, Beginning of Year, as restated	6,044,426	9,157,742	93,385,238
<b>Fund Balances, End of Year</b>	<b>\$ 4,100,184</b>	<b>\$ 11,229,738</b>	<b>\$ 113,054,552</b>

CITY OF NEWARK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

---

Net change in fund balances - total governmental funds		\$ 19,669,314
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 5,553,549	
Depreciation	<u>(3,545,062)</u>	2,008,487
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments	<u>556,150</u>	556,150
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		1,541
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		28,432
Pension expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.		
		(6,328,513)
OPEB expenses recognized in accordance with GASB 75 not recognized in the governmental fund activity.		
		(1,751)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		(70,862)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.		
		<u>1,921,435</u>
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ 17,784,233</u></b>

CITY OF NEWARK

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>
<b>Assets:</b>	
Current:	
Pooled cash and investments	\$ 7,606,213
Prepaid costs	3,000
Due from other governments	8,050
Inventories	53,402
	<u>7,670,665</u>
<b>Total Current Assets</b>	
Noncurrent:	
Capital assets - net of accumulated depreciation	1,907,992
	<u>1,907,992</u>
<b>Total Noncurrent Assets</b>	
	<u>1,907,992</u>
<b>Total Assets</b>	
	<u>9,578,657</u>
<b>Liabilities:</b>	
Current:	
Accounts payable	268,289
Accrued liabilities	506
Claims payable, due within one year	817,422
	<u>1,086,217</u>
<b>Total Current Liabilities</b>	
Noncurrent:	
Claims payable, due in more than one year	1,410,671
	<u>1,410,671</u>
<b>Total Noncurrent Liabilities</b>	
	<u>1,410,671</u>
<b>Total Liabilities</b>	
	<u>2,496,888</u>
<b>Net Position:</b>	
Investment in capital assets	1,907,992
Unrestricted	5,173,777
	<u>7,081,769</u>
<b>Total Net Position</b>	
	<u>\$ 7,081,769</u>

CITY OF NEWARK

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues:</b>	
Interdepartmental charges	\$ 6,295,402
Miscellaneous	114,235
<b>Total Operating Revenues</b>	<b><u>6,409,637</u></b>
<b>Operating Expenses:</b>	
Personnel services	1,300,110
Materials and supplies	601,232
Contractual services	1,260,650
Utilities	708,480
Insurance claims and premiums	647,874
Depreciation expense	263,400
<b>Total Operating Expenses</b>	<b><u>4,781,746</u></b>
Operating Income (Loss)	<u>1,627,891</u>
<b>Nonoperating Revenues (Expenses):</b>	
Interest expense	(1,421)
Gain (loss) on disposal of capital assets	46,365
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>44,944</u></b>
Income (Loss) Before Transfers	1,672,835
Transfers in	<u>248,600</u>
Changes in Net Position	1,921,435
<b>Net Position:</b>	
Beginning of Year	<u>5,160,334</u>
<b>End of Fiscal Year</b>	<b><u>\$ 7,081,769</u></b>

CITY OF NEWARK

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2019

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from interfund service provided	\$ 6,295,402
Cash paid to suppliers for goods and services	(3,620,898)
Cash paid to employees for services	(1,299,604)
Cash received from (payments to) others	122,887
	<hr/>
<b>Net Cash Provided by Operating Activities</b>	<b>1,497,787</b>
	<hr/>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Cash transfers in	248,600
	<hr/>
<b>Net Cash Used by Non-Capital Financing Activities</b>	<b>248,600</b>
	<hr/>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	(198,581)
Principal paid on capital debt	(45,076)
Interest paid on capital debt	(1,421)
Proceeds from sales of capital assets	46,365
	<hr/>
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(198,713)</b>
	<hr/>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,547,674</b>
Cash and Cash Equivalents at Beginning of Year	6,058,539
	<hr/>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 7,606,213</b>
	<hr/>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ 1,627,891
	<hr/>
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>	
Depreciation	263,400
(Increase) decrease in due from other governments	8,652
(Increase) decrease in inventories	6,213
Increase (decrease) in accounts payable	(69,482)
Increase (decrease) in accrued liabilities	506
Increase (decrease) in unearned revenues	(1,900)
Increase (decrease) in claims and judgments	(337,493)
	<hr/>
<b>Total Adjustments</b>	<b>(130,104)</b>
	<hr/>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,497,787</b>
	<hr/>

CITY OF NEWARK

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2019

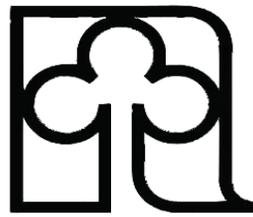
	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund RDA Successor Agency Funds</u>
<b>Assets:</b>		
Pooled cash and investments	\$ 4,442,535	\$ 125,788
Restricted assets:		
Cash and investments with fiscal agents	1,445	-
<b>Total Assets</b>	<b><u>4,443,980</u></b>	<b><u>125,788</u></b>
<b>Liabilities:</b>		
Unearned revenues	-	31,447
Due to City	-	184,225
Due to external parties/other agencies	4,443,980	-
<b>Total Liabilities</b>	<b><u>\$ 4,443,980</u></b>	<b><u>215,672</u></b>
<b>Net Position:</b>		
Held in trust for RDA Successor Funds		(89,884)
<b>Total Net Position</b>		<b><u>\$ (89,884)</u></b>

CITY OF NEWARK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2019

---

	<u>Private-Purpose Trust Fund RDA Successor Agency Funds</u>
<b>Additions:</b>	
Taxes	\$ 62,894
<b>Total Additions</b>	<u>62,894</u>
<b>Changes in Net Position</b>	<b>62,894</b>
Net Position - Beginning of the Year	<u>(152,778)</u>
<b>Net Position - End of the Year</b>	<u><b>\$ (89,884)</b></u>



NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

---

**Note 1: Summary of Significant Accounting Policies**

The basic financial statements of the City of Newark (City) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**a. Reporting Entity**

The financial statements of the City of Newark include the financial activities of the City as well as the financial activities of its component unit, which is the entity for which the City is financially accountable. The City Council serves as the governing board to the Newark Public Financing Authority. The Newark Public Financing Authority is controlled entirely by the City, which also performs all their administrative and accounting functions. Its financial activities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements.

In previous years, the Newark Betterment Corporation was presented as a discrete component unit, and reported as a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The Corporation is a separate legal entity whose purpose is to financially support various cultural, art, and music programs for the benefit of the residents of the City of Newark.

Effective June 30, 2014, the Newark Betterment Corporation will no longer be included in the City of Newark's financial statements to avoid confusion that the Newark Betterment Corporation is part of the City of Newark. Separate financial statements for the Newark Betterment Corporation may be obtained from the City of Newark.

The following entity is reported as a blended component unit:

**Newark Public Financing Authority (Authority)** – The Authority provides financing assistance to the City and has been included in these financial statements in the COPS Interest and Redemption Debt Service Fund. City Council serves as the governing board of the Authority. The Authority is controlled entirely by the City, which also performs all their administrative and accounting functions.

**b. Basis of Accounting, Measurement Focus, and Financial Statement Presentation**

**Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the City. Fiduciary activities of the City are not included in these statements.

These Government-Wide Financial Statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out
- Interfund charges

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

The City reports the following major governmental funds:

The General Fund – is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, utility users tax, licenses, permits and fines, and other charges for services. Expenditures are made for public safety and other services not required to be accounted for in another fund. The State CASp Fee Fund accounts for fees collected from business license applicants which are applied to the sale of business licenses and renewals. The local jurisdictions retain the majority of the funds for use within their jurisdiction and share a portion with DSA for program oversight. Senate Bill (SB) 1186 requires local jurisdictions to account for it in a separate fund. In previous years, these amounts were included in the General fund but as of fiscal year ending June 30, 2019, are categorized as a Special Revenue Fund.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

The State Construction Maintenance Special Revenue Fund – accounts for gas tax funds received from the State, Transportation Development Act funds received from the Metropolitan Transportation Commission, funds received from federal grants (ISTEA, HES), and developers. These funds are to be used for various street construction and maintenance projects.

The Housing Impact Fees Special Revenue Fund – accounts for fees collected into the City's affordable housing fund that are restricted for and to be used solely to increase and preserve the supply of housing affordable to households of very low, low, and moderate incomes.

The Capital Projects Fund – accounts for financial resources used in major capital acquisition and construction activities and in the renovation, replacement, and maintenance of the City's major capital assets.

The Park Improvement Fund – accounts for funds received from developers and grants to maintain City-owned parks.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the Balance Sheet and recognized as revenue.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Internal service fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

The Internal Service Funds – account for equipment replacement and operations, office support, building maintenance, and public liability and worker’s compensation self-insurance; all of which are provided to other departments on a cost-reimbursement basis.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements consist of a Statement of Changes in Net Position. The City’s fiduciary funds represent agency funds and do not involve measurement of results of operations. The fiduciary funds are accounted for using the accrual basis of accounting.

The City reports the following fiduciary funds:

The Agency Fund – accounts for assets held by the City as an agent for individuals, private organizations and other governments. The City’s agency fund accounts for the assets held by the City as an agent for the Area Improvement District. The financial activities of this fund are excluded from the Government-Wide Financial Statement but are presented in separate Fiduciary Fund Financial Statements.

The Successor Redevelopment Agency Private Purpose Trust Fund – accounts for assets held by the City for the Successor Redevelopment Agency fund.

**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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

**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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

**h. Capital Assets**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

**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 insurance, 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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**I. 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.

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 Statement 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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

**m. New Accounting Pronouncements**

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

**Note 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, 2019:

	Government-Wide Statement of Net Position		Fiduciary Funds Statement of Net Position	Total
	Governmental Activities			
Cash and investments	\$ 121,183,403	\$ 4,568,323	\$ 125,751,726	
Restricted cash and investments	636,305	1,445	637,750	
<b>Total</b>	<b>\$ 121,819,708</b>	<b>\$ 4,569,768</b>	<b>\$ 126,389,476</b>	

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

---

**Note 2: Cash and Investments (Continued)**

At June 30, 2019, 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	25,299,632
Total deposits	<u>25,306,032</u>
Investments:	
California Local Agency Investment Fund	65,000,000
California Asset Management Program	35,445,694
Total investments	<u>100,445,694</u>
Total City Treasury	<u>125,751,726</u>
Cash and Investment with Fiscal Agents:	
Money market funds	637,750
Total Restricted Cash and Investments	<u>637,750</u>
Total Cash and Investments	<u>\$ 126,389,476</u>

**a. Deposits**

The carrying amount of the City's cash deposit was \$25,299,632 at June 30, 2019. Bank balances and petty cash before reconciling items were \$26,051,307 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 percent 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 percent 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.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

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
California Asset Management Program	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

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 Asset Management Program	None	None
California Local Agency Investment Fund	None	None
Investment approved by Municipal Bond Insurer	None	None

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 2: Cash and Investments (Continued)****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, 2019:

Investment Type	Totals	Remaining Maturity
		(in Months)
		12 Months or Less
LAIF	\$ 65,000,000	\$ 65,000,000
CAMP	35,445,694	35,445,694
Money market funds	637,750	637,750
	<u>\$ 101,083,444</u>	<u>\$ 101,083,444</u>

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 percent 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. The City's investment in California Agency Investment Funds is not rated.

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, 2019, 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, 2019, the City had \$65,000,000 invested in LAIF, which had invested 1.77 percent 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 1.00171179 to the total investments held by LAIF.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 2: Cash and Investments (Continued)**

**e. California Asset Management Program**

The City participates in the California Asset Management Program (CAMP). CAMP was established in 1989 and has been providing professional investment services to California public agencies. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). The Pool is managed to earn a high rate of return while preserving principal, providing liquidity and seeking a stable net asset value of \$1.00. Similar to any type of investments, there are several factors such as interest risk, market risk, and etc. that could affect the Pool's performance.

As of June 30, 2019, the City had \$35,455,694 invested in CAMP.

**f. Investment Valuation**

Investments (except for money market accounts, time deposits, external investment pools, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investment in the State of California Local Agency Investment Fund (LAIF), the California Asset Management Program (CAMP) and money market funds are not subject to leveling disclosure.

**Note 3: Interfund Transactions**

**a. Transfers In/Out**

Transfers in/out for the year ended as of June 30, 2019, were as follows:

	Transfers In				Total
	Capital Projects Fund	Park Improvement Fund	Nonmajor Governmental Funds	Internal Service Funds	
<b>Transfers Out</b>					
General Fund	\$ 5,177,128	\$ -	\$ 862,000	\$ 248,600	\$ 6,287,728
Capital Projects Fund	-	362,522	-	-	362,522
<b>TOTAL</b>	<u>\$ 5,177,128</u>	<u>\$ 362,522</u>	<u>\$ 862,000</u>	<u>\$ 248,600</u>	<u>\$ 6,650,250</u>

Transfers to the General Fund from the Capital Projects Fund were to fund the construction of the Sportsfield Park project.

Transfers from the General Fund to the Capital Projects Fund were to fund services approved in the Service Restoration Plan for Utility Users Tax revenue as well as the new Civic Center.

Transfers from the General Fund to the Internal Service Funds were to fund services approved in the Service Restoration Plan for Utility Users Tax revenue.

**CITY OF NEWARK**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 3: Interfund Transactions (Continued)**

**b. Due to/from other funds**

<u>Due to other funds</u>	<u>Due from other funds</u>	
	General Fund	
Non-Major Governmental Fund	\$	35,542
<b>Total</b>	\$	<b>35,542</b>

The amounts due to the General Fund from other funds represent reclassified temporary negative cash balances. Current interfund balances arise in the normal course of operations and are expected to be repaid shortly after the end of the fiscal year.

**Note 4: Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Transfers	Additions	Deletions	Balance June 30, 2019
Governmental activities:					
Nondepreciable assets:					
Land	\$ 4,384,073	\$ -	\$ -	\$ -	\$ 4,384,073
Park land	30,107,748	-	-	-	30,107,748
Landscaping	8,684,784	-	-	-	8,684,784
Street trees	739,733	-	-	-	739,733
Construction in progress	5,362,446	(1,015,676)	3,913,074	-	8,259,844
Total nondepreciable assets	49,278,784	(1,015,676)	3,913,074	-	52,176,182
Depreciable assets:					
Buildings and land improvements	44,262,213	240,942	11,922	-	44,515,077
Infrastructure					
Streets	75,677,199	226,486	923,908	-	76,827,593
Sidewalks, curbs, gutters and walls	16,204,763	548,248	400,050	-	17,153,061
Street lights	3,249,607	-	-	-	3,249,607
Traffic signals	3,936,784	-	-	-	3,936,784
Machinery and equipment	11,265,690	-	503,176	38,506	11,730,360
Total depreciable assets	154,596,256	1,015,676	1,839,056	38,506	157,412,482
Less accumulated depreciation:					
Buildings and improvements	(14,657,454)	-	(734,506)	-	(15,391,960)
Infrastructure					
Streets	(19,571,621)	-	(1,961,807)	-	(21,533,428)
Sidewalks, curbs, gutters and walls	(4,512,225)	-	(474,558)	-	(4,986,783)
Street lights	(1,421,550)	-	(129,781)	-	(1,551,331)
Traffic signals	(3,570,010)	-	(54,020)	-	(3,624,030)
Machinery and equipment	(8,456,202)	-	(453,790)	38,506	(8,871,486)
Total accumulated depreciation	(52,189,062)	-	(3,808,462)	38,506	(55,959,018)
Net depreciable assets	102,407,194	1,015,676	(1,969,406)		101,453,464
<b>Governmental activities capital assets, net</b>	<b>\$ 151,685,978</b>	<b>\$ -</b>	<b>\$ 1,943,668</b>	<b>\$ -</b>	<b>\$ 153,629,646</b>

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 4: Capital Assets (Continued)**

Depreciation expense was charged to various governmental functions as follows:

General Government	\$ 99,664
Public Safety	244,753
Public Works	2,664,134
Community Development	80,977
Recreation and Community Services	455,534
Internal Service Funds	263,400
<b>Total Depreciation</b>	<b><u>\$ 3,808,462</u></b>

**Note 5: Long-term Debt**

The City's long-term debt is comprised the following at June 30, 2019:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Amounts Due Within One Year	Amounts Due in More than One Year
<b>Governmental Activities:</b>						
Direct Borrowings:						
2012 Bank refinancing \$9,703,757; 3.5% due 2028	\$ 6,300,949	\$ -	\$ (533,237)	\$ 5,767,712	\$ 557,157	\$ 5,210,555
2002 Certificates of Participation \$9,925,000; 2-5% due 2032	2,240,000	-	-	2,240,000	-	2,240,000
Capital Lease Obligation Equipment lease, due 2019	45,076	-	(45,076)	-	-	-
Capital Lease Obligation Equipment lease, due 2020	42,007	-	(22,913)	19,094	19,094	-
<b>Total</b>	<b><u>\$ 8,628,032</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (601,226)</u></b>	<b><u>\$ 8,026,806</u></b>	<b><u>\$ 576,251</u></b>	<b><u>\$ 7,450,555</u></b>

**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 percent 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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 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 principal payments are due annually on June 1 until June 1, 2032, starting in fiscal year 2004. Interest at rates of 2.0-5.0 percent 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 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 until 2020. Ownership of the armored vehicle reverts to the City at the end of the lease.

On June 12, 2014, the City entered into a lease-purchase agreement in the amount of \$212,017 with Leasing 2, Inc. to acquire a new street sweeper. Annual lease payments of \$46,497 are due on June 12 until 2019. Ownership of the street sweeper 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
2020	\$ 576,251	\$ 309,037
2021	575,340	289,379
2022-2026	3,195,894	1,127,368
2027-2031	3,079,321	544,293
2032-2036	600,000	30,000
Total	<u>\$ 8,026,806</u>	<u>\$ 2,300,077</u>

**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 \$8,262,257 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, 2019, the remaining balance outstanding on these bonds was \$4,452,355.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

**Note 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 position.

Changes in compensated absences for the fiscal year ended June 30, 2019 were as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year	Due in More than One Year
Governmental Activities	\$ 1,820,306	\$ 1,657,746	\$ (1,686,178)	\$ 1,791,874	\$ 1,773,955	\$ 17,919

**Note 7: Defined Benefit Pension Plans**

**a. Summary of Pension Plan Balances**

Pension related balances presented on the Statement of Net Position as of June 30, 2019 by individual plan are described in the following table. In previous years, of the governmental funds, the General Fund was used to liquidate pension liabilities:

	Deferred Employer Contributions	Deferred Outflows - Pension	Net Pension Liability	Deferred Inflows - Pension	Pension expense
CALPERS Miscellaneous					
Agent Multiple Employer Plan	\$ 3,231,257	\$ 4,768,885	\$ 40,819,004	\$ 430,615	\$ 6,414,144
CALPERS Safety					
Cost Sharing Plan	5,046,191	12,985,570	61,809,192	3,684,498	8,191,817
<b>Total</b>	<u>\$ 8,277,448</u>	<u>\$ 17,754,455</u>	<u>\$ 102,628,196</u>	<u>\$ 4,115,113</u>	<u>\$ 14,605,961</u>

**b. CalPERS Plan**

**General Information about the Pension Plan**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan, administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. All safety qualified permanent and probationary employees are eligible to participate in the City's Safety Plan, a cost-sharing multiple-employer defined benefit pension plan, administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers.

Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**
**Note 7: Defined Benefit Pension Plan (Continued)**

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits (age 52 for Miscellaneous PEPRA members). All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>Miscellaneous Classic</u>	<u>Miscellaneous PEPRA</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age <sup>(1)</sup>	50	52
Monthly benefits, as a % of annual salary	2.50% at age 55	2.00% at age 62
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	9.099%	11.986%
Required UAL payment	\$ 2,687,458	\$ -

	<u>Safety Classic</u>	<u>Safety PEPRA</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age <sup>(1)</sup>	50	50
Monthly benefits, as a % of annual salary	3.00% at age 50	2.70% at age 57
Required employee contribution rates	9.00%	11.50%
Required employer contribution rates	20.556%	12.14%
Required UAL payment	\$ 4,056,794	\$ 2,389

(1) Members with five or more years of PERS service are eligible to retire at age 50 with statutorily reduced benefits (age 52 for MISC PEPRA members).

**Employees Covered** – At June 30, 2019, the following employees were covered by the benefit terms for the Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	203
Inactive employees entitled to but not yet receiving benefits	202
Active employees	123
Total	<u>528</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 7: Defined Benefit Pension Plan (Continued)**

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

**Net Pension Liability**

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

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Mortality <sup>(1)</sup>	Derived using CALPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.55% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

<sup>(1)</sup> The mortality table used was developed based on CALPERS' specific data. The table includes 15 years of mortality improvements using society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**Change of Assumptions** – In 2018, demographic assumptions and inflation rates were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018.

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

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 7: Defined Benefit Pension Plan (Continued)**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

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

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

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
<b>Balance at June 30, 2017 (MD)</b>	\$ 112,068,003	\$ 71,364,751	\$ 40,703,252
<b>Changes in the year:</b>			
Service cost	1,958,908	-	1,958,908
Interest on the total pension liability	7,893,622	-	7,893,622
Differences between actual and expected experience	1,112,052	-	1,112,052
Changes in assumptions	(761,857)	-	(761,857)
Net plan to plan resource movement	-	(176)	176
Contribution - employer	-	3,091,582	(3,091,582)
Contribution - employee	-	1,232,724	(1,232,724)
Net Investment income	-	6,085,231	(6,085,231)
Benefit payments, including refunds of employee contributions	(5,994,674)	(5,994,674)	-
Administrative expenses	-	(111,206)	111,206
Other miscellaneous income/(expense)	-	(211,182)	211,182
<b>Net changes</b>	<u>4,208,051</u>	<u>4,092,299</u>	<u>115,752</u>
<b>Balance at June 30, 2018 (MD)</b>	<u>\$ 116,276,054</u>	<u>\$ 75,457,050</u>	<u>\$ 40,819,004</u>

As of June 30, 2019, the City reported a net pension liability of \$61,809,192 for its proportionate share of the net pension liability of the safety plan.

The City's proportionate share of the net pension liability of the safety risk pool for the safety plan as of measurement dates June 30, 2017 and 2018 were as follows:

Proportion - June 30, 2017	1.024669%
Proportion - June 30, 2018	<u>1.053407%</u>
Change - Increase (Decrease)	<u>0.028738%</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

---

**Note 7: Defined Benefit Pension Plan (Continued)**

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

	<b>Miscellaneous Plan</b>	<b>Safety Plan</b>
1% Decrease	6.15%	
Net Pension Liability	\$ 55,541,797	\$ 87,445,443
Current Discount Rate	7.15%	
Net Pension Liability	\$ 40,819,004	\$ 61,809,192
1% Increase	8.15%	
Net Pension Liability	\$ 28,588,930	\$ 40,804,875

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

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 7: Defined Benefit Pension Plan (Continued)**

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

For the year ended June 30, 2019, the City recognized pension expense of \$6,414,144 and \$8,191,817, for the Miscellaneous and Safety plan, respectively. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Miscellaneous Plan</b>		
Pension contributions subsequent to measurement date	\$ 3,231,257	\$ -
Differences between actual and expected experience	641,409	-
Changes in assumptions	787,949	430,615
Net differences between projected and actual earnings on pension plan investments	108,270	-
<b>Total</b>	<b>\$ 4,768,885</b>	<b>\$ 430,615</b>
<b>Safety Plan</b>		
Pension contributions subsequent to measurement date	\$ 5,046,191	\$ -
Differences between actual and expected experience	1,328,072	5,038
Changes in assumptions	6,064,559	818,217
Net differences between projected and actual earnings on pension plan investments	418,479	-
Adjustment due to differences in proportions	128,269	2,218,380
Difference in proportionate share	-	642,863
<b>Total</b>	<b>12,985,570</b>	<b>3,684,498</b>
<b>Total All Plans</b>	<b>\$ 17,754,455</b>	<b>\$ 4,115,113</b>

\$3,231,257 and \$5,046,191 for the Miscellaneous and Safety plan, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Measurement Period Ending June 30,	Deferred Outflow/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2019	\$ 1,863,387	\$ 4,482,805	\$ 6,346,192
2020	224,287	2,275,948	2,500,235
2021	(768,200)	(2,075,751)	(2,843,951)
2022	(212,461)	(428,121)	(640,582)
<b>Total</b>	<b>\$ 1,107,013</b>	<b>\$ 4,254,881</b>	<b>\$ 5,361,894</b>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

---

**Note 8: Other Post-Employment Benefits**

**a. Plan Description**

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 percent "unequal method." The City currently pays for the cost of the retiree PEHMCA funded CERBT and are paying the annual required contribution of the employer (ARC).

**b. Employees Covered**

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Retiree Health Plan:

Inactive employees or beneficiaries currently receiving benefits	82
Inactive employees entitled to but not yet receiving benefits	101
Active Employees	175
Total	<u>358</u>

**c. Contribution**

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. However, during fiscal year 2017, the City joined the California Employers' Retiree Benefit Trust Program to prefund OPEB obligations of the City.

For the measurement period 2017-2018 the City contributed \$354,000, including \$97,000 in implicit rate subsidy and a \$257,000 deposit to CERBT

**d. Net OPEB Liability/Actuarial methods and assumptions:**

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB Liability used to calculate the net OPEB liability was determined by actuarial valuation dated June 30, 2017 actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Contribution Policy	Contributes full ADC
Projected Salary Increase	3.25%
Assumed wage Inflation	3.00%
Investment Rate of Return	6.75%
Mortality	MacLeod Watts Scale 2017
Post Retirement Benefit Increase	MacLeod Watts Scale 2017
Healthcare cost trend rates	5.00% to 7.50%

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

**Note 8: Other Post-Employment Benefits (Continued)**

**e. Discount Rate**

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefits payments to determine the total OPEB liability.

**f. Changes in the net OPEB Liability**

The changes in the net OPEB liability for the OPEB plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/ (Asset)
<b>Balance at June 30, 2017 (MD)</b>	\$ 7,243,779	\$ 1,675,942	\$ 5,567,837
<b>Changes in the year:</b>			
Service cost	339,211	-	339,211
Interest on Total OPEB Liability	387,888	-	387,888
Changes in assumptions	103,950	-	103,950
Changes in benefit terms	-	-	-
Contribution - employer	-	354,000	(354,000)
Investment experience	-	23,308	(23,308)
Net investment income	-	126,130	(126,130)
Administrative expenses	-	(1,002)	1,002
Other expenses	-	(2,218)	2,218
Benefit payments, including refunds of employee contributions	(223,221)	(223,221)	-
<b>Net changes</b>	<u>607,828</u>	<u>276,997</u>	<u>330,831</u>
<b>Balance at June 30, 2018 (MD)</b>	<u>\$ 7,851,607</u>	<u>\$ 1,952,939</u>	<u>\$ 5,898,668</u>

**g. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2018:

	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
Net OPEB Liability	\$ 6,866,104	\$ 5,898,668	\$ 5,087,595

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 8: Other Post-Employment Benefits (Continued)**

**h. Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates**

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2018:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB Liability	\$ 4,833,756	\$ 5,898,668	\$ 7,399,985

**i. Recognition of Deferred Outflow and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) of all members

**j. OPEB Expense and Deferred Outflows/ (Inflows) of Resources Related to OPEB**

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$578,368. For the fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 576,617	\$ -
Changes in assumptions	108,591	201,887
Net differences between projected and actual earnings on plan investments	-	51,911
Total	<u>\$ 685,208</u>	<u>\$ 253,798</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

---

**Note 8: Other Post-Employment Benefits (Continued)**

The \$576,617 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	
2020	\$ (25,821)
2021	(25,821)
2022	(25,819)
2023	(14,730)
2024	(10,070)
Thereafter	(42,946)

**Note 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.

Prior to July 2018, the City participated in ABAG Plan Corporation. In 2017, Pooled Liability Assurance Network Joint Powers Agency (PLAN JPA) was established, and on July 1, 2018, replaced the ABAG PLAN. PLAN JPA provides liability insurance coverage, claims and risk management to its participating members. PLAN JPA 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, 2019, the City paid PLAN JPA \$558,262 in premiums. PLAN JPA has not determined the value of the City's interest in its net position. Financial statements may be obtained from PLAN JPA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

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, 2019, the City contribution was \$254,317. Audited financial statements may be obtained from Bickmore Risk Services, 1831 K Street, Sacramento, California 95814.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 9: Risk Management (Continued)**

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.

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

	2019			2018	2017
	General Liability Claims	Workers' Compensation Claims	Total		
Liability at beginning of fiscal year	\$ 472,257	\$ 2,093,329	\$ 2,565,586	\$ 3,192,449	\$ 2,830,212
Claims and changes in estimates	431,494	(254,547)	176,947	311,039	1,738,614
Claims payments	(84,878)	(429,562)	(514,440)	(937,902)	(1,376,377)
Liability at end of fiscal year	818,873	1,409,220	2,228,093	2,565,586	3,192,449
Current Portion	\$ 214,498	\$ 602,924	\$ 817,422	\$ 732,747	\$ 722,972

**Note 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 year ending June 30, 2019, the outstanding loan from the City to the Redevelopment Successor Agency was \$184,225.

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

Note 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, 2019 is as follows:

Major Governmental Funds							
	General Fund	State Construction Maintenance Special Revenue Fund	Housing Impact Fee Special Revenue Fund	Capital Projects Fund	Park Improvement	Other Government Funds	Total
<b>Fund Balances</b>							
<b>Nonspendable fund balance:</b>							
Supplies and other assets	\$ 185,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,152
Due from Successor Redevelopment Agency	184,225	-	-	-	-	-	184,225
	<u>369,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,377</u>
<b>Restricted fund balance for:</b>							
Public safety	-	-	-	-	-	650,009	650,009
Community development	-	-	18,673,921	-	-	93,054	18,766,975
Highway and streets	-	1,491,972	-	-	-	2,671,819	4,163,791
Recycling programs	-	-	-	-	-	688,174	688,174
Health and welfare	-	-	-	-	-	36,092	36,092
Park improvement	-	-	-	-	4,100,184	-	4,100,184
PEG activities	-	-	-	-	-	777,196	777,196
Debt reserves	-	-	-	-	-	699,516	699,516
Landscape and lighting	-	-	-	-	-	1,194,512	1,194,512
	<u>-</u>	<u>1,491,972</u>	<u>18,673,921</u>	<u>-</u>	<u>4,100,184</u>	<u>6,810,372</u>	<u>31,076,449</u>
<b>Committed fund balance for:</b>							
General city plan development	-	-	-	-	-	2,793,464	2,793,464
Pension/OPEB Reserves	10,788,846	-	-	-	-	-	10,788,846
	<u>10,788,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,793,464</u>	<u>13,582,310</u>
<b>Assigned fund balance for:</b>							
Fire side fund	440,000	-	-	-	-	-	440,000
Equipment replacement	3,100,000	-	-	-	-	-	3,100,000
Community development	903,542	-	-	-	-	-	903,542
Waste disposal program	73,183	-	-	-	-	-	73,183
Art in public places	-	-	-	-	-	1,625,902	1,625,902
Capital assets acquisition	-	-	-	25,105,217	-	-	25,105,217
	<u>4,516,725</u>	<u>-</u>	<u>-</u>	<u>25,105,217</u>	<u>-</u>	<u>1,625,902</u>	<u>31,247,844</u>
<b>Unassigned fund balance</b>							
Catastrophic contingencies	7,830,064	-	-	-	-	-	7,830,064
Fiscal uncertainty	5,220,043	-	-	-	-	-	5,220,043
Unallocated	23,728,465	-	-	-	-	-	23,728,465
	<u>36,778,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,778,572</u>
<b>Total Fund Balances</b>	<b>\$ 52,453,520</b>	<b>\$ 1,491,972</b>	<b>\$ 18,673,921</b>	<b>\$ 25,105,217</b>	<b>\$ 4,100,184</b>	<b>\$ 11,229,738</b>	<b>\$ 113,054,552</b>

CITY OF NEWARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

---

**Note 12: Construction and Other Significant Commitments**

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

	Project Authorizations	Expenditures	Unexpended Authorizations
Park Construction	\$ 6,577,957	\$ 2,600,409	\$ 3,977,548
Street Construction	4,317,163	2,246,194	2,070,969
Capital Improvements	72,384,878	4,751,666	67,633,212

The City had no significant encumbrances outstanding as of June 30, 2019.

**Note 13: Deficit Fund Balance**

As of June 30, 2019, no nonmajor funds of the City report a deficit fund balance/net position.

**Note 14: Restatement Net Position and Fund Balance**

The City restated the General Fund balance and governmental activities net position that was previously reported at June 30, 2018 by \$246,042. This restatement was related to correction needed pertaining to Utility Users Tax Revenue.

**Note 15: Subsequent Events**

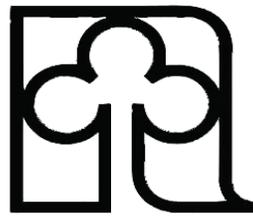
*Issuance of Debt*

In August 2019, the City issued 2019 Certificates of Participation in the amount of \$63,345,000 to refund certain outstanding obligations of the City and finance a portion of the costs of construction of the new civic center facility.

*COVID-19 Pandemic*

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China, and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, have declared a state of emergency.

Potential impacts to our future tax revenues include disruptions or restrictions on our current employees' ability to work. Any of the foregoing could negatively impact our revenues and we currently can't anticipate all of the ways in which this health epidemic, COVID-19, could adversely impact our government agency. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on our government agency, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.



**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF NEWARK

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 52,895,700	\$ 52,995,700	\$ 55,879,061	\$ 2,883,361
Special assessments	240,000	240,000	-	(240,000)
Licenses and permits	3,711,000	4,573,669	3,638,188	(935,481)
Intergovernmental	265,000	265,000	303,408	38,408
Charges for services	4,373,000	5,588,100	4,928,012	(660,088)
Use of money and property	350,000	765,000	1,017,659	252,659
Fines and forfeitures	865,000	925,000	965,802	40,802
Miscellaneous	510,000	714,250	511,065	(203,185)
<b>Total Revenues</b>	<b>63,209,700</b>	<b>66,066,719</b>	<b>67,243,195</b>	<b>1,176,476</b>
<b>Expenditures:</b>				
Current:				
General government				
Mayor/Council	300,800	315,215	227,308	87,907
City Attorney	766,500	766,500	762,430	4,070
City Clerk	374,800	374,800	239,433	135,367
Management Services	961,100	961,100	800,319	160,781
Human Resources Services	1,403,300	1,403,300	1,238,964	164,336
Information Systems	1,281,100	1,281,100	1,125,391	155,709
Financial Services	1,364,200	1,366,200	1,376,865	(10,665)
Public safety				
Patrol	13,865,700	13,954,697	13,276,727	677,970
Investigations	2,905,300	2,905,300	2,236,153	669,147
Records & Communications	4,310,300	4,310,300	3,958,831	351,469
Police Reserves	140,200	146,500	90,059	56,441
Animal Control	296,300	296,300	295,444	856
Police Administration	917,600	917,600	914,522	3,078
Emergency Services, Fire & Life	11,355,700	11,355,700	10,801,242	554,458
Community development				
Planning	1,121,100	1,135,400	425,041	710,359
Community Preservation	458,200	458,200	326,939	131,261
Community Development Maintenance	342,100	342,100	(42)	342,142
Economic Development	734,000	734,000	689,270	44,730
Recreation and community services				
General Recreation Services	835,300	835,300	812,131	23,169
Youth/Adult Sports, Fitness & Wellness	851,800	851,800	904,069	(52,269)
George M. Silliman Activity & Family	2,484,200	2,514,200	2,423,351	90,849
Community Center Licenses Child Care	585,300	585,300	516,194	69,106
Senior Services	509,600	513,850	509,546	4,304
Library Support	182,600	182,600	182,850	(250)
Public works				
Building Inspection	2,134,300	2,178,769	1,687,731	491,038
Engineering	2,168,300	2,368,300	1,997,603	370,697
Weed Abatement	18,000	18,000	10,024	7,976
Street Lighting & Traffic Signals	562,000	680,000	649,705	30,295
Street Repairs	825,500	792,100	775,795	16,305
Environmental Services	1,022,600	1,015,500	900,712	114,788
Park & Landscape Maintenance	2,192,500	2,300,190	2,022,905	277,285
Debt service:				
Principal retirement	23,000	23,000	22,913	87
<b>Total Expenditures</b>	<b>57,293,300</b>	<b>57,883,221</b>	<b>52,200,425</b>	<b>5,682,796</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,916,400	8,183,498	15,042,770	6,859,272
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	(6,274,522)	(6,287,728)	(13,206)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(6,274,522)</b>	<b>(6,287,728)</b>	<b>(13,206)</b>
Net Change in Fund Balances	5,916,400	1,908,976	8,755,042	6,846,066
Fund Balances, Beginning of Year, as restated	43,698,478	43,698,478	43,698,478	-
<b>Fund Balances, End of Year</b>	<b>\$ 49,614,878</b>	<b>\$ 45,607,454</b>	<b>\$ 52,453,520</b>	<b>\$ 6,846,066</b>

CITY OF NEWARK

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
STATE CONSTRUCTION MAINTENANCE SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,804,000	\$ 3,252,955	\$ 1,839,848	\$ (1,413,107)
Use of money and property	-	-	49,989	49,989
<b>Total Revenues</b>	<b>1,804,000</b>	<b>3,252,955</b>	<b>1,889,837</b>	<b>(1,363,118)</b>
<b>Expenditures:</b>				
Current:				
Public works	-	1,710,382	345,051	1,365,331
Capital outlay	-	2,071,573	602,467	1,469,106
<b>Total Expenditures</b>	<b>-</b>	<b>3,781,955</b>	<b>947,518</b>	<b>2,834,437</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,804,000	(529,000)	942,319	1,471,319
Net Change in Fund Balances	1,804,000	(529,000)	942,319	1,471,319
Fund Balances, Beginning of Year	549,653	549,653	549,653	-
<b>Fund Balances, End of Year</b>	<b>\$ 2,353,653</b>	<b>\$ 20,653</b>	<b>\$ 1,491,972</b>	<b>\$ 1,471,319</b>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY ACCOUNTING AND CONTROL  
JUNE 30, 2019

---

**Note 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.

For the fiscal year ending June 30, 2019, the following funds had no adopted annual budgets:

Housing Impact Fee Special Revenue Fund  
Community Development Act  
Recycle AB 939  
State CASp Fee

CITY OF NEWARK

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
BUDGETARY ACCOUNTING AND CONTROL  
JUNE 30, 2019

---

Note 1: Budgetary Basis of Accounting (Continued)

b. Expenditures over Appropriations

The following General Fund Departments had expenditures over appropriations for the fiscal year ended June 30, 2019:

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Government			
Financial Services	\$ 1,366,200	\$ 1,376,865	\$ (10,665)
Recreation and community services			
Youth/Adult Sports, Fitness & Wellnes	851,800	904,069	(52,269)
Library Support	182,600	182,850	(250)

CITY OF NEWARK

MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 1,565,207	\$ 1,428,480	\$ 1,526,903	\$ 1,741,959	\$ 1,958,908
Interest	6,903,386	7,153,135	7,430,465	7,606,416	7,893,622
Difference between Expected and Actual Experience	-	(336,919)	(296,888)	98,578	1,112,052
Changes in Assumptions	-	(1,677,534)	-	6,040,949	(761,857)
Benefit Payments, Including					
Refunds of Employee Contributions	(4,796,901)	(5,054,891)	(5,339,676)	(5,585,662)	(5,994,674)
<b>Net Change in Total Pension Liability</b>	<b>3,671,692</b>	<b>1,512,271</b>	<b>3,320,804</b>	<b>9,902,240</b>	<b>4,208,051</b>
<b>Total Pension Liability - Beginning</b>	<b>93,660,996</b>	<b>97,332,688</b>	<b>98,844,959</b>	<b>102,165,763</b>	<b>112,068,003</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 97,332,688</b>	<b>\$ 98,844,959</b>	<b>\$ 102,165,763</b>	<b>\$ 112,068,003</b>	<b>\$ 116,276,054</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 1,672,308	\$ 1,771,614	\$ 2,089,006	\$ 2,252,015	\$ 3,091,582
Contributions - Employee	1,133,861	980,547	1,026,537	1,148,693	1,232,724
Plan to Plan Resource Movement	-	-	-	-	(176)
Net Investment Income	10,440,289	1,509,133	377,065	7,421,654	6,085,231
Benefit Payments, Including					
Refunds of Employee Contributions	(4,796,901)	(5,054,891)	(5,339,676)	(5,585,662)	(5,994,674)
Administrative Expense	-	(76,731)	(41,512)	(97,779)	(111,206)
Other Miscellaneous Income/(Expense)	-	95	-	(401)	(211,182)
<b>Net Change in Fiduciary Net Position</b>	<b>8,449,557</b>	<b>(870,233)</b>	<b>(1,888,580)</b>	<b>5,138,520</b>	<b>4,092,299</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>60,535,487</b>	<b>68,985,044</b>	<b>68,114,811</b>	<b>66,226,231</b>	<b>71,364,751</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 68,985,044</b>	<b>\$ 68,114,811</b>	<b>\$ 66,226,231</b>	<b>\$ 71,364,751</b>	<b>\$ 75,457,050</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 28,347,644</b>	<b>\$ 30,730,148</b>	<b>\$ 35,939,532</b>	<b>\$ 40,703,252</b>	<b>\$ 40,819,004</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.88%</b>	<b>68.91%</b>	<b>64.82%</b>	<b>63.68%</b>	<b>64.89%</b>
<b>Covered Payroll</b>	<b>\$ 8,387,860</b>	<b>\$ 8,555,244</b>	<b>\$ 8,944,772</b>	<b>\$ 9,900,873</b>	<b>\$ 10,929,418</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>337.96%</b>	<b>359.20%</b>	<b>401.79%</b>	<b>411.11%</b>	<b>373.48%</b>

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

**Notes to Schedule:**

Benefit Changes:

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

Changes of Assumptions:

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

CITY OF NEWARK

MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER  
 SCHEDULE OF PLAN CONTRIBUTIONS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 1,773,777	\$ 2,089,006	\$ 2,252,317	\$ 2,937,068	\$ 3,231,257
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,773,777)</u>	<u>(2,089,006)</u>	<u>(2,252,317)</u>	<u>(2,937,068)</u>	<u>(3,231,257)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 8,555,244	\$ 8,944,772	\$ 9,900,873	\$ 10,929,418	\$ 11,040,727
Contributions as a Percentage of Covered Payroll	20.73%	23.35%	22.75%	26.87%	29.27%

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

**Note to Schedule:**

Valuation Date:	June 30, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount rate	-
Projected Salary Increases	Varies by Entry Age and Service
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.

CITY OF NEWARK

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Proportion of the Net Pension Liability*	0.64192%	0.66006%	0.62991%	0.61737%	0.64142%
Proportionate Share of the Net Pension Liability	\$ 39,942,949	\$ 45,305,899	\$ 54,506,282	\$ 61,226,071	\$ 61,809,192
Covered Payroll	\$ 6,720,767	\$ 7,186,807	\$ 7,171,629	\$ 7,362,907	\$ 7,381,368
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	594.3%	630.4%	760.0%	831.5%	837.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	73.3%	74.1%	73.3%	75.3%

\*Represents the portion of the net pension liability compared to the total risk pool for both safety and miscellaneous plans.

**Notes to Schedule of Proportionate Share of the Net Pension Liability:**

Benefit Changes: None

Changes of Assumptions: In 2015, there were no changes. In 2016, the discount rate was changed from 7.5 percent (net of administration expenses) to 7.65 percent. In 2017, the accounting discount rate reduced from 7.65 to 7.15 percent. In 2018, demographic assumptions and inflate rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

CITY OF NEWARK

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 2,526,932	\$ 3,262,170	\$ 3,595,377	\$ 4,766,942	\$ 5,046,191
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,526,932)</u>	<u>(3,262,170)</u>	<u>(3,595,377)</u>	<u>(4,766,942)</u>	<u>(5,046,191)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 7,186,807	\$ 7,171,629	\$ 7,362,907	\$ 7,381,368	\$ 9,025,651
Contributions as a Percentage of Covered Payroll	35.2%	45.5%	48.8%	64.6%	55.9%

**Notes to Schedule of Plan Contributions:**

Methods and assumptions used to determine contribution rates:

Valuation Date: June 30, 2016  
 Actuarial cost method: Entry age normal  
 Amortization method: Level percentage of payroll  
 Remaining amortization period: 21 Years as of the Valuation Date  
 Assets valuation method: Market Value  
 Inflation: 2.75% compounded annually  
 Salary Increases: 3.00% compounded annually  
  
 Investment rate of return: 7.375% compounded annually (net of investment and administrative)  
 Retirement age: 50 and 57 years  
 Mortality: Scale BB published by the Society of Actuaries

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

CITY OF NEWARK

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<b>2018</b>	<b>2019</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 357,973	\$ 339,211
Interest on the total OPEB liability	345,706	387,888
Actual and expected experience difference	-	-
Changes in assumptions	(232,385)	103,950
Changes in benefit terms	-	-
Benefit payments	(205,783)	(223,221)
<b>Net change in total OPEB liability</b>	<b>265,511</b>	<b>607,828</b>
<b>Total OPEB liability - beginning</b>	<b>6,978,268</b>	<b>7,243,779</b>
<b>Total OPEB liability - ending (a)</b>	<b>7,243,779</b>	<b>7,851,607</b>
<b>Plan Fiduciary Net Position</b>		
Contribution - employer	315,000	354,000
Net investment income	161,324	126,130
Benefit payments	(205,783)	(223,221)
Administrative expense	(845)	(1,002)
Investment experience	-	23,308
Other expenses	-	(2,218)
<b>Net change in plan fiduciary net position</b>	<b>269,696</b>	<b>276,997</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,406,246</b>	<b>1,675,942</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>1,675,942</b>	<b>1,952,939</b>
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 5,567,837</b>	<b>\$ 5,898,668</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	23.14%	24.87%
<b>Covered-employee payroll</b>	\$ 15,780,296	\$ 17,438,452
<b>Net OPEB asset as a percentage of covered-employee payroll</b>	35.28%	33.83%

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

Notes to Schedule: None

Changes in assumptions: In 2019 the discount rate was changed from 7.25% to 7.00%.

**CITY OF NEWARK**

**SCHEDULE OF OPEB CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<b>2018</b>	<b>2019</b>
Actuarially Determined Contribution	\$ 537,000	\$ 572,265
Contribution in Relation to the Actuarially Determined Contributions	(354,000)	(576,617)
Contribution Deficiency (Excess)	<u>\$ 183,000</u>	<u>\$ (4,352)</u>
Covered-employee payroll	\$ 17,438,452	\$ 20,956,996
Contributions as a percentage of covered-employee payroll	2.03%	2.75%

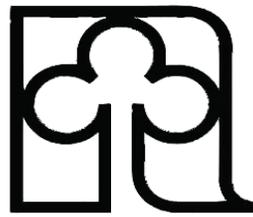
(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule:**

\*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2017 actuarial valuation.

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll
Asset Valuation Method	Market value
Discount Rate	7.00%
Inflation	2.75%
Mortality	CalPERS 2014



**SUPPLEMENTARY INFORMATION**

## NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other 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 Development 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 - ACTC** – Accounts for Measure B funds from the Alameda County Transportation Commission (ACTC) to be used for the maintaining of local streets and roadways, funding bikes and pedestrian projects, and providing paratransit services to the senior community.

**Measure BB - ACTC** – Accounts for Measure B funds from the Alameda County Transportation Commission (ACTC) to be used for the maintaining of local streets and roadways, funding bikes and pedestrian projects, and providing paratransit services to the senior community.

**RMRA SB1 Special Revenue Fund** – Accounts for Senate Bill 1 that increases gasoline and diesel taxes and vehicle registration fees to fund for basic road maintenance, rehabilitation, and critical safety projects on local streets and roads.

**Hazardous Materials Program** – Accounts for grant proceeds for specific hazardous materials education and mitigation programs.

**State CASp Fee** – Accounts for fees collected from business licenses and renewals for the Certified Access Specialists (CASp). The CASp fee is mandated by California SB1186 and its purpose is to increase disability access and compliance with construction related accessibility requirements.

## **CAPITAL PROJECTS FUNDS**

***PEG Fees*** – Accounts for funding used to support PEG activities and the capital costs needed for repair, replacement, and maintenance of equipment used to broadcast Council meetings, or to make technological upgrades to the Council chambers

***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.

## **DEBT SERVICE FUND**

***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.

CITY OF NEWARK

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	<b>Special Revenue Funds</b>			
	<b>Paramedic Tax</b>	<b>Alameda County Fire Fees</b>	<b>Police Grants</b>	<b>Community Development Act</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 431,542	\$ 64,485	\$ 155,969	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	885	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	135,317
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 432,427</b>	<b>\$ 64,485</b>	<b>\$ 155,969</b>	<b>\$ 135,317</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 2,471	\$ 6,721
Accrued liabilities	-	-	401	-
Due to other funds	-	-	-	35,542
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,872</b>	<b>42,263</b>
<b>Fund Balances:</b>				
Restricted	432,427	64,485	153,097	93,054
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>432,427</b>	<b>64,485</b>	<b>153,097</b>	<b>93,054</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 432,427</b>	<b>\$ 64,485</b>	<b>\$ 155,969</b>	<b>\$ 135,317</b>

	Special Revenue Funds			
	Community Development Maint. Fees	Recycle AB 939	Measure D - Recycling	Measure B - ACTC
<b>Assets:</b>				
Pooled cash and investments	\$ 2,805,052	\$ 57,164	\$ 559,763	\$ 910,016
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	119,086	155,865
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 2,805,052</u></b>	<b><u>\$ 57,164</u></b>	<b><u>\$ 678,849</u></b>	<b><u>\$ 1,065,881</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 11,588	\$ -	\$ 47,839	\$ 112,359
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b><u>11,588</u></b>	<b><u>-</u></b>	<b><u>47,839</u></b>	<b><u>112,359</u></b>
<b>Fund Balances:</b>				
Restricted	-	57,164	631,010	953,522
Committed	2,793,464	-	-	-
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>2,793,464</u></b>	<b><u>57,164</u></b>	<b><u>631,010</u></b>	<b><u>953,522</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,805,052</u></b>	<b><u>\$ 57,164</u></b>	<b><u>\$ 678,849</u></b>	<b><u>\$ 1,065,881</u></b>

CITY OF NEWARK

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	<b>Special Revenue Funds</b>			
	<b>Measure BB - ACTC</b>	<b>RMRA SB1 Special Revenue</b>	<b>Hazardous Materials Program</b>	<b>State CASp Fee</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 790,840	\$ 744,115	\$ 36,145	\$ 9,107
Receivables:				
Accounts	-	-	-	-
Taxes	-	155,351	-	-
Special assessments	-	-	-	-
Due from other governments	127,333	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 918,173</u></b>	<b><u>\$ 899,466</u></b>	<b><u>\$ 36,145</u></b>	<b><u>\$ 9,107</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 85,680	\$ 13,662	\$ 53	\$ 9,107
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b><u>85,680</u></b>	<b><u>13,662</u></b>	<b><u>53</u></b>	<b><u>9,107</u></b>
<b>Fund Balances:</b>				
Restricted	832,493	885,804	36,092	-
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>832,493</u></b>	<b><u>885,804</u></b>	<b><u>36,092</u></b>	<b><u>-</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 918,173</u></b>	<b><u>\$ 899,466</u></b>	<b><u>\$ 36,145</u></b>	<b><u>\$ 9,107</u></b>

CITY OF NEWARK

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

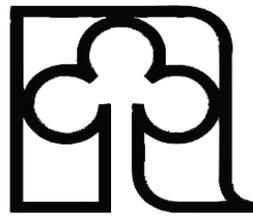
(CONTINUED)

	Capital Projects Funds			Debt Service Funds
	PEG Fees	Art in Public Places	Landscape and Lighting District	Public Financing Authority
<b>Assets:</b>				
Pooled cash and investments	\$ 757,844	\$ 1,625,902	\$ 1,129,290	\$ 63,211
Receivables:				
Accounts	19,832	-	-	-
Taxes	-	-	-	-
Special assessments	-	-	75,102	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	636,305
<b>Total Assets</b>	<b>\$ 777,676</b>	<b>\$ 1,625,902</b>	<b>\$ 1,204,392</b>	<b>\$ 699,516</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 480	\$ -	\$ 9,880	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>480</b>	<b>-</b>	<b>9,880</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	777,196	-	1,194,512	699,516
Committed	-	-	-	-
Assigned	-	1,625,902	-	-
<b>Total Fund Balances</b>	<b>777,196</b>	<b>1,625,902</b>	<b>1,194,512</b>	<b>699,516</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 777,676</b>	<b>\$ 1,625,902</b>	<b>\$ 1,204,392</b>	<b>\$ 699,516</b>

CITY OF NEWARK

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	<b>Total Other Governmental Funds</b>
<b>Assets:</b>	
Pooled cash and investments	\$ 10,140,445
Receivables:	
Accounts	19,832
Taxes	156,236
Special assessments	75,102
Due from other governments	537,601
Restricted assets:	
Cash and investments with fiscal agents	636,305
<b>Total Assets</b>	<b>\$ 11,565,521</b>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 299,840
Accrued liabilities	401
Due to other funds	35,542
<b>Total Liabilities</b>	<b>335,783</b>
<b>Fund Balances:</b>	
Restricted	6,810,372
Committed	2,793,464
Assigned	1,625,902
<b>Total Fund Balances</b>	<b>11,229,738</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,565,521</b>



CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act
<b>Revenues:</b>				
Special assessments	\$ 252,262	\$ -	\$ -	\$ -
Intergovernmental	-	-	174,934	135,318
Charges for services	-	-	24,400	-
Use of money and property	-	-	1,983	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>252,262</b>	<b>-</b>	<b>201,317</b>	<b>135,318</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety				
Fire	4,193	3,500	-	-
Police	-	-	198,722	-
Recreation and community services	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	134,417
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>4,193</b>	<b>3,500</b>	<b>198,722</b>	<b>134,417</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	248,069	(3,500)	2,595	901
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	248,069	(3,500)	2,595	901
Fund Balances, Beginning of Year	184,358	67,985	150,502	92,153
<b>Fund Balances, End of Year</b>	<b>\$ 432,427</b>	<b>\$ 64,485</b>	<b>\$ 153,097</b>	<b>\$ 93,054</b>

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Community Development Maintenance Fees	Recycle AB 939	Measure D - Recycling	Measure B - ACTC
<b>Revenues:</b>				
Special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	160,538	947,619
Charges for services	909,863	-	-	-
Use of money and property	45,211	-	9,022	14,668
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>955,074</b>	<b>-</b>	<b>169,560</b>	<b>962,287</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety				
Fire	-	-	-	-
Police	-	-	-	-
Recreation and community services	290,368	-	126,217	-
Parks and recreation	-	-	-	103,098
Public works	-	-	-	-
Capital outlay	113,549	-	-	896,948
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>403,917</b>	<b>-</b>	<b>126,217</b>	<b>1,000,046</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	551,157	-	43,343	(37,759)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	551,157	-	43,343	(37,759)
Fund Balances, Beginning of Year	2,242,307	57,164	587,667	991,281
<b>Fund Balances, End of Year</b>	<b>\$ 2,793,464</b>	<b>\$ 57,164</b>	<b>\$ 631,010</b>	<b>\$ 953,522</b>

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Measure BB - ACTC	RMRA SB1 Special Revenue	Hazardous Materials Program	State CASp Fee
<b>Revenues:</b>				
Special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	774,615	818,822	12,616	10,150
Charges for services	-	-	-	-
Use of money and property	12,748	13,689	582	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>787,363</b>	<b>832,511</b>	<b>13,198</b>	<b>10,150</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety				
Fire	-	-	12,371	-
Police	-	-	-	-
Recreation and community services	-	-	-	-
Parks and recreation	103,098	-	-	-
Public works	-	-	-	10,150
Capital outlay	474,253	266,521	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>577,351</b>	<b>266,521</b>	<b>12,371</b>	<b>10,150</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	210,012	565,990	827	-
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	210,012	565,990	827	-
Fund Balances, Beginning of Year	622,481	319,814	35,265	-
<b>Fund Balances, End of Year</b>	<b>\$ 832,493</b>	<b>\$ 885,804</b>	<b>\$ 36,092</b>	<b>\$ -</b>

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Capital Project Funds			Debt Service Funds
	PEG Fees	Art in Public Places	Landscape and Lighting District	Public Financing Authority
<b>Revenues:</b>				
Special assessments	\$ -	\$ -	\$ 276,665	\$ -
Intergovernmental	-	-	-	-
Charges for services	80,124	-	-	-
Use of money and property	12,215	-	18,201	13,495
Miscellaneous	-	175,264	-	-
<b>Total Revenues</b>	<b>92,339</b>	<b>175,264</b>	<b>294,866</b>	<b>13,495</b>
<b>Expenditures:</b>				
Current:				
General government	3,651	-	-	-
Public safety				
Fire	-	-	-	-
Police	-	-	-	-
Recreation and community services	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	80,950	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	533,237
Interest and fiscal charges	-	-	-	329,765
<b>Total Expenditures</b>	<b>3,651</b>	<b>-</b>	<b>80,950</b>	<b>863,002</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,688	175,264	213,916	(849,507)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	862,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>862,000</b>
Net Change in Fund Balances	88,688	175,264	213,916	12,493
Fund Balances, Beginning of Year	688,508	1,450,638	980,596	687,023
<b>Fund Balances, End of Year</b>	<b>\$ 777,196</b>	<b>\$ 1,625,902</b>	<b>\$ 1,194,512</b>	<b>\$ 699,516</b>

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2019

	<b>Total Other Governmental Funds</b>
<b>Revenues:</b>	
Special assessments	\$ 528,927
Intergovernmental	3,034,612
Charges for services	1,014,387
Use of money and property	141,814
Miscellaneous	175,264
	<hr/>
<b>Total Revenues</b>	<b>4,895,004</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
General government	3,651
Public safety	
Fire	20,064
Police	198,722
Recreation and community services	416,585
Parks and recreation	206,196
Public works	91,100
Capital outlay	1,885,688
Debt service:	
Principal retirement	533,237
Interest and fiscal charges	329,765
	<hr/>
<b>Total Expenditures</b>	<b>3,685,008</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,209,996
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	862,000
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>862,000</b>
	<hr/>
Net Change in Fund Balances	2,071,996
	<hr/>
Fund Balances, Beginning of Year	9,157,742
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 11,229,738</b>
	<hr/> <hr/>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PARAMEDIC TAX  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Special assessments	\$ -	\$ 128,033	\$ 252,262	\$ 124,229
<b>Total Revenues</b>	<b>-</b>	<b>128,033</b>	<b>252,262</b>	<b>124,229</b>
<b>Expenditures:</b>				
Current:				
Public Safety - Fire	-	-	4,193	(4,193)
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>4,193</b>	<b>(4,193)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	128,033	248,069	120,036
Net Change in Fund Balances	-	128,033	248,069	120,036
Fund Balances, Beginning of Year	184,358	184,358	184,358	-
<b>Fund Balances, End of Year</b>	<b>\$ 184,358</b>	<b>\$ 312,391</b>	<b>\$ 432,427</b>	<b>\$ 120,036</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ALAMEDA COUNTY FIRE FEES  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Current:				
Public Safety - Fire	\$ -	\$ 3,500	\$ 3,500	\$ -
<b>Total Expenditures</b>	<b>-</b>	<b>3,500</b>	<b>3,500</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,500)	(3,500)	-
Net Change in Fund Balances	-	(3,500)	(3,500)	-
Fund Balances, Beginning of Year	67,985	67,985	67,985	-
<b>Fund Balances, End of Year</b>	<b>\$ 67,985</b>	<b>\$ 64,485</b>	<b>\$ 64,485</b>	<b>\$ -</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 POLICE GRANTS  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 170,000	\$ 174,934	\$ 4,934
Charges for services	30,000	30,000	24,400	(5,600)
Use of money and property	-	-	1,983	1,983
<b>Total Revenues</b>	<b>30,000</b>	<b>200,000</b>	<b>201,317</b>	<b>1,317</b>
<b>Expenditures:</b>				
Current:				
Public Safety - Police	145,900	217,900	198,722	19,178
<b>Total Expenditures</b>	<b>145,900</b>	<b>217,900</b>	<b>198,722</b>	<b>19,178</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,900)	(17,900)	2,595	20,495
Net Change in Fund Balances	(115,900)	(17,900)	2,595	20,495
Fund Balances, Beginning of Year	150,502	150,502	150,502	-
<b>Fund Balances, End of Year</b>	<b>\$ 34,602</b>	<b>\$ 132,602</b>	<b>\$ 153,097</b>	<b>\$ 20,495</b>

CITY OF NEWARK

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT MAINTANENCE FEES  
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,300,000	\$ 1,300,000	\$ 909,863	\$ (390,137)
Use of money and property	-	-	45,211	45,211
<b>Total Revenues</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>955,074</b>	<b>(344,926)</b>
<b>Expenditures:</b>				
Current:				
Community development	-	6,200	290,368	(284,168)
Capital outlay	-	391,000	113,549	277,451
<b>Total Expenditures</b>	<b>-</b>	<b>397,200</b>	<b>403,917</b>	<b>(6,717)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,300,000	902,800	551,157	(351,643)
Net Change in Fund Balances	1,300,000	902,800	551,157	(351,643)
Fund Balances, Beginning of Year	2,242,307	2,242,307	2,242,307	-
<b>Fund Balances, End of Year</b>	<b>\$ 3,542,307</b>	<b>\$ 3,145,107</b>	<b>\$ 2,793,464</b>	<b>\$ (351,643)</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 MEASURE D - RECYCLING  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 100,000	\$ 160,538	\$ 60,538
Use of money and property	-	-	9,022	9,022
<b>Total Revenues</b>	<b>-</b>	<b>100,000</b>	<b>169,560</b>	<b>69,560</b>
<b>Expenditures:</b>				
Current:				
Community development	-	252,200	126,217	125,983
<b>Total Expenditures</b>	<b>-</b>	<b>252,200</b>	<b>126,217</b>	<b>125,983</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(152,200)	43,343	195,543
Net Change in Fund Balances	-	(152,200)	43,343	195,543
Fund Balances, Beginning of Year	587,667	587,667	587,667	-
<b>Fund Balances, End of Year</b>	<b>\$ 587,667</b>	<b>\$ 435,467</b>	<b>\$ 631,010</b>	<b>\$ 195,543</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 MEASURE B - ACTC  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 200,000	\$ 1,061,359	\$ 947,619	\$ (113,740)
Use of money and property	-	-	14,668	14,668
<b>Total Revenues</b>	<b>200,000</b>	<b>1,061,359</b>	<b>962,287</b>	<b>(99,072)</b>
<b>Expenditures:</b>				
Current:				
Recreation and community services	123,500	202,883	103,098	99,785
Capital outlay	-	658,476	896,948	(238,472)
<b>Total Expenditures</b>	<b>123,500</b>	<b>861,359</b>	<b>1,000,046</b>	<b>(138,687)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,500	200,000	(37,759)	(237,759)
Net Change in Fund Balances	76,500	200,000	(37,759)	(237,759)
Fund Balances, Beginning of Year	991,281	991,281	991,281	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,067,781</b>	<b>\$ 1,191,281</b>	<b>\$ 953,522</b>	<b>\$ (237,759)</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 MEASURE BB - ACTC  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 705,926	\$ 774,615	\$ 68,689
Use of money and property	-	-	12,748	12,748
<b>Total Revenues</b>	<b>-</b>	<b>705,926</b>	<b>787,363</b>	<b>81,437</b>
<b>Expenditures:</b>				
Current:				
Recreation and community services	123,500	126,917	103,098	23,819
Public works	-	123,909	-	123,909
Capital outlay	-	455,100	474,253	(19,153)
<b>Total Expenditures</b>	<b>123,500</b>	<b>705,926</b>	<b>577,351</b>	<b>128,575</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,500)	-	210,012	210,012
Net Change in Fund Balances	(123,500)	-	210,012	210,012
Fund Balances, Beginning of Year	622,481	622,481	622,481	-
<b>Fund Balances, End of Year</b>	<b>\$ 498,981</b>	<b>\$ 622,481</b>	<b>\$ 832,493</b>	<b>\$ 210,012</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 RMRA SB1 SPECIAL REVENUE  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 758,193	\$ 818,822	\$ 60,629
Use of money and property	-	-	13,689	13,689
<b>Total Revenues</b>	<b>-</b>	<b>758,193</b>	<b>832,511</b>	<b>74,318</b>
<b>Expenditures:</b>				
Capital outlay	-	1,011,193	266,521	744,672
<b>Total Expenditures</b>	<b>-</b>	<b>1,011,193</b>	<b>266,521</b>	<b>744,672</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(253,000)	565,990	818,990
Net Change in Fund Balances	-	(253,000)	565,990	818,990
Fund Balances, Beginning of Year	319,814	319,814	319,814	-
<b>Fund Balances, End of Year</b>	<b>\$ 319,814</b>	<b>\$ 66,814</b>	<b>\$ 885,804</b>	<b>\$ 818,990</b>

CITY OF NEWARK

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
HAZARDOUS MATERIALS PROGRAM  
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 12,370	\$ 12,616	\$ 246
Use of money and property	-	-	582	582
<b>Total Revenues</b>	<b>-</b>	<b>12,370</b>	<b>13,198</b>	<b>828</b>
<b>Expenditures:</b>				
Current:				
Public Safety - Fire	-	12,370	12,371	(1)
<b>Total Expenditures</b>	<b>-</b>	<b>12,370</b>	<b>12,371</b>	<b>(1)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	827	827
Net Change in Fund Balances	-	-	827	827
Fund Balances, Beginning of Year	35,265	35,265	35,265	-
<b>Fund Balances, End of Year</b>	<b>\$ 35,265</b>	<b>\$ 35,265</b>	<b>\$ 36,092</b>	<b>\$ 827</b>

CITY OF NEWARK

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 4,500,000	\$ 4,500,000	\$ 3,230,905	\$ (1,269,095)
Use of money and property	75,000	75,000	488,246	413,246
<b>Total Revenues</b>	<b>4,575,000</b>	<b>4,575,000</b>	<b>3,719,151</b>	<b>(855,849)</b>
<b>Expenditures:</b>				
Current:				
Public works	-	-	4,551,128	(4,551,128)
Capital outlay	-	77,017,000	736,767	76,280,233
<b>Total Expenditures</b>	<b>-</b>	<b>77,017,000</b>	<b>5,287,895</b>	<b>71,729,105</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,575,000	(72,442,000)	(1,568,744)	70,873,256
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	5,050,000	5,177,128	127,128
Transfers out	-	-	(362,522)	362,522
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>5,050,000</b>	<b>4,814,606</b>	<b>489,650</b>
Net Change in Fund Balances	4,575,000	(67,392,000)	3,245,862	71,362,906
Fund Balances, Beginning of Year	21,859,355	21,859,355	21,859,355	-
<b>Fund Balances, End of Year</b>	<b>\$ 26,434,355</b>	<b>\$ (45,532,645)</b>	<b>\$ 25,105,217</b>	<b>\$ 71,362,906</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PARK IMPROVEMENT  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ 308,596	\$ (1,691,404)
<b>Total Revenues</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>308,596</b>	<b>(1,691,404)</b>
<b>Expenditures:</b>				
Capital outlay	-	6,671,000	2,615,360	4,055,640
<b>Total Expenditures</b>	<b>-</b>	<b>6,671,000</b>	<b>2,615,360</b>	<b>4,055,640</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000,000	(4,671,000)	(2,306,764)	2,364,236
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	362,522	362,522	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>362,522</b>	<b>362,522</b>	<b>-</b>
Net Change in Fund Balances	2,000,000	(4,308,478)	(1,944,242)	2,364,236
Fund Balances, Beginning of Year	6,044,426	6,044,426	6,044,426	-
<b>Fund Balances, End of Year</b>	<b>\$ 8,044,426</b>	<b>\$ 1,735,948</b>	<b>\$ 4,100,184</b>	<b>\$ 2,364,236</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PEG FEES  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ -	\$ 50,000	\$ 80,124	\$ 30,124
Use of money and property	-	-	12,215	12,215
<b>Total Revenues</b>	<b>-</b>	<b>50,000</b>	<b>92,339</b>	<b>42,339</b>
<b>Expenditures:</b>				
Current:				
General government	-	5,000	3,651	1,349
<b>Total Expenditures</b>	<b>-</b>	<b>5,000</b>	<b>3,651</b>	<b>1,349</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	45,000	88,688	43,688
Net Change in Fund Balances	-	45,000	88,688	43,688
Fund Balances, Beginning of Year	688,508	688,508	688,508	-
<b>Fund Balances, End of Year</b>	<b>\$ 688,508</b>	<b>\$ 733,508</b>	<b>\$ 777,196</b>	<b>\$ 43,688</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ART IN PUBLIC PLACES  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Miscellaneous	\$ 200,000	\$ 200,000	\$ 175,264	\$ (24,736)
<b>Total Revenues</b>	<b>200,000</b>	<b>200,000</b>	<b>175,264</b>	<b>(24,736)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	200,000	200,000	175,264	(24,736)
Net Change in Fund Balances	200,000	200,000	175,264	(24,736)
Fund Balances, Beginning of Year	1,450,638	1,450,638	1,450,638	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,650,638</b>	<b>\$ 1,650,638</b>	<b>\$ 1,625,902</b>	<b>\$ (24,736)</b>

CITY OF NEWARK

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 LANDSCAPE AND LIGHTING DISTRICT  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Special assessments	\$ -	\$ -	\$ 276,665	\$ 276,665
Use of money and property	-	-	18,201	18,201
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>294,866</b>	<b>294,866</b>
<b>Expenditures:</b>				
Current:				
Public works	-	80,508	80,950	(442)
<b>Total Expenditures</b>	<b>-</b>	<b>80,508</b>	<b>80,950</b>	<b>(442)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(80,508)	213,916	294,424
Net Change in Fund Balances	-	(80,508)	213,916	294,424
Fund Balances, Beginning of Year	980,596	980,596	980,596	-
<b>Fund Balances, End of Year</b>	<b>\$ 980,596</b>	<b>\$ 900,088</b>	<b>\$ 1,194,512</b>	<b>\$ 294,424</b>

## 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, 2019

	Governmental Activities - Internal Service Funds			
	Equipment Replacement	Equipment Operations	Office Support	Building Maintenance
<b>Assets:</b>				
Current:				
Pooled cash and investments	\$ 2,312,265	\$ 1,270,647	\$ 66,360	\$ 1,365,458
Prepaid costs	-	-	3,000	-
Due from other governments	960	-	-	420
Inventories	-	43,312	-	10,090
<b>Total Current Assets</b>	<b>2,313,225</b>	<b>1,313,959</b>	<b>69,360</b>	<b>1,375,968</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	1,907,992	-	-	-
<b>Total Noncurrent Assets</b>	<b>1,907,992</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>4,221,217</b>	<b>1,313,959</b>	<b>69,360</b>	<b>1,375,968</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	22,707	39,345	11,620	142,442
Accrued liabilities	-	37	469	-
Claims payable, due within one year	-	-	-	-
<b>Total Current Liabilities</b>	<b>22,707</b>	<b>39,382</b>	<b>12,089</b>	<b>142,442</b>
Noncurrent:				
Claims payable, due in more than one year	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>22,707</b>	<b>39,382</b>	<b>12,089</b>	<b>142,442</b>
<b>Net Position:</b>				
Investment in capital assets	1,907,992	-	-	-
Unrestricted	2,290,518	1,274,577	57,271	1,233,526
<b>Total Net Position</b>	<b>\$ 4,198,510</b>	<b>\$ 1,274,577</b>	<b>\$ 57,271</b>	<b>\$ 1,233,526</b>

CITY OF NEWARK

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Totals
<b>Assets:</b>			
Current:			
Pooled cash and investments	\$ 996,395	\$ 1,595,088	\$ 7,606,213
Prepaid costs	-	-	3,000
Due from other governments	393	6,277	8,050
Inventories	-	-	53,402
<b>Total Current Assets</b>	<b>996,788</b>	<b>1,601,365</b>	<b>7,670,665</b>
Noncurrent:			
Capital assets - net of accumulated deprecia	-	-	1,907,992
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>1,907,992</b>
<b>Total Assets</b>	<b>996,788</b>	<b>1,601,365</b>	<b>9,578,657</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	13,795	38,380	268,289
Accrued liabilities	-	-	506
Claims payable, due within one year	214,498	602,924	817,422
<b>Total Current Liabilities</b>	<b>228,293</b>	<b>641,304</b>	<b>1,086,217</b>
Noncurrent:			
Claims payable, due in more than one year	604,374	806,297	1,410,671
<b>Total Noncurrent Liabilities</b>	<b>604,374</b>	<b>806,297</b>	<b>1,410,671</b>
<b>Total Liabilities</b>	<b>832,667</b>	<b>1,447,601</b>	<b>2,496,888</b>
<b>Net Position:</b>			
Investment in capital assets	-	-	1,907,992
Unrestricted	164,121	153,764	5,173,777
<b>Total Net Position</b>	<b>\$ 164,121</b>	<b>\$ 153,764</b>	<b>\$ 7,081,769</b>

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Equipment Replacement</u>	<u>Equipment Operations</u>	<u>Office Support</u>	<u>Building Maintenance</u>
<b>Operating Revenues:</b>				
Interdepartmental charges	\$ 832,600	\$ 1,246,600	\$ 121,900	\$ 2,003,600
Miscellaneous	6,333	7,761	-	84,688
<b>Total Operating Revenues</b>	<b>838,933</b>	<b>1,254,361</b>	<b>121,900</b>	<b>2,088,288</b>
<b>Operating Expenses:</b>				
Personnel services	-	519,315	33,184	615,943
Materials and supplies	160,712	333,731	32,569	61,592
Contractual services	-	151,084	72,273	600,506
Utilities	-	-	-	708,480
Insurance claims and premiums	-	-	-	-
Depreciation expense	263,400	-	-	-
<b>Total Operating Expenses</b>	<b>424,112</b>	<b>1,004,130</b>	<b>138,026</b>	<b>1,986,521</b>
Operating Income (Loss)	414,821	250,231	(16,126)	101,767
<b>Nonoperating Revenues (Expenses):</b>				
Interest expense	(1,421)	-	-	-
Gain (loss) on disposal of capital assets	46,365	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>44,944</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income (Loss) Before Transfers	459,765	250,231	(16,126)	101,767
Transfers in	108,900	112,000	-	27,700
Changes in Net Position	568,665	362,231	(16,126)	129,467
<b>Net Position:</b>				
Beginning of Fiscal Year	3,629,845	912,346	73,397	1,104,059
<b>End of Fiscal Year</b>	<b>\$ 4,198,510</b>	<b>\$ 1,274,577</b>	<b>\$ 57,271</b>	<b>\$ 1,233,526</b>

CITY OF NEWARK

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Totals
<b>Operating Revenues:</b>			
Interdepartmental charges	\$ 839,900	\$ 1,250,802	\$ 6,295,402
Miscellaneous	15,453	-	114,235
<b>Total Operating Revenues</b>	<b>855,353</b>	<b>1,250,802</b>	<b>6,409,637</b>
<b>Operating Expenses:</b>			
Personnel services	101,561	30,107	1,300,110
Materials and supplies	12,628	-	601,232
Contractual services	431,492	5,295	1,260,650
Utilities	-	-	708,480
Insurance claims and premiums	569,080	78,794	647,874
Depreciation expense	-	-	263,400
<b>Total Operating Expenses</b>	<b>1,114,761</b>	<b>114,196</b>	<b>4,781,746</b>
Operating Income (Loss)	(259,408)	1,136,606	1,627,891
<b>Nonoperating Revenues (Expenses):</b>			
Interest expense	-	-	(1,421)
Gain (loss) on disposal of capital assets	-	-	46,365
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>44,944</b>
Income (Loss) Before Transfers	(259,408)	1,136,606	1,672,835
Transfers in	-	-	248,600
Changes in Net Position	(259,408)	1,136,606	1,921,435
<b>Net Position:</b>			
Beginning of Fiscal Year	423,529	(982,842)	5,160,334
<b>End of Fiscal Year</b>	<b>\$ 164,121</b>	<b>\$ 153,764</b>	<b>\$ 7,081,769</b>

CITY OF NEWARK

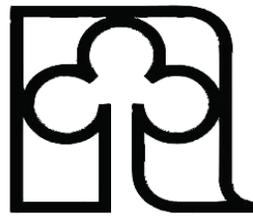
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Equipment Replacement</u>	<u>Equipment Operations</u>	<u>Office Support</u>	<u>Building Maintenance</u>
<b>Cash Flows from Operating Activities:</b>				
Cash received from interfund service provided	\$ 832,600	\$ 1,246,600	\$ 121,900	\$ 2,003,600
Cash paid to suppliers for goods and services	(267,436)	(488,892)	(96,274)	(1,362,409)
Cash paid to employees for services	-	(519,278)	(32,715)	(615,943)
Cash received from (payments to) others	9,672	13,494	-	89,579
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>574,836</b>	<b>251,924</b>	<b>(7,089)</b>	<b>114,827</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	108,900	112,000	-	27,700
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>108,900</b>	<b>112,000</b>	<b>-</b>	<b>27,700</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(198,581)	-	-	-
Principal paid on capital debt	(45,076)	-	-	-
Interest paid on capital debt	(1,421)	-	-	-
Proceeds from sales of capital assets	46,365	-	-	-
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(198,713)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>485,023</b>	<b>363,924</b>	<b>(7,089)</b>	<b>142,527</b>
Cash and Cash Equivalents at Beginning of Year	1,827,242	906,723	73,449	1,222,931
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,312,265</b>	<b>\$ 1,270,647</b>	<b>\$ 66,360</b>	<b>\$ 1,365,458</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 414,821	\$ 250,231	\$ (16,126)	\$ 101,767
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	263,400	-	-	-
(Increase) decrease in due from other governments	3,339	5,733	-	4,891
(Increase) decrease in inventories	-	6,430	-	(217)
Increase (decrease) in accounts payable	(106,724)	(10,507)	8,568	10,286
Increase (decrease) in accrued liabilities	-	37	469	-
Increase (decrease) in unearned revenue	-	-	-	(1,900)
Increase (decrease) in claims and judgments	-	-	-	-
<b>Total Adjustments</b>	<b>160,015</b>	<b>1,693</b>	<b>9,037</b>	<b>13,060</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 574,836</b>	<b>\$ 251,924</b>	<b>\$ (7,089)</b>	<b>\$ 114,827</b>

CITY OF NEWARK

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Public Liability Self-Insurance</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from interfund service provided	\$ 839,900	\$ 1,250,802	\$ 6,295,402
Cash paid to suppliers for goods and services	(675,990)	(729,897)	(3,620,898)
Cash paid to employees for services	(101,561)	(30,107)	(1,299,604)
Cash received from (payments to) others	16,419	(6,277)	122,887
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>78,768</b>	<b>484,521</b>	<b>1,497,787</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	-	-	248,600
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>248,600</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	-	(198,581)
Principal paid on capital debt	-	-	(45,076)
Interest paid on capital debt	-	-	(1,421)
Proceeds from sales of capital assets	-	-	46,365
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>(198,713)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>78,768</b>	<b>484,521</b>	<b>1,547,674</b>
Cash and Cash Equivalents at Beginning of Year	917,627	1,110,567	6,058,539
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 996,395</b>	<b>\$ 1,595,088</b>	<b>\$ 7,606,213</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (259,408)	\$ 1,136,606	\$ 1,627,891
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	-	-	263,400
(Increase) decrease in due from other governments	966	(6,277)	8,652
(Increase) decrease in inventories	-	-	6,213
Increase (decrease) in accounts payable	(9,405)	38,300	(69,482)
Increase (decrease) in accrued liabilities	-	-	506
Increase (decrease) in unearned revenue	-	-	(1,900)
Increase (decrease) in claims and judgments	346,615	(684,108)	(337,493)
<b>Total Adjustments</b>	<b>338,176</b>	<b>(652,085)</b>	<b>(130,104)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 78,768</b>	<b>\$ 484,521</b>	<b>\$ 1,497,787</b>



## 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

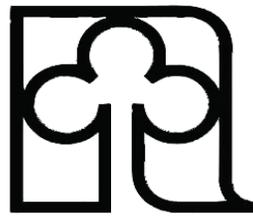
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 JUNE 30, 2019

	Area Improvement Districts	Totals
<b>Assets:</b>		
Pooled cash and investments	\$ 4,442,535	\$ 4,442,535
Restricted assets:		
Cash and investments with fiscal agents	1,445	1,445
<b>Total Assets</b>	<b>\$ 4,443,980</b>	<b>\$ 4,443,980</b>
<b>Liabilities:</b>		
Due to external parties/other agencies	\$ 4,443,980	\$ 4,443,980
<b>Total Liabilities</b>	<b>\$ 4,443,980</b>	<b>\$ 4,443,980</b>

CITY OF NEWARK

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<b><u>Area Improvement Districts</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 4,354,764	\$ 87,771	\$ -	\$ 4,442,535
Restricted assets:				
Cash and investments with fiscal agents	-	1,445	-	1,445
<b>Total Assets</b>	<b><u>\$ 4,354,764</u></b>	<b><u>\$ 89,216</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,443,980</u></b>
<b>Liabilities:</b>				
Due to external parties/other agencies	\$ 4,354,764	\$ 89,216	\$ -	\$ 4,443,980
<b>Total Liabilities</b>	<b><u>\$ 4,354,764</u></b>	<b><u>\$ 89,216</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,443,980</u></b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 4,354,764	\$ 87,771	\$ -	\$ 4,442,535
Restricted assets:				
Cash and investments with fiscal agents	-	1,445	-	1,445
<b>Total Assets</b>	<b><u>\$ 4,354,764</u></b>	<b><u>\$ 89,216</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,443,980</u></b>
<b>Liabilities:</b>				
Due to external parties/other agencies	\$ 4,354,764	\$ 89,216	\$ -	\$ 4,443,980
<b>Total Liabilities</b>	<b><u>\$ 4,354,764</u></b>	<b><u>\$ 89,216</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,443,980</u></b>



# 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.

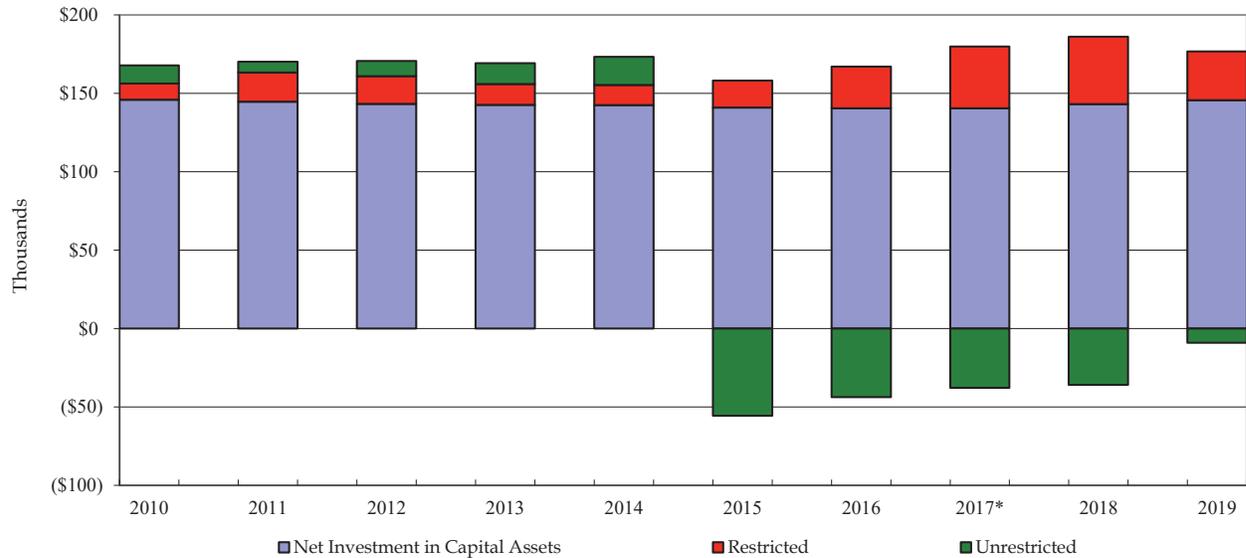
- 13 Demographic and Economic Statistics
- 14 Principal Employers

#### 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,									
	2010	2011	2012	2013	2014	2015	2016	2017*	2018	2019
<i>Primary government</i>										
<i>Governmental activities:</i>										
Net Investment in Capital Assets	\$145,913	\$144,678	\$143,258	\$142,709	\$142,524	\$140,931	\$140,414	\$140,414	\$143,058	\$145,603
Restricted	10,406	18,563	17,596	13,198	12,806	17,260	26,622	39,483	42,954	31,076
Unrestricted	11,490	6,865	9,806	13,264	17,903	(55,634)	(43,711)	(37,879)	(35,998)	(9,126)
<b>Total governmental activities net position</b>	<b>\$167,809</b>	<b>\$170,106</b>	<b>\$170,660</b>	<b>\$169,171</b>	<b>\$173,233</b>	<b>\$102,557</b>	<b>\$123,325</b>	<b>\$142,019</b>	<b>\$150,014</b>	<b>\$167,553</b>

\* Net Position not restated for the implementation of GASB Statement No. 75 or other restatements discussed in Note 14

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

	Fiscal year ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$3,965	\$3,838	\$3,891	\$3,796	\$4,643	\$5,986	\$4,484	\$5,337	\$6,159	\$6,656
Public safety:										
Fire	9,026	8,294	8,380	8,669	8,665	9,641	9,805	10,560	11,424	10,821
Police	13,814	12,535	13,598	14,643	15,310	15,565	17,202	19,798	21,728	24,012
Public Works	6,763	5,644	6,065	9,834	6,743	6,082	5,934	6,444	8,648	16,837
Community development	2,863	2,821	3,127	2,749	3,052	3,456	3,930	5,002	6,918	2,173
Recreation and community services	4,717	4,865	4,440	3,839	4,212	4,245	4,291	5,243	7,566	6,017
Interest on long-term debt	645	618	601	455	430	406	391	373	350	330
Total governmental activities expenses	41,793	38,615	40,102	43,985	43,055	45,381	46,036	52,757	62,792	66,845
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
General government	82	97	73	45	50	14	15	13	12	11
Public safety:										
Fire	239	69	94	135	115	113	230	323	270	193
Police	924	753	521	555	563	573	729	990	1,109	1,182
Public Works	666	585	563	560	530	1,181	2,771	3,388	905	5,367
Community development	1,183	1,198	1,398	1,268	1,858	5,048	13,492	14,269	12,482	7,422
Recreation and community services	2,384	2,349	2,391	1,686	2,432	2,273	2,458	2,801	2,459	5,899
Operating grants and contributions	3,227	1,838	1,492	1,053	938	615	803	642	543	891
Capital grants and contributions	2,719	1,560	1,625	2,337	2,725	2,055	2,584	2,661	2,844	5,031
Total governmental program revenues	11,424	8,449	8,157	7,639	9,211	11,872	23,083	25,074	20,625	25,996
<b>Net (expense)/revenue</b>										
Total governmental activities net expense	(30,369)	(30,166)	(31,945)	(36,346)	(33,844)	(33,509)	(22,953)	(27,683)	(42,168)	(40,849)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	12,498	11,801	11,843	12,559	13,035	13,987	14,967	16,465	19,193	20,700
Sales taxes	6,702	8,807	8,819	9,631	10,182	10,603	11,092	12,949	16,433	19,041
Franchise taxes	2,475	2,512	2,538	2,870	2,938	3,076	2,725	3,670	3,833	3,970
Transient occupancy tax	2,337	2,785	3,323	3,705	4,320	5,067	5,859	6,094	6,362	6,717
Utility users tax	-	765	3,231	3,376	3,644	3,617	3,292	3,527	3,631	3,289
Other local taxes	958	1,097	1,117	1,132	1,272	1,488	1,799	1,996	2,346	2,162
Motor vehicle in-lieu	-	203	22	23	19	18	18	20	24	23
Use of money and property	129	79	147	49	70	93	189	446	900	2,045
Gain on sale of assets	523	-	423	-	-	-	-	-	-	-
Miscellaneous	66	4,414	1,037	1,510	2,562	1,926	2,829	1,206	1,049	686
General revenues	25,688	32,463	32,500	34,855	38,042	39,875	42,769	46,373	53,770	58,633
Change in net position governmental activities	(\$4,681)	\$2,297	\$555	(\$1,491)	\$4,198	\$6,366	\$19,816	\$18,690	\$11,602	\$17,784

# 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,									
	2010*	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved*	\$ 449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved*	6,715	-	-	-	-	-	-	-	-	-
Nonspendable:										
Supplies and prepaid assets	-	633	134	121	555	152	135	145	153	185
Due from Successor Redevelopment Agency	-	-	-	-	-	404	356	216	184	184
Committed:										
Pension/OPEB Reserves	-	-	-	-	150	-	-	6,424	7,785	10,789
Assigned for:										
Fire side fund	-	-	363	463	613	-	-	440	440	440
Equipment replacement	-	-	-	155	405	1,305	1,500	2,700	2,900	3,100
Waste disposal fund	-	-	972	1,028	817	576	429	429	73	631
Community development	-	-	-	-	242	187	342	513	743	2,793
Unassigned	-	8,566	10,701	13,849	16,776	18,904	27,169	23,246	31,666	34,331
Total General Fund	\$ 7,164	\$ 9,199	\$ 12,170	\$ 15,616	\$ 19,558	\$ 21,528	\$ 29,930	\$ 34,111	\$ 43,945	\$ 52,454
All other governmental funds										
Reserved*	\$ 990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved*	15,847	-	-	-	-	-	-	-	-	-
Restricted for:										
Public safety	-	182	212	216	199	197	215	295	403	650
Community development	-	-	(5)	15	15	15	15	15	92	18,767
Street improvements	-	4,678	4,460	3,053	3,740	4,456	9,608	12,884	14,559	4,164
Environmental programs	-	164	190	241	313	400	491	580	645	688
Health and welfare	-	28	35	34	35	37	37	46	35	36
Recreation programs	-	181	151	116	111	730	2,877	5,726	6,044	4,100
Debt service	-	1,014	675	676	677	681	680	680	687	700
Landscape and lighting	-	485	623	701	665	738	762	875	981	1,195
Other purposes (i.e. PEG)	-	21	-	-	-	-	-	-	689	777
Committed:										
Community development - General City Plan	-	-	173	152	304	576	1,121	1,907	2,242	2,793
Assigned to:										
Art in public places	-	632	646	646	673	860	959	1,151	1,451	1,626
Capital asset acquisition	-	10,499	10,310	6,858	6,159	9,340	12,770	21,715	21,859	25,105
Other purposes	-	1,111	-	-	-	-	-	-	-	-
Unassigned	-	(464)	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 16,837	\$ 18,534	\$ 17,470	\$ 12,708	\$ 12,890	\$ 18,029	\$ 29,535	\$ 45,874	\$ 49,687	\$ 60,601

\* Starting fiscal year ending June 30, 2011, the City's fund balances are classified in accordance with GASB 54. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances are presented in the following classifications: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these classifications).

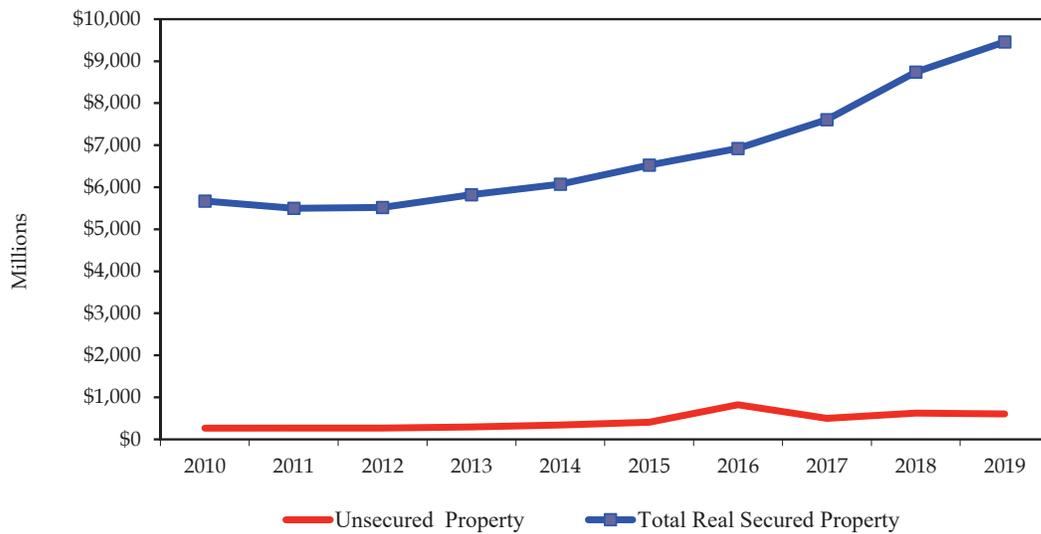
Source: City of Newark Basic Financial Statements

**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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Property taxes	\$12,281	\$11,802	\$11,843	\$12,559	\$13,035	\$13,988	\$14,967	\$16,465	\$19,193	\$20,700
Other local taxes	13,197	15,926	19,028	20,558	22,200	23,867	24,655	28,151	33,145	35,179
Special assessments	904	443	472	473	319	431	460	457	507	529
Licenses, permits and fees	1,040	820	1,117	939	1,443	2,264	4,173	4,149	3,638	3,638
Fines and forfeitures	591	473	384	377	362	383	529	822	944	966
Use of money and property	109	80	147	49	70	93	189	477	900	1,999
Intergovernmental revenues	3,482	4,575	2,996	2,974	4,037	3,093	3,345	3,231	3,399	5,486
Charges for services	3,306	3,608	3,808	3,098	4,604	6,352	14,430	15,738	11,960	15,471
Other	435	4,123	851	985	1,374	1,486	2,982	1,793	1,250	686
Total revenues	35,346	41,849	40,645	42,011	47,445	51,955	65,729	71,284	74,935	84,654
<b>Expenditures</b>										
Current:										
General government	3,807	3,739	3,790	3,722	4,526	6,043	4,643	5,231	5,487	5,774
Public safety:										
Fire	8,897	8,082	8,142	8,433	8,460	9,634	9,619	10,373	11,433	10,821
Police	13,270	12,725	13,406	14,433	15,282	15,435	16,741	17,954	19,763	20,970
Streets and parks	5,934	4,224	4,881	7,160	4,350	3,663	3,954	3,877	7,522	13,032
Community development	2,809	2,767	3,085	2,708	3,005	3,512	4,089	4,922	6,158	1,858
Recreation	4,247	4,413	3,914	3,458	3,949	4,000	4,092	4,786	6,582	5,554
Capital outlay	634	374	20	2,365	2,611	1,483	1,321	2,844	2,957	5,840
Debt service:										
Principal repayment	975	454	633	527	572	589	560	584	542	556
Interest and fiscal charges	659	622	761	450	430	410	388	369	348	330
Total expenditures	41,232	37,399	38,632	43,256	43,185	44,770	45,409	50,940	60,791	64,736
Excess (deficiency) of revenues over (under) expenditures	(5,886)	4,450	2,013	(1,244)	4,260	7,185	20,321	20,344	14,144	19,918
<b>Other financing sources (uses)</b>										
Proceeds from sale of property	1,199	-	-	-	-	-	-	-	-	-
Transfers in	1,475	3,244	3,085	1,852	2,212	4,065	3,773	5,836	6,544	6,402
Transfers (out)	(1,475)	(3,244)	(3,619)	(1,924)	(2,504)	(4,141)	(3,910)	(6,201)	(6,909)	(6,650)
Issuance of debt	-	-	9,704	-	-	-	-	-	-	-
Debt refunding	-	-	(9,700)	-	-	-	-	-	-	-
Certificates of participation issued	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	157	-	-	-	-	-
Total other financing sources (uses)	1,199	-	(529)	(72)	(136)	(76)	(138)	(366)	(366)	(249)
<b>Extraordinary gain</b>										
RDA Dissolution	-	-	423	-	-	-	-	-	-	-
Net change in fund balances	(\$4,687)	\$4,450	\$1,907	(\$1,316)	\$4,125	\$7,109	\$20,183	\$19,978	\$13,779	\$19,669
Debt service as a percentage of noncapital expenditures	4.2%	3.0%	3.7%	2.4%	2.5%	2.4%	2.2%	2.0%	1.6%	1.5%

Source: City of Newark Basic Financial Statements

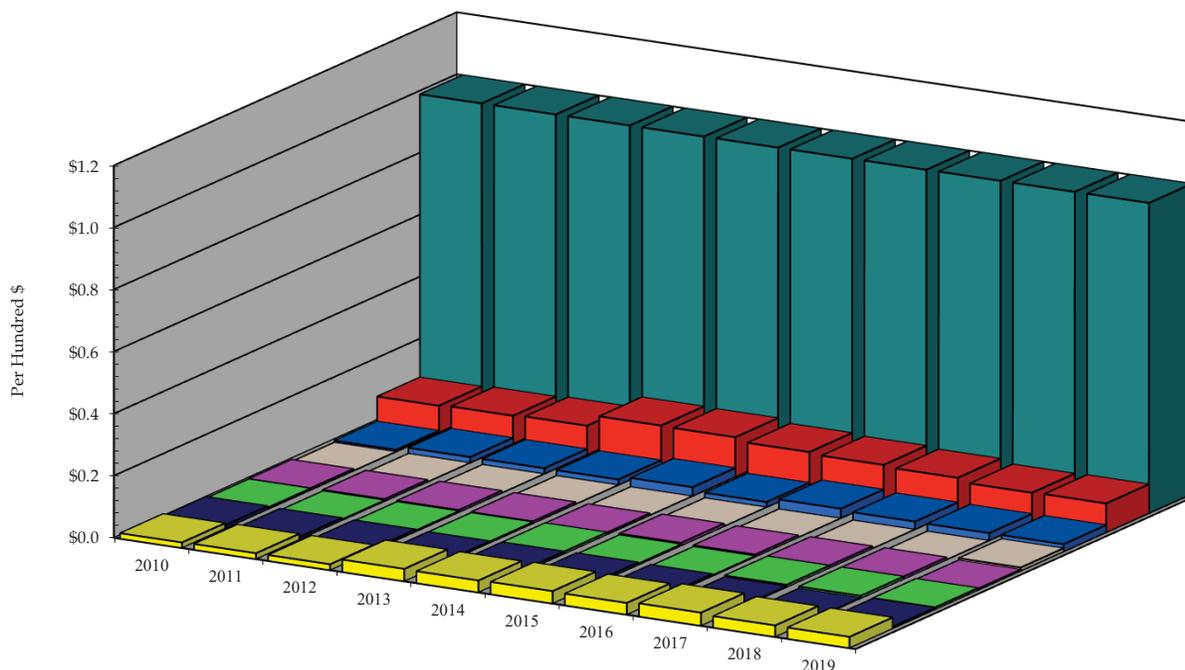
**CITY OF NEWARK**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**



Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other				
2010	3,391,831,426	727,900,694	1,151,092,122	133,920,816	5,404,745,058	267,402,503	5,672,147,561	0.16459%
2011	3,272,087,780	656,402,178	1,155,466,415	143,733,570	5,227,689,943	271,273,066	5,498,963,009	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	0.16038%
2013	3,320,387,782	630,964,789	1,424,015,618	150,820,781	5,526,188,970	295,134,158	5,821,323,128	0.16512%
2014	3,497,588,932	640,455,423	1,418,773,918	177,080,719	5,733,898,992	341,285,706	6,075,184,698	0.16432%
2015	3,827,802,794	649,505,241	1,426,042,828	211,620,359	6,114,971,222	409,594,577	6,524,565,799	0.16425%
2016	4,083,212,592	688,882,274	1,106,413,993	221,541,798	6,100,050,657	823,549,996	6,923,600,653	0.16383%
2017	4,381,165,279	714,399,736	1,635,285,953	371,907,937	7,102,758,905	502,466,622	7,605,225,527	0.16292%
2018	4,793,351,401	746,379,514	1,776,301,495	800,737,288	8,116,769,698	625,081,222	8,741,850,920	0.16107%
2019	5,594,411,632	791,514,110	1,793,559,114	673,443,440	8,852,928,296	605,704,087	9,458,632,383	0.17423%

(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**



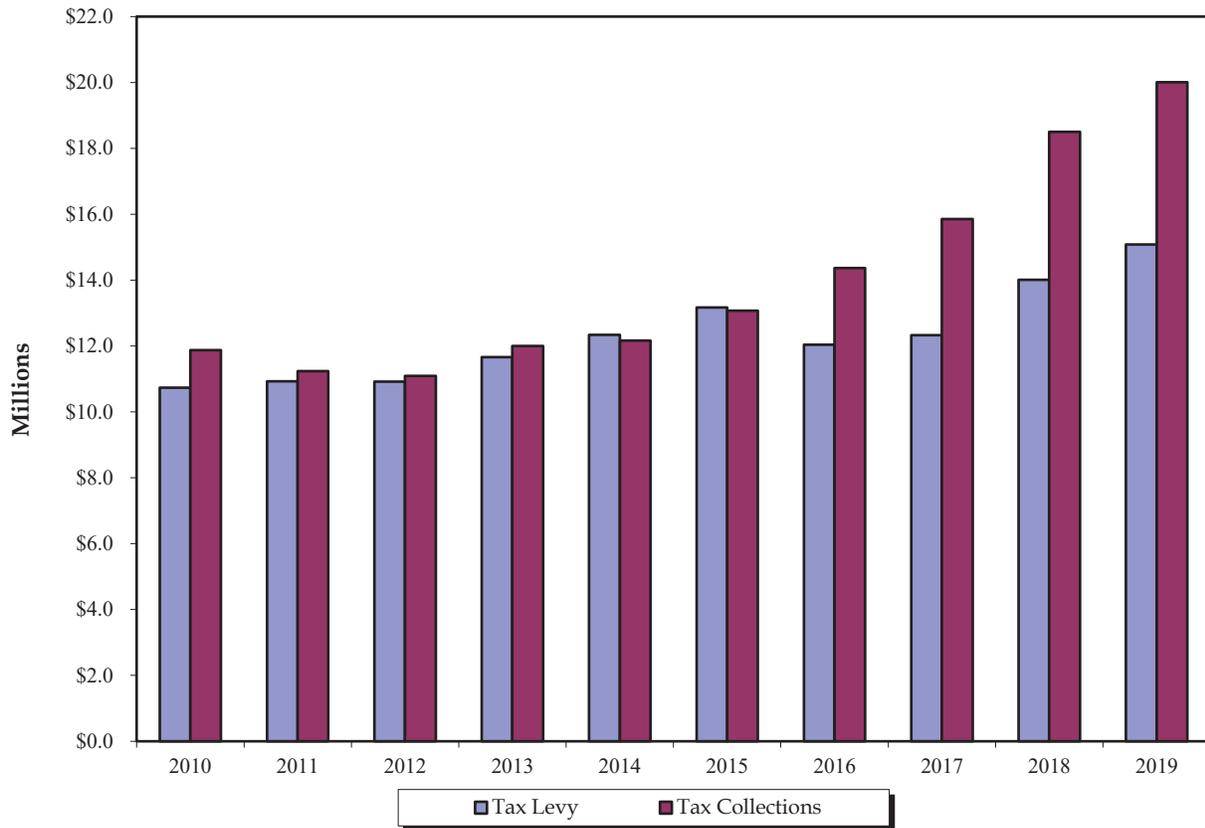
Fiscal Year	Basic County Wide Levy	Alameda County Water District	Bay Area Rapid Transit	County Go Bond	East Bay Regional Park District	Newark Unified School District	Ohlone Community College	Washington Hospital	Total
2010	1.0000	0.0065	0.0057	0.0000	0.0108	0.0865	0.0188	0.0063	1.1346
2011	1.0000	0.0071	0.0031	0.0000	0.0084	0.0900	0.0190	0.0188	1.1464
2012	1.0000	0.0077	0.0041	0.0000	0.0071	0.0935	0.0400	0.0186	1.1710
2013	1.0000	0.0069	0.0043	0.0000	0.0051	0.1298	0.0384	0.0181	1.2026
2014	1.0000	0.0066	0.0075	0.0000	0.0078	0.1280	0.0399	0.0291	1.2189
2015	1.0000	0.0093	0.0045	0.0000	0.0085	0.1159	0.0378	0.0171	1.1931
2016	1.0000	0.0075	0.0026	0.0000	0.0067	0.1103	0.0424	0.0313	1.2008
2017	1.0000	0.0080	0.0080	0.0000	0.0032	0.1046	0.0370	0.0256	1.1864
2018	1.0000	0.0082	0.0084	0.0000	0.0021	0.0922	0.0361	0.0243	1.1713
2019	1.0000	0.0049	0.0070	0.0112	0.0057	0.0936	0.0315	0.0242	1.1781

Source: Alameda County Assessor 2009/10 - 2018/19 Combined Tax Rolls & Assessed Value of Taxable Property Report

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

Taxpayer	2018/19			2009/10		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
BMR Gateway Boulevard LLC	\$383,876,380	1	4.06%	\$191,775,343	1	3.38%
Apple Computer Inc.	364,588,655	2	3.85%	178,157,260	2	3.14%
Metropolitan Life Insurance Co	92,830,388	3	0.98%			
Newark Partners LLC	87,091,369	4	0.92%	36,599,191	9	0.65%
JMB Newpark Associates & GGP	84,013,131	5	0.89%	73,893,240	3	1.30%
IPT East Bay DC LP	83,935,310	6	0.89%			
Lennar Homes California Inc.	74,179,355	7	0.78%			
Leslie Salt Company	68,168,695	8	0.72%	35,534,613	10	0.63%
Strata Habitat Foundation	59,675,548	9	0.01%			
Sycamore Bay LLC	59,163,636	10	0.63%	52,060,701	5	0.92%
Security Capital Industrial Trust				60,351,374	4	1.06%
KBS Bridgeway Technology Center				51,905,556	6	0.92%
DCT Cherry Street California LP				38,703,025	7	0.68%
BRCP Stevenson Point LLC				37,506,420	8	0.66%
Subtotal	\$1,357,522,467		13.73%	\$756,486,723		13.34%
Total Net Assessed Valuation:						
Fiscal Year 2018/19	\$9,458,632,383					
Fiscal Year 2009/10	\$5,672,147,561					

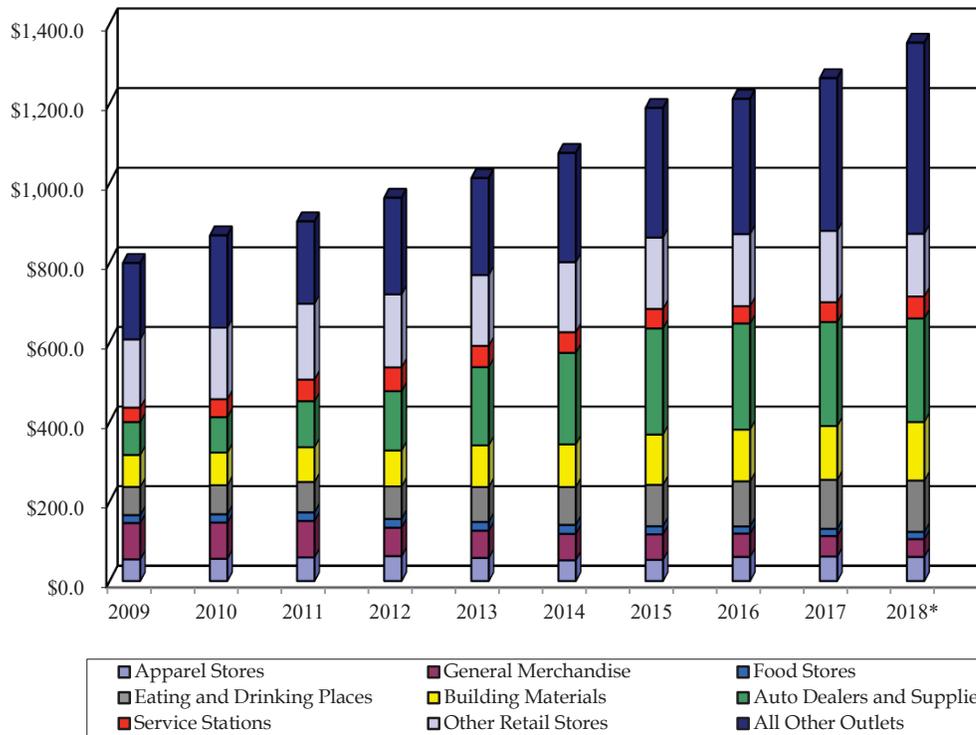
**CITY OF NEWARK**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**



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
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%
2015	13,167,587	12,981,908	98.5899%	91,303	13,073,211	99.2833%
2016	12,034,774	13,998,852	116.3200%	363,854	14,362,706	119.3434%
2017	12,328,151	15,344,462	124.4669%	514,182	15,858,644	128.6377%
2018	14,011,767	17,900,017	127.7499%	601,908	18,501,925	132.0456%
2019	15,081,236	19,415,489	128.7394%	596,591	20,012,080	132.6952%

(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.

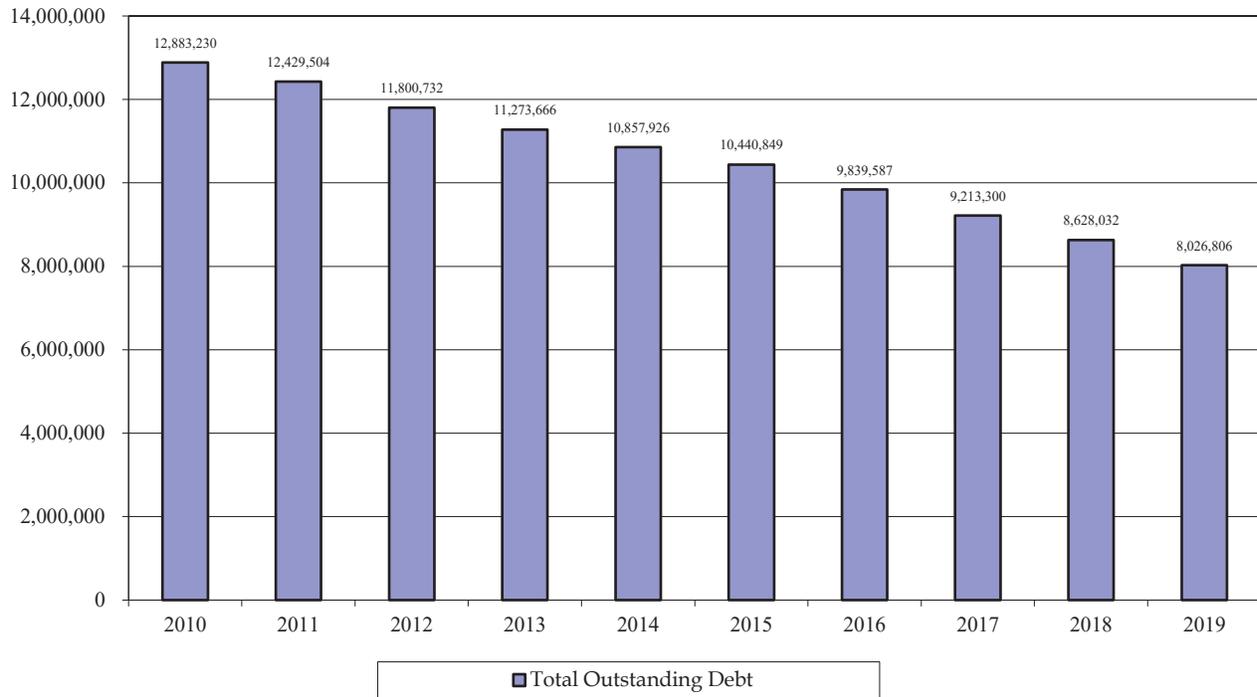
**CITY OF NEWARK**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**



	Calendar Year (in millions)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Apparel Stores	\$54.4	\$56.0	\$59.4	\$62.5	\$58.2	\$52.1	\$53.4	\$60.7	\$61.6	\$60.5
General Merchandise	91.6	90.9	91.8	71.7	68.4	66.5	64.1	58.6	51.7	45.0
Food Stores	19.7	20.9	21.4	22.0	22.0	22.5	20.2	18.0	18.0	18.0
Eating and Drinking Places	71.0	73.0	76.4	81.8	87.9	95.4	104.1	113.4	123.3	129.2
Building Materials	80.0	82.0	87.1	90.0	104.4	106.9	126.1	129.9	134.8	146.9
Auto Dealers and Supplies	82.9	89.0	115.7	149.1	196.5	229.9	266.7	266.6	261.4	260.2
Service Stations	36.2	45.0	54.4	59.8	53.6	51.8	49.2	43.6	49.6	55.3
Other Retail Stores	171.3	180.0	190.6	183.3	177.7	176.0	179.1	180.7	179.5	157.3
All Other Outlets	191.9	231.7	206.8	242.8	243.5	274.5	325.7	340.1	383.4	480.1
<b>Total</b>	<b>\$ 799.0</b>	<b>\$ 868.5</b>	<b>\$ 903.6</b>	<b>\$ 963.0</b>	<b>\$ 1,012.2</b>	<b>\$ 1,075.6</b>	<b>\$ 1,188.6</b>	<b>\$ 1,211.6</b>	<b>\$ 1,263.3</b>	<b>\$ 1,352.5</b>

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)
2010	12,310,000	-	573,230	12,883,230	0.94%	426
2011	11,940,000	-	489,504	12,429,504	0.93%	446
2012	11,398,955	-	401,777	11,800,732	0.96%	415
2013	10,963,807	-	309,859	11,273,666	0.91%	393
2014	10,510,717	-	347,209	10,857,926	0.84%	369
2015	10,045,261	-	395,588	10,440,849	0.78%	342
2016	9,562,962	-	276,625	9,839,587	0.71%	317
2017	9,059,605	-	153,695	9,213,300	0.65%	294
2018	8,540,948	-	87,084	8,628,032	0.56%	267
2019	8,007,711	-	19,095	8,026,806	0.49%	239

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.

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

**CITY OF NEWARK**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2019**

	Debt Outstanding	Percentage Applicable (1)	Share of Overlapping Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Alameda County	\$240,000,000	3.264%	\$7,833,600
Bay Area Rapid Transit District	809,659,968	1.259%	10,193,619
East Bay Regional Park District	178,709,985	1.993%	3,561,690
Ohlone Community College District	416,948,397	15.344%	63,976,562
Newark Unified School District	89,085,752	100.000%	89,085,752
Washington Township Healthcare District	331,289,997	13.056%	43,253,222
City of Newark 1915 Act Bonds	4,452,355	100.000%	4,452,355
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 222,356,800
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Alameda County General Fund Obligations	\$874,532,506	3.264%	\$28,544,741
Alameda-Contra Costa Transit District Certificates of Participation	11,465,010	3.864%	443,008
City of Newark General Fund Obligations - Direct Debt	8,026,806	100.000%	8,026,806
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 37,014,555
TOTAL DIRECT DEBT			8,026,806
TOTAL OVERLAPPING DEBT			251,344,549
COMBINED TOTAL DEBT			<u>\$259,371,355 (2)</u>

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

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

Source: California Municipal Statistics, Inc.

**CITY OF NEWARK**  
**Legal Bonded Debt Margin Information**  
**June 30, 2019**

**Assessed valuation:**

Secured property assessed value,  
net of exempt real property \$9,458,632,383

Bonded debt limit (15% of assessed value) 1,418,794,857

**Amount of debt subject to limit:**

Total bonded debt 8,026,806

Less: Certificates of participation and bank  
refinancing not subject to limit 8,026,806

Amount of debt subject to limit -

**Legal bonded debt margin** \$1,418,794,857

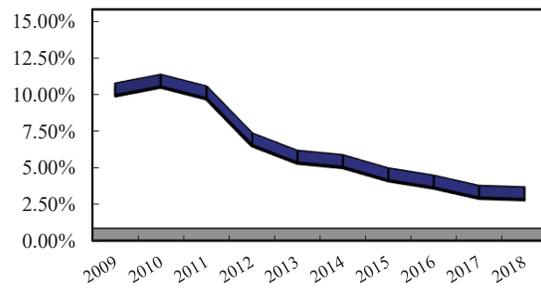
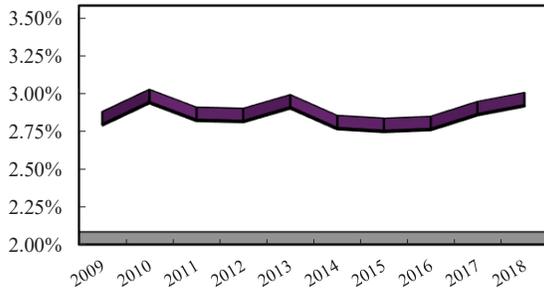
<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
2010	810,711,759	-	810,711,759	0.00%
2011	784,128,589	-	784,128,589	0.00%
2012	787,749,759	-	787,749,759	0.00%
2013	828,903,443	-	828,903,443	0.00%
2014	860,059,947	-	860,059,947	0.00%
2015	917,189,996	-	917,189,996	0.00%
2016	1,038,540,098	-	1,038,540,098	0.00%
2017	1,140,783,829	-	1,140,783,829	0.00%
2018	1,311,277,638	-	1,311,277,638	0.00%
2019	1,418,794,857	-	1,418,794,857	0.00%

Source: Alameda County Assessor 2009/10 - 2018/19 Combined Tax Rolls

# CITY OF NEWARK

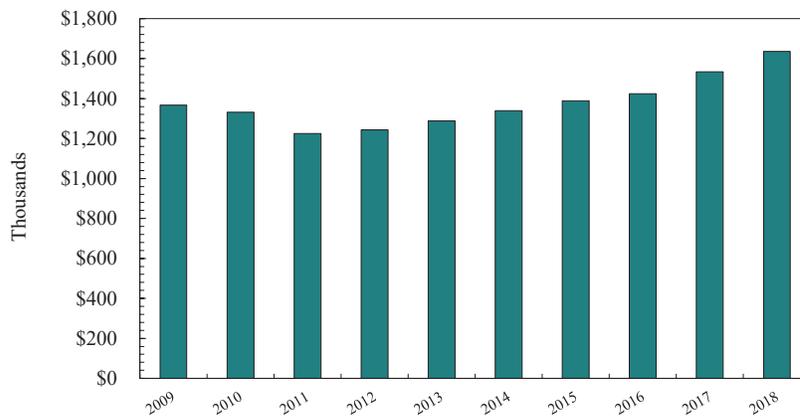
## Demographic and Economic Statistics

### Last Ten Calendar Years



■ City Population % of County

■ Unemployment Rate



■ Total Personal Income

Calendar Year	City Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Alameda County Population	City Population % of County
2009	44,064	1,366,781	30,233	9.9%	1,578,264	2.79%
2010	44,380	1,332,171	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%
2014	43,821	1,339,696	30,572	5.0%	1,583,979	2.77%
2015	44,733	1,388,647	31,043	4.1%	1,627,865	2.75%
2016	45,422	1,424,360	31,358	3.6%	1,645,359	2.76%
2017	47,467	1,533,235	32,301	2.9%	1,660,202	2.86%
2018	48,712	1,636,312	33,591	2.8%	1,669,301	2.92%

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 Three Years Ago**

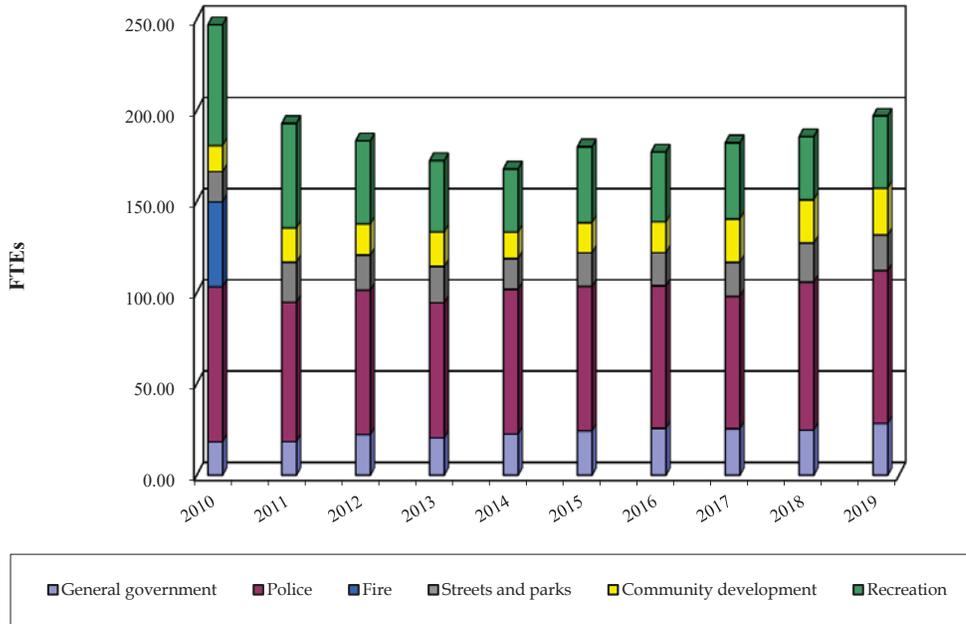
Employer	2018-19			2015-16		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees (2)	Rank	Percentage of Total City Employment
Newark Unified School District	865	1	3.46%	983	1	4.2%
Logitech	590	2	2.36%	716	2	3.0%
Risk Management Solutions	300	3	1.20%	325	3	1.4%
WorldPac	295	4	1.18%	218	4	0.9%
VM Services Inc	230	5	0.92%	230	5	1.0%
Cargill Salt	217	6	0.87%	210	6	0.9%
Smart Modular Technologies	216	7	0.86%	215	7	0.9%
Amazon Fulfillment Center	200	8	0.80%			
Aryzta,LLC (formerly Fullbloom Baking Co.)	169	9	0.68%	180	8	0.8%
Macy's Department Store	160	10	0.64%	180	9	0.8%
City of Newark				144	10	0.6%
Total	<u>3,242</u>		<u>12.97%</u>	<u>3,401</u>		<u>14.4%</u>
Total City Employment (1)	<u>25,000</u>			<u>23,600</u>		

Source: Avenu Insights & Analytics  
Results based on direct correspondence with city's local businesses.  
(1) Total City Labor Force provided by EDD Labor Force Data.  
(2) 2015-16 previously published CAFR.

**CITY OF NEWARK**

**Full-Time Equivalent City Government Employees by Function/Program**

**Last Ten Fiscal Years**



Function/Program:	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	18.25	18.43	22.19	20.43	22.52	24.24	25.67	25.35	24.75	28.37
Public safety										
Police	85.00	76.39	79.19	74.06	79.36	79.14	78.10	72.70	81.01	83.66
Fire	46.65	-	-	-	-	-	-	-	-	-
Streets and parks	16.45	21.94	19.20	19.89	16.88	18.57	18.23	18.65	21.50	19.70
Community development	14.30	18.80	17.14	19.00	14.58	16.52	16.94	23.80	23.73	25.65
Recreation	66.25	57.22	45.52	39.00	34.53	41.45	38.22	41.62	34.59	39.54
<b>Total</b>	<b>246.90</b>	<b>192.78</b>	<b>183.24</b>	<b>172.38</b>	<b>167.87</b>	<b>179.92</b>	<b>177.16</b>	<b>182.12</b>	<b>185.58</b>	<b>196.92</b>

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

Function/Program	Fiscal Year					
	2014	2015	2016	2017	2018	2019
<b>Public safety:</b>						
Fire						
Fire calls for service	2,988	2,985	3,340	3,308	3,296	3,239
Primary fire inspections conducted	1,566	1,499	1,595	2,194	1,671	1,797
Environmental safety inspections conducted	18,004	618	660	696	875	1,115
Police						
Communication center calls answered	33,428	29,419	31,654	31,670	38,114	42,556
Police calls for service	33,428	29,419	31,654	31,670	38,114	42,556
Law violations						
Part I crimes	1,305	1,489	1,491	1,726	1,782	1,784
Traffic violations	4,071	2,656	3,998	1,996	3,032	3,368
Parking violations	1,514	964	1,425	1,067	1,406	775
<b>Public works:</b>						
Street resurfacing (miles)	9	8	7	6	5	4
Street lights repaired	423	487	485	602	472	482
<b>Recreation:</b>						
Recreation class/program participants	182,642	173,112	156,814	154,120	152,574	187,088
Recreation facilities rentals	1,940	1,674	1,406	1,486	1,445	1,559
Silliman Activity Center use	141,672	142,805	131,237	125,761	94,766	101,239
<b>Miscellaneous:</b>						
Library:						
Library visitors	177,606	192,621	187,965	191,709	183,184	188,060
Library materials circulated	272,695	278,477	254,362	249,197	250,934	246,803

\* 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.

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

Function/Program	Fiscal Year					
	2014	2015	2016	2017	2018	2019
<b>Public safety:</b>						
Fire stations	3	3	3	3	3	3
Police stations	1	1	1	1	1	1
Police patrol units	20	20	20	20	20	21
<b>Public works:</b>						
Miles of streets	105	105	105	105	105	105
Street lights	2,849	2,849	2,849	2,849	2,849	2,849
Traffic signals	43	44	44	44	44	44
<b>Recreation:</b>						
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
<b>Miscellaneous</b>						
Library	1	1	1	1	1	1

Source: City of Newark