

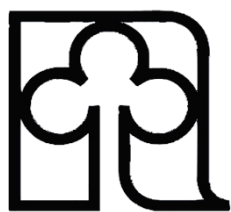
City of Newark

Newark, California

Annual Comprehensive Financial Report

For the year ended June 30, 2023

Prepared by:
Finance Department
Krysten Lee
Finance Director





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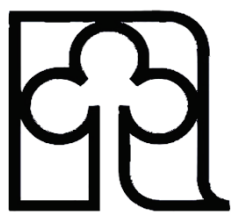
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December 15, 2023

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

I am pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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 controls the City has established for this purpose. Because the cost of internal controls 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, 2023. The independent auditor's report is presented at the front of the financial section of this ACFR.

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. The City's geographic location in the San Francisco Bay Area (Bay Area) is a significant factor affecting its economic position. The City represents a diverse and skilled workforce and is in close proximity to universities and some of California's largest and fastest growing companies. As of January 1, 2023, the City's population was estimated by the California Department of Finance at 47,459, 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 Manager and City 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, human resources, and finance. 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 unit, the Newark Public Financing Authority. The Newark Public Financing Authority is a blended component unit because the governing board consists of all five members of the City Council.

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 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 Statement No. 54 of the Governmental Accounting Standards Board (GASB 54).

Local Economy

The City's financial condition at the close of fiscal year 2023 remains strong. Property tax revenue, representing the general fund's largest revenue source, increased 10.9%. The City's total property assessment roll was \$13.1 billion for fiscal year 2023, marking a 10.4% increase over the prior period, which is one of the largest increases in the County. Sales tax revenue, which is the second largest source of revenue and includes the Measure GG ½ cents sales tax, also increased from the prior fiscal year, along with other revenue categories such as transient occupancy tax, utility users tax, and most notably use of money and property which increased by \$3.6 million due to positive investment earnings generated by an increase in both interest rates and cash balances.

The City was allocated a total of \$11.8 million of State and Local Fiscal Recovery Funds, provided by the American Rescue Plan Act (ARPA) which was passed by the Federal government on March 11, 2021. The first tranche receipt of the Federal funding was \$5.9 million and was received in July 2021. The second tranche was received in July 2022. The Newark City Council held a work session on October 7, 2021, to discuss options to spend the City of Newark's \$11.8 million allocation. The Council provided feedback to City staff and a proposed City of Newark ARPA Recovery Plan was developed. As approved by the City Council on October 28, 2021, this much needed funding allowed the City to hire positions which were frozen at the onset of the pandemic and also funded fiscal year 2022 operating budgets across City departments which were cut in response to the pandemic and resulting decreased revenues.

While 41% of the ARPA funding went to restore positions and one year of department operating budgets, the majority of funding has been earmarked for the Newark community. During fiscal year 2022, \$1.5 million of the ARPA funding was paid out as small business grants to 82 business who qualified for the needs-based funding. During fiscal year 2023, \$1.5 million was transferred to the Housing Impact Fees Fund for affordable housing. Another \$1.3 million has been allocated to the Newark Family Resource Center and Bilingual Preschool/Promotores Training and Teen Program. \$1.2 million is currently designated to improve broadband for the business and residential community. The balance will go to fund recreation program scholarships, non-profit agency grants, and other community projects.

The City has observed prudent spending of operating budgets and with improvements in the economy and revenue streams, has started to hire new positions to provide for continued services to the public. The City will continue to be prudent with its financial resources and closely monitor impacted revenue and maintain sufficient reserves to help mitigate the City's budget should another recession scenario occur.

Long-Term Financial Planning and Relevant Financial Policies

In June 2023, the City updated its fund balance and reserve policy based on the Government Finance Officers Association (GFOA) risk-based analysis framework. This analysis resulted in a combined minimum reserve target of 30% of final General Fund operating and debt service expenditures for fiscal stability, cash flow needs, contingencies, and strategic opportunities. The reserve, called the Emergency and Fiscal Uncertainty Reserve, is intended to help the City mitigate risks and respond to financial challenges during economic downturns, emergencies, or cyclical deficits when annual expenditures exceed revenues. As of June 30, 2023, the reserve totaled \$22.2 million, which was 33.6% of final General Fund operating and debt service expenditures. This amount is reflected as unassigned fund balance in the General Fund, but it is prudent fiscal policy to recognize that these funds are not intended for normal unanticipated expenditures.

The Capital Project Fund was established by the City to fund capital improvement projects and had an ending balance of \$16.1 million at the end of fiscal year 2023. During fiscal year 2023, budgeted transfers of \$9.4 million from Measure GG funds (\$4.5 million) and the Public Financing Authority (\$4.7 million) provided for reimbursements to the Capital Outlay fund for project expenditures related to the New Civic Center project.

The Pension and Other Post-Employment Benefits (OPEB) Reserve had an initial deposit of \$5.0 million when it was adopted in fiscal year 2017. Subsequent funding transfers, in part made available by salary savings, were added to this reserve after the initial deposit, and in fiscal years 2021 and 2022, additional discretionary payments were paid to CalPERS for \$10.0 million (Safety) and \$5.0 million (Miscellaneous), respectively. At the close of fiscal year 2023, the pension and OPEB reserve had a balance of \$12.4 million which will be used during fiscal year 2024 to fund a pension trust, another CalPERS discretionary payment, and offset future pension and OPEB required contributions.

Major Initiatives

The City of Newark is currently engaged with several major planning initiatives:

NewPark Place Specific Plan

The vision of the NewPark Place Specific Plan is to transform the greater NewPark Mall area into a premier, vibrant, urban place which includes modern residential areas, generous retail and dining opportunities, community venues, inviting pedestrian oriented streets and public spaces, and enhanced sidewalks, bicycle lanes, and transit facilities. In 2021, the City and Brookfield Properties, the owner of NewPark Mall (Brookfield Properties), began implementing the NewPark Place Specific Plan which includes these two projects:

- Costco – in late November 2023, the new 161,000 square foot Costco retail warehouse and 32-pump retail fuel facility opened to the public.

Phase A Residential project – in September 2021, the City Council approved a residential/retail mixed-use project with a total of 319 dwelling units, approximately 3,700 square feet of ground floor retail, and approximately 12,900 square feet of amenities. The structure would be six stories with five residential levels situated over ground floor retail and amenities. As part of the approved project, 29 units of affordable housing would be, available to households at very low, low, and moderate-income levels. Although the project approvals expired in 2023, the City will continue to work with Brookfield to process new entitlements for Phase A and other residential phases into the future.

Bayside Newark Specific Plan

The Bayside Newark Specific Plan project area includes 233 acres of land that has contained various industrial, manufacturing, chemical processing and salt production facilities since the early twentieth century. The City envisions a transit-oriented community built next to a future Dumbarton Commuter Rail station, which will provide a broad range of new housing, retail and business opportunities in western Newark. Residential neighborhoods will be created that take advantage of transit investments to facilitate alternative commutes, dramatically increase pedestrian mobility, and to take full advantage of its location and surrounding open space resources. Since 2014, the city has approved six development phases, resulting in nearly 1,750 new residential units that have been completed or are under construction.

In 2022, the City Council approved the latest residential phase known as FMC Willow. The FMC Willow project would redevelop a 22.1-acre site near Willow Street and Enterprise Drive into a 370-unit multi-family community including 279 townhouse units, a 1.6-acre mixed-use area with 3,600 square feet of retail, a club room, fitness center, and 90 affordable units, a 5-acre community park (Grand Park), and approximately 1.8 acres set aside for the future transit station.

Old Town Newark Specific Plan

The Old Town Newark Specific Plan aims to bring together over 30 years of planning and analysis to implement long-standing goals for revitalization, including new public spaces, improvements to Thornton Avenue, and opportunities for new multifamily and residential mixed-use development. At the same time, this plan provides steps to maintain the existing housing stock and avoid displacement of existing residents and businesses.

The City was recently awarded \$5.1 million from the third round of the One Bay Area Grant (OBAG3) program to be used towards the Old Town Streetscape and Complete Street Improvements Project, developed with the Old Town Specific Plan. The goal of this project is to improve access, safety, and connections for pedestrians, bicyclists, and transit users, while also serving as a catalyst for private investment in buildings and uses. To receive OBAG3 funding, the City must meet certain requirements to conform with State housing laws.

Planning Areas 3 and 4

This is an approximately 950-acre site located in southwest Newark and is generally bounded by Mowry Avenue on the north, Cherry Street on the east, Stevenson Boulevard on the south, and salt flats on the west. As described in the Area 3 and 4 Specific Plan, planned uses for this area include recreational amenities, approximately 1,200 housing units of various densities, and elementary school, open space wetland mitigation areas, as well as retention of existing light industrial, institutional, and City Fire Station, park, and community center uses.

In addition to these planning projects, the City is working on the following projects:

- *Housing Element Update* – The Housing Element is part of Newark’s General Plan and identifies policies and actions to meet the housing needs of the City’s current and future residents at all income levels. On April 12, 2023, the City submitted the Housing Element Update to the California Department of Housing and Community Development (HCD). The City’s Housing Element update was completed in December 2023. The Housing Element update contains components and analysis required by State law.
- *Cedar Community Apartments Homekey Project* – Homekey is a statewide program to provide housing for low-income households and those who are experiencing homelessness. In July 2022, the City received notification of a Homekey grant award in the amount of \$38.2 million, the sixth largest award in the state among 108 total Homekey awards and the tenth largest project in terms of total affordable units created. \$1.5 million from the City’s ARPA Recovery Fund and \$4.5 million from the Housing Impact Fee Fund were also added as funding for this project to convert 125 hotel suites into permanent supportive and affordable housing apartment, known as Cedar Community Apartments.
- *Thornton Avenue Apartments* – In June 2022, the City released a notice of funding availability for multi-family affordable housing rental projects, inviting developers of deed-restricted affordable new-construction multi-family rental housing projects in the Bay Area to apply for funding assistance. Thornton LP, submitted a proposal and was approved for the City’s provision of financial assistance to acquire three parcels of real property located at 6347, 6361, and 6375 Thornton Avenue for the construction and operation of a 57-unit affordable multi-family housing development thereon.

Budget Act of 2022 and City Allocated Funding

Under the leadership of Assemblymember Alex Lee, Assembly Bil 179 (Budget Act of 2022) included funding for City requested projects including Quiet Zone safety improvements and for the Broadband Master Plan and implementation.

The allocation of \$2 million towards implementation of Quiet Zones in Newark will address an item of significant concern for members of the community – namely the loud horns that emanate from train traffic throughout the night. With this funding, City staff will begin the process of designing the improvements and coordinating with the Federal Railroad Administration and California Public Utilities Commission. The allocation of \$1.8 million towards the Broadband Infrastructure Project will help the City identify and address fiber option infrastructure gaps.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. 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. The Certificate of Achievement is the highest form of recognition in the field of government accounting.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR 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.

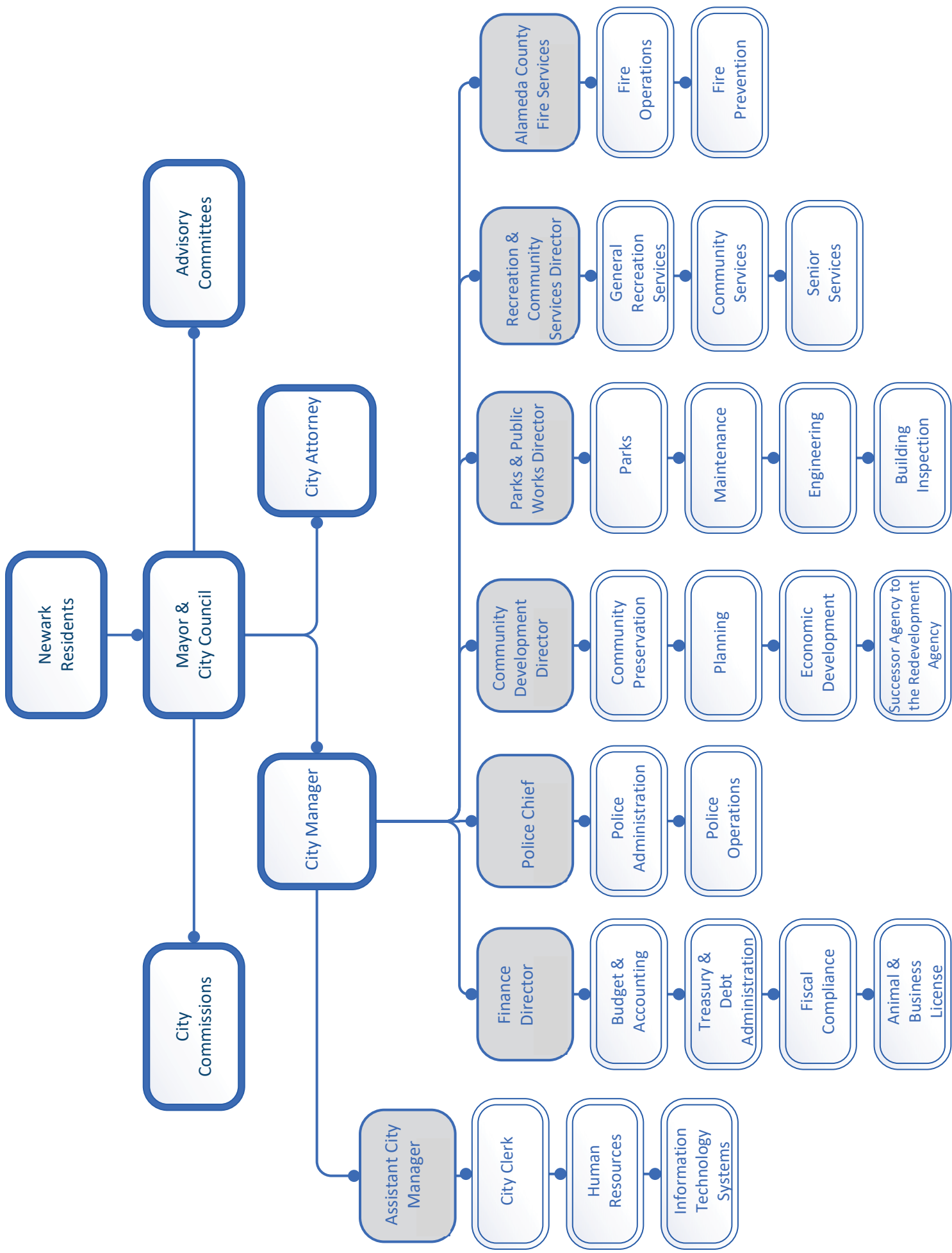
The preparation of the ACFR would not be possible without the dedicated efforts of the entire Finance Department staff. I would like to express special acknowledgment to our auditors LSL CPAs, for their cooperation and assistance.

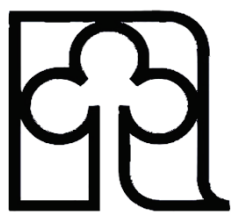
Finally, sincere appreciation is expressed to the City Manager, the Mayor, and members of the City Council for their unflinching support for maintaining the highest standards of professionalism in review and management of the City's finances.

Respectfully submitted,



Krysten Lee
Finance Director





Newark Mayor & City Council

June 30, 2023



Michael K. Hannon
Mayor



Maria "Sucy" Collazo
Vice Mayor



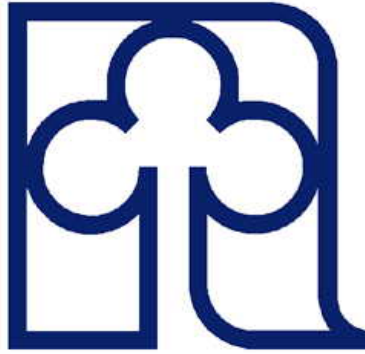
Luis L. Freitas
Council Member



Matthew Jorgens
Council Member



Mike Bucci
Council Member



CITY STAFF

June 30, 2023

CITY MANAGER

David Benoun

ASSISTANT CITY MANAGER

Lenka Hovorka

CITY ATTORNEY

Kristopher Kokotaylo

EXECUTIVE TEAM

FINANCE DIRECTOR

Krysten Lee

HUMAN RESOURCE DIRECTOR

Jennifer Solito

POLICE CHIEF

Gina Anderson

INFORMATION TECHNOLOGY DIRECTOR

Ed Miranda

PUBLIC WORK DIRECTOR

Soren Fajeau

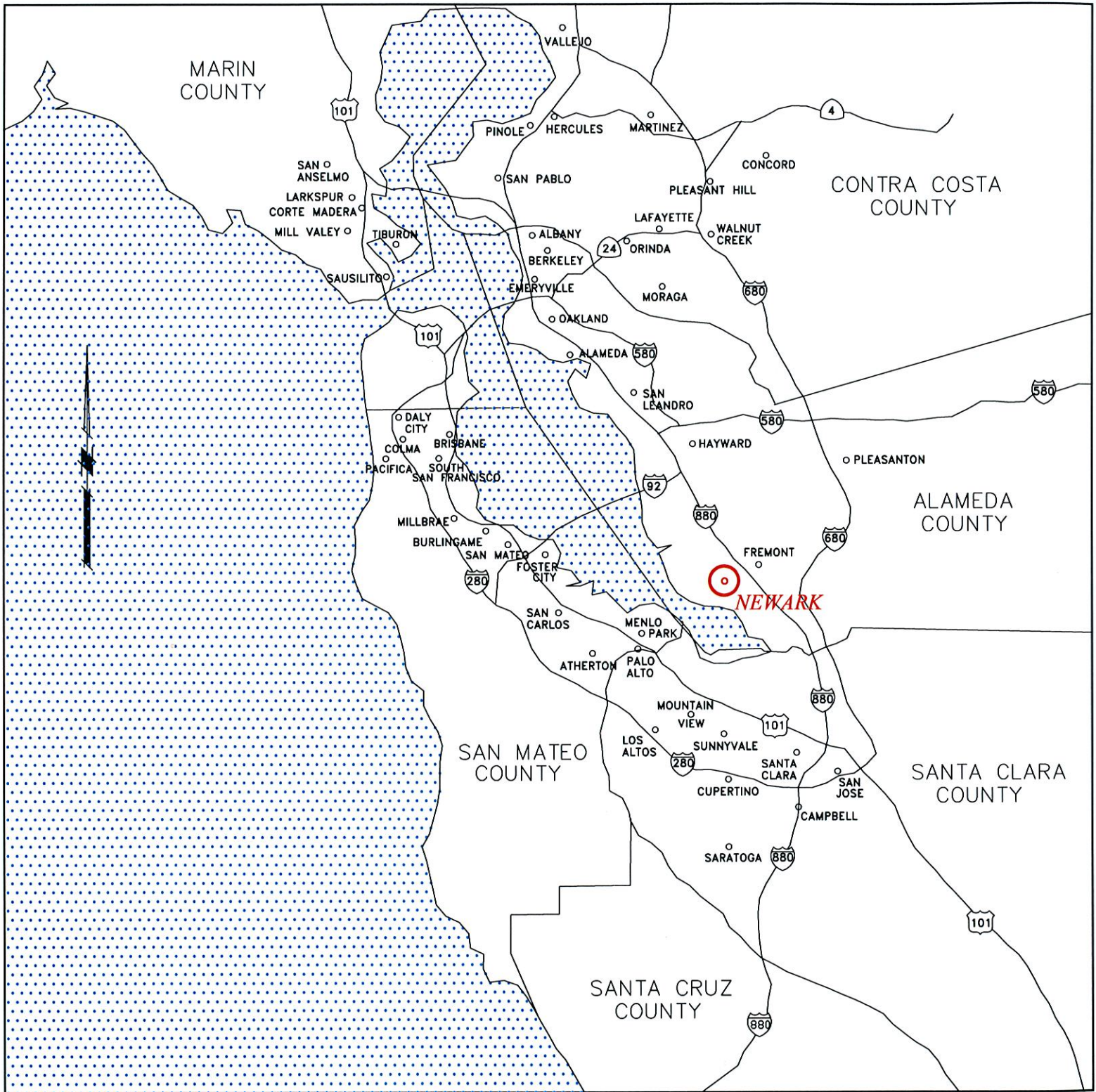
FIRE CHIEF (ALAMEDA CO. FIRE

DEPARTMENT)

William McDonald

COMMUNITY DEVELOPMENT DIRECTOR

Steven Turner





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Newark
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Newark, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and cash flows thereof, and the respective budgetary comparison for the General Fund and the major special revenue funds, as listed in the table of contents, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Sacramento, California
December 15, 2023





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, 2023. 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, 2023, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$247.0 million (net position). This is an increase of \$17.4 million from the prior fiscal year. Of this amount, \$101.6 million is restricted, and (\$12.1) million represents unrestricted net position.
- Government-wide revenues include program revenues of \$18.5 million and general revenues of \$75.2 million, an increase of \$0.2 million total revenues from the prior fiscal year.
- Government-wide expenses totaled \$76.3 million, an increase of \$15.0 million from the prior year's total of \$61.3 million.

Governmental Funds:

- At the close of fiscal year 2023, the City's governmental funds reported combined fund balances of \$167.1 million, an increase of \$18.5 million in comparison with the prior fiscal year.
- Governmental Fund revenues were \$93.7 million in fiscal year 2023, which was a \$2.3 million increase compared to fiscal year 2022.
- Governmental Fund expenditures were \$75.9 million in fiscal year 2023, a decrease of \$2.0 million compared to fiscal year 2022.
- Approximately 19.0% of the fund balance (\$31.7 million) is unassigned and available for spending at the government's discretion, although \$11.4 million is designated as emergency and \$10.7 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 (\$0.2 million), 2) restricted for specific purposes (\$88.9 million), 3) committed for specific purposes (\$12.4 million), or 4) assigned for specific purposes (\$33.9 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 32 governmental funds. The 12 major governmental funds are the General Fund, American Rescue Plan Act Fund, Public Safety Impact Fees Fund, Community Service Impact Fees Fund, Traffic Impact Fees Fund, Housing Impact Fees Fund, Development Maintenance Impact Fees Fund, Park Impact Fees Fund, Measure B 1986 ACTIA Fund, Art in Public Places Fund, Capital Projects Fund, and Public Financing Authority, 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 a custodian. These funds are reflected as Custodial Funds in the Statements of Changes in Fiduciary Net Position.

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, American Rescue Plan Act Fund, Public Safety Impact Fees Fund, Community Service Impact Fees Fund, Traffic Impact Fees Fund, Housing Impact Fees Fund, Development Maintenance Impact Fees Fund, Park Impact Fees Fund, Measure B ACTIA 1986 Fund, and the funding progress of the City's pension and OPEB 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 table on the following page shows the condensed comparative Statement of Net Position for the fiscal years ended June 30, 2023 and 2022.



Comparative Statements of Net Position
June 30, 2023 and 2022
(Amounts in Millions)

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Assets:		
Cash and investments	\$178.8	\$158.7
Capital assets, net	226.6	229.1
Other assets	19.5	16.0
Total assets	<u>424.9</u>	<u>403.8</u>
Deferred outflow of resources	<u>40.9</u>	<u>27.0</u>
Liabilities:		
Long-term liabilities	182.3	144.6
Other liabilities	<u>22.6</u>	<u>18.6</u>
Total liabilities	204.9	163.2
Deferred inflow of resources	<u>14.0</u>	<u>38.0</u>
Net Position:		
Net investment in capital assets	157.5	157.5
Restricted	101.6	88.3
Unrestricted	<u>(12.1)</u>	<u>(16.2)</u>
Total net position	<u>\$247.0</u>	<u>\$229.6</u>

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 \$247.0 million (net position), which was an increase of \$17.4 million from the prior fiscal year.

The most significant portion of the City's net position, \$157.5 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, leases and subscription-based information technology arrangements), less any related outstanding debt used in acquiring those assets (net investment in capital assets). The City uses these capital assets to provide a variety of services to its residents; 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, \$101.6 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 (\$12.1) 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.



The following table shows the condensed comparative Statements of Activities for the fiscal years ended June 30, 2023 and 2022.

Comparative Statements of Activities
June 30, 2023 and 2022
(Amounts in Millions)

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 9.8	\$ 17.1
Operating grants and contributions	4.1	4.2
Capital grants and contributions	4.6	6.4
Total program revenue	<u>18.5</u>	<u>27.7</u>
General revenues:		
Taxes:		
Property tax	28.6	25.8
Sales tax	25.5	23.7
Transient occupancy tax	4.9	4.2
Franchise fees	4.7	4.7
Utility users tax	4.2	3.7
Other local taxes	2.7	2.8
Use of money and property	3.6	-
Miscellaneous	1.0	0.9
Total general revenues	<u>75.2</u>	<u>65.8</u>
Total revenues	<u>93.7</u>	<u>93.5</u>
Expenses:		
General government	11.1	10.1
Public safety:		
Fire	12.2	12.9
Police	27.5	17.9
Public works	13.9	10.4
Community development	3.5	2.8
Recreation	5.9	5.0
Interest on long-term debt	2.2	2.2
Total net position	<u>\$ 76.3</u>	<u>\$ 61.3</u>
Increase (decrease) in net position	17.4	32.2
Net position - beginning, as restated	<u>229.6</u>	<u>197.4</u>
Net position - ending	<u>\$ 247.0</u>	<u>\$ 229.6</u>



The City's expenses totaled \$76.3 million in fiscal year 2023. These expenses were offset by program revenues of \$18.5 million and general revenues of \$75.2 million, resulting in a \$17.4 million increase in the ending net position which was \$247.0 million for fiscal year 2023.

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. Charges for services revenue was \$7.3 million lower compared to the prior fiscal year and was largely due to the \$7.2 million decrease in collective impact fees reflecting lower development activity from the prior fiscal year. In addition, in-lieu of impact fees paid by developers to the City, certain agreements allowed for developers to retain funds in an escrow account to be used for certain projects. Operating grants and contributions at \$4.2 million was flat compared to the prior fiscal year. Capital grants and contributions decreased \$1.9 million, namely to account for the last year of Measure B distribution payments during fiscal year 2022.

General Revenues – The City's general revenues were \$9.4 million more compared to the prior fiscal year. Property tax revenue, representing the largest portion of general revenues was \$2.8 million, or 10.85% higher, reflecting the continued increase of assessed value of secured property in the City. Sales tax revenue was \$1.8 million, or 7.6% higher compared to the prior fiscal year, reflecting continued strength in consumer spending post-pandemic. Transient occupancy tax at \$4.9 million was slightly higher compared to the prior fiscal year as was Utility Users Tax which was \$4.2 million. The largest increase in general fund revenues was in interest earnings, which was \$3.6 million at the close of fiscal year 2023, reflecting both an increase in cash and investment yields year over year.

Expenses – Expenses increased by \$15.0 million, namely in the Police and Public Works departments. Police expenses were \$10.6 million higher due largely to changes in the actuarial estimates for the CalPERS Safety plan, while Public Works expenses reflects a \$3.5 million increase compared to fiscal year 2022. Last year's CalPERS actuarial adjustments reflected a cost decrease due to favorable investment earnings which was not the case for fiscal year 2023.

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, 2023, the City's governmental funds reported combined fund balances of \$167.1 million, an increase of \$18.5 million in comparison with the prior fiscal year. Approximately 19.0% of the fund balance amount (\$31.7 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 (\$0.2 million), 2) restricted for specific purposes (\$88.9 million), 3) committed for specific purposes (\$12.4 million), or 4) assigned for specific purposes (\$33.9 million). Further details of the fund balances can be found in Note 10 in the disclosures.

Governmental revenues in fiscal year 2023 were \$93.7 million, an increase of \$2.3 million over the prior fiscal year. The combined increase in property tax (\$2.8 million), sales tax (\$1.8 million), use of money and property (\$3.6 million), and transient occupancy tax (\$0.7 million) largely offset the decrease in licenses, permits which was down due to lower



collective impact fees resulting from lower development activity during fiscal year 2023 and developers holding funds in escrow accounts to fund projects instead of remitting impact fees to the City.

Governmental expenditures in fiscal year 2023 were \$75.9 million, a decrease of \$2.0 million from the prior fiscal year. Most of this decrease was due to the drop in the Capital Project fund expenditures.

General Fund

The General Fund is the primary operating fund of the City. At June 30, 2023, the spendable assigned and unassigned fund balance of the General Fund was \$52.7 million, while total fund balance was \$65.2 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 Measure GG and assigned use for equipment replacement.

The fund balance of the City's General Fund increased by \$5.1 million from fiscal year 2022. Overall revenues of \$79.6 million were offset by \$66.0 million of expenditures and net transfers out of \$8.5 million.

American Rescue Plan Act (ARPA) Fund

The American Rescue Plan Act Fund reports Federal funds received in response to the COVID-19 pandemic. While the second tranche of \$5.9 million was received in July 2022, only \$3.0 million is reported as current year income to match the current year use of funds for expenditures and transfers. The remaining balance of \$6.0 million is recognized as unearned revenue on the balance sheet and will be spent during fiscal year 2024.

Public Safety Impact Fees Fund

The Public Safety Impact Fees Fund accounts for fees which provide funding for additional or improved police and fire services whose need is generated by new development within the City. Revenues of \$0.3 million were added to the fund balance during fiscal year 2023, with no expenditures incurred.

Community Service Impact Fees Fund

The Community Service Impact Fees Fund accounts for fees which provide funding for additional or improved governmental, social, and cultural facilities and are generated by new development within the City. Revenues of \$0.2 million were added to the fund balance during fiscal year 2023, with no expenditures incurred.

Traffic Impact Fees Fund

The Traffic Impact Fees Fund accounts for fees which provide funding for additional traffic signals or improved traffic operations. Revenues of \$0.8 million were added to the fund balance during fiscal year 2023 and \$16.9 thousand of expenditures were incurred.

Housing Impact Fee Fund

The Housing Impact Fees Fund is comprised of fees adopted by the City Council over several years, and 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 Housing Impact



Fee Fund reported \$2.3 million of revenue and \$66.7 thousand of expenditures. This revenue is considerably less than the prior fiscal year due to the decrease in development activity during fiscal year 2023. During the fiscal year, two affordable housing projects were initiated, resulting in new affordable housing loans. The first loan was for the Cedar Community Apartment project, with a loan issued for \$2.7 million. The second loan was for the Thornton Avenue Apartments project for \$3.5 million. More information can be found in Note 5 regarding these loans.

Development Maintenance Impact Fee Fund

The Development Maintenance Impact Fee Fund accounts for fees which provide funding to update and implement the Newark General Plan and zoning ordinance. Revenues were \$0.8 million and expenditures were \$0.9 million in fiscal year 2023.

Park Impact Fee Fund

The Park Impact Fee Fund accounts for fees which provide funding for park land and new improvements. Revenues were \$0.4 million in fiscal year 2023, with no expenditures incurred.

Art in Public Places Fund

The Art in Public Places Fund accounts for fees collected from developers to be used for the procurement and enhancement of public art. Revenues were \$62.0 thousand in fiscal year 2023, and expenditures incurred were \$34.8 thousand.

Capital Projects Fund

The Capital Projects Fund received \$9.4 million of transfers, as reimbursement for capital outlay expenditures related to construction of the New Civic Center from the prior fiscal year and to fund remaining project costs.

Measure B – 1986 ACTIA Special Revenue Fund

The Measure B – 1986 ACTIA Special Revenue Fund accounts for funds previously received by the Alameda County Transportation Authority as part of a 1986 sales tax measure passed by the voters of Alameda County to finance various transportation improvements. However, the measure expired in 2002, and the City no longer receives sales tax revenues related to the measure. The current receivable reflects project reimbursements due to the City. The expenditures in this fund during fiscal year 2023 were from street construction projects.

Public Financing Authority Debt Service Fund

The City issued \$63.0 million of 2019 Certificates of Participation (COPs) to help finance the construction of the new civic center in fiscal year 2020. Debt service of \$4.9 million was paid out during fiscal year 2023.

Proprietary Funds

The City's proprietary funds consist of the Internal Service Funds with a combined total net position of \$11.1 million at the end of fiscal year 2023. Total operating revenue of \$7.9 million offset expenses of \$7.3 million, resulting in a change of net position of \$0.6 million 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 2023 was the first year of the City's biennial budget, which was adopted on June 22, 2022. The General Fund revenue budget for fiscal year 2023 was amended during the year, increasing it by \$6.2 million. Actual revenues were \$4.4 million over the final amended budget and \$10.6 million over the original budget. This increase was primarily due to higher than anticipated sales tax revenue and investment earnings when the budget was last amended. Actual expenditures, excluding transfers out, for the fiscal year were \$3.9 million under the final amended budget and \$2.0 million less than the original budget.

CAPITAL ASSETS

The City's capital assets include those assets that are used in the performance of the City's services. At June 30, 2023, the City's capital assets used in governmental activities amounted to \$226.6 million, net of depreciation.

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

	Governmental Activities	
	2023	2022
Land	\$4.4	\$4.4
Park land	30.1	30.1
Landscaping	8.8	8.8
Street trees	0.7	0.7
Construction in progress	4.3	3.0
Building and improvements	128.8	128.6
Infrastructure:		
Streets	81.7	81.6
Sidewalks, curbs, gutters, and walls	18.9	18.3
Street lights	3.3	3.2
Traffic signals	3.9	3.9
Equipment	16.1	15.5
Less: accumulated depreciation	(75.0)	(69.1)
Subscription assets, net of amortization	0.6	0.0
Total capital assets	\$226.6	\$229.0

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



LONG-TERM OBLIGATIONS

On June 30, 2023, the City had long-term debt outstanding of \$68.6 million compared to \$71.7 million in the prior year.

The City's long-term debt obligations at June 30, 2023 and 2022 were as follows (amounts in millions):

	Governmental Activities	
	2023	2022
Certificates of participation	\$67.8	\$70.6
Financed purchase obligations	0.8	1.1
Total long-term debt	\$68.6	\$71.7

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, 2023, a total of \$0.9 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 7 to the Basic Financial Statements.

ECONOMIC FACTORS AND CURRENT BIENNIAL BUDGET

The City's adopted biennial budget for 2022-2024 recognized that:

- Prior to the COVID-19 pandemic, 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 retain emergency reserves.
- 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.

BASIC FINANCIAL STATEMENTS

City of Newark
Statement of Net Position
June 30, 2023

	<u>Primary Government</u>
	<u>Governmental</u>
	<u>Activities</u>
ASSETS	
Current assets:	
Pooled cash and investments	\$178,805,924
Receivables:	
Accounts	2,147,979
Taxes	6,561,009
Intergovernmental	2,991,816
Interest	530,729
Loans	6,210,303
Other, net	827,728
Supplies and other assets	236,981
Restricted assets:	
Cash with fiscal agent	24,172
Total current assets	<u>198,336,641</u>
Noncurrent assets:	
Subscription asset, net of amortization	573,203
Capital assets, not being depreciated	48,380,293
Capital assets, net of depreciation	177,613,060
Total noncurrent assets	<u>226,566,556</u>
Total assets	<u>424,903,197</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related amounts	39,641,330
OPEB related amounts	1,134,846
Deferred charge on refunding	89,984
Total deferred outflow of resources	<u>40,866,160</u>
LIABILITIES	
Current liabilities:	
Accounts payable	6,063,044
Accrued liabilities	1,091,574
Unearned revenues	8,588,608
Deposits payable	1,681,556
Compensated absences - due within one year	1,872,232
Claims payable - due within one year	302,247
Subscription liability - due within one year	201,559
Financed purchased obligations - due within one year	301,168
Bonds payable - due within one year	2,465,000
Total current liabilities	<u>22,566,988</u>
Noncurrent liabilities:	
Compensated absences - due in more than one year	18,911
Claims payable - due in more than one year	2,764,557
Subscription liability - due in more than one year	345,659
Financed purchased obligations - due in more than one year	496,698
Long-term debt - due in more than one year	65,347,511
Net pension liability	109,719,460
Net OPEB liability	3,568,567
Total noncurrent liabilities	<u>182,261,363</u>
Total liabilities	<u>204,828,351</u>
DEFERRED INFLOW OF RESOURCES	
Pension related amounts	12,606,828
OPEB related amounts	1,375,067
Total deferred inflow of resources	<u>13,981,895</u>
NET POSITION	
Net investment in capital assets	<u>157,498,945</u>
Restricted for:	
Capital projects	47,855,744
Grant-funded projects	3,185,850
Other Projects	50,565,514
Total restricted	<u>101,607,108</u>
Unrestricted (deficit)	<u>(12,146,942)</u>
Total net position	<u>\$246,959,111</u>

City of Newark
Statement of Activities
For the year ended June 30, 2023

Functions / Programs	Expenses	Program Revenues			Total	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Revenue and Changes in Net Position
						Governmental Activities
Primary Government:						
Governmental activities:						
General government	\$ 11,148,276	\$ 76,335	\$ 128,920	\$ -	\$ 205,255	\$ (10,943,021)
Public safety:						
Fire	12,211,913	110,335	-	-	110,335	(12,101,578)
Police	27,482,682	1,039,865	381,284	-	1,421,149	(26,061,533)
Public works	13,895,506	4,180,452	262,632	4,223,883	8,666,967	(5,228,539)
Community development	3,484,526	2,640,093	3,379,030	-	6,019,123	2,534,597
Recreation	5,891,006	1,726,821	2,884	331,258	2,060,963	(3,830,043)
Interest on long-term debt (unallocated)	2,207,274	-	-	-	-	(2,207,274)
Total governmental activities	\$ 76,321,183	\$ 9,773,901	\$ 4,154,750	\$ 4,555,141	\$ 18,483,792	(57,837,391)

General Revenues:

Taxes:

Property tax	28,563,981
Sales tax	25,515,261
Transient occupancy tax	4,931,769
Franchise Fees	4,730,784
Utility users tax	4,219,023
Other local taxes	2,651,296
Total taxes	70,612,114
Intergovernmental—motor vehicle in-lieu, unrestricted	48,600
Use of money and property (investment loss)	3,566,534
Miscellaneous	957,007
Total general revenues	75,184,255
Change in net position	17,346,864
Net position - beginning of year, as restated	229,612,247
Net position - end of year	\$ 246,959,111

City of Newark
Balance Sheet
Governmental Funds
June 30, 2023

	Special Revenue Funds					
	General Fund	American Rescue Plan Act (ARPA)	Public Safety Impact Fees	Community Service Impact Fees	Traffic Impact Fees	Housing Impact Fees
ASSETS						
Pooled cash and investments	\$60,712,877	\$ 5,982,502	\$ 948,791	\$ 722,460	\$12,604,200	\$38,442,769
Receivables:						
Accounts	265,122	-	-	-	-	-
Taxes	6,561,009	-	-	-	-	-
Intergovernmental	45,669	-	-	-	-	-
Interest	530,729	-	-	-	-	-
Loans	3,551	-	-	-	-	6,206,752
Other	764,301	-	-	-	-	-
Due from other funds	2,724,135	-	-	-	-	-
Inventories	151,513	-	-	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	-	-
Total assets	<u>\$71,758,906</u>	<u>\$ 5,982,502</u>	<u>\$ 948,791</u>	<u>\$ 722,460</u>	<u>\$12,604,200</u>	<u>\$44,649,521</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 4,472,078	\$ 26,297	\$ -	\$ -	\$ 3,576	\$ 53,615
Accrued liabilities	515,946	-	-	-	-	3,020
Deposit payable	1,385,884	-	-	-	-	-
Unearned revenues	168,608	5,956,205	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>6,542,516</u>	<u>5,982,502</u>	<u>-</u>	<u>-</u>	<u>3,576</u>	<u>56,635</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):						
Non-spendable	155,064	-	-	-	-	-
Restricted	-	-	948,791	722,460	12,600,624	44,592,886
Committed	12,388,488	-	-	-	-	-
Assigned	17,831,072	-	-	-	-	-
Unassigned (deficit)	34,841,766	-	-	-	-	-
Total fund balances	<u>65,216,390</u>	<u>-</u>	<u>948,791</u>	<u>722,460</u>	<u>12,600,624</u>	<u>44,592,886</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$71,758,906</u>	<u>\$ 5,982,502</u>	<u>\$ 948,791</u>	<u>\$ 722,460</u>	<u>\$12,604,200</u>	<u>\$44,649,521</u>

Special Revenue Funds			Capital Projects Funds		Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Development Maintenance Fees	Park Impact Fees	Measure B - 1986 ACTIA	Art in Public Places	Capital Projects Fund	Public Financing Authority		
\$ 4,339,346	\$ 5,806,206	\$ -	\$ 1,943,167	\$16,482,318	\$ 62,253	\$ 18,750,468	\$ 166,797,357
33,321	-	-	-	-	-	1,849,536	2,147,979
-	-	-	-	-	-	-	6,561,009
-	-	1,720,592	-	-	-	1,225,555	2,991,816
-	-	-	-	-	-	-	530,729
-	-	-	-	-	-	-	6,210,303
-	-	-	-	-	-	16,936	781,237
-	-	-	-	-	-	-	2,724,135
-	-	-	-	-	-	-	151,513
-	-	-	-	-	24,172	-	24,172
<u>\$ 4,372,667</u>	<u>\$ 5,806,206</u>	<u>\$ 1,720,592</u>	<u>\$ 1,943,167</u>	<u>\$16,482,318</u>	<u>\$ 86,425</u>	<u>\$ 21,842,495</u>	<u>\$ 188,920,250</u>
\$ 92,410	\$ -	\$ 166,166	\$ -	\$ 132,536	\$ -	\$ 610,592	\$ 5,557,270
44,292	-	-	-	-	-	192,749	756,007
-	-	-	-	234,271	-	61,401	1,681,556
-	-	-	-	-	-	2,463,795	8,588,608
-	-	2,393,393	-	-	-	330,742	2,724,135
<u>136,702</u>	<u>-</u>	<u>2,559,559</u>	<u>-</u>	<u>366,807</u>	<u>-</u>	<u>3,659,279</u>	<u>19,307,576</u>
33,321	-	1,720,592	-	-	-	724,741	2,478,654
<u>33,321</u>	<u>-</u>	<u>1,720,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724,741</u>	<u>2,478,654</u>
-	-	-	-	-	-	-	155,064
4,202,644	5,806,206	-	1,943,167	-	86,425	18,003,365	88,906,568
-	-	-	-	-	-	-	12,388,488
-	-	-	-	16,115,511	-	-	33,946,583
-	-	(2,559,559)	-	-	-	(544,890)	31,737,317
<u>4,202,644</u>	<u>5,806,206</u>	<u>(2,559,559)</u>	<u>1,943,167</u>	<u>16,115,511</u>	<u>86,425</u>	<u>17,458,475</u>	<u>167,134,020</u>
<u>\$ 4,372,667</u>	<u>\$ 5,806,206</u>	<u>\$ 1,720,592</u>	<u>\$ 1,943,167</u>	<u>\$16,482,318</u>	<u>\$ 86,425</u>	<u>\$ 21,842,495</u>	<u>\$ 188,920,250</u>



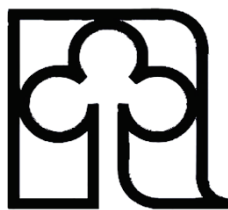
City of Newark
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds		\$ 167,134,020
Amounts reported for governmental activities in the Statement of Net Position were different because:		
Subscription assets used in governmental activities were not current financial resources.		573,203
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.		222,590,404
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Subscription payable	(547,218)	
Bonds payable	(59,405,000)	
Unamortized bond premium/discounts	(8,407,511)	
Unamortized loss on defeasance	89,984	
Compensated absences	(1,891,143)	(70,160,888)
Net pension liability not included in governmental fund activity		(109,719,460)
Net OPEB liability not included in governmental fund activity		(3,568,567)
Deferred outflows related to pension items are not included in the governmental activity		39,641,330
Deferred inflows related to pension items are not included in the governmental activity		(12,606,828)
Deferred outflows related to OPEB items are not included in the governmental activity		1,134,846
Deferred inflows related to OPEB items are not included in the governmental activity		(1,375,067)
Deferred inflows related to unavailable revenue are not included in the governmental activity		2,478,654
Accrued interest payable for the current portion of interest due on bonds has not been reported in governmental funds		(310,522)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individuals. The assets and liabilities of the internal service funds must be added to the statement of net position		
- Cash and investments available for operations	12,008,567	
- Other receivables	46,491	
- Supplies and other assets	85,468	
- Capital assets	3,402,949	
- Accounts payable and accrued liabilities	(530,819)	
- Finance purchase obligation	(797,866)	
- Claims payable	(3,066,804)	11,147,986
Net Position of Governmental Activities		<u>\$ 246,959,111</u>

City of Newark
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

	Special Revenue Funds					
	General Fund	American Rescue Plan Act (ARPA)	Public Safety Impact Fees	Community Service Impact Fees	Traffic Impact Fees	Housing Impact Fees
REVENUES:						
General property taxes	\$28,563,981	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	42,048,133	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Licenses, permits and fees	4,022,058	-	298,307	213,806	596,629	1,561,670
Other governmental agencies	315,286	2,967,833	-	-	-	-
Current service charges	1,726,821	-	-	-	-	-
Fines and forfeitures	541,144	-	-	-	-	-
Use of money and property	2,025,059	-	15,897	12,143	216,272	709,383
Other revenue	378,359	-	-	-	-	-
Total revenues	79,620,841	2,967,833	314,204	225,949	812,901	2,271,053
EXPENDITURES:						
Current:						
General government	9,854,487	44,998	-	-	-	-
Public safety:						
Fire	11,826,858	-	-	-	-	-
Police	25,010,516	-	-	-	-	-
Community development	2,483,594	45,627	-	-	-	66,676
Recreation	5,119,440	-	-	-	-	-
Public Works	10,655,287	93,259	-	-	603	-
Capital outlay - subscriptions	718,619	-	-	-	-	-
Capital outlay	121,584	-	-	-	16,285	-
Debt service:						
Principal repayment - subscriptions	208,906	-	-	-	-	-
Interest and fiscal charges - subscriptions	6,077	-	-	-	-	-
Principal repayment	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	66,005,368	183,884	-	-	16,888	66,676
REVENUES OVER (UNDER) EXPENDITURES	13,615,473	2,783,949	314,204	225,949	796,013	2,204,377
OTHER FINANCING SOURCES (USES):						
Other financing source (subscriptions)	718,619	-	-	-	-	-
Transfers in	1,283,949	-	-	-	-	1,500,000
Transfers out	(10,555,010)	(2,783,949)	-	-	-	-
Total other financing sources (uses)	(8,552,442)	(2,783,949)	-	-	-	1,500,000
Net change in fund balances	5,063,031	-	314,204	225,949	796,013	3,704,377
Beginning of year, as restated	60,153,359	-	634,587	496,511	11,804,611	40,888,509
End of year	<u>\$65,216,390</u>	<u>\$ -</u>	<u>\$ 948,791</u>	<u>\$ 722,460</u>	<u>\$12,600,624</u>	<u>\$ 44,592,886</u>

Special Revenue Funds			Capital Projects Funds		Debt Service Fund		Total
Development Maintenance Impact Fees	Park Impact Fees	Measure B - 1986 ACTIA	Art in Public Places	Capital Projects Fund	Public Financing Authority	Other Governmental Funds	Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,563,981
-	-	-	-	-	-	-	42,048,133
-	-	-	-	-	-	567,645	567,645
551,689	261,100	-	28,350	-	-	99,006	7,632,615
160,000	-	-	-	-	-	5,177,327	8,620,446
-	-	-	-	-	-	-	1,726,821
-	-	-	-	-	-	-	541,144
75,557	99,988	-	33,655	-	96,699	281,881	3,566,534
-	-	-	-	-	-	11,003	389,362
<u>787,246</u>	<u>361,088</u>	<u>-</u>	<u>62,005</u>	<u>-</u>	<u>96,699</u>	<u>6,136,862</u>	<u>93,656,681</u>
-	-	-	-	-	-	-	9,899,485
-	-	-	-	-	-	4,409	11,831,267
-	-	-	-	-	-	338,771	25,349,287
877,605	-	-	-	-	-	52,400	3,525,902
-	-	-	34,750	-	-	186,593	5,340,783
-	-	-	-	86,568	-	866,651	11,702,368
-	-	-	-	46,643	-	-	765,262
1,170	-	455,399	-	90,559	-	1,602,328	2,287,325
-	-	-	-	9,139	-	-	218,045
-	-	-	-	205	-	-	6,282
-	-	-	-	-	2,345,000	-	2,345,000
-	-	-	-	-	2,604,851	-	2,604,851
<u>878,775</u>	<u>-</u>	<u>455,399</u>	<u>34,750</u>	<u>233,114</u>	<u>4,949,851</u>	<u>3,051,152</u>	<u>75,875,857</u>
<u>(91,529)</u>	<u>361,088</u>	<u>(455,399)</u>	<u>27,255</u>	<u>(233,114)</u>	<u>(4,853,152)</u>	<u>3,085,710</u>	<u>17,780,824</u>
-	-	-	-	46,643	-	-	765,262
-	-	-	-	9,389,121	6,051,889	-	18,224,958
-	-	-	-	-	(4,736,000)	(150,000)	(18,224,958)
-	-	-	-	9,435,764	1,315,889	(150,000)	765,262
<u>(91,529)</u>	<u>361,088</u>	<u>(455,399)</u>	<u>27,255</u>	<u>9,202,650</u>	<u>(3,537,263)</u>	<u>2,935,710</u>	<u>18,546,086</u>
<u>4,294,173</u>	<u>5,445,118</u>	<u>(2,104,160)</u>	<u>1,915,912</u>	<u>6,912,861</u>	<u>3,623,688</u>	<u>14,522,765</u>	<u>148,587,934</u>
<u>\$ 4,202,644</u>	<u>\$ 5,806,206</u>	<u>\$ (2,559,559)</u>	<u>\$ 1,943,167</u>	<u>\$ 16,115,511</u>	<u>\$ 86,425</u>	<u>\$ 17,458,475</u>	<u>\$ 167,134,020</u>



City of Newark

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	18,546,086
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Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:

Governmental funds report software subscriptions and capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as amortization and depreciation expense. This is the amount by which subscription and capital outlays exceeded amortization and depreciation in the current period.

Subscriptions outlay	765,262	
Subscriptions amortization	(192,060)	
Capital outlay	2,287,325	
Depreciation	<u>(5,418,072)</u>	(2,557,545)

Repayment of subscription and bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments on subscriptions	218,045	
Other financing source (subscriptions)	(765,262)	
Principal repayments	2,345,000	
Amortization of deferred charges	(29,183)	
Amortization of bond premium	<u>441,039</u>	2,209,639

Unavailable revenue accrual which is not recognized in the governmental fund activity.		11,366
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Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		22,516
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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.		292,849
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Pension expenses recognized in accordance with GASB68 not recognized in the governmental fund activity.		(2,422,249)
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OPEB expenses recognized in accordance with GASB75 not recognized in the governmental fund activity.		641,139
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Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds was reported with governmental activities.		<u>603,063</u>
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Change in Net Position of Governmental Activities	\$	<u>17,346,864</u>
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City of Newark
Statement of Net Position
Proprietary Funds
June 30, 2023

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and investments	\$ 12,008,567
Other receivables	46,491
Supplies and other assets	<u>85,468</u>
Total current assets	<u>12,140,526</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>3,402,949</u>
Total assets	<u>15,543,475</u>
LIABILITIES	
Current liabilities:	
Accounts payable	505,774
Accrued liabilities	25,045
Financed purchased obligations - due within one year	301,168
Claims payable - due within one year	<u>302,247</u>
Total current liabilities	<u>1,134,234</u>
Noncurrent liabilities:	
Financed purchased obligations - due in more than one year	496,698
Claims payable - due in more than one year	<u>2,764,557</u>
Total non-current liabilities	<u>3,261,255</u>
Total liabilities	<u>4,395,489</u>
NET POSITION	
Net investment in capital assets	2,605,083
Unrestricted	<u>8,542,903</u>
Total net position	<u>\$ 11,147,986</u>

City of Newark
Statement of Activities
Proprietary Funds
For the year ended June 30, 2023

	Governmental Activities - Internal Service Funds
OPERATING REVENUES:	
Charges to departments	\$ 7,800,000
Other revenue	110,536
Total operating revenues	<u>7,910,536</u>
OPERATING EXPENSES:	
Personnel services	1,384,757
Materials and supplies	581,640
Contractual services	2,016,019
Utilities	929,485
Insurance claims and premiums	1,826,525
Depreciation	538,534
Total operating expenses	<u>7,276,960</u>
OPERATING INCOME (LOSS)	<u>633,576</u>
NONOPERATING REVENUES (EXPENSES):	
Interest expense	(30,513)
Total nonoperating revenues (expenses)	<u>(30,513)</u>
Change in net position	603,063
NET POSITION:	
Beginning of year	<u>10,544,923</u>
End of year	<u>\$ 11,147,986</u>

City of Newark
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from other funds	\$ 7,952,680
Payments to suppliers/other fund	(3,049,429)
Payments to employees	(1,384,757)
Claims paid	<u>(1,826,525)</u>
Net cash provided by operating activities	<u>1,691,969</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payments on financed purchased obligations	(290,145)
Acquisition of capital assets	(435,162)
Interest paid and fiscal charges	<u>(30,513)</u>
Net cash provided by capital and related financing activities	<u>(755,820)</u>
Net increase in cash and cash equivalents	936,149
CASH AND CASH EQUIVALENTS:	
Beginning of year	<u>11,072,418</u>
End of year	<u>\$ 12,008,567</u>
RECONCILIATION OF OPERATING INCOME TO NET	
CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	<u>\$ 675,720</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	538,534
Changes in current assets and liabilities:	
Other assets	3,900
Accounts payable and accrued liabilities	<u>473,815</u>
Total adjustments	<u>1,016,249</u>
Net cash provided by operating activities	<u>\$ 1,691,969</u>

City of Newark
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
ASSETS:	
Pooled cash and investments	\$ 3,611,227
Restricted cash	<u>2,791</u>
Total additions	<u>3,614,018</u>
LIABILITIES:	
Due to bondholders	\$ 941,678
Due to assessment districts	<u>2,672,340</u>
Total liabilities	<u>3,614,018</u>
NET POSITION	
Restricted for:	
Individuals and other	<u>-</u>
Total net position	<u><u>\$ -</u></u>

City of Newark
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds
ADDITIONS:	
Interest income and fair market adjustments	\$ 211
Special assessments	943,272
Total additions	<u>943,483</u>
DEDUCTIONS:	
Administrative expense	\$ 1,805
External debt service expense	941,678
Total deductions	<u>943,483</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-
Net Position - beginning, as restated	-
Net Position - ending	<u>\$ -</u>



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, the Newark Public Financing Authority (Authority), which is the entity for which the City is financially accountable. The Authority does not issue a separate financial statement. The City Council serves as the governing board to the Authority and 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. 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.

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. 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.

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 regarding 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, and 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:

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, franchise fees, 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.

American Rescue Plan Act Fund – accounts for State and Local Fiscal Recovery Funds, as part of the American Rescue Plan, to support the response and recovery from the COVID-19 public health emergency.

Public Safety Impact Fees Fund – accounts for fees which provide funding for the additional or improved police and fire services whose need is generated by new development within the City.

Community Service Impact Fees Fund – accounts for fees which provide funding for additional or improved governmental, social, and cultural facilities whose need is generated by new development within the City.

Traffic Impact Fees Fund – accounts for fees which provide funding for additional or improved traffic signal, operational, and infrastructure improvements whose need is generated by new development within the City.

Housing Impact Fees 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.

Development Maintenance Impact Fees Fund – accounts for fees which provide funding to update and implement the Newark General Plan and zoning ordinance, which is needed by all new development within the City.

Park Impact Fees Fund – accounts for fees which provide funding for park land and new improvements.

Measure B (1986 ACTIA) – accounts for amounts previously received by ACTA (Alameda County Transportation Authority) as part of a 1986 sales tax measure passed by the voters of Alameda County to finance various transportation improvements. However, the measure expired in 2002 and the City no longer receives sales tax revenue related to the measure. This fund now accounts for Measure B grant funding.



Art in Public Places Impact Fees Fund – accounts for funds collected from developers to be used for the procurement and enhancement of public art.

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.

Public Financing Authority – accounts for funds reserved for the debt financing of the City’s New Civic Center. This fund will accumulate monies earmarked for principal and interest payments.

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.

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 and Statement of Fiduciary Net Position. The fiduciary funds are accounted for using the accrual basis of accounting and includes the City’s custodial funds. Custodial funds account for assets held by the City as a custodian for individuals, private organizations and other governments. The City’s custodial funds account 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.

C. Cash, Cash Equivalents and Investments

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

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

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

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

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



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

The City also participates in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code.

D. Restricted Cash and Investments

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

E. Receivables

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

F. Property Taxes

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

These taxes are secured by liens on the property being taxed. The City does not participate in the "Teeter Plan" offered by the County, thereby retaining the right to any interest and penalties collected on the delinquent taxes.

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

G. Interfund Transactions

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds, reported in the fund financial statements, are not available for appropriation and are non-spendable 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/amortization 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/amortized. The purpose of depreciation/amortization is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation/amortization 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
Streetlights	25-30 years
Traffic signals	20 years
Equipment	5-30 years
Subscription assets	3-5 years

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

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

I. Compensated Absences

Compensated absences include unused accrued vacation, general leave, and compensatory time. The City’s liability for compensated absences is recorded at the Entity-wide level in the Statement of Net Position for Governmental Activities. 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. Subscription-Based Information Technology Arrangements

The City of Newark is a subscriber for noncancellable subscriptions of information technology services. The City of Newark recognizes subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements.

At the commencement of a subscription, the City of Newark initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City of Newark determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The City of Newark uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City of Newark generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City of Newark is reasonably certain to exercise.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

K. 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.

Financed purchase obligations reflect lease payments where ownership of the asset being financed reverts to the City at the end of the lease.

Deferred charges arising from losses on defeasance of bonds are deferred and amortized over the shorter of the life of the refunded debt, or the life of the new debt, using straight-line amortization.

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.

L. 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 assets that applies to future periods 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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

M. 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 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 Non-spendable, Restricted, Committed, Assigned and Unassigned amounts as described below:

Non-spendable 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 the City Council or an official to which the City Council has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose, and the General Fund is the only fund that reports a positive unassigned fund balance amount.

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.

N. New Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

a. GASB Statement No. 91, Conduit Debt Obligations

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

b. GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.



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, 2023:

	Government-Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
	Governmental Activities		
Cash and investments	\$178,805,924	\$3,611,227	\$182,417,151
Restricted cash and investments	24,172	2,791	26,963
Total	\$178,830,096	\$3,614,018	\$182,444,114

At June 30, 2023, the City’s pooled cash and investments, including restricted funds consisted of the following:

Deposits:	
Cash on hand	\$5,100
Deposits with banks	51,911,818
Total deposits	51,916,918
Investments:	
California Local Agency Investment Fund	66,571,215
California Asset Management Program	63,929,018
Total investments	130,500,233
Total City Treasury	182,417,151
Cash and Investments with Fiscal Agents:	
Money market funds	26,963
Total Restricted Cash and Investments	26,963
Total Cash and Investments	\$182,444,114

The carrying amount of the City’s cash deposit was \$51,910,818 at June 30, 2023. Bank balances and petty cash before reconciling items were \$51,728,350 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 pooled cash and investments of all funds, excluding restricted funds required to be held by fiscal agents under the terms of the City's debt agreements. Investment income earned on pooled cash investment is allocated on a quarterly basis to the various funds based on the quarter-end cash and investment balances. Interest earnings on restricted cash and investments are credited directly to the related fund.

B. Investments

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality Requirements
California Local Agency Investment Fund	None	None	None
California Asset Management Program	None	None	None
Securities of the U.S. Government	5 years	None	None
Commercial Paper	270 days	None	A-1
Banker Acceptances	180 days	40%	None
Collateralized Certificates of Deposit	5 years	50%	None
Negotiable Certificates of Deposit	5 years	30%	None
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 Deposit, Time Deposits, and Bankers 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



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, 2023:

Investment Type	Totals	Remaining Maturity (in Months)
		12 Months or Less
LAIF	\$66,571,215	\$66,571,215
CAMP	63,929,018	63,929,018
Money market funds	26,963	26,963
	<u>\$130,527,196</u>	<u>\$130,527,196</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 counter party, 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, 2023, 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, 2023, the City had \$66,571,215 invested in LAIF, which had invested 2.78% 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 .984828 to the total investments held by LAIF.



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.

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 levelling disclosure.

3. INTERFUND TRANSACTIONS

A. Transfers In/Out

Transfers in/out for the year ended as of June 30, 2023, were as follows:

Transfers Out	General Fund	Housing Impact Fees Fund	Capital Project Fund	Public Financing Authority	TOTAL
General Fund	\$ -	\$ -	\$ 4,503,121	\$ 6,051,889	\$10,555,010
ARPA	1,283,949	1,500,000	-	-	2,783,949
Public Financing Authority	-	-	4,736,000	-	4,736,000
Non-Major Fund:					
Measure D	-	-	150,000	-	150,000
	\$1,283,949	\$ 1,500,000	\$ 9,389,121	\$ 6,051,889	\$18,224,959

- The transfer from the General Fund to the Capital Projects Fund was for project cost reimbursements for the New Civic Center Project; the transfer to the Public Financing Authority was for reimbursements for current and prior years’ debt service payments.



- The transfer from the American Rescue Plan Act (ARPA) Fund to the General Fund was to fund positions previously frozen as a result of the pandemic; the transfer to the Housing Impact Fees Fund represents the approved allocation for affordable housing.
- The transfer from the Public Financing Authority to the Capital Project Fund represents the use of the remaining debt reserve to be applied towards costs for the New Civic Center Project. In lieu of a reserve, the City obtained an insurance policy.
- The transfers from the Measure D Fund to the Capital Project Fund was for project cost reimbursement for the Civic Center Project.

B. Due to/from other funds

<u>Due to other funds</u>	<u>Due from other funds</u>
	<u>General Fund</u>
Measure B - 1986 ACTIA	\$2,393,393
Non-Major Funds	330,742
Total	<u>\$2,724,135</u>

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

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2023



4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Prior Period Adjustment	Additions	Deletions	Balance June 30, 2023
Governmental activities					
Nondepreciable assets:					
Land	\$ 4,384,073	\$ -	\$ -	\$ -	\$ 4,384,073
Park land	30,107,749	-	-	-	30,107,749
Landscaping	8,807,394	-	-	-	8,807,394
Street trees	739,733	-	-	-	739,733
Construction in progress	2,987,576	-	1,353,768	-	4,341,344
Total nondepreciable assets	47,026,525	-	1,353,768	-	48,380,293
Depreciable assets					
Building and land improvements	128,626,594	199,121	10,752	-	128,836,467
Infrastructure:					
Streets	81,538,471	-	127,691	-	81,666,162
Sidewalks, curbs, gutters, and walls	18,311,247	-	593,723	-	18,904,970
Street lights	3,249,607	-	-	-	3,249,607
Traffic signals	3,936,783	-	-	-	3,936,783
Equipment	15,509,212	-	636,554	(94,772)	16,050,994
Subscription-based assets	-	-	765,262	-	765,262
Total depreciable assets	251,171,914	199,121	2,133,982	(94,772)	253,410,245
Building and land improvements	18,880,269	-	2,454,660	-	21,334,929
Infrastructure:					
Streets	27,594,336	-	2,103,326	-	29,697,662
Sidewalks, curbs, gutters, and walls	6,406,009	-	463,588	-	6,869,597
Street lights	1,941,058	-	130,161	-	2,071,219
Traffic signals	3,786,091	-	54,021	-	3,840,112
Equipment	10,520,181	-	750,850	(52,628)	11,218,403
Subscription-based assets amortization	-	-	192,060	-	192,060
Accumulated depreciation/amortization	69,127,944	-	6,148,666	(52,628)	75,223,982
Net depreciable assets	182,043,970	199,121	(4,014,684)	(42,144)	178,186,263
TOTAL ASSETS	\$ 229,070,495	\$ 199,121	\$(2,660,916)	\$(42,144)	\$ 226,566,556

Depreciation/amortization expense was charged to various governmental functions as follows:

General Government	\$1,509,078
Public Safety	316,260
Public Works	2,837,768
Community Development	38,135
Recreation and Community Services	908,891
Internal Service Funds	<u>538,534</u>
Total Depreciation	\$6,148,666



5. AFFORDABLE HOUSING LOAN RECEIVABLE

In May 2021, the City Council approved an affordable housing work plan that includes activities for the preparation of new affordable housing requirements, policies, and actions intended to significantly incentivize the production of affordable housing within the City, particularly at the very-low and low-income levels.

Two projects were embarked, and the City issued housing loans from the Housing Impact Fees Fund, consisting of the following two projects:

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Cedar Community Apartments	\$ 2,731,471
Thornton Avenue Apartments	<u>3,475,281</u>
	<u>\$ 6,206,752</u>

Cedar Community Apartments

In September 2021, the California Department of Housing and Community Development issued a notice of funding availability for the HomeKey Program, pursuant to the Health and Safety Code section 50675.1.3. In January 2022, the City Council adopted a Resolution authorizing the City Manager to apply for Homekey grant funds in an amount not-to-exceed \$39 million from the Department. The City, together with Allied Housing, Inc. as it's co-applicant submitted an application for Homekey grant funds to enable the purchase, renovation, and provision of resident services at the Towne Place Suites Extended Stay Hotel located at 39802 Cedar Boulevard for permanent supportive housing. Towne Place Suites Extended Stay Hotel was an existing 125-room hotel, consisting of 57 studios, 38 one-bedroom, and 30 two-bedroom suits and was planned to be converted into affordable housing residential units for households at risk of homelessness. On July 25, 2022, the City received notice of the Department's award of \$38.2 million to the City.

In addition to the grant funding, the City Council approved \$1.5 million from ARPA funds and \$4.5 million from the Affordable Housing Impact Fees Funds to be allocated to the project. In total, the City has agreed to provide a total loan of \$44.2 million to Allied Housing, Inc., with interest of 3% to be accrued on the outstanding principal balance of the City loan (no interest shall accrue upon the HomeKey Grant portion of the loan). As of June 30, 2023, \$2.7 million has been spent on project costs, representing the housing loan receivable payable by Allied Housing, Inc., with an additional \$44,589 as accrued interest.

Thornton Avenue Apartments

In June 2022, the City released a notice of funding availability for multi-family affordable housing rental projects, inviting developers of deed-restricted affordable new-construction multi-family rental housing projects in the Bay Area to apply for funding assistance. Thornton LP, submitted a proposal for the City's provision of financial assistance to acquire three parcels of real property located at 6347, 6361, and 6375 Thornton Avenue for the construction and operation of a 57-unit affordable multi-family housing development thereon. Thornton LP was approved for a \$12 million loan, with interest of 3% to be accrued on the outstanding principal balance of the City loan. As of June 30, 2023, \$3.5 million has been spent on project costs, representing the housing loan receivable payable by Thornton LP, with an additional \$18,058 as accrued interest.



6. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The City of Newark has entered into various SBITAs as the subscriber for the use of software as a service. An initial subscription liability was recorded in the amount of \$591,357 during the current fiscal year. The terms of these subscriptions range from 24 to 60 months. As of June 30, 2023, the total value of the subscription liability was \$547,218. The City of Newark is required to make monthly principal and interest payments of ranging from \$9,344 to \$100,000. The subscriptions have interest rates ranging from 2.643% to 3.918%. Information on the subscription assets as of June 30, 2023 are as follows:

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-End June 30, 2023	
	Subscription Asset Value	Accumulated Amortization
Software	\$765,262	\$192,060
Total Subscriptions	\$765,262	\$192,060

Software Subscription asset activity for the year ended June 30, 2023 was as follows:

Governmental activities:	Balance as of July 1, 2022		Additions	Reductions	Balance as of June 30, 2023			
Total Software Subscription Assets	\$	591,357	\$	173,905	\$	-	\$	765,262
Total Software Subscription Accumulated Amortization		-		-		(192,060)		(192,060)
Total Governmental Subscription Assets, Net	\$	591,357	\$	173,905	\$	(192,060)	\$	573,202

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$201,559	\$15,647	\$217,206
2025	\$187,063	\$9,649	\$196,712
2026	\$72,482	\$4,274	\$76,756
2027	\$86,114	\$2,200	\$88,314
	\$547,218	\$31,770	\$578,988



7. LONG-TERM DEBT

The City's long-term debt is comprised of the following at June 30, 2023:

Governmental Activities:	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Amounts Due Within One Year
Direct Borrowings:					
Certificates of Participation 2019 \$63,345,000; 3-5% due 2042	\$ 61,750,000	\$ -	\$ (2,345,000)	\$ 59,405,000	\$ 2,465,000
2019 COPs Premium	8,848,550	-	(441,039)	8,407,511	-
Financed purchased obligations:					
Equipment lease, due 2024	250,162	-	(122,295)	127,867	127,867
Equipment lease, due 2024	163,365	-	(80,357)	83,008	83,009
Equipment lease, due 2029	674,484	-	(87,493)	586,991	90,292
Total	<u>\$ 71,686,561</u>	<u>\$ -</u>	<u>\$ (3,076,184)</u>	<u>\$ 68,610,377</u>	<u>\$ 2,766,168</u>

2019 Certificates of Participation

On September 5, 2019, the City issued \$63,345,000 of 2019 Certificates of Participation (COPs) to finance a portion of the construction costs of the new civic center facility, refund the City's Certificates of Participation (2002 Silliman Community Activity Center/Old Town Fire Station Project), and prepay a 2012 lease agreement. The 2002 COP refunding resulted in a deferred charge of \$204,284, which is the difference between the \$8,211,996 requisition price of the old debt and the \$8,007,712 net carrying amount of the old debt. The refinancing of the 2002 COP and prepayment of the 2012 lease agreement resulted in net present value savings to the City of \$1,160,849.

The outstanding balance from this direct borrowing contains a provision that states in the event of default, there shall be no right under any circumstance to accelerate lease payments or otherwise declare the borrowing to be immediately due and payable. However, the borrower at its option may terminate the agreement and re-lease all or any portion of the property.

Financed Purchased Obligations

On September 28, 2018, the City entered into a non-cancelable agreement in the amount of \$585,766 with Motorola Solutions, Inc. to acquire a radio communications system that would provide regional interoperability. Annual payments are due on October 1 until 2023. Ownership of the radio system reverts to the City at the end of the agreement period.

On January 23, 2020, the City entered into a non-cancelable agreement in the amount of \$320,727 with PNC Equipment Finance, LLC to acquire a street sweeper. Annual payments are due on August 23 until 2023. Ownership of the street sweeper reverts to the City at the end of the agreement period.

On January 23, 2020, the City entered into a non-cancelable agreement in the amount of \$843,565 with PNC Equipment Finance, LLC to acquire a fire pumper. Annual payments are due on December 23 until 2028. Ownership of the fire pumper reverts to the City at the end of the agreement period.



Debt Service Requirements

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	2,766,168	2,380,299
2025	2,678,182	2,245,594
2026	2,816,164	2,113,363
2027	2,954,241	1,974,285
2028	3,102,417	1,828,360
2029-2033	14,935,694	6,992,932
2034-2038	16,090,000	3,901,500
2039-2042	14,860,000	1,131,000
Total	\$60,202,866	\$22,567,333

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 Custodial fund established by the City for that purpose. As of June 30, 2023, the remaining balance outstanding on these bonds was \$941,678.

8. 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, 2023 were as follows:

	Balance June 30, 2022	Accrued	Used	Balance June 30, 2023	Due Within One Year	Due in More than One Year
Governmental Activities	\$ 2,183,992	\$1,424,920	\$(1,717,769)	\$ 1,891,143	\$1,872,232	\$ 18,911



9. DEFINED BENEFIT PENSION PLANS

A. Summary of Pension Plan Benefits

Pension related balances presented on the Statement of Net Position as of Measurement Date June 30, 2022 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	\$ 4,284,268	\$ 6,318,177	\$ 43,083,986	\$ 1,159,180	\$ 4,082,533
CALPERS Safety Cost-Sharing Plan	5,971,166	23,067,719	66,635,474	11,447,648	8,595,174
	<u>\$ 10,255,434</u>	<u>\$ 29,385,896</u>	<u>\$ 109,719,460</u>	<u>\$ 12,606,828</u>	<u>\$ 12,677,707</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, 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. Benefit provisions under the Plan are established by State statute and Local Government resolution. 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 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.

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 PEPRAs 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.

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2023



The Plan's provisions and benefits in effect as of the June 30, 2022 measurement date 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 of service	5 years of service
Benefit payment	Monthly for life	Monthly for life
Retirement age ¹	50	52
Monthly benefits, as a % of annual salary	2.5% at age 55	2.0% at age 62
Required employee contribution rates	8.000%	6.750%
Required employer contribution rates	10.240%	10.240%
Required UAL payment	\$3,476,067	\$0

	<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 of service	5 years of service
Benefit payment	Monthly for life	Monthly for life
Retirement age ¹	50	52
Monthly benefits, as a % of annual salary	3.0% at age 50	2.7% at age 57
Required employee contribution rates	9.000%	13.000%
Required employer contribution rates	32.740%	12.780%
Required UAL payment	\$4,832,528	\$11,545

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

Employees Covered – As of the measurement date, the following employees were covered by the benefit terms for each Plan:

Inactive employees or beneficiaries currently receiving benefits	228
Inactive employees entitled to but not yet receiving benefits	214
Active employees	<u>117</u>
Total	<u>559</u>

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 an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability - The City's net pension liability for the 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date (MD)	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹The 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.

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent 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.

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

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2023



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

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 ^{1,2}
Global Equity	30.00%	4.45%
Global Equity Non-Cap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

- An expected inflation of 2.30% used for this period.
- Figures are based on the 2021-2022 Asset Liability Management Study.

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)
Balance at June 30, 2021 (MD)	\$ 129,950,306	\$ 96,186,539	\$ 33,763,767
Service cost	2,119,396	-	2,119,396
Interest on the total pension liability	8,888,163	-	8,888,163
Changes of Assumptions	3,418,942		3,418,942
Differences between actual and expected experience	(1,907,477)	-	(1,907,477)
Contribution - employer	-	9,282,730	(9,282,730)
Contribution - employee	-	1,224,304	(1,224,304)
Net investment income	-	(7,248,311)	7,248,311
Benefit payments, including refunds of employee contributions	(7,415,003)	(7,415,003)	-
Administrative expenses	-	(59,918)	59,918
Net changes	5,104,021	(4,216,198)	9,320,219
Balance at June 30, 2022 (MD)	\$ 135,054,327	\$ 91,970,341	\$ 43,083,986

As of June 30, 2022, the City reported a net pension liability of \$66,635,474 for its proportionate share of the net pension liability of the safety plan.

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2023



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, 2021 and 2022 were as follows:

Proportion - June 30, 2021	1.0508%
Proportion - June 30, 2022	.9697%
Change - Increase (Decrease)	0.0811%

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:

	Miscellaneous Plan	Safety Plan
1% Decrease	5.90%	
Net Pension Liability	\$60,038,650	\$96,990,949
Current Discount Rate	6.90%	
Net Pension Liability	\$43,083,986	\$66,635,474
1% Increase	7.90%	
Net Pension Liability	\$29,031,626	\$41,826,732

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

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2023, the City recognized pension expense of \$4,082,533 and \$8,595,174, for the Miscellaneous and Safety plans, respectively. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

Miscellaneous Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,284,268	\$ -
Differences between actual and expected experience	-	1,159,180
Changes in assumptions	1,932,445	-
Net differences between projected and actual earnings on pension plan investments	4,385,732	-
Total	\$ 10,602,445	\$ 1,159,180

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2023



	Deferred Outflows of Resources	Deferred Inflows of Resources
Safety Plan		
Pension contributions subsequent to measurement date	\$ 5,971,166	\$ -
Differences between actual and expected experience	2,757,799	723,609
Changes in assumptions	6,718,873	-
Net differences between projected and actual earnings on pension plan investments	10,522,672	
Differences in proportions	-	6,952,608
Differences between actual and proportionate share of contributions	3,068,375	3,771,431
Total	<u>\$ 29,038,885</u>	<u>\$ 11,447,648</u>
TOTAL ALL PLANS	<u>\$ 39,641,330</u>	<u>\$ 12,606,828</u>

The \$4,284,268 and \$5,971,166 for the Miscellaneous and Safety plans, 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, 2024. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflow/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2024	\$ 1,250,646	\$ 2,916,496	\$ 4,167,142
2025	814,101	2,192,120	3,006,221
2026	296,902	92,491	389,393
2027	2,797,348	6,418,964	9,216,312
TOTAL	<u>\$ 5,158,997</u>	<u>\$ 11,620,071</u>	<u>\$ 16,779,068</u>

10. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City participates in the CalPERS healthcare programs Public Employees Medical and Hospital Care Act (PEMHCA), an agent multiple-employer defined benefit plan, 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, 2022 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	84
Inactive employees entitled to but not yet receiving benefits	113
Active Employees	<u>169</u>
Total	<u>366</u>

C. Contributions

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. The prefunding plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer defined benefit plan. For the measurement period 2021-2022 the City contributed \$807,273, including \$198,343 in implicit rate subsidy, \$446,634 deposit to CERBT, and \$162,296 contribution in the form of a direct benefit payment (not reimbursed by trust). The General Fund has been the source of funding to pay down the OPEB liability.

D. Net OPEB Liability/ Actuarial methods and assumptions:

The City’s net OPEB liability was measured as of June 30, 2022 and the total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 using the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Contribution Policy	Contributes full ADC
Projected Salary Increases	3.00%
Assumed Wage Inflation	3.00%
Investment Rate of Return	6.15%
Mortality	MacLeod Watts Scale 2022
Post Retirement Benefit Increase	MacLeod Watts Scale 2022
Healthcare Cost Trend Rate	5.80% to 4.00%



E. Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows was used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determine 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)
Balance at June 30, 2021 (MD)	\$ 6,517,938	\$ 3,532,016	\$ 2,985,922
Service cost	290,340	-	290,340
Interest on the total OPEB liability	397,377	-	397,377
Expected Investment Income		253,633	
Contribution - employer	-	606,337	(606,337)
Investment Experience	-	(753,979)	753,979
Benefit payments, including refunds of employee contributions	(370,663)	(370,663)	-
Administrative expenses	-	(919)	919
Net changes	317,054	(265,591)	582,645
Balance at June 30, 2022 (MD)	\$ 6,834,992	\$ 3,266,425	\$ 3,568,567

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, 2022:

	Current		
	1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
Net OPEB Liability	\$ 4,469,482	\$ 3,568,567	\$ 2,823,561



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 are one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2022:

	Current Trend -1.00%	Current Trend 6.00%	Current Trend +1%
Net OPEB Liability	\$ 2,737,717	\$ 3,568,567	\$ 4,600,051

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 2023, the City recognized OPEB expense of \$166,134. For the fiscal year ended June 30 2022, 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	\$ 807,273	\$ -
Differences between actual and expected experience	7,948	752,287
Changes in assumptions	28,950	622,780
Net differences between projected and actual earnings on investments	290,675	-
Total	<u>\$ 1,134,846</u>	<u>\$ 1,375,067</u>



The \$807,273 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2024	(\$264,210)
2025	(263,020)
2026	(293,067)
2027	(144,956)
2028	(43,746)
Thereafter	(38,495)

11. 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 disasters. The City has established various self- insurance programs and participated in pooled approach to manage excessive risks and provide liability coverage.

The City participates in Pooled Liability Assurance Network Joint Powers Agency (PLAN JPA). 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, 2023, the City paid PLAN JPA \$1,430,134 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, 2023, the City contribution was \$1,064,725. Audited financial statements may be obtained from Bickmore Risk Services, 1831 K Street, Sacramento, CA 95814.

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

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2023



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

	2023		Total	2022	2021
	General Liability Claims	Workers' Compensation Claims			
Liability at beginning of fiscal year	\$ 723,021	\$ 2,142,887	\$ 2,865,908	\$ 2,382,289	\$ 2,039,226
Claims and changes in estimates	157,759	(112,759)	45,000	882,471	691,999
Claims Payments	206,451	(50,555)	155,896	(398,852)	(348,936)
Liability at end of fiscal year	1,087,231	1,979,573	3,066,804	2,865,908	2,382,289
Current Portion	\$ 10,052	\$ 292,195	\$ 302,247	\$ 521,007	\$ 716,512

12. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

	Project		Unexpended
	Authorizations	Expenditures	Authorizations
Central Avenue RR Design	\$ 2,754,000	\$ 2,112,107	\$ 641,893
Central Avenue Railroad Overpass Construction	29,000,000	-	29,000,000
New Civic Center	88,705,207	82,655,799	6,049,408
Thornton Avenue Overlay	992,514	755,319	237,195
Lindsay Tract Storm Drainage Improvements	2,287,630	518,638	1,768,992
Street Rubberized Capseal	1,400,000	478	1,399,522
LED Street Light Upgrade	1,793,424	-	1,793,424

The City had no significant encumbrances outstanding as of June 30, 2023.

13. DEFICIT FUND BALANCE

The following funds reported a deficit fund balance at the end of the fiscal year, resulting from unavailable revenue due to the timing of payment receipts: Measure B-1986 ACTIA (\$2,559,559), Community Development Act (\$341,075), Miscellaneous State Grants (\$45,000), and ACTC Discretionary Funds (\$158,815).

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2023



14. FUND BALANCES

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2023 is as follows:

	General Fund	Public Safety Impact Fees	Community Service Impact Fees	Traffic Impact Fees	Housing Impact Fees	Development Maintenance Fees	Park Impact Fees
Nonspendable fund balance:							
Supplies and other assets	\$ 155,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	155,064	-					
Restricted fund balance for:							
Public safety	-	948,791	-	-	-	-	-
Impact fees	-	-	722,460	12,600,624	44,592,886	4,202,644	5,806,206
Highway and streets	-	-	-	-	-	-	-
Waste disposal program	-	-	-	-	-	-	-
Recycling programs	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
PEG activities	-	-	-	-	-	-	-
Debt reserves	-	-	-	-	-	-	-
Landscape and lighting	-	-	-	-	-	-	-
	-	948,791	722,460	12,600,624	44,592,886	4,202,644	5,806,206
Committed fund balance for:							
Pension/OPEB Reserves	12,388,488	-	-	-	-	-	-
	12,388,488	-	-	-	-	-	-
Assigned fund balance for:							
Measure GG	11,631,072	-	-	-	-	-	-
Equipment replacement	6,200,000	-	-	-	-	-	-
Capital assets acquisition	-	-	-	-	-	-	-
	17,831,072	-	-	-	-	-	-
Unassigned fund balance							
Emergency reserves	11,430,299	-	-	-	-	-	-
Fiscal uncertainty	10,725,024	-	-	-	-	-	-
Unallocated (deficit)	12,686,443	-	-	-	-	-	-
	34,841,766	-	-	-	-	-	-
Total Fund Balances	\$ 65,216,390	\$ 948,791	\$ 722,460	\$ 12,600,624	\$ 44,592,886	\$ 4,202,644	\$ 5,806,206

City of Newark
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2023



Measure B - 1986 ACTIA Fund	Art in Public Places	Capital Projects Fund	Public Financing Authority	Other Government Funds	Total
\$ -		\$ -	\$ -	\$ -	\$ 155,064
-		-	-	-	155,064
-	-	-	-	1,768,058	2,716,849
-	1,943,167	-	-	-	69,867,987
-	-	-	-	12,940,212	12,940,212
-	-	-	-	18,638	18,638
-	-	-	-	381,377	381,377
-	-	-	-	91,816	91,816
-	-	-	-	729,596	729,596
-	-	-	86,425	-	86,425
-	-	-	-	2,073,668	2,073,668
-	1,943,167	-	86,425	18,003,365	88,906,568
-	-	-	-	-	12,388,488
-	-	-	-	-	12,388,488
-	-	-	-	-	11,631,072
-	-	-	-	-	6,200,000
-	-	16,115,511	-	-	16,115,511
-	-	16,115,511	-	-	33,946,583
-	-	-	-	-	11,430,299
-	-	-	-	-	10,725,024
(2,559,559)	-	-	-	(544,890)	9,581,994
(2,559,559)	-	-	-	(544,890)	31,737,317
\$(2,559,559)	\$ 1,943,167	\$ 16,115,511	\$ 86,425	\$ 17,458,475	\$ 167,134,020



15. RESTATEMENTS OF NET POSITION AND FUND BALANCE

	Governmental Funds			Fiduciary Fund
	Measure B 1986 ACTIA Fund (1)	Measure B ACTC Fund (2)	Capital Project Fund (3)	Custodial Fund (4)
FY22 Fund Balances/Net Position, as previously reported	\$ (2,134,369)	\$ 1,616,576	\$ 7,111,982	\$ 2,706,273
Reclassification of revenue incorrectly reported in prior fiscal year	30,209	(30,209)	-	-
Retention payment not expensed in the prior fiscal year	-	-	(199,121)	-
Accounting standard change and compliance with GASB84	-	-	-	(2,706,273)
FY22 Fund Balances/Net Position, restated	\$ (2,104,160)	\$ 1,586,367	\$ 6,912,861	\$ -

- (1) Revenue received from ACTC should have been applied to this fund but was instead credited to the Measure B ACTC fund. The revenue was for a prior year COVID 19 Rapid Response Bicycle and Pedestrian Grant Program.
- (2) Revenue received from ACTC was inadvertently credited to the Measure B ACTC fund when it should be been applied to the Measure B 1986 ACTIA fund. The revenue was for a prior year COVID 19 Rapid Response Bicycle and Pedestrian Grant Program.
- (3) In the prior fiscal year, a retention payment for the New Civic Center Project was not recognized as an expense, and instead charged to a retention liability account.
- (4) To comply with GASB84, this adjustment is being made to unrecognize a fiduciary ending net position from the prior fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 27,289,000	\$ 28,909,000	\$ 28,563,981	\$ (345,019)
Other local taxes	30,056,000	34,669,000	42,048,133	7,379,133
Licenses permits and fees	8,519,000	8,519,000	4,022,058	(4,496,942)
Intergovernmental	433,000	433,000	315,286	(117,714)
Charges for services	1,448,000	1,448,000	1,726,821	278,821
Fines and forfeitures	634,000	634,000	541,144	(92,856)
Use of money and property	488,000	488,000	2,025,059	1,537,059
Other revenue	116,000	116,000	378,359	262,359
Total revenues	<u>68,983,000</u>	<u>75,216,000</u>	<u>79,620,841</u>	<u>4,404,841</u>
EXPENDITURES				
Current:				
General government	9,693,000	10,401,354	9,854,487	546,867
Public safety:				
Fire	11,904,000	11,904,000	11,826,858	77,142
Police	26,877,000	26,894,080	25,010,516	1,883,564
Community development	2,785,000	3,065,526	2,483,594	581,932
Recreation	5,509,000	5,569,000	5,119,440	449,560
Public works	11,210,000	12,043,709	10,655,287	1,388,422
Capital outlay - subscriptions	-	-	718,619	(718,619)
Capital outlay	-	(1,746)	121,584	(123,330)
Debt Service:				
Principal repayment - subscriptions	-	-	208,906	(208,906)
Interest and fiscal charges - subscriptions	-	-	6,077	(6,077)
Total current	<u>67,978,000</u>	<u>69,875,923</u>	<u>66,005,368</u>	<u>3,870,555</u>
Total expenditures	<u>67,978,000</u>	<u>69,875,923</u>	<u>66,005,368</u>	<u>3,870,555</u>
Revenues over (under) expenditures	<u>1,005,000</u>	<u>5,340,077</u>	<u>13,615,473</u>	<u>8,275,396</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources (subscriptions)	-	-	718,619	718,619
Transfers in	1,822,000	6,538,046	1,283,949	(5,254,097)
Transfers out	(5,651,000)	(14,671,046)	(10,555,010)	4,116,036
Total other financing sources (uses)	<u>(3,829,000)</u>	<u>(8,133,000)</u>	<u>(8,552,442)</u>	<u>(419,442)</u>
Net change in fund balances	<u>(2,824,000)</u>	<u>(2,792,923)</u>	<u>5,063,031</u>	<u>7,855,954</u>
Fund balances - beginning	60,153,359	60,153,359	60,153,359	-
Fund balances - ending	<u>\$ 57,329,359</u>	<u>\$ 57,360,436</u>	<u>\$ 65,216,390</u>	<u>\$ 7,855,954</u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
ARPA
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 5,900,000	\$ 5,900,000	\$ 2,967,833	\$ (2,932,167)
Total revenues	<u>5,900,000</u>	<u>5,900,000</u>	<u>2,967,833</u>	<u>(2,932,167)</u>
EXPENDITURES				
Current:				
General government	-	44,998	44,998	-
Community development	-	327,500	45,627	281,873
Recreation	-	300,000	93,259	206,741
Total current	<u>-</u>	<u>672,498</u>	<u>183,884</u>	<u>488,614</u>
Total expenditures	<u>-</u>	<u>672,498</u>	<u>183,884</u>	<u>488,614</u>
Revenues over (under) expenditures	<u>5,900,000</u>	<u>5,227,502</u>	<u>2,783,949</u>	<u>(2,443,553)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,129,000)</u>	<u>(3,629,000)</u>	<u>(2,783,949)</u>	<u>845,051</u>
Total other financing sources (uses)	<u>(2,129,000)</u>	<u>(3,629,000)</u>	<u>(2,783,949)</u>	<u>845,051</u>
Net change in fund balances	3,771,000	1,598,502	-	(1,598,502)
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ 3,771,000</u></u>	<u><u>\$ 1,598,502</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,598,502)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Public Safety Impact Fees
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses permits and fees	\$ 1,944,000	\$ 1,944,000	\$ 298,307	\$ (1,645,693)
Use of money and property	-	-	15,897	15,897
Total revenues	<u>1,944,000</u>	<u>1,944,000</u>	<u>314,204</u>	<u>(1,629,796)</u>
Revenues over (under) expenditures	<u>1,944,000</u>	<u>1,944,000</u>	<u>314,204</u>	<u>(1,629,796)</u>
Net change in fund balances	<u>1,944,000</u>	<u>1,944,000</u>	<u>314,204</u>	<u>(1,629,796)</u>
Fund balances - beginning	\$ 634,587	\$ 634,587	\$ 634,587	\$ -
Fund balances - ending	<u><u>\$ 2,578,587</u></u>	<u><u>\$ 2,578,587</u></u>	<u><u>\$ 948,791</u></u>	<u><u>\$ (1,629,796)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Service Impact Fees
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses permits and fees	\$ 1,158,000	\$ 1,158,000	\$ 213,806	\$ (944,194)
Use of money and property	-	-	12,143	12,143
Total revenues	<u>1,158,000</u>	<u>1,158,000</u>	<u>225,949</u>	<u>(932,051)</u>
EXPENDITURES				
Current:				
Public works	490,000	490,000	-	490,000
Total current	<u>490,000</u>	<u>490,000</u>	<u>-</u>	<u>490,000</u>
Total expenditures	<u>490,000</u>	<u>490,000</u>	<u>-</u>	<u>490,000</u>
Revenues over (under) expenditures	<u>668,000</u>	<u>668,000</u>	<u>225,949</u>	<u>(442,051)</u>
Net change in fund balances	668,000	668,000	225,949	(442,051)
Fund balances - beginning	496,511	496,511	496,511	-
Fund balances - ending	<u><u>\$ 1,164,511</u></u>	<u><u>\$ 1,164,511</u></u>	<u><u>\$ 722,460</u></u>	<u><u>\$ (442,051)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Traffic Impact Fees
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses permits and fees	\$ 2,863,000	\$ 2,863,000	\$ 596,629	\$ (2,266,371)
Use of money and property	-	-	216,272	216,272
Total revenues	<u>2,863,000</u>	<u>2,863,000</u>	<u>812,901</u>	<u>(2,050,099)</u>
EXPENDITURES				
Current:				
Public works	-	1,000,000	603	999,397
Capital outlay	-	-	16,285	(16,285)
Total current	<u>-</u>	<u>1,000,000</u>	<u>16,888</u>	<u>983,112</u>
Total expenditures	<u>-</u>	<u>1,000,000</u>	<u>16,888</u>	<u>983,112</u>
Revenues over (under) expenditures	<u>2,863,000</u>	<u>1,863,000</u>	<u>796,013</u>	<u>(1,066,987)</u>
Net change in fund balances	<u>2,863,000</u>	<u>1,863,000</u>	<u>796,013</u>	<u>(1,066,987)</u>
Fund balances - beginning	\$ 11,804,610	\$ 11,804,610	\$ 11,804,611	\$ -
Fund balances - ending	<u><u>\$ 14,667,610</u></u>	<u><u>\$ 13,667,610</u></u>	<u><u>\$ 12,600,624</u></u>	<u><u>\$ (1,066,986)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Housing Impact Fee
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses permits and fees	\$ 3,341,000	\$ 3,341,000	\$ 1,561,670	\$ (1,779,330)
Use of money and property	-	-	709,383	709,383
Total revenues	<u>3,341,000</u>	<u>3,341,000</u>	<u>2,271,053</u>	<u>(1,069,947)</u>
EXPENDITURES				
Current:				
Community development	141,000	141,000	66,676	74,324
Total current	<u>141,000</u>	<u>141,000</u>	<u>66,676</u>	<u>74,324</u>
Total expenditures	<u>141,000</u>	<u>141,000</u>	<u>66,676</u>	<u>74,324</u>
Revenues over (under) expenditures	3,200,000	3,200,000	2,204,377	(995,623)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,500,000	1,500,000	-
Total other financing sources (uses)	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net change in fund balances	<u>3,200,000</u>	<u>4,700,000</u>	<u>3,704,377</u>	<u>(995,623)</u>
Fund balances - beginning	40,888,509	40,888,509	40,888,509	-
Fund balances - ending	<u><u>\$ 44,088,509</u></u>	<u><u>\$ 45,588,509</u></u>	<u><u>\$ 44,592,886</u></u>	<u><u>\$ (995,623)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Development Maintenance Impact Fees
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses permits and fees	\$ 54,000	\$ 54,000	\$ 551,689	\$ 497,689
Use of money and property	-	-	75,557	75,557
Intergovernmental	-	-	160,000	160,000
Total revenues	<u>54,000</u>	<u>54,000</u>	<u>787,246</u>	<u>733,246</u>
EXPENDITURES				
Current:				
Community development	645,000	1,020,931	877,605	143,326
Capital outlay	-	-	1,170	(1,170)
Total current	<u>645,000</u>	<u>1,020,931</u>	<u>878,775</u>	<u>142,156</u>
Total expenditures	<u>645,000</u>	<u>1,020,931</u>	<u>878,775</u>	<u>142,156</u>
Revenues over (under) expenditures	<u>(591,000)</u>	<u>(966,931)</u>	<u>(91,529)</u>	<u>875,402</u>
Net change in fund balances	(591,000)	(966,931)	(91,529)	875,402
Fund balances - beginning	4,294,173	4,294,173	4,294,173	-
Fund balances - ending	<u><u>\$ 3,703,173</u></u>	<u><u>\$ 3,327,242</u></u>	<u><u>\$ 4,202,644</u></u>	<u><u>\$ 875,402</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Park Impact Fees
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses permits and fees	\$ 3,406,000	\$ 3,406,000	\$ 261,100	\$ (3,144,900)
Use of money and property	-	-	99,988	99,988
Total revenues	<u>3,406,000</u>	<u>3,406,000</u>	<u>361,088</u>	<u>(3,044,912)</u>
EXPENDITURES				
Current:				
Public works	<u>2,578,600</u>	<u>2,836,875</u>	<u>-</u>	<u>2,836,875</u>
Total current	<u>2,578,600</u>	<u>2,836,875</u>	<u>-</u>	<u>2,836,875</u>
Total expenditures	<u>2,578,600</u>	<u>2,836,875</u>	<u>-</u>	<u>2,836,875</u>
Revenues over (under) expenditures	<u>827,400</u>	<u>569,125</u>	<u>361,088</u>	<u>(208,037)</u>
Net change in fund balances	<u>827,400</u>	<u>569,125</u>	<u>361,088</u>	<u>(208,037)</u>
Fund balances - beginning	5,445,118	5,445,118	5,445,118	-
Fund balances - ending	<u><u>\$ 6,272,518</u></u>	<u><u>\$ 6,014,243</u></u>	<u><u>\$ 5,806,206</u></u>	<u><u>\$ (208,037)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure B - 1986 ACTIA
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Capital outlay	-	474,874	455,399	19,475
Total expenditures	-	474,874	455,399	19,475
Revenues over (under) expenditures	-	474,874	455,399	19,475
Net change in fund balances	-	(474,874)	(455,399)	19,475
Fund balances - beginning, as restated	(2,104,160)	(2,104,160)	(2,104,160)	-
Fund balances - ending	<u>\$ (2,104,160)</u>	<u>\$ (2,579,034)</u>	<u>\$ (2,559,559)</u>	<u>\$ 19,475</u>

CITY OF NEWARK

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2023**

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, 2023, the following funds had no adopted annual budgets:

Measure B 1986 ACTIA
Waste Augmentation Fund
Recycle AB939
ACTC Discretionary Funds
Landscape and Lighting Districts

b. Expenditures over Appropriations

The following Funds had expenditures over appropriations for the fiscal year ended June 30, 2023:

Fund	Budget	Actual	Excess
Paramedic Tax	-	\$ 4,409	\$ 4,409
State Senate Bills	-	10,197	10,197

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)

	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability								
Service Cost	\$ 1,428,480	\$ 1,526,903	\$ 1,741,959	\$ 1,958,908	\$ 2,015,761	\$ 1,935,397	\$ 1,901,824	\$ 2,119,396
Interest	7,153,135	7,430,465	7,606,416	7,893,622	8,282,270	8,658,150	8,849,497	8,888,163
Difference between Expected and Actual Experience	(336,919)	(296,888)	98,578	1,112,052	1,745,541	1,582,587	(891,445)	(1,907,477)
Changes in Assumptions	(1,677,534)	-	6,040,949	(761,857)	-	-	-	3,418,942
Benefit Payments, Including								
Refunds of Employee Contributions	(5,054,891)	(5,339,676)	(5,585,662)	(5,994,674)	(6,387,039)	(6,779,708)	(7,238,583)	(7,415,003)
Net Change in Total Pension Liability	1,512,271	3,320,804	9,902,240	4,208,051	5,656,533	5,396,426	2,621,293	5,104,021
Total Pension Liability - Beginning	97,332,688	98,844,959	102,165,763	112,068,003	116,276,054	121,932,587	127,329,013	129,950,306
Total Pension Liability - Ending (a)	\$ 98,844,959	\$ 102,165,763	\$ 112,068,003	\$ 116,276,054	\$ 121,932,587	\$ 127,329,013	\$ 129,950,306	\$ 135,054,327
Plan Fiduciary Net Position								
Contributions - Employer	1,771,614	2,089,006	2,252,015	3,091,582	3,224,109	3,532,890	3,874,896	9,282,730
Contributions - Employee	980,547	1,026,537	1,148,693	1,232,724	1,208,146	1,219,082	1,203,390	1,224,304
Plan to Plan Resource Movement	-	-	-	(176)	-	-	-	-
Net Investment Income	1,509,133	377,065	7,421,654	6,085,231	5,029,454	3,929,919	18,157,424	(7,248,311)
Benefit Payments, Including								
Refunds of Employee Contributions	(5,054,891)	(5,339,676)	(5,585,662)	(5,994,674)	(6,387,039)	(6,779,708)	(7,238,583)	(7,415,003)
Administrative Expense	(76,731)	(41,512)	(97,779)	(111,206)	(53,848)	(110,635)	(80,184)	(59,918)
Other Miscellaneous Income/(Expense)	95	-	(401)	(211,182)	176	-	-	-
Net Change in Fiduciary Net Position	(870,233)	(1,888,580)	5,138,520	4,092,299	3,020,998	1,791,548	15,916,943	(4,216,198)
Plan Fiduciary Net Position - Beginning	68,985,044	68,114,811	66,226,231	71,364,751	75,457,050	78,478,048	80,269,596	96,186,539
Plan Fiduciary Net Position - Ending (b)	\$ 68,114,811	\$ 66,226,231	\$ 71,364,751	\$ 75,457,050	\$ 78,478,048	\$ 80,269,596	\$ 96,186,539	\$ 91,970,341
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 30,730,148	\$ 35,939,532	\$ 40,703,252	\$ 40,819,004	\$ 43,454,539	\$ 47,059,417	\$ 33,763,767	\$ 43,083,986
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.91%	64.82%	63.68%	64.89%	64.36%	63.04%	74.02%	68.10%
Covered Payroll	\$ 8,581,003	\$ 9,334,103	\$ 9,888,505	\$ 10,925,309	\$ 1,151,586	\$ 11,180,800	\$ 11,037,862	\$ 11,297,419
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	358.12%	385.03%	411.62%	373.62%	3773.45%	420.89%	305.89%	381.36%

(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 eight 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 June 30, 2019 valuation date. 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:

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rates used to discount liabilities was formed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measure dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

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	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,773,777	\$ 2,089,006	\$ 2,252,317	\$ 2,937,068	\$ 3,231,257	\$ 3,532,994	\$ 3,873,663	\$ 4,282,706	\$ 4,284,268
Contribution in Relation to the Actuarially Determined Contribution	(1,773,777)	(2,089,006)	(2,252,317)	(2,937,068)	(3,231,257)	(3,532,994)	(3,873,663)	(9,282,706)	(4,284,268)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	(5,000,000)	-
Covered Payroll	8,581,003	9,334,103	9,888,505	10,925,309	11,151,586	11,180,801	11,037,862	11,297,419	11,653,292
Contributions as a Percentage of Covered Payroll	20.67%	22.38%	22.78%	26.88%	28.98%	31.60%	35.09%	37.91%	36.76%

(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 nine years are shown.

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 (1)

	2016	2017	2018	2019	2020	2021	2022	2023
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Proportion of the Net Pension Liability*	0.66006%	0.62991%	0.61737%	0.64142%	0.63196%	0.63207%	0.68191%	57.68900%
Proportionate Share of the Net Pension Liability	\$ 45,305,899	\$ 54,506,282	\$ 61,226,071	\$ 61,809,192	\$ 64,757,434	\$ 68,772,104	\$ 36,879,425	\$ 66,635,474
Covered Payroll	\$ 7,186,807	\$ 7,171,629	\$ 7,362,907	\$ 7,381,368	\$ 9,025,651	\$ 7,417,018	7,777,066	7,740,113
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	630.4%	760.0%	831.5%	837.4%	717.5%	927.2%	474.2%	860.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	74.06%	65.64%	66.76%	66.82%	66.03%	82.29%	69.69%

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

(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 eight years are shown.

Notes to Schedules:

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 June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of the Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rates used to discount liabilities was formed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measure dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Newark
Cost-Sharing Multiple Employer Safety Plan
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years (1)

	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 3,262,170	\$ 3,595,377	\$ 4,766,942	\$ 5,046,191	\$ 5,386,172	\$ 5,836,100	\$ 5,493,067	\$ 5,971,166
Contribution in Relation to the Actuarially Determined Contribution	(3,262,170)	(3,595,377)	(4,766,942)	(5,046,191)	(5,386,172)	(15,836,100)	(5,493,067)	(5,971,166)
Contribution Deficiency (Excess)	-	-	-	-	-	(10,000,000)	-	-
Covered Payroll	7,171,629	7,362,907	7,381,368	9,025,651	7,417,018	7,777,066	7,740,113	7,096,538
Contributions as a Percentage of Covered Payroll	45.5%	48.8%	64.6%	55.9%	72.6%	75.0%	71.0%	84.1%

(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 nine years as 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)**

	2019	2020	2021	2022	2023
Total OPEB Liability					
Service cost	\$ 339,211	\$ 310,710	\$ 270,070	\$ 278,172	\$ 290,340
Interest on the total OPEB liability	387,888	463,155	378,535	398,066	397,377
Actual and expected experience difference	-	(1,516,027)	-	10,652	-
Changes in assumptions	103,950	(555,472)	-	(355,369)	-
Benefit payments	(223,221)	(353,760)	(322,724)	(339,677)	(370,663)
Net change in total OPEB liability	607,828	(1,651,394)	325,881	(8,156)	317,054
Total OPEB liability - beginning	7,243,779	7,851,607	6,200,213	6,526,094	6,517,938
Total OPEB liability - ending (a)	7,851,607	6,200,213	6,526,094	6,517,938	6,834,992
Plan Fiduciary Net Position					
Contribution - employer	354,000	576,617	697,381	339,677	606,337
Net investment income	126,130	130,911	91,520	761,949	(500,346)
Benefit payments	(223,221)	(353,760)	(322,724)	(339,677)	(370,663)
Administrative expense	(1,002)	(472)	(1,296)	(1,049)	(919)
Investment experience	23,308	-	-	-	-
Other expenses	(2,218)	-	-	-	-
Net change in plan fiduciary net position	276,997	353,296	464,881	760,900	(265,591)
Plan fiduciary net position - beginning	1,675,942	1,952,939	2,306,235	2,771,116	3,532,016
Plan fiduciary net position - ending (b)	1,952,939	2,306,235	2,771,116	3,532,016	3,266,425
Net OPEB Liability - ending (a) - (b)	\$ 5,898,668	\$ 3,893,978	\$ 3,754,978	\$ 2,985,922	\$ 3,568,567
Plan fiduciary net position as a percentage of the total OPEB liability	24.87%	37.20%	42.46%	54.19%	47.79%
Covered-employee payroll	17,438,452	20,956,996	18,991,910	18,685,140	19,245,694
Net OPEB liability as a percentage of covered-employee payroll	33.83%	18.58%	19.77%	15.98%	18.54%

(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:

Changes in assumptions: In 2023, no changes were made. In 2020, the discount rate was changed from 7.00% to 6.00%. 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)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially Determined Contribution	\$ 572,265	\$ 588,500	\$ 476,313	\$ 490,602	\$ 446,634
Contribution in Relation to the Actuarially Determined Contributions	(576,617)	(697,381)	(339,677)	(606,337)	(807,273)
Contribution Deficiency (Excess)	<u>\$ (4,352)</u>	<u>\$ (108,881)</u>	<u>\$ 136,636</u>	<u>\$ (115,735)</u>	<u>\$ (360,639)</u>
Covered-employee payroll	\$ 20,856,996	\$ 18,991,910	\$ 18,685,140	\$ 19,245,694	\$ 21,684,866
Contributions as a percentage of covered-employee payroll	2.76%	3.67%	1.82%	3.15%	3.72%

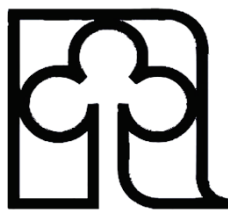
(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2023 were derived from the June 2021 Actuarial Valuation report, based on the plan assets and liabilities projected at the same time that valuation was prepared.

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	6.00%
Inflation	2.50%
Mortality	CalPERS 2022



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.

Waste Management Augmentation Fund – Accounts for waste hauler surcharge fees to be used for offsetting recycling and transfer station payments

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.

Gas Tax Funds – Accounts for gas tax funds received from the State to be used for various street construction and maintenance projects.

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.

Measure F (VRF) ACTC – Accounts for Measure F funds from the Alameda County Vehicle Registration Fees to be used to sustain the County's transportation network and reduce traffic congestion and vehicle related pollution.

ACTC Discretionary Funds – Accounts for funding from the Alameda County Transportation Commission for projects and programs that benefit the Alameda County transportation system.

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 Senate Bills Fund – Accounts for Senate Bill 1186, State CASp fee which is mandated by California SB1186 and its purpose is to increase disability access and compliance with construction related accessibility requirements. It also accounts for the Building Standards Fee (SB1473) and the California Strong Motion Instrumentation Program (CSMIP).

Auto Break-in Prevention (AB74) – Accounts for State funding sponsored by Assembly member Kansan Chu, to combat auto burglaries in our region.

State Construction Maintenance Funds – Accounts for funds to be used for various street maintenance and construction projects.

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.

Miscellaneous State Grants – Accounts for State Grants reimbursements provided by cooperating agencies for capital related expenditures.

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

City of Newark
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds				
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act (HCD)	Waste Augmentation
ASSETS					
Pooled cash and investments	\$ 1,447,865	\$ 54,385	\$ 247,321	\$ -	\$ 18,638
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	11,719	353,984	-
Other	-	-	-	-	-
Total assets	<u>\$ 1,447,865</u>	<u>\$ 54,385</u>	<u>\$ 259,040</u>	<u>\$ 353,984</u>	<u>\$ 18,638</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 746	\$ 10,736	\$ -
Accrued liabilities	-	-	444	-	-
Unearned revenues	-	-	-	-	-
Refundable deposits	-	-	-	-	-
Due to other funds	-	-	-	330,339	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,190</u>	<u>341,075</u>	<u>-</u>
DEFERRED INFLOW OR RESOURCES					
Unavailable revenue	-	-	-	353,984	-
Total deferred inflow or resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,984</u>	<u>-</u>
Fund Balances (Deficit):					
Restricted	1,447,865	54,385	257,850	-	18,638
Unassigned (deficit)	-	-	-	(341,075)	-
Total fund balances (deficit)	<u>1,447,865</u>	<u>54,385</u>	<u>257,850</u>	<u>(341,075)</u>	<u>18,638</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,447,865</u>	<u>\$ 54,385</u>	<u>\$ 259,040</u>	<u>\$ 353,984</u>	<u>\$ 18,638</u>

Special Revenue Funds

Recycle AB939	Measure D - Waste Mgmt	Gas Tax Funds	Measure B - ACTC	Measure BB ACTC	Measure F (VRF) ACTC	ACTC Discretionary Funds	RMRA SB1
\$ 57,164	\$ 310,160	\$ 3,239,942	\$ 1,549,356	\$ 3,283,343	\$ 420,724	\$ -	\$ 3,578,205
-	-	-	-	-	-	-	-
-	35,258	103,773	-	345,311	39,215	150,874	185,421
-	-	-	-	-	-	-	-
<u>\$ 57,164</u>	<u>\$ 345,418</u>	<u>\$ 3,343,715</u>	<u>\$ 1,549,356</u>	<u>\$ 3,628,654</u>	<u>\$ 459,939</u>	<u>\$ 150,874</u>	<u>\$ 3,763,626</u>
\$ -	\$ 15,494	\$ 74,640	\$ 56,647	\$ 139,643	\$ -	\$ 158,815	\$ 105,876
-	5,711	-	-	186,594	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	21,205	74,640	56,647	326,237	-	158,815	105,876
-	-	-	-	174,883	-	150,874	-
-	-	-	-	174,883	-	150,874	-
57,164	324,213	3,269,075	1,492,709	3,127,534	459,939	-	3,657,750
-	-	-	-	-	-	(158,815)	-
<u>57,164</u>	<u>324,213</u>	<u>3,269,075</u>	<u>1,492,709</u>	<u>3,127,534</u>	<u>459,939</u>	<u>(158,815)</u>	<u>3,657,750</u>
<u>\$ 57,164</u>	<u>\$ 345,418</u>	<u>\$ 3,343,715</u>	<u>\$ 1,549,356</u>	<u>\$ 3,628,654</u>	<u>\$ 459,939</u>	<u>\$ 150,874</u>	<u>\$ 3,763,626</u>

City of Newark
Combining Balance Sheet
Non-Major Governmental Funds, Continued
June 30, 2023

	Special Revenue Funds				Capital Projects
	Hazardous Materials Program	State Senate Bills Fund	Auto Break-in Prevention AB74	State Construction Maintenance	Fund PEG Fees
ASSETS					
Pooled cash and investments	\$ 25,576	\$ 120,492	\$ 628,117	\$ 949,122	\$ 712,660
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Other	-	-	-	-	16,936
Total assets	<u>\$ 25,576</u>	<u>\$ 120,492</u>	<u>\$ 628,117</u>	<u>\$ 949,122</u>	<u>\$ 729,596</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 5,620	\$ 26,250	\$ 2,745	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	593,909	-	-
Refundable deposits	-	48,632	-	12,769	-
Due to other funds	-	-	-	403	-
Total liabilities	<u>-</u>	<u>54,252</u>	<u>620,159</u>	<u>15,917</u>	<u>-</u>
DEFERRED INFLOW OR RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflow or resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted	25,576	66,240	7,958	933,205	729,596
Unassigned	-	-	-	-	-
Total fund balances	<u>25,576</u>	<u>66,240</u>	<u>7,958</u>	<u>933,205</u>	<u>729,596</u>
Total liabilities and fund balances	<u>\$ 25,576</u>	<u>\$ 120,492</u>	<u>\$ 628,117</u>	<u>\$ 949,122</u>	<u>\$ 729,596</u>

Capital Projects Funds		Total
Misc. State Grants	Landscape and Lighting District	Non-Major Governmental Funds
\$ 24,886	\$ 2,082,512	\$ 18,750,468
1,845,000	4,536	1,849,536
-	-	1,225,555
-	-	16,936
<u>\$ 1,869,886</u>	<u>\$ 2,087,048</u>	<u>\$ 21,842,495</u>

\$ -	\$ 13,380	\$ 610,592
-	-	192,749
1,869,886	-	2,463,795
-	-	61,401
-	-	330,742
<u>1,869,886</u>	<u>13,380</u>	<u>3,659,279</u>

45,000	-	\$ 724,741
<u>45,000</u>	-	<u>\$ 724,741</u>

-	2,073,668	18,003,365
(45,000)	-	(544,890)
<u>(45,000)</u>	<u>2,073,668</u>	<u>17,458,475</u>
<u>\$ 1,869,886</u>	<u>\$ 2,087,048</u>	<u>\$ 21,842,495</u>

City of Newark

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2023

	Special Revenue Funds				
	Paramedic Tax	Alameda County Fire Fees	Police Grants	Community Development Act (HCD)	Waste Augmentation Fund
REVENUES:					
Special assessments	\$ 265,610	\$ -	\$ -	\$ -	\$ -
Other governmental agencies	-	-	199,423	45,600	-
Use of money and property	-	-	2,355	-	-
License, permits and fees	-	-	18,400	-	-
Other revenues	-	-	-	-	-
Total revenues	265,610	-	220,178	45,600	-
EXPENDITURES:					
Current:					
Public safety:					
Fire	4,409	-	-	-	-
Police	-	-	209,920	-	-
Public works	-	-	-	-	-
Community development	-	-	-	52,400	-
Recreation	-	-	-	-	-
Capital outlay	-	-	-	215,312	-
Total expenditures	4,409	-	209,920	267,712	-
REVENUE OVER (UNDER) EXPENDITURES	261,201	-	10,258	(222,112)	-
OTHER FINANCING USES:					
Transfers out	-	-	-	-	-
Total other financing uses	-	-	-	-	-
Net change in fund balances	261,201	-	10,258	(222,112)	-
FUND BALANCES (Deficit):					
Beginning of year, restated	1,186,664	54,385	247,592	(118,963)	18,638
End of year	<u>\$ 1,447,865</u>	<u>\$ 54,385</u>	<u>\$ 257,850</u>	<u>\$ (341,075)</u>	<u>\$ 18,638</u>

Special Revenue Funds							
Recycle AB 939	Measure D - Waste Mgmt	Gas Tax Funds	Measure B - ACTC	Measure BB - ACTC	Measure F (VRF) ACTC	ACTC Discretionary Funds	RMRA SB1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	173,701	1,185,421	6,318	1,974,958	213,335	-	1,058,162
-	7,587	55,443	27,549	51,681	6,543	-	58,493
-	-	-	-	-	-	-	-
-	-	11,000	-	-	-	-	-
-	181,288	1,251,864	33,867	2,026,639	219,878	-	1,116,655
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	336,953	305,577	2,500	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	186,593	-	-	-
-	-	535,635	125,025	461,665	-	158,815	105,876
-	336,953	841,212	127,525	648,258	-	158,815	105,876
-	(155,665)	410,652	(93,658)	1,378,381	219,878	(158,815)	1,010,779
-	(150,000)	-	-	-	-	-	-
-	(150,000)	-	-	-	-	-	-
-	(305,665)	410,652	(93,658)	1,378,381	219,878	(158,815)	1,010,779
57,164	629,878	2,858,423	1,586,367	1,749,153	240,061	-	2,646,971
<u>\$ 57,164</u>	<u>\$ 324,213</u>	<u>\$ 3,269,075</u>	<u>\$ 1,492,709</u>	<u>\$ 3,127,534</u>	<u>\$ 459,939</u>	<u>\$ (158,815)</u>	<u>\$ 3,657,750</u>

City of Newark

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds, Continued

For the year ended June 30, 2023

	Special Revenue Funds				Capital Projects Fund
	Hazardous Materials Program	State Senate Bills Fund	Auto Break-in Prevention AB74	State Construction Maintenance	PEG Fees
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other governmental agencies	7,058	-	128,851	184,500	-
Use of money and property	441	-	7,958	16,350	12,070
License, permits and fees	-	12,448	-	-	68,158
Other revenues	-	3	-	-	-
Total revenues	7,499	12,451	136,809	200,850	80,228
EXPENDITURES:					
Current:					
Public safety:					
Fire	-	-	-	-	-
Police	-	-	128,851	-	-
Public works	7,058	10,196	-	-	-
Community development	-	-	-	-	-
Recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	7,058	10,196	128,851	-	-
REVENUE OVER (UNDER) EXPENDITURES	441	2,255	7,958	200,850	80,228
OTHER FINANCING					
Transfers out	-	-	-	-	-
Total other financing uses	-	-	-	-	-
Net change in fund balances	441	2,255	7,958	200,850	80,228
FUND BALANCES:					
Beginning of year, restated	25,135	63,985	-	732,355	649,368
End of year	\$ 25,576	\$ 66,240	\$ 7,958	\$ 933,205	\$ 729,596

Capital Projects Funds		Total
Misc. State Grants	Landscape and Lighting District	Non-Major Governmental Funds
\$ -	\$ 302,035	\$ 567,645
-	-	5,177,327
-	35,411	281,881
-	-	99,006
-	-	11,003
-	337,446	6,136,862
-	-	4,409
-	-	338,771
35,003	169,364	866,651
-	-	52,400
-	-	186,593
-	-	1,602,328
35,003	169,364	3,051,152
(35,003)	168,082	3,085,710
-	-	(150,000)
-	-	(150,000)
(35,003)	168,082	2,935,710
(9,997)	1,905,586	14,522,765
\$ (45,000)	\$ 2,073,668	\$ 17,458,475

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Paramedic Tax
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ 233,000	\$ 233,000	\$ 265,610	\$ 32,610
Total revenues	<u>233,000</u>	<u>233,000</u>	<u>265,610</u>	<u>32,610</u>
EXPENDITURES				
Current:				
Public Safety:				
Fire	-	-	4,409	(4,409)
Total current	-	-	4,409	(4,409)
Total expenditures	<u>-</u>	<u>-</u>	<u>4,409</u>	<u>(4,409)</u>
Net change in fund balances	233,000	233,000	261,201	28,201
Fund balances - beginning	1,186,664	1,186,664	1,186,664	-
Fund balances - ending	<u><u>\$ 1,419,664</u></u>	<u><u>\$ 1,419,664</u></u>	<u><u>\$ 1,447,865</u></u>	<u><u>\$ 28,201</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Alameda County Fire Fees
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Public Safety:				
Fire	4,000	4,000	-	4,000
Total current	4,000	4,000	-	4,000
Total expenditures	4,000	4,000	-	4,000
Net change in fund balances	(4,000)	(4,000)	-	4,000
Fund balances - beginning	54,385	54,385	54,385	-
Fund balances - ending	\$ 50,385	\$ 50,385	\$ 54,385	\$ 4,000

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Police Grants
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses permits and fees	\$ -	\$ 18,000	\$ 18,400	\$ 400
Intergovernmental	170,000	318,000	199,423	(118,577)
Use of money and property	-	-	2,355	2,355
Total revenues	<u>170,000</u>	<u>336,000</u>	<u>220,178</u>	<u>(115,822)</u>
EXPENDITURES				
Current:				
Public Safety:				
Police	35,000	254,000	209,920	44,080
Recreation	-	37,404	-	37,404
Total current	<u>35,000</u>	<u>291,404</u>	<u>209,920</u>	<u>81,484</u>
Total expenditures	<u>35,000</u>	<u>291,404</u>	<u>209,920</u>	<u>81,484</u>
Net change in fund balances	135,000	44,596	10,258	(34,338)
Fund balances - beginning	247,592	247,592	247,592	-
Fund balances - ending	<u><u>\$ 382,592</u></u>	<u><u>\$ 292,188</u></u>	<u><u>\$ 257,850</u></u>	<u><u>\$ (34,338)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Development Act (HCD)
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other governmental agencies	\$ 138,000	\$ 235,000	\$ 45,600	\$ (189,400)
Total revenues	<u>138,000</u>	<u>235,000</u>	<u>45,600</u>	<u>(189,400)</u>
EXPENDITURES				
Current:				
Community development	-	600,406	52,400	548,006
Total current	<u>-</u>	<u>600,406</u>	<u>52,400</u>	<u>548,006</u>
Capital outlay	-	-	215,312	(215,312)
Total expenditures	<u>-</u>	<u>600,406</u>	<u>267,712</u>	<u>332,694</u>
Net change in fund balances	138,000	(365,406)	(222,112)	143,294
Fund balances - beginning	<u>(118,963)</u>	<u>(118,963)</u>	<u>(118,963)</u>	<u>-</u>
Fund balances (deficit) - ending	<u><u>\$ 19,037</u></u>	<u><u>\$ (484,369)</u></u>	<u><u>\$ (341,075)</u></u>	<u><u>\$ 143,294</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure D - Waste Management
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 125,000	\$ 125,000	\$ 173,701	\$ 48,701
Use of money and property	-	-	7,587	7,587
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>181,288</u>	<u>56,288</u>
EXPENDITURES				
Current:				
Public works	45,000	566,553	336,953	229,600
Total expenditures	<u>45,000</u>	<u>566,553</u>	<u>336,953</u>	<u>229,600</u>
Revenues over (under) expenditures	<u>80,000</u>	<u>(441,553)</u>	<u>(155,665)</u>	<u>285,888</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(150,000)	(150,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
Net change in fund balances	80,000	(441,553)	(305,665)	135,888
Fund balances - beginning	629,878	629,878	629,878	-
Fund balances - ending	<u><u>\$ 709,878</u></u>	<u><u>\$ 188,325</u></u>	<u><u>\$ 324,213</u></u>	<u><u>\$ 135,888</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Gas Tax
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,413,000	\$ 1,413,000	\$ 1,185,421	\$ (227,579)
Use of money and property	-	-	55,443	55,443
Other revenue	-	-	11,000	11,000
Total revenues	<u>1,413,000</u>	<u>1,413,000</u>	<u>1,251,864</u>	<u>(161,136)</u>
EXPENDITURES				
Current:				
Public works	<u>3,150,000</u>	<u>1,428,871</u>	<u>305,577</u>	<u>1,123,294</u>
Total current	<u>3,150,000</u>	<u>1,428,871</u>	<u>305,577</u>	<u>1,123,294</u>
Capital outlay	-	-	535,635	(535,635)
Total expenditures	<u>3,150,000</u>	<u>1,428,871</u>	<u>841,212</u>	<u>587,659</u>
Net change in fund balances	(1,737,000)	(15,871)	410,652	426,523
Fund balances - beginning	<u>2,858,423</u>	<u>2,858,423</u>	<u>2,858,423</u>	-
Fund balances - ending	<u>\$ 1,121,423</u>	<u>\$ 2,842,552</u>	<u>\$ 3,269,075</u>	<u>\$ 426,523</u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Misc. State Grants
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Public works	-	(25,073)	35,003	(60,076)
Total current	-	(25,073)	35,003	(60,076)
Total expenditures	-	(25,073)	35,003	(60,076)
Net change in fund balances	-	25,073	(35,003)	(60,076)
Fund balances - beginning	\$ (9,997)	\$ (9,997)	\$ (9,997)	\$ -
Fund balances - ending	<u><u>\$ (9,997)</u></u>	<u><u>\$ 15,076</u></u>	<u><u>\$ (45,000)</u></u>	<u><u>\$ (60,076)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure B (ACTC)
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 6,318	\$ 6,318
Use of money and property	-	-	27,549	27,549
Total revenues	<u>-</u>	<u>-</u>	<u>33,867</u>	<u>33,867</u>
EXPENDITURES				
Current:				
Public works	-	-	2,500	(2,500)
Total current	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>(2,500)</u>
Capital outlay	-	61,900	125,025	(63,125)
Total expenditures	<u>-</u>	<u>61,900</u>	<u>127,525</u>	<u>(65,625)</u>
Net change in fund balances	-	(61,900)	(93,658)	(31,758)
Fund balances - beginning, as restated	1,586,367	1,586,367	1,586,367	-
Fund balances - ending	<u><u>\$ 1,586,367</u></u>	<u><u>\$ 1,524,467</u></u>	<u><u>\$ 1,492,709</u></u>	<u><u>\$ (31,758)</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure BB (ACTC)
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,619,000	\$ 1,619,000	\$ 1,974,958	\$ 355,958
Use of money and property	-	-	51,681	51,681
Total revenues	<u>1,619,000</u>	<u>1,619,000</u>	<u>2,026,639</u>	<u>407,639</u>
EXPENDITURES				
Current:				
Recreation	<u>220,000</u>	<u>220,000</u>	<u>186,593</u>	<u>33,407</u>
Total current	<u>220,000</u>	<u>220,000</u>	<u>186,593</u>	<u>33,407</u>
Capital outlay	<u>350,000</u>	<u>461,718</u>	<u>461,665</u>	<u>53</u>
Total expenditures	<u>570,000</u>	<u>681,718</u>	<u>648,258</u>	<u>33,460</u>
Net change in fund balances	1,049,000	937,282	1,378,381	441,099
Fund balances - beginning	<u>1,749,154</u>	<u>1,749,154</u>	<u>1,749,153</u>	-
Fund balances - ending	<u>\$ 2,798,154</u>	<u>\$ 2,686,436</u>	<u>\$ 3,127,534</u>	<u>\$ 441,099</u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure F (VRF) - ACTC
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 213,335	\$ 18,335
Use of money and property	-	-	6,543	6,543
Total revenues	<u>195,000</u>	<u>195,000</u>	<u>219,878</u>	<u>24,878</u>
EXPENDITURES				
Current:				
Public works	<u>80,000</u>	<u>80,000</u>	-	<u>80,000</u>
Total expenditures	<u>80,000</u>	<u>80,000</u>	-	<u>80,000</u>
Net change in fund balances	115,000	115,000	219,878	104,878
Fund balances - beginning	240,061	240,061	240,061	-
Fund balances - ending	<u><u>\$ 355,061</u></u>	<u><u>\$ 355,061</u></u>	<u><u>\$ 459,939</u></u>	<u><u>\$ 104,878</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
RMRA SB1
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,114,000	\$ 1,114,000	\$ 1,058,162	\$ (55,838)
Use of money and property	-	-	58,493	58,493
Total revenues	<u>1,114,000</u>	<u>1,114,000</u>	<u>1,116,655</u>	<u>2,655</u>
EXPENDITURES				
Capital outlay	500,000	453,876	105,876	348,000
Total expenditures	<u>500,000</u>	<u>453,876</u>	<u>105,876</u>	<u>348,000</u>
Net change in fund balances	614,000	660,124	1,010,779	350,655
Fund balances - beginning	2,646,971	2,646,971	2,646,971	-
Fund balances - ending	<u><u>\$ 3,260,971</u></u>	<u><u>\$ 3,307,095</u></u>	<u><u>\$ 3,657,750</u></u>	<u><u>\$ 350,655</u></u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Hazardous Materials Program
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 7,058	\$ (5,942)
Use of money and property	-	-	441	441
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>7,499</u>	<u>(5,501)</u>
EXPENDITURES				
Current:				
Public works	<u>13,000</u>	<u>13,000</u>	<u>7,058</u>	<u>5,942</u>
Total current	<u>13,000</u>	<u>13,000</u>	<u>7,058</u>	<u>5,942</u>
Total expenditures	<u>13,000</u>	<u>13,000</u>	<u>7,058</u>	<u>5,942</u>
Net change in fund balances	-	-	441	441
Fund balances - beginning	<u>25,135</u>	<u>25,135</u>	<u>25,135</u>	-
Fund balances - ending	<u>\$ 25,135</u>	<u>\$ 25,135</u>	<u>\$ 25,576</u>	<u>\$ 441</u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Senate Bills Funds
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses permits and fees	\$ -	\$ -	\$ 12,448	\$ 12,448
Revenue - Other revenue	-	-	3	3
Total revenues	-	-	12,451	12,451
EXPENDITURES				
Current:				
Public works	-	-	10,196	(10,196)
Total expenditures	-	-	10,196	(10,196)
Net change in fund balances	-	-	2,255	2,255
Fund balances - beginning, restated	63,985	63,985	63,985	-
Fund balances - ending	\$ 63,985	\$ 63,985	\$ 66,240	\$ 2,255

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Auto Break-in Prevention AB 74
For the Year Ended June 30, 2023

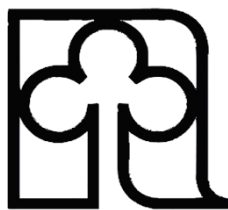
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ 34,402	\$ 128,851	\$ 94,449
Use of money and property	-	-	7,958	7,958
Total revenues	-	34,402	136,809	102,407
EXPENDITURES				
Current:				
Police	146,000	180,402	128,851	51,551
Total current	146,000	180,402	128,851	51,551
Total expenditures	146,000	180,402	128,851	51,551
Net change in fund balances	(146,000)	(146,000)	7,958	153,958
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (146,000)	\$ (146,000)	\$ 7,958	\$ 153,958

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Construction Maintenance
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 185,000	\$ 184,500	\$ (500)
Use of money and property	-	-	16,350	16,350
Total revenues	<u>-</u>	<u>185,000</u>	<u>200,850</u>	<u>15,850</u>
Net change in fund balances	-	185,000	200,850	15,850
Fund balances - beginning	732,355	732,355	732,355	-
Fund balances - ending	<u>\$ 732,355</u>	<u>\$ 917,355</u>	<u>\$ 933,205</u>	<u>\$ 15,850</u>

City of Newark
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
PEG Fees
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses permits and fees	\$ 50,000	\$ 50,000	\$ 68,158	\$ 18,158
Use of money and property	-	-	12,070	12,070
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>80,228</u>	<u>30,228</u>
Net change in fund balances	50,000	50,000	80,228	30,228
Fund balances - beginning	649,368	649,368	649,368	-
Fund balances - ending	<u><u>\$ 699,368</u></u>	<u><u>\$ 699,368</u></u>	<u><u>\$ 729,596</u></u>	<u><u>\$ 30,228</u></u>



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, 2023

	Equipment Replacement	Equipment Operations	Office Support
ASSETS			
Current assets:			
Cash and investments	\$ 2,703,261	\$ 1,301,227	\$ 80,517
Receivables	2,126	-	-
Supplies and other assets	-	52,575	-
Total current assets	2,705,387	1,353,802	80,517
Capital assets, net of accumulated depreciation	3,402,949	-	-
Total assets	6,108,336	1,353,802	80,517
LIABILITIES			
Current liabilities:			
Accounts payable	102,077	74,507	25,104
Accrued liabilities	16,403	-	-
Financed purchase obligations, due within one year	301,168	-	-
Claims payable, due within one year	-	-	-
Total current liabilities	419,648	74,507	25,104
Noncurrent liabilities:			
Financed purchase obligations, due in more than one year	496,698	-	-
Claims payable, due in more than one year	-	-	-
Total non-current liabilities	496,698	-	-
Total liabilities	916,346	74,507	25,104
NET POSITION			
Net investment in capital assets	2,605,083	-	-
Unrestricted (deficit)	2,586,907	1,279,295	55,413
Total net position (deficit)	\$ 5,191,990	\$ 1,279,295	\$ 55,413

<u>Building Maintenance</u>	<u>Public Liability Self-Insurance</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total</u>
\$ 2,634,596	\$ 1,650,028	\$ 3,638,938	\$ 12,008,567
43,930	435	-	46,491
32,893	-	-	85,468
<u>2,711,419</u>	<u>1,650,463</u>	<u>3,638,938</u>	<u>12,140,526</u>
-	-	-	3,402,949
<u>2,711,419</u>	<u>1,650,463</u>	<u>3,638,938</u>	<u>15,543,475</u>
258,980	13,966	31,140	505,774
-	206	8,436	25,045
-	-	-	301,168
-	10,052	292,195	302,247
<u>258,980</u>	<u>24,224</u>	<u>331,771</u>	<u>1,134,234</u>
-	-	-	496,698
-	1,077,180	1,687,377	2,764,557
-	1,077,180	1,687,377	3,261,255
<u>258,980</u>	<u>1,101,404</u>	<u>2,019,148</u>	<u>4,395,489</u>
-	-	-	2,605,083
<u>2,452,439</u>	<u>549,059</u>	<u>1,619,790</u>	<u>8,542,903</u>
<u>\$ 2,452,439</u>	<u>\$ 549,059</u>	<u>\$ 1,619,790</u>	<u>\$ 11,147,986</u>

City of Newark

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2023

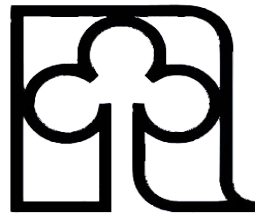
	Equipment Replacement	Equipment Operations	Office Support
OPERATING REVENUES:			
Charges to departments	\$ 700,000	\$ 600,000	\$ 100,000
Other revenue	16,315	-	-
Total operating revenues	716,315	600,000	100,000
OPERATING EXPENSES:			
Personnel services	-	667,087	-
Materials and supplies	66	420,329	27,921
Contractual services	-	292,263	115,430
Utilities	-	-	-
Insurance claims and premiums	-	-	-
Depreciation	538,534	-	-
Total operating expenses	538,600	1,379,679	143,351
OPERATING INCOME (LOSS)	177,715	(779,679)	(43,351)
NONOPERATING REVENUES (EXPENSES):			
Interest expense	(30,513)	-	-
Total nonoperating revenue (expenses)	(30,513)	-	-
Change in net position	147,202	(779,679)	(43,351)
NET POSITION:			
Beginning of year	5,044,788	2,058,974	98,764
End of year	<u>\$ 5,191,990</u>	<u>\$ 1,279,295</u>	<u>\$ 55,413</u>

Building Maintenance	Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Total
\$ 2,800,000	\$ 2,800,000	\$ 800,000	\$ 7,800,000
94,221	-	-	110,536
<u>2,894,221</u>	<u>2,800,000</u>	<u>800,000</u>	<u>7,910,536</u>
644,178	36,932	36,560	1,384,757
133,324	-	-	581,640
1,022,040	365,211	221,075	2,016,019
929,485	-	-	929,485
-	1,517,138	309,387	1,826,525
-	-	-	538,534
<u>2,729,027</u>	<u>1,919,281</u>	<u>567,022</u>	<u>7,276,960</u>
<u>165,194</u>	<u>880,719</u>	<u>232,978</u>	<u>633,576</u>
-	-	-	(30,513)
-	-	-	(30,513)
165,194	880,719	232,978	603,063
<u>2,287,245</u>	<u>(331,660)</u>	<u>1,386,812</u>	<u>10,544,923</u>
<u>\$ 2,452,439</u>	<u>\$ 549,059</u>	<u>\$ 1,619,790</u>	<u>\$ 11,147,986</u>

City of Newark
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2023

	Equipment Replacement	Equipment Operations	Office Support
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from other funds	\$ 716,315	\$ 600,000	\$ 100,000
Payments (to) from suppliers and other funds	102,636	(659,659)	(118,340)
Payments to employees	-	(667,087)	-
Claim payments	-	-	-
Net cash provided (used) by operating activities	818,951	(726,746)	(18,340)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments on financed purchased obligation	(290,145)	-	-
Acquisition of capital assets	(404,041)	-	-
Interest paid and fiscal charges	(30,513)	-	-
Net cash provided (used) by capital and related financing activities	(724,699)	-	-
Net increase (decrease) in cash and cash equivalents	94,252	(726,746)	(18,340)
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,609,009	2,027,973	98,857
End of year	<u>\$ 2,703,261</u>	<u>\$ 1,301,227</u>	<u>\$ 80,517</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 177,715	\$ (779,679)	\$ (43,351)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	538,534	-	-
Change in assets and liabilities:			
Accounts receivable and other assets	(1,646)	14,016	3,000
Accounts payable and accrued liabilities	104,348	38,917	22,011
Total adjustments	641,236	52,933	25,011
Net cash provided (used) by operating activities	\$ 818,951	\$ (726,746)	\$ (18,340)

Building Maintenance	Public Liability Self-Insurance	Workers' Compensation Self-Insurance	Total
\$ 2,894,221	\$ 2,800,000	\$ 800,000	\$ 7,910,536
(2,001,994)	11,093	(372,142)	(3,038,406)
(644,178)	(36,932)	(36,560)	(1,384,757)
-	(1,517,138)	(309,387)	(1,826,525)
<u>248,049</u>	<u>1,257,023</u>	<u>81,911</u>	<u>1,660,848</u>
-	-	-	(290,145)
-	-	-	(404,041)
-	-	-	(30,513)
-	-	-	<u>(724,699)</u>
248,049	1,257,023	81,911	936,149
<u>2,386,547</u>	<u>393,005</u>	<u>3,557,027</u>	<u>11,072,418</u>
<u>\$ 2,634,596</u>	<u>\$ 1,650,028</u>	<u>\$ 3,638,938</u>	<u>\$ 12,008,567</u>
\$ 165,194	\$ 880,719	\$ 232,978	\$ 633,576
-	-	-	538,534
(11,470)	-	-	3,900
<u>94,325</u>	<u>376,304</u>	<u>(151,067)</u>	<u>484,838</u>
<u>82,855</u>	<u>376,304</u>	<u>(151,067)</u>	<u>1,027,272</u>
<u>\$ 248,049</u>	<u>\$ 1,257,023</u>	<u>\$ 81,911</u>	<u>\$ 1,660,848</u>



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.

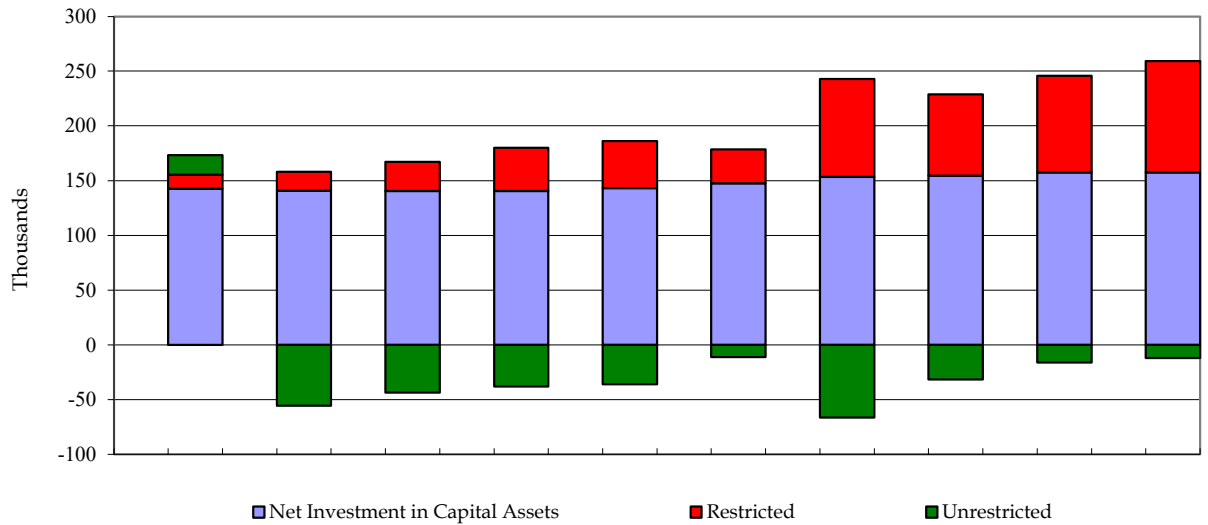
- 13 Demographic and Economic Statistics
- 14 Principal Employers

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,									
	2014	2015	2016	2017*	2018	2019	2020	2021	2022	2023
Primary government										
Governmental activities:										
Net Investment in Capital Assets	\$142,524	\$140,931	\$140,414	\$140,414	\$143,058	\$147,511	\$153,456	\$154,434	\$157,503	\$157,499
Restricted	12,806	17,260	26,622	39,483	42,954	31,076	89,447	74,408	88,301	101,607
Unrestricted	17,903	(55,634)	(43,711)	(37,879)	(35,998)	(11,034)	(66,234)	(31,461)	(16,192)	(12,147)
Total governmental activities net position	\$173,233	\$102,557	\$123,325	\$142,019	\$150,014	\$167,553	\$176,669	\$197,381	\$229,612	\$246,959

* 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$4,643	\$5,986	\$4,484	\$5,337	\$6,159	\$6,656	\$6,668	\$6,827	\$10,182	\$11,148
Public safety:										
Fire	8,665	9,641	9,805	10,560	11,424	10,821	16,336	11,582	12,851	12,212
Police	15,310	15,565	17,202	19,798	21,728	24,012	22,317	27,257	17,928	27,483
Public Works	6,743	6,082	5,934	6,444	8,648	16,837	14,007	13,283	10,401	13,895
Community development	3,052	3,456	3,930	5,002	6,918	2,173	1,914	2,590	2,795	3,485
Recreation and community services	4,212	4,245	4,291	5,243	7,566	6,017	5,663	5,889	4,965	5,891
Interest on long-term debt	430	406	391	373	350	330	2,430	2,165	2,183	2,207
Total governmental activities expenses	43,055	45,381	46,036	52,757	62,792	66,845	69,335	69,592	61,305	76,321
Program revenues										
Governmental activities:										
Charges for services:										
General government	50	14	15	13	12	11	4,309	190	84	76
Public safety:										
Fire	115	113	230	323	270	193	172	158	155	110
Police	563	573	729	990	1,109	1,182	1,224	1,609	1,403	1,040
Public Works	530	1,181	2,771	3,388	905	5,367	7,374	9,583	6,630	4,180
Community development	1,858	5,048	13,492	14,269	12,482	7,422	4,105	14,220	7,610	2,641
Recreation and community services	2,432	2,273	2,458	2,801	2,459	5,899	1,883	482	1,189	1,727
Operating grants and contributions	938	615	803	642	543	891	1,051	1,909	4,221	4,155
Capital grants and contributions	2,725	2,055	2,584	2,661	2,844	5,031	4,243	3,820	6,449	4,555
Total governmental program revenues	9,211	11,872	23,083	25,074	20,625	25,996	24,362	31,971	27,740	18,484
Net (expense)/revenue										
Total governmental activities net expense	(33,844)	(33,509)	(22,953)	(27,683)	(42,168)	(40,849)	(44,973)	(37,621)	(33,565)	(57,837)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	13,035	13,987	14,967	16,465	19,193	20,700	22,768	24,417	25,834	28,564
Sales taxes	10,182	10,603	11,092	12,949	16,433	19,041	17,442	20,475	23,680	25,515
Transient occupancy tax	4,320	5,067	5,859	6,094	6,362	6,717	5,450	2,916	4,153	4,932
Franchise fees *	2,938	3,076	2,725	3,670	3,833	3,970	0	4,177	4,732	4,731
Utility users tax	3,644	3,617	3,292	3,527	3,631	3,289	3,480	3,367	3,744	4,219
Other local taxes	1,272	1,488	1,799	1,996	2,346	2,162	2,150	2,497	2,751	2,651
Motor vehicle in-lieu	19	18	18	20	24	23	39	36	56	48
Use of money and property	70	93	189	446	900	2,045	2,497	948	-6	3,567
Miscellaneous	2,562	1,926	2,829	1,206	1,049	686	238	950	866	957
General revenues	38,042	39,875	42,769	46,373	53,770	58,633	54,063	59,783	65,810	75,184
Loss on disposal of asset	-	-	-	-	-	-	-	(1,036)	-	-
Change in net position governmental activities	\$4,198	\$6,366	\$19,816	\$18,690	\$11,602	\$17,784	\$9,090	\$21,126	\$32,245	\$17,347

* FY20 Franchise fees were categorized as Charges for services

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable:										
Supplies and prepaid assets	\$ 555	\$ 152	\$ 135	\$ 145	\$ 153	\$ 185	\$ 163	\$ 145	\$ 145	\$ 155
Due from Successor Redevelopment Agency	-	404	356	216	184	184	-	-	-	-
Committed:										
Pension/OPEB Reserves	150	-	-	6,424	7,785	10,789	15,989	6,824	7,672	12,388
Assigned for:										
Measure GG	-	-	-	-	-	-	-	-	-	11,631
Fire side fund	613	-	-	440	440	440	440	440	-	-
Equipment replacement	405	1,305	1,500	2,700	2,900	3,100	5,800	6,000	6,200	6,200
Waste disposal fund	817	576	429	429	73	631	41	-	-	-
Community development	242	187	342	513	743	2,793	1,073	-	-	-
Unassigned	16,776	18,904	27,169	23,246	31,666	34,331	39,548	47,223	46,136	34,842
Total General Fund	\$ 19,558	\$ 21,528	\$ 29,930	\$ 34,111	\$ 43,945	\$ 52,454	\$ 63,054	\$ 60,633	\$ 60,153	\$ 65,216
All other governmental funds										
Restricted for:										
Public safety	199	197	215	295	403	650	4,744	6,053	2,123	2,717
Community development	15	15	15	15	92	18,767	27,002	10,766	4,855	4,925
Transportation facilities	-	-	-	-	-	-	-	10,832	11,805	12,601
Housing impact	-	-	-	-	-	-	-	34,536	40,889	44,593
Park improvement	111	730	2,877	5,726	6,044	4,100	747	3,633	5,445	5,806
Art in public places	-	-	-	-	-	-	-	-	-	1,943
Street improvements	3,740	4,456	9,608	12,884	14,559	4,164	16,744	9,973	9,844	12,940
Environmental programs	313	400	491	580	645	688	736	798	687	381
Health and welfare	35	37	37	46	35	36	25	25	25	26
Debt service	677	681	680	680	687	700	37,116	6,511	3,624	86
Landscape and lighting	665	738	762	875	981	1,195	1,454	1,714	1,906	2,074
Other purposes (i.e. PEG, State CASp Fee)	-	-	-	-	689	777	878	942	649	796
Committed:										
Community development - General City Plan	304	576	1,121	1,907	2,242	2,793	3,700	-	-	-
Assigned to:										
Waste disposal fund	-	-	-	-	-	-	-	19	19	19
Art in public places	673	860	959	1,151	1,451	1,626	1,727	1,849	1,916	-
Capital asset acquisition	6,159	9,340	12,770	21,715	21,859	25,105	3,107	-	7,112	16,116
Unassigned	-	-	-	-	-	-	(1,692)	(12,911)	(2,263)	(3,104)
Total all other governmental funds	\$ 12,890	\$ 18,029	\$ 29,535	\$ 45,874	\$ 49,687	\$ 60,601	\$ 96,289	\$ 74,739	\$ 88,634	\$ 101,918

Source: City of Newark Basic Financial Statements

CITY OF NEWARK

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

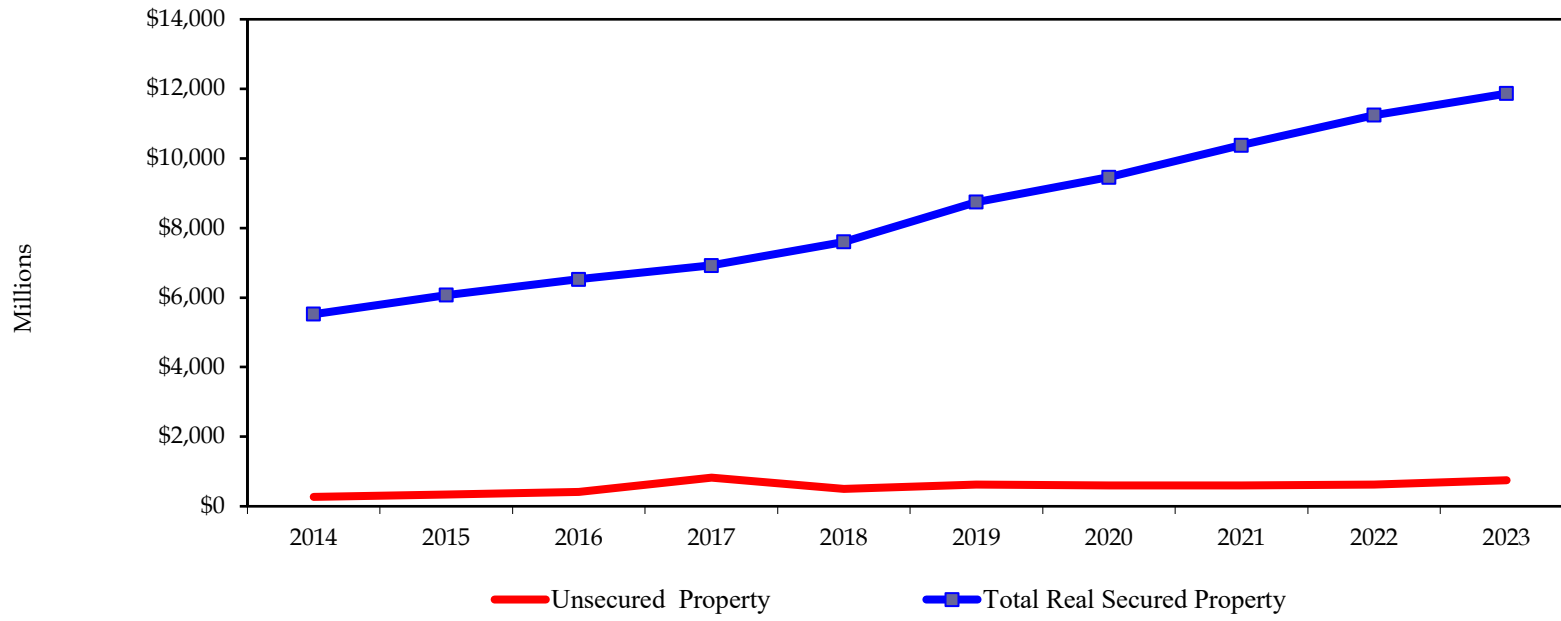
(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal year ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$13,035	\$13,988	\$14,967	\$16,465	\$19,193	\$20,700	\$22,768	\$24,417	\$25,834	\$28,564
Other local taxes	22,200	23,867	24,655	28,151	33,145	35,179	28,522	29,255	34,328	42,048
Special assessments	319	431	460	457	507	529	671	655	639	568
Licenses, permits and fees	1,443	2,264	4,173	4,149	3,638	3,638	3,241	29,134	20,255	7,633
Other governmental agencies	4,037	3,093	3,345	3,231	3,399	5,486	4,656	5,765	8,259	8,620
Charges for services	4,604	6,352	14,430	15,738	11,960	15,471	14,797	443	1,227	1,727
Fines and forfeitures	362	383	529	822	944	966	1,029	378	605	541
Use of money and property	70	93	189	477	900	1,999	2,497	948	(6)	3,567
Other	1,374	1,486	2,982	1,793	1,250	686	238	295	227	389
Total revenues	47,445	51,955	65,729	71,284	74,935	84,654	78,419	91,290	91,368	93,657
Expenditures										
Current:										
General government	4,526	6,043	4,643	5,231	5,487	5,774	5,734	6,208	11,678	9,899
Public safety:										
Fire	8,460	9,634	9,619	10,373	11,433	10,821	11,152	11,715	12,854	11,831
Police	15,282	15,435	16,741	17,954	19,763	20,970	22,563	33,747	23,796	25,349
Community development	3,005	3,512	4,089	4,922	6,158	1,858	1,743	2,368	3,772	3,526
Recreation	3,949	4,000	4,092	4,786	6,582	5,554	5,094	4,644	5,421	5,341
Public works	4,350	3,663	3,954	3,877	7,522	13,032	9,150	9,608	10,147	11,702
Subscriptions outlay *	-	-	-	-	-	-	-	-	-	765
Capital outlay	2,611	1,483	1,321	2,844	2,957	5,840	38,645	43,511	7,236	2,287
Debt service:										
Principal repayment - subscriptions *	-	-	-	-	-	-	-	-	-	218
Interest and fiscal charges - subscriptions *	-	-	-	-	-	-	-	-	-	6
Principal repayment	572	589	560	584	542	556	544	525	545	2,345
Interest and fiscal charges	430	410	388	369	348	330	3,172	2,509	2,490	2,605
Total expenditures	43,185	44,770	45,409	50,940	60,791	64,736	97,798	114,835	77,939	75,876
Excess (deficiency) of revenues over (under) expenditures	4,260	7,185	20,321	20,344	14,144	19,918	(19,378)	(23,545)	13,429	17,781
Other financing sources (uses)										
Other financing source (subscriptions) *	-	-	-	-	-	-	-	-	-	765
Transfers in	2,212	4,065	3,773	5,836	6,544	6,402	26,442	28,565	22,880	18,225
Transfers (out)	(2,504)	(4,141)	(3,910)	(6,201)	(6,909)	(6,650)	(26,691)	(28,578)	(22,880)	(18,225)
Debt refunding	-	-	-	-	-	-	63,345	-	-	-
Bond premium less payment to refunded bond escrow agent	-	-	-	-	-	-	2,571	-	-	-
Capital lease proceeds	157	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(136)	(76)	(138)	(366)	(366)	(249)	65,667	(13)	-	765
Net change in fund balances	\$4,125	\$7,109	\$20,183	\$19,978	\$13,779	\$19,669	\$46,289	(\$23,558)	\$13,429	\$18,546
Debt service as a percentage of noncapital expenditures	2.5%	2.4%	2.2%	2.0%	1.6%	1.5%	6.7%	4.4%	4.5%	7.6%

* FY23 GASB 96 Implementation for Subscription Based Information Technology Arrangements (SBITAs)

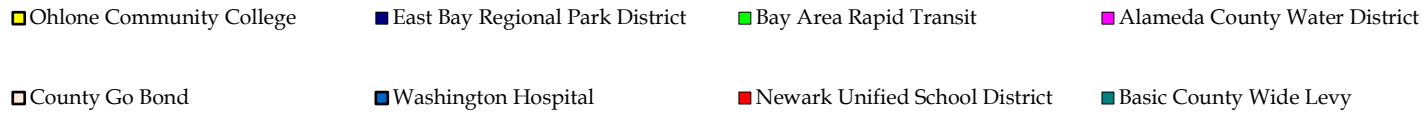
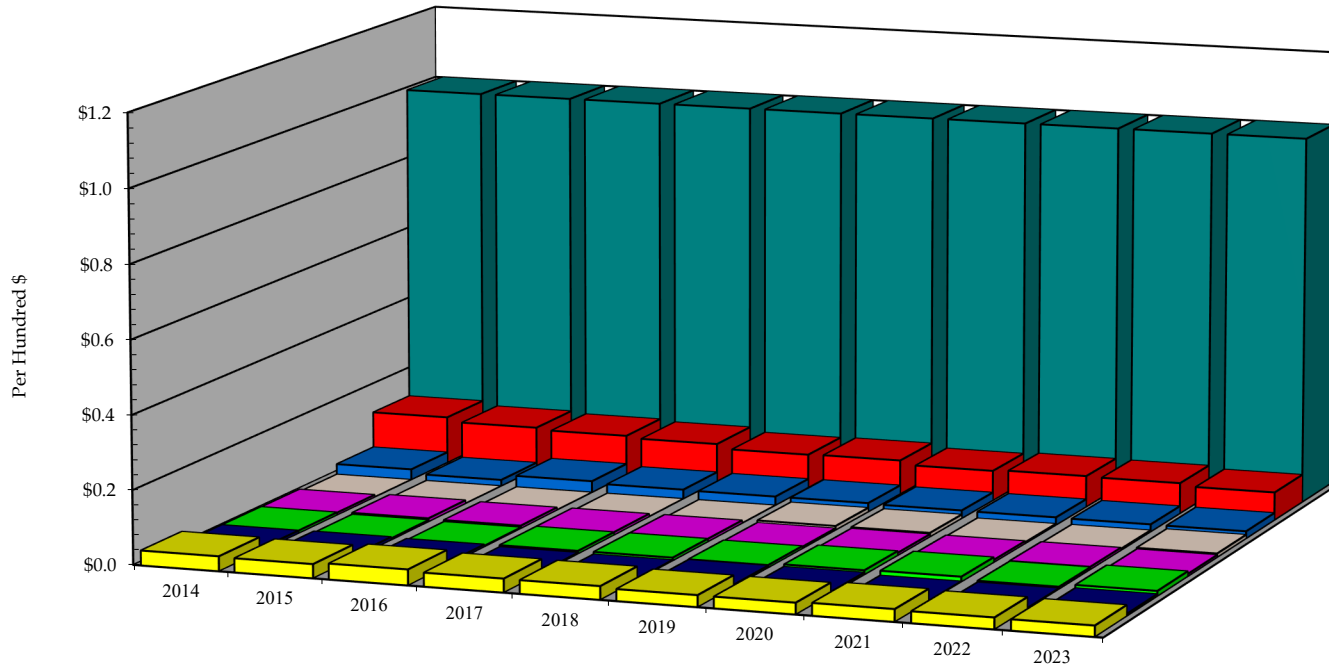
CITY OF NEWARK
Assessed Value of Taxable Property
Last Ten Fiscal Years



Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other				
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%
2020	6,430,011,765	985,215,137	1,740,916,896	618,894,036	9,775,037,834	605,044,520	10,380,082,354	0.17314%
2021	7,181,543,724	1,039,834,126	1,745,443,867	652,454,373	10,619,276,090	622,858,588	11,242,134,678	0.17928%
2022	7,720,849,778	1,019,207,250	1,855,450,304	517,864,428	11,113,371,760	751,064,642	11,864,436,402	0.16523%
2023	8,630,708,616	1,067,690,476	2,067,121,969	501,876,271	12,267,397,332	835,449,984	13,102,847,316	0.16746%

(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
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
2020	1.0000	0.0071	0.0120	0.0108	0.0060	0.0823	0.0308	0.0221	1.1711
2021	1.0000	0.0067	0.0139	0.0036	0.0014	0.0855	0.0334	0.0213	1.1658
2022	1.0000	0.0072	0.0060	0.0041	0.0020	0.0838	0.0309	0.0203	1.1543
2023	1.0000	0.0065	0.0140	0.0103	0.0058	0.0761	0.0294	0.0197	1.1618

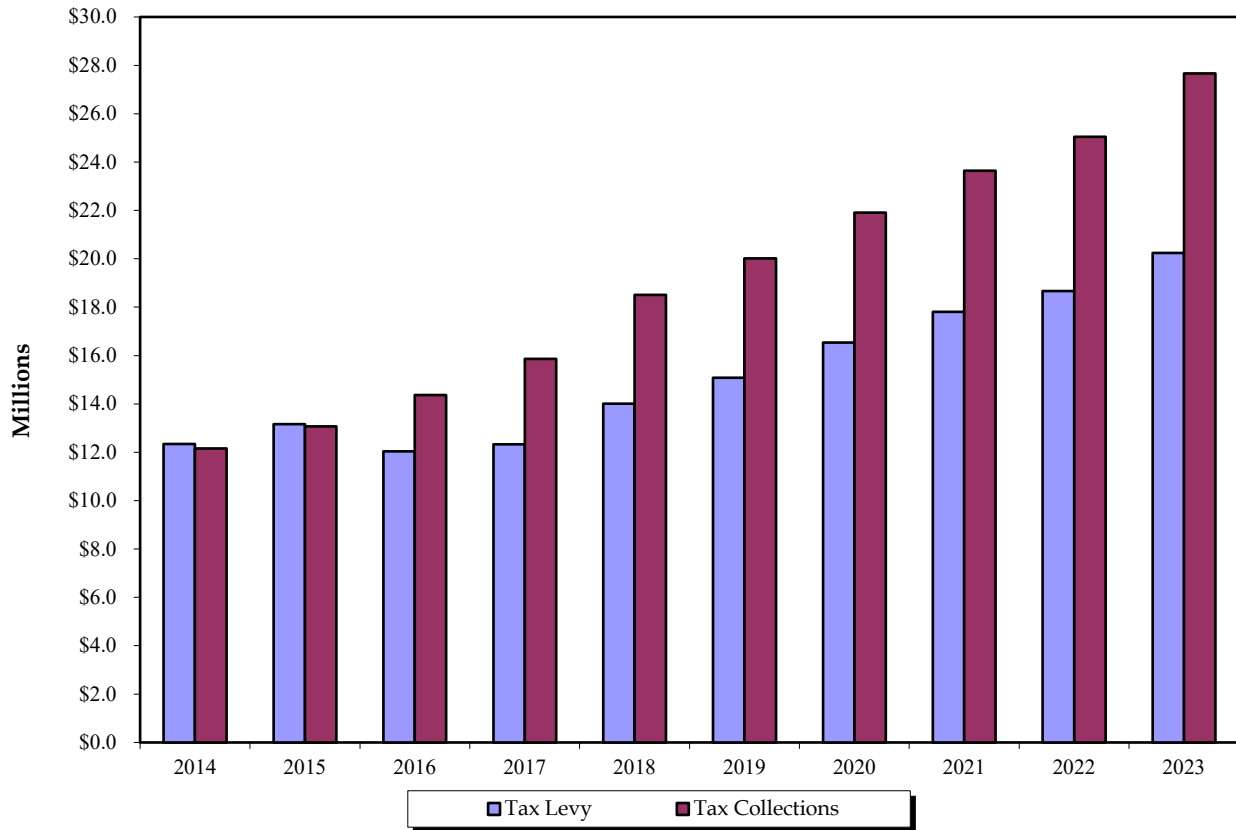
Source: Alameda County Assessor 2013/14 - 2022/23 Combined Tax Rolls & Assessed Value of Taxable Property Report
<https://acgov.org/auditor/tax/districtRpts23/51427CAFunds.txt>

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

Taxpayer	2022/23			2013/14		
	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	\$391,700,652	1	2.99%	\$200,189,671	2	3.30%
JMB Newpark Associates & GGP	183,086,703	2	1.40%	77,117,972	3	1.27%
Silicon Valley Gateway Technology Center	172,394,348	3	1.32%			
Newark Industrial Partners LLC	166,007,068	4	1.27%			
T5 Silicon Valley LP	122,592,200	5	0.94%			
Lennar Homes California INC	108,545,415	6	0.83%			
Metropolitan Life Insurance Company	99,969,317	7	0.76%			
IPT East Bay DC LP	89,994,076	8	0.69%			
Lennar Homes of California INC	87,324,014	9	0.67%			
Meta Platforms INC	83,794,802	10	0.64%			
Apple Computer INC				411,561,741	1	6.77%
Leslie Salt Company				65,384,781	4	1.08%
Evergreen Oil INC				55,788,776	5	0.92%
Sycamore Bay LLC				54,495,092	6	0.90%
SI XVIII LLC				45,688,123	7	0.75%
BRE US Industrial Properties LLC				41,716,866	8	0.69%
BRCP Stevenson Point LLC				34,797,561	9	0.57%
DCT Cherry Street California LP				34,000,000	10	0.56%
Subtotal	<u>\$1,505,408,595</u>		<u>11.49%</u>	<u>\$1,020,740,583</u>		<u>16.80%</u>
Total Net Assessed Valuation:						
Fiscal Year 2022/23	\$1,505,408,595					
Fiscal Year 2013/14	\$1,020,740,583					

Source: Alameda County Assessor 2013/14 - 2022/23 Combined Tax Rolls. HDL

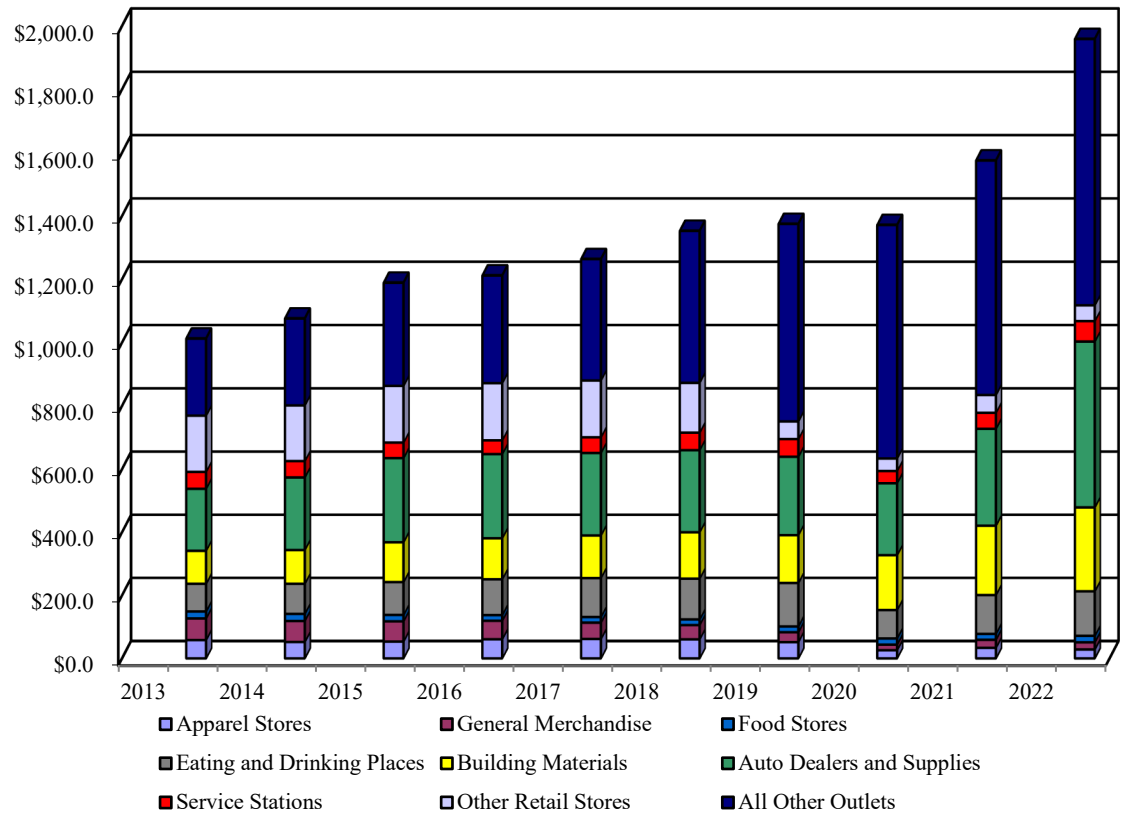
CITY OF NEWARK
Property Tax Levies and Collections
Last Ten Fiscal Years



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
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%
2020	16,533,492	21,268,642	128.6397%	641,250	21,909,892	132.5182%
2021	17,810,975	22,987,652	129.0645%	651,798	23,639,450	132.7241%
2022	18,668,120	24,401,540	130.7124%	640,977	25,042,516	134.1459%
2023	20,241,114	27,056,855	133.6728%	608,729	27,665,584	136.6801%

(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.

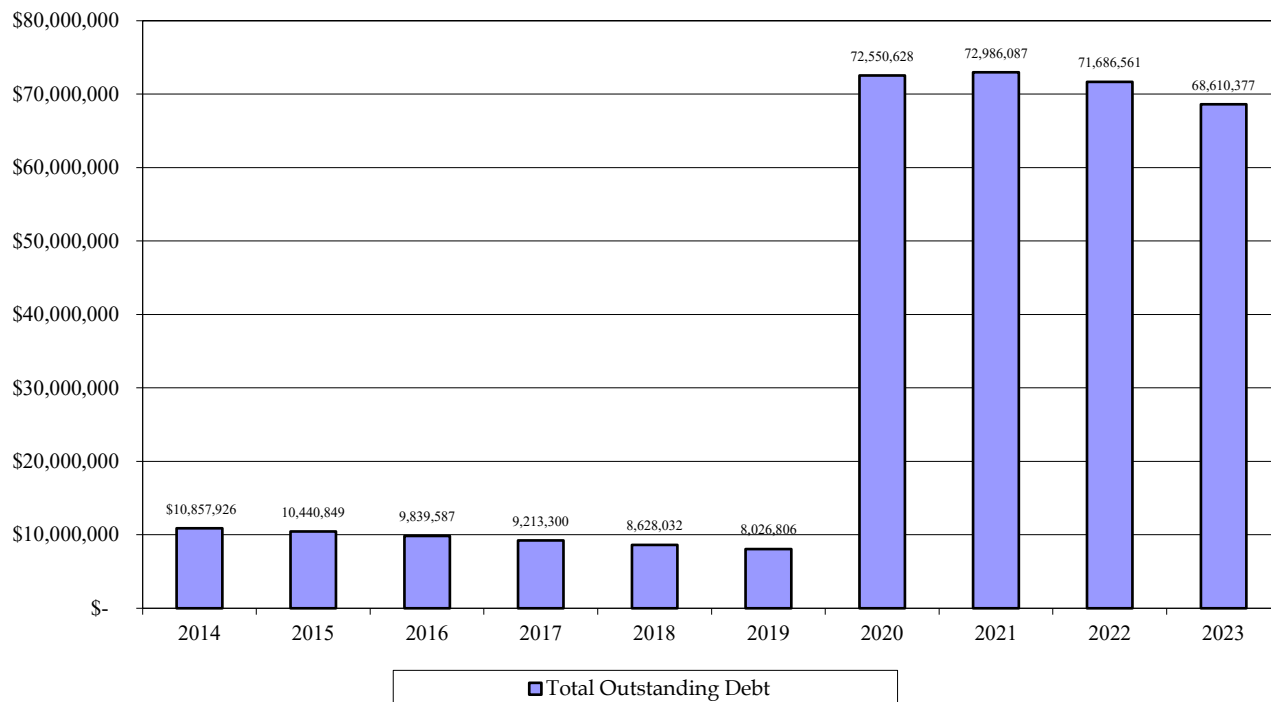
CITY OF NEWARK
Taxable Sales by Category
Last Ten Calendar Years



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Apparel Stores	\$58.2	\$52.1	\$53.4	\$60.7	\$61.6	\$60.5	\$51.6	\$26.0	\$33.6	\$28.3
General Merchandise	68.4	66.5	64.1	58.6	51.7	45.0	31.4	17.6	25.4	22.8
Food Stores	22.0	22.5	20.2	18.0	18.0	18.0	18.2	19.7	18.7	20.5
Eating and Drinking Places	87.9	95.4	104.1	113.4	123.3	129.2	137.8	90.0	123.1	141.1
Building Materials	104.4	106.9	126.1	129.9	134.8	146.9	151.6	173.7	219.7	265.7
Auto Dealers and Supplies	196.5	229.9	266.7	266.6	261.4	260.2	248.2	228.0	306.7	524.5
Service Stations	53.6	51.8	49.2	43.6	49.6	55.3	56.1	38.7	50.7	64.7
Other Retail Stores	177.7	176.0	179.1	180.7	179.5	157.3	55.6	39.5	56.2	49.9
All Other Outlets	243.5	274.5	325.7	340.1	383.4	480.1	623.9	737.9	740.8	841.1
Total	\$ 1,012.2	\$ 1,075.6	\$ 1,188.6	\$ 1,211.6	\$ 1,263.3	\$ 1,352.5	\$ 1,374.4	\$ 1,371.1	\$ 1,574.9	\$ 1,958.6

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	Bond Premium	Financed Purchase Obligations	Total Outstanding Debt	Percentage of Personal Income (a)	Per Capita (a)
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
2020	62,820,000	9,730,628	0	72,550,628	4.01%	1,963
2021	62,295,000	9,289,589	1,401,498	72,986,087	3.66%	1,789
2022	61,750,000	8,848,550	1,088,011	71,686,561	3.16%	1,492
2023	59,405,000	8,407,511	797,866	68,610,377	2.70%	1,280

Note: Debt amounts exclude any discounts and 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, 2023

	<u>Debt Outstanding</u>	<u>Percentage Applicable (1)</u>	<u>Share of Overlapping Debt</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Alameda County	\$515,890,000	3.496%	\$18,035,514
Bay Area Rapid Transit District	2,484,285,000	1.376%	34,183,762
East Bay Regional Park District	175,955,000	2.178%	3,832,300
Ohlone Community College District	403,275,000	16.229%	65,447,500
Newark Unified School District	69,996,810	100.000%	69,996,810
Washington Township Healthcare District	340,195,000	13.958%	47,484,418
City of Newark 1915 Act Bonds	941,678	100.000%	941,678
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 239,921,982</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Alameda County General Fund Obligations	\$706,903,500	3.496%	\$24,713,346
Alameda-Contra Costa Transit District Certificates of Participation	11,220,000	4.127%	463,049
Ohlone Community College District General Fund Obligations	200,000,000	16.229%	32,458,000
City of Newark General Fund Obligations - Direct Debt	59,405,000	100.000%	59,405,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 117,039,396</u>
TOTAL DIRECT DEBT			59,405,000
TOTAL OVERLAPPING DEBT			297,556,378
COMBINED TOTAL DEBT			<u><u>\$356,961,378</u></u> (2)

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: Avenu Insights & Analytics, California Municipal Statistics, Inc.

CITY OF NEWARK
Legal Bonded Debt Margin Information
June 30, 2023

Assessed valuation:

Secured property assessed value,
net of exempt real property \$13,102,847,316

Bonded debt limit: 3.75% of assessed value (a) 491,356,774

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

Amount of debt subject to limit:

Total bonded debt 59,405,000

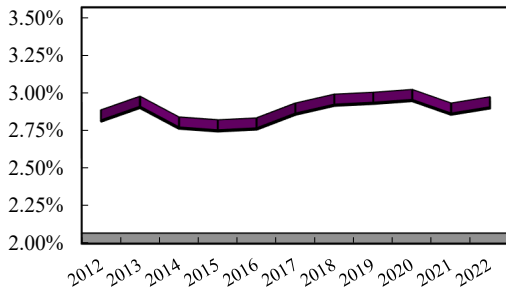
Less: Certificates of participation and bank
refinancing not subject to limit 59,405,000

Amount of debt subject to limit -

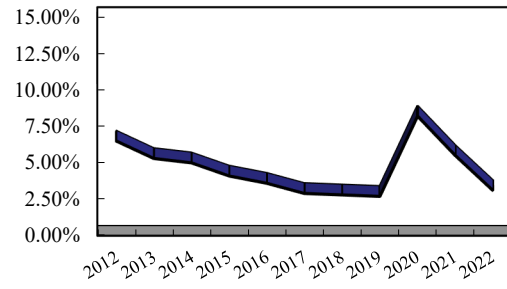
Legal bonded debt margin \$491,356,774

<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>
2013	\$ 207,225,861	-	\$ 207,225,861	0.00%
2014	215,014,987	-	215,014,987	0.00%
2015	229,297,499	-	229,297,499	0.00%
2016	259,635,024	-	259,635,024	0.00%
2017	285,195,957	-	285,195,957	0.00%
2018	327,819,410	-	327,819,410	0.00%
2019	354,698,714	-	354,698,714	0.00%
2020	389,253,088	-	389,253,088	0.00%
2021	105,395,013	-	105,395,013	0.00%
2022	111,229,091	-	111,229,091	0.00%
2023	122,839,194	-	122,839,194	0.00%

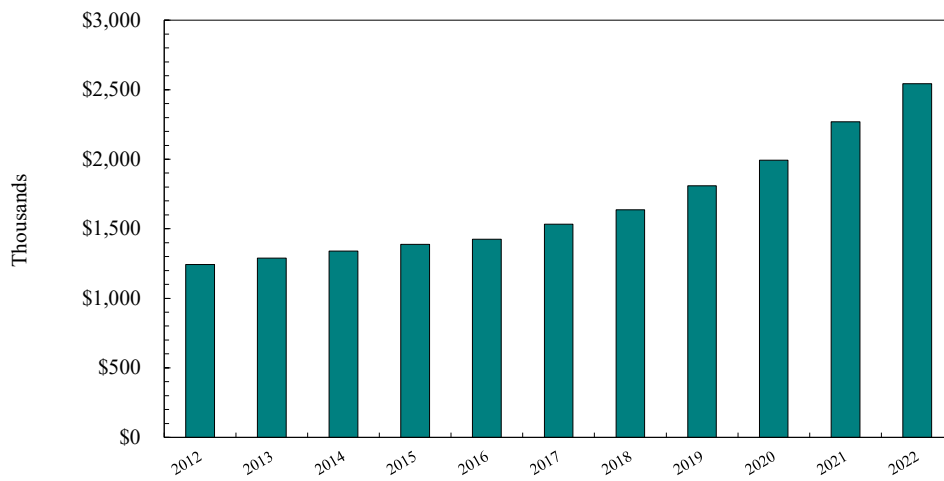
CITY OF NEWARK
Demographic and Economic Statistics
Last Ten Calendar Years



■ 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
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%
2019	48,966	1,809,734	36,958	2.7%	1,670,834	2.93%
2020	48,859	1,992,967	40,790	8.2%	1,656,591	2.95%
2021	47,229	2,269,518	48,053	5.5%	1,651,979	2.86%
2022	47,459	2,543,399	53,591	3.1%	1,636,194	2.90%

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

CITY OF NEWARK

Principal Employers

Current Year and Nine Years Ago

Employer	2022-23			2013-14		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees (2)	Rank	Percentage of Total City Employment
Amazon Fulfillment Center	592	1	2.31%			
WorldPac	521	2	2.04%	280	3, 4	1.3%
Logitech	519	3	2.03%	689	2	3.1%
Newark Unified School District	470	4	1.84%	700	1	3.2%
RSM - Risk Management Solutions*	282	5	1.10%	270	5	1.2%
City of Newark	239	6	0.93%	174	9	
Nordstrom Distribution Center*	236	7	0.92%			
Cargill Salt	210	8	0.82%	182	8	0.8%
KNT Manufacturing	182	9	0.71%			
SMART Modular Technologies	136	10	0.53%	249	6	1.1%
Aryzta, LLC (formerly Fullbloom Baking Co.)				280	3, 4	1.3%
Morpho Detection				208	7	0.9%
Valassis (formerly ADVVO)				166	10	0.8%
Total	3,387		13.23%	3,198		13.7%
Total City Employment (1)	25,600			22,100		

*No response from business for FY23 count, previous year's count applied.

Source: MuniServices an Avenu Insights and Analytics Company

Source: City of Newark Comprehensive Annual Financial Report for the Year Ended June 30th, 2017

Note: Nine Year Historical Data Not Available.

Results based on direct correspondence with city's local businesses.

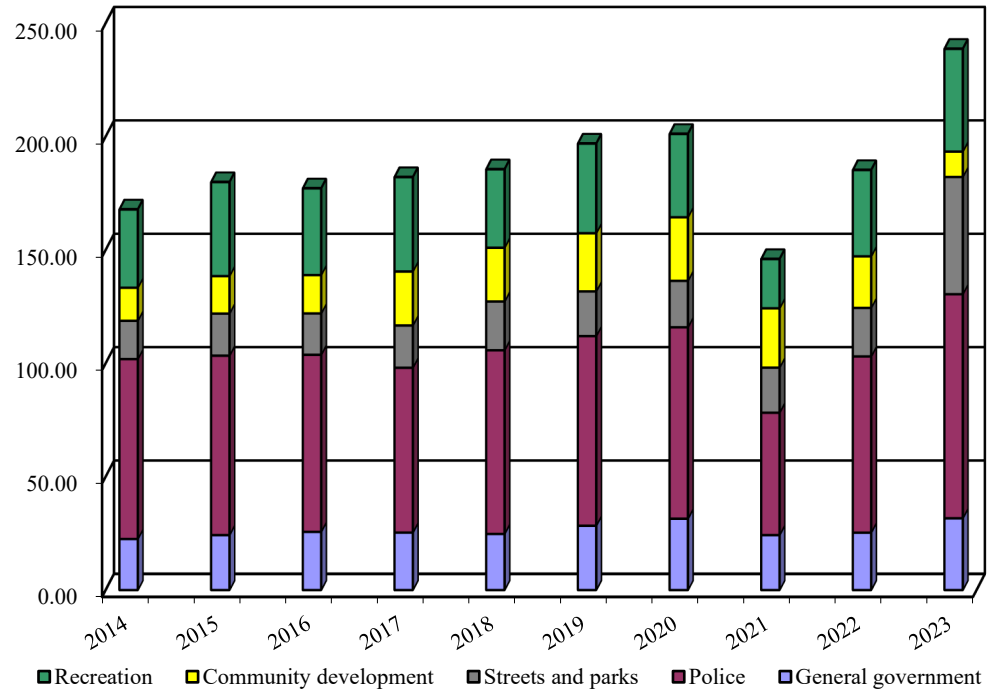
(1) Employment Development Department.

*No response from business, previous year's count applied.

CITY OF NEWARK

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years



	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program:										
General government	22.52	24.24	25.67	25.35	24.75	28.37	31.48	24.24	25.33	31.66
Public safety										
Police	79.36	79.14	78.10	72.70	81.01	83.66	84.42	53.97	77.71	98.83
Streets and parks	16.88	18.57	18.23	18.65	21.50	19.70	20.48	19.88	21.41	51.70
Community development	14.58	16.52	16.94	23.80	23.73	25.65	28.04	26.18	22.74	11.20
Recreation	34.53	41.45	38.22	41.62	34.59	39.54	36.75	21.73	38.06	45.31
Total	167.87	179.92	177.16	182.12	185.58	196.92	201.17	146.00	185.25	238.70

Source: City of Newark

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

Function/Program	Fiscal Year					
	2018	2019	2020*	2021**	2022***	2023
Public safety:						
Fire						
Fire calls for service	3,296	3,239	3,423	3,550	3,772	4,069
Primary fire inspections conducted	1,671	1,797	1,940	2,291	2,494	2,029
Environmental safety inspections conducted	875	1,115	177	157	825	869
Police						
Communication center calls answered	38,114	42,556	41,749	20,399	46,880	34,260
Police calls for service	38,114	42,556	41,749	20,399	23,656	34,260
Law violations						
Part I crimes	1,782	1,784	1,779	1,901	2,358	2,062
Traffic violations	3,032	3,368	2,013	1,308	1,244	1,469
Parking violations	1,406	775	1,526	981	995	702
Public works:						
Street resurfacing (miles)	5	4	4	1	8	8
Street lights repaired	472	482	374	548	594	677
Recreation:						
Recreation class/program participants	152,574	187,088	70,132	38,110	48,373	166,046
Recreation facilities rentals	1,445	1,559	1,112	692	1,862	2,185
Silliman Activity Center use	94,766	101,239	66,265	11,962	44,962	56,714
Miscellaneous:						
Library:						
Library visitors	183,184	188,060	104,695	5,753	73,442	105,215
Library materials circulated	250,934	246,803	159,662	42,724	212,066	269,101

* The reduction in the number of Recreation class/program participants, facilities rentals and Silliman Activity Center use due to impact of COVID-19 Pandemic. The decline in Library visitors and materials circulation is mostly due to limited parking as a result of the construction of new Library and impacts of COVID-19 Pandemic.

** Newark Library provided No-Contact Pickup service during FY 2020-2021, including July 2020-March 31, 2021. The library was completely shut down the remaining three months due to the move to the new building. The reduction in the number of Recreation class/program participants, facilities rentals and Silliman Activity Center use are due to impact of COVID-19 Pandemic.

***Increase in Part I Crimes is due to a change in reporting from Uniform Crime Reporting (hierarchy rule) to California Incident Based Reporting System (all offenses).

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

Function/Program	Fiscal Year					
	2018	2019	2020	2021	2022	2023
Public works:						
Miles of streets	105	105	105	105	105	109
Street lights	2,849	2,849	2,849	2,849	2,849	3,001
Traffic signals	44	44	44	47	47	47
Recreation:						
Community services:						
City parks	14	14	15	15	15	15
City parks acreage	124	124	127	127	127	127
Roadway landscaping acreage	56	56	56	56	56	56
Lake acreage	16	16	16	16	16	16
Community activity centers	2	2	2	2	2	2
Senior center	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1
Miscellaneous						
Library	1	1	1	1	1	1

Source: City of Newark