

CITY OF OAKLAND CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2000

PREPARED BY THE FINANCIAL SERVICES AGENCY

DEBORAH EDGERLY • DIRECTOR
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2000

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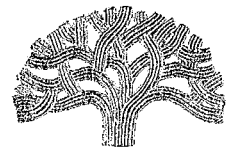
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INTRODUCTORY SECTION



FINANCIAL SERVICES AGENCY

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March 29, 2001

Citizens of the City of Oakland,
The Honorable Mayor and
Members of the City Council

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Oakland, California (City). The Financial Services Agency has prepared this report to present the financial position and the results of the City's operations for the fiscal year ended June 30, 2000, and the cash flows of its proprietary fund types for the year then ended. The general purpose financial statements and supporting schedules have been prepared in compliance with Section 809 of the City Charter, with California Government Code Sections 25250 and 25253, and in accordance with generally accepted accounting principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB).

Our Comprehensive Annual Financial Report is presented in three sections.

The **Introductory Section** includes information about the organizational structure of the City, its accounting and budgetary systems, and its fund structure. This section also contains summarized data reflecting the City's financial condition, including an overview of the City and its economy, general government operations, enterprise operations, and debt administration.

The **Financial Section** includes the General Purpose Financial Statements as an overview of the City's entire financial operations. Combining and individual fund and account group statements present the separate funds and account groups that are material. Schedules provide other information and details of data summarized in the general purpose financial statements. These statements and schedules pertain to those operations which, when taken together, make up the reporting entity of the City. Also included in this section is the Independent Auditors' Report on the financial statements and schedules.

The **Statistical Section** includes ten years of unaudited summary financial data, debt computations, and a variety of demographic, economic and social information of interest to potential investors in the City's bonds and to other inquiring readers.

The accuracy of the City's general purpose financial statements and the completeness and fairness of their presentation, including all disclosures, are the responsibility of City management. We believe that the data, as presented, is accurate in all material respects and is reported in a manner that presents fairly the financial position and the results of operations of the City's various funds and account groups, and that the disclosures will provide the reader with a full understanding of the City's financial affairs for the fiscal year ended June 30, 2000.

new roadway system, parking structure, and an automated shuttle linking the Airport to the Bay Area Rapid Transit System (BART).

Because of the collaborative effort of policy makers, the City of Oakland, and the federal government, the Port of Oakland will expand and modernize its maritime facilities and operations. The "Vision 2000 Program" will develop approximately 525 land and water acres of the former Fleet and Industrial Supply Center (FISCO). The program, which began construction during the spring of 1998, consists of five maritime container berths, terminals, and expanded cargo yards; the Joint Intermodal Terminal to accommodate two major transcontinental railways (handling rail-ship-truck transfers of cargo); new harbor roadways; and increased waterfront access for the public. In-process dredging will deepen the Oakland shipping channels to accommodate the new fleet of deep-hull container ships that will dock at Oakland in the future. Additionally, there are plans to develop 190 water acres into an Oakland Harbor Habitat for marine life and waterfowl. Completion of these activities will enable the Port of Oakland to continue its operations as a world leader among modern container handling ports of call for shippers and ships.

Public policy decisions have been made that will improve the quality and quantity of the technical work force ready to meet the challenges of the technological labor market place. The Oakland area public policy makers are working as a team to accomplish the common goal of retaining components of the current economic base and creating an economic environment that will attract and retain new businesses in growth industries. Some of the special programs and projects that have been created to accomplish this goal are as follows:

Oakland Enterprise Zone: This City of Oakland program offers businesses within its boundaries the opportunity to reduce their state business income tax through a variety of tax credits. Most commercial and industrial areas of the City are within the Enterprise Zone. Incentives include: a Hiring Tax Credit, Sales and Use Tax Credit, Business Expense Deduction for Real Property, Net Operating Loss Carry-over, Net Interest deduction for Lender, and Employee Tax Credit for Low Income Employees.

Oakland/Berkeley Recycling Market Development Zone: The California Integrated Waste Management Board designated the Oakland/Berkeley geographic area as a Recycling Market Development Zone (RMDZ) to foster end-use markets for recyclable materials. It includes the industrial areas of Oakland and West Berkeley, the Oakland Central Business District, and the Port of Oakland. Businesses in the area that use recyclable materials are eligible for program benefits such as loan and grant packaging, site selection assistance, permit processing assistance, employment referral and training coordination, low interest State RMDZ loans of up to \$1 million, Enterprise Zone Tax Credits, etc.

Small Business Incubator Program: The Incubator Program provides incentives-driven, hands-on technical support to Oakland based businesses. Qualified businesses can benefit from the program's affordable lease space, shared office and support services, networking opportunities, and personalized business management assistance services. Eligible businesses are admitted to the program on a first-come, first-served basis. Professional service, advanced technology, and light industrial businesses are preferred. Businesses engaged in the manufacturing of products from recycled materials are also given preference. This City

supported program has launched two incubators: (1) the Communications Technology Cluster (CTC) for communications start-ups, and (2) the Environmental Technologies Cluster (ETC).

Downtown Oakland Business Alert Program: This program focuses on building strong collaborations among downtown merchants, businesses, and City departments. The program targets five designated areas in the Downtown District which includes City Center, Kaiser Center, Chinatown, Upper Broadway, and Jack London Square. These areas benefit from additional walking beat coverage as well as supplemental police and police cadet patrols. The targeted areas contribute to the program by reporting suspicious activities to police and in turn receive the most current crime prevention information. The City also provides additional hand cleaning crews, more frequent pony sweeping patrol, graffiti removal, and daily trash pick-ups.

Job Training Partnership Act (JTPA): City of Oakland, Alameda County, and State of California Private Industry Councils (PIC), provide occupational skills training in a variety of fields: accounting, certified network engineer, computer, general clerical, hazardous waste technician, software applications, truck driving, and welding. JTPA training programs and projects are designed to match the needs of employees and employers.

Employment and Training Directory. The directory lists over 100 employment and training providers that make up the network of organizations, public and private, that are committed to servicing the needs of residents and businesses in the City of Oakland. The directory provides linkage between existing businesses and employment and training programs, develops strategies and data to address the employment needs of business and maximizes employment opportunities for Oakland residents.

Public Safety

Oakland uses a variety of aggressive and innovative approaches to increase public safety and lessen the levels of violence. These efforts are paying off, especially as more and more business owners and residents become involved in the Community Policing Program. Recent statistics comparing the January to June 2000 period to the same period in 1999 indicate a continued reduction by 15.00% in the overall Part I crime rate in Oakland. The exceptions to this trend are the Homicide, Rape and Vehicle Theft statistics, showing increases of 54.17%, 1.67% and 6.13%, respectively. Burglaries dropped by 16.72% while Larceny-Theft decreased by 23.41% and Aggravated Assault by 10.11%. Strong-armed robbery dropped by 3.23% and Arson decreased by 6.67%.

Quality of Life

The City of Oakland enriches the lives of its citizens through a variety of cultural, recreational, educational, health and social services programs and projects. In 1997-98, the Museum launched the highly acclaimed and successful "Gold Rush" exhibit commemorating the sesquicentennial of California's gold rush, which was well received by school children, the visiting public and historical scholars alike. Oakland's children, youth and families were better served through the strengthened partnership between the City and the public schools' Homework Assistance and Literacy Program, and cultural and performing arts day camps for children. Oakland has enhanced recreational offerings, added Head Start Program sites and job training for Head Start parents, and dedicated general tax

revenue for children's projects and special programs "Oakland Fund for Children and Youth" (Kids First Initiative). The Mayor's Summer Jobs program established an employment bridge between Oakland youth and the local business community. Oakland senior citizens were healthier, more active and better able to remain independent of institutional care through skill development and alternative transportation services. Oakland voters and taxpayers are providing special funding to design and construct three new libraries, 12 additional recreational, cultural, and senior facilities, and 35 children play areas, which will increase the City's capacity to provide life enriching experiences for its citizens.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

The following significant events and accomplishments were among those reported within the City of Oakland during the 1999-00 fiscal year.

Banishing Bureaucracy Initiative Success Continues

This City Manger initiative essentially enables the City associates "to share and understand new technologies; provide incentives and mechanisms for innovations, service enhancements and cost savings; make assistance and support available to those who need it; and allow us to evaluate and celebrate city programs." Its accomplishments thus far are: (1) development of the Employee Feedback System (EFS); (2) development of a Meet and Greet policy; (3) publication of a one-page directory; (4) improvements to voicemail and e-mail; (5) establishment of Speak Out for Good Government program; (6) mandating 20 hours of training each year for all City associates; and (7) making available to all City associates a training catalog offering a variety of courses to improve employee skills.

AC Transit Center - Eastmont Towne Center

The AC Transit Center at Eastmont Towne Center is under construction and due to be completed by FY2000-01. The AC Transit Center will improve the vehicular circulation at the site that has been affected by the construction and obsolescence of the property. The Center includes nine bus bays on almost one acre of land serving the "workhorse" lines of the AC Transit System: #40, #43, #57, and #58. The Center includes amenities: the new kiosk building, the bus shelters and the foundation where the clocktower pylon will be installed.

Lakeshore Business Improvement District (BID)

This is a property-based assessment district formed in 1991 to respond to security, cleanliness, beautification, and marketing issues. It is the first BID established in the City of Oakland where private property owners approved self-assessment to initiate improvement activities. There are 39 properties in the BID with an annual budget of approximately \$110,000. A part-time administrator oversees private security crews, daily trash pickups, beautification projects, and annual events including a Fine Arts Fair. Lakeshore BID proved BIDs could work in Oakland as a commercial revitalization tool. Neighborhood Commercial Revitalization developed programs in 1999 to provide grants and loans for interested business and owner groups. Currently, the Rockridge, Eastlake, Montclair, and Fruitvale areas are in the processing of forming BIDS.

San Pablo Gateway Development

This project is an excellent example of community participation and coordination with the City of Emeryville and the Oakland Housing Authority. It symbolizes developers and two cities working together to improve a property with blighting influence and provide affordable home ownership housing. The project is 90% complete and consists of 17 units for sale. Ten of the units are live/work lofts available at 120% of the area median income. Seven units are townhomes available at 80% of the area median income. Five live/work units and 6 townhomes are located in Oakland. Selling prices range from \$135,000 with City silent mortgages up to \$40,000 for townhomes. The live/work lofts sell from \$163,000 to \$200,000.

Oakland Army Base Reuse Project (OABR)

The OABR transforms a former 422-acre military installation into a major economic development and job generating project for the City of Oakland. The project is located on the Oakland waterfront immediately south of the eastern end of the San Francisco/Oakland Bay Bridge. The site is within 10 minutes of the Oakland Central Business District. It is immediately accessible by the Interstate 880 freeway traffic and is adjacent to the Port of Oakland. The staff is currently in the process of submitting revised plans to address regulatory requirements imposed by the San Francisco Bay Conservation and Development Commission, the Environmental Impact Statement, and the Economic Development Conveyance application.

Tribune Tower Restoration

The project provided an opportunity to renovate the Press Building or to construct a new building within the historic shell. The Press Building is the second phase of the landmark Tribune complex. The 90,000 square foot Tribune Tower and Breuner Building symbolize the return of downtown since the earthquake and the firestorm disasters of the 1990s. Phase I of the project is completed and 97% occupied. Phase II of the project, the Press Building, represents another 70,000 square feet in a downtown location. The Tribune Tower project will generate approximately 418 jobs, 350 of which are for ANG Newspapers, owners of the Oakland Tribune.

Coliseum Gardens

The project received an award in August 2000 of \$35,000,000 HOPE VI funds. Funding is intended to provide major improvements and to revitalize the surrounding neighborhood. This housing project will provide a total of 329 units to replace 178 existing units and to redesign the adjacent City park to allow for townhouse and live/work development.

Oakland Coliseum Intercity Rail Station

This passenger rail station will provide a regional transit link directly to BART, Oakland International Airport, and the proposed Coliseum Sports Complex. The \$4.25 million in project costs is fully funded through the State transportation improvement grants. The Rail Station will include passenger platform and shelters, 35 parking slots, and ADA compliant pedestrian ramp connecting to the pedestrian bridge

PROPRIETARY OPERATIONS

Enterprise Funds are used to account for public service operations that are financed and operated similarly to private businesses. The costs, including depreciation, of providing goods or services are recovered in whole or in part through user charges. The following schedule shows actual revenues, expenses, including depreciation, and results of operations for the fiscal year ended June 30, 2000.

Revenues, Expenses, and Results of Operations Enterprise Funds (In Thousands)

| | <u>Operating Revenues</u> | <u>Operating Expenses</u> | <u>Operating Income</u> |
|----------------------|-------------------------------|-------------------------------|-----------------------------|
| Parks and Recreation | \$ 516 | \$ 259 | \$ 257 |
| Sewer Service | <u>17,927</u> | <u>15,133</u> | <u>2,794</u> |
| TOTAL | <u>\$ 18,443</u> | <u>\$ 15,392</u> | <u>\$ 3,051</u> |

Internal Service Funds are used to account for operations that provide goods or services to other departments and agencies of the City on a cost-reimbursement basis. Internal service funds should break even over the long term and therefore will have net losses from time to time to offset net income. The following table shows actual revenues, expenses, including depreciation, and results of operations for the fiscal year ended June 30, 2000.

Revenues, Expenses, and Results of Operations Internal Service Funds (In Thousands)

| | <u>Operating Revenues</u> | <u>Operating Expenses</u> | <u>Operating Income (Loss)</u> |
|----------------|-------------------------------|-------------------------------|------------------------------------|
| Equipment | \$ 13,545 | \$ 12,838 | \$ 707 |
| Radio | 1,492 | 1,577 | (85) |
| Facilities | 14,519 | 14,903 | (384) |
| Reproduction | 1,043 | 1,276 | (233) |
| Central Stores | <u>835</u> | <u>2,841</u> | <u>(2,006)</u> |
| TOTAL | <u>\$ 31,434</u> | <u>\$ 33,435</u> | <u>\$ (2,001)</u> |

Fiduciary Operations

Fiduciary operations consist of trust and agency funds. Trust funds, including pension and expendable trusts, account for resources held by the City which must be spent as provided in legal trust agreements and related state laws. Agency funds account for assets held for other funds, governments, or private organizations or individuals. Agency funds do not measure the results of operations.

The City maintains two pension systems: the Oakland Municipal Employees' Retirement System (OMERS) for civilian employees hired before September 1970; and Oakland Police and Fire Retirement System for uniformed employees hired before July 1976. All other full-time employees

belong to the California Public Employees' Retirement System (PERS) administered by the State of California. The City also holds in trust monies for employees who elect to have a portion of their earnings placed in a deferred compensation plan.

OMERS and PFRS had overfunded actuarial accrued liabilities of \$8.0 million and \$55.9 million, respectively, based on actuarial valuations as of June 30, 1998. On an annual basis, the City is funding the amounts that have been actuarially determined to meet the required obligations by July 1, 2020, for OMERS and by July 1, 2026, for PFRS. The City issued pension obligation bonds in February 1997 to fund the PFRS until the year 2011. Bond proceeds in the amount of \$417.2 million were transferred to the plan for investment. This information will be reflected in the next actuarial valuation. The PERS overfunded liability as of June 30, 1997, was \$67.9 million.

The City has fiduciary responsibility for various expendable trust funds, including the Oakland Redevelopment Agency Projects Fund, the Pension Annuity Fund, the Other Expendable Trusts Fund, and the Parks, Recreation and Cultural Trust Fund.

DEBT ADMINISTRATION

The City and Redevelopment Agency have various types of debts outstanding in the Long Term Obligations Account Group. The City has over \$1.0 billion in long-term bonds outstanding, which include General Obligation Bonds, Lease Revenue/COP Financings, the Pension Obligation Bonds, and Medical Hill Special Assessment Bonds. The Redevelopment Agency has over \$216 million in bonds outstanding. The City has an additional \$9.7 million in Special Assessment debt outstanding, which is administered by the City but supported by special property tax assessments.

General Obligation Bonds - The City has a total of \$129,665,000 in General Obligation Bonds outstanding. The City received authorization to issue \$60 million in General Obligation bonds under "Measure K" on the November 6, 1990 general election. On February 19, 1991, the City issued \$12,000,000 of General Obligation Bonds Series 1991A. On March 1, 1995, the City issued a second series under Measure K, \$15,000,000 General Obligation Bonds Series 1995B. On April 1, 1997, the City issued a third series, \$22,250,000 General Obligation Bonds Series 1997C, leaving \$10,750,000 of authorized yet unissued bonds under Measure K at the end of FY2000 (they were eventually issued on July 25, 2000). The City also has issued an additional \$95,420,000 in General Obligation bonds: \$50,000,000 General Obligation Bonds: \$50,000,000 General Obligation Bonds, Series 1991, and \$45,420,000 General Obligation Bonds.

Lease Revenue/COP Financings - The City has issued seven lease financing issues: for the Civic Improvement Corporation in 1985; the Oakland Museum and Convention Centers Projects in 1992; the Administration Buildings in 1996; and Lease Revenue Bonds in 1998. The last two were issued through the Oakland Joint Powers Authority. More recently, the City has issued debt via Master Lease/Purchase Programs in 1998 and 2000. As of June 30, 2000, there was \$502,613,000 in lease financing outstanding.

Pension Obligation Bonds - In 1997, the City issued \$436,290,000 in Pension Obligation Bonds (Series A & B) to fund a portion of the City's accrued pension liability. These bonds are supported by a special pension override tax. As of June 30, 2000, there were \$407,280,000 in bonds outstanding.

Short Term Borrowing - In addition to its long-term debt, the City issues short-term Tax and Revenue Anticipation Notes (TRANs) to cover working capital needs of the General Fund during the fiscal year. The City issued a \$65 million TRAN for fiscal year ended June 30, 2000. The notes received the highest short-term ratings from the rating agencies: MIG-1 (Moody's), SP-1+ (S&P), and F-1+ (Fitch). The notes were paid off as of June 30, 2000.

Proprietary and Fiduciary Funds – Proprietary and fiduciary fund obligations are not included in the General Long-Term Obligations Account Group. The City's Proprietary Funds had \$37.7 million in long-term obligations as of June 30, 2000, which are comprised of \$8.9 million for Sewer Fund Loans issued for construction projects and \$28.8 million in lease financing for the Equipment Fund to purchase badly needed equipment to replace the City's antiquated equipment inventory. In addition, there is \$1,150,000 in OMERS Revenue Bonds outstanding, classified under a Fiduciary Fund. These bonds were issued in 1976 to repay a loan made by the City to OMERS.

Special Assessment – The City has four special assessment district bonds outstanding, which includes 1994 Medical Hill refunding bonds, the 1996 and 1997 Special Assessment Pooled Revenue Bonds, and the Oakland Joint Powers Financing Authority Revenue Bonds of 1999. The City administers all of the special assessment district bonds; however, debt service payments are supported solely by special assessments levied on property holders in each district.

Redevelopment Agency of the City of Oakland – The Agency has a total of \$216,279,000 in bonds outstanding as of the end of the fiscal year, June 30, 2000. The majority of the Agency's debt constitutes tax allocation bonds issued to finance numerous projects in the Central District Redevelopment Project Area. The Agency has issued one senior and four subordinate tax allocation bonds for the Central District totaling \$278 million, of which approximately \$174 million remain outstanding. In 1988, the Agency issued tax allocation bonds for the Acorn Redevelopment Project Area, of which \$2,075,000 remain outstanding. The Agency also issued a \$600,000 general obligation note, via private placement, for the Tribune Towers in 1998, of which \$70,000 in principal has been paid. In 2000, the Agency issued \$39 million in Subordinated Housing Set-Aside Bonds to finance new and renovated housing for low-income households.

Port of Oakland – The Port of Oakland, a discretely presented component unit has numerous revenue bonds, Port certificates, and other notes of indebtedness. These debts have been issued to finance various Port activities. The Port has a total of \$1,023,868,000 in long-term bonds and obligations outstanding as of June 30, 2000.

CASH MANAGEMENT

To maximize interest income and maintain liquidity, the City pools operating cash of both the City and Port and invests these monies in securities of various maturities. These monies and operating funds of the Redevelopment Agency are invested pursuant to the City's Investment Policy in compliance with Section 53601 of the California Government Code, the Nuclear Free Zone, Burma, and Linked Banking Ordinances, and the Tobacco Divestiture Resolution. The objectives of the Investment Policy are to preserve capital, provide adequate liquidity to meet cash disbursements of the City, and to reduce overall portfolio needs while maintaining market-average rates of return. Investments are

secured by collateral as required under law, with maturity dates staggered to ensure that cash is available when needed. The City Council receives quarterly reports on the performance of the City's pooled investment program.

The permitted investments include U.S. Treasury notes (with certain restrictions), federal agency issues, bankers' acceptances, commercial paper, corporate stocks and bonds with ratings of A1 or P1 by either Standard and Poor's, Moody's, or Fitch's, negotiable certificates of deposit, Local Agency Investment Fund, and repurchase agreements.

RISK MANAGEMENT

To finance its risks of general liability and workers' compensation, the City maintains a program of self-insurance, supplemented with commercial insurance of limited coverage, that is sufficient to protect resources at the lowest reasonable cost. The City does maintain commercial fire insurance policies on all of its buildings. Additionally, the City insures for the perils of earthquake and flood on the Henry J. Kaiser Convention Center and the George F. Scotlan Memorial Convention Center.

The City Attorney represents the City in all of its legal matters, including claims investigation, civil litigation, and disposition of claims and lawsuits.

Insurance to protect and indemnify the City against the risks of general liability and property damage is required in virtually all of its public works, contractor-supplied, and professional services contracts.

INDEPENDENT AUDIT

An independent audit by certified public accountants is important in determining the reliability of these general purpose financial statements and supporting records. The importance of such verification has been recognized by the federal government, the State government, the City's Charter, bond holders and sellers, and the general public. The certified public accounting firm of KPMG LLP was selected to perform this audit beginning with fiscal year 1996-97. Their report on the General Purpose Financial Statements and schedules is included in the financial section of this CAFR. Additionally, the Port of Oakland, the Oakland Municipal Employees Retirement System, the Police and Fire Retirement System, the Oakland-Alameda County Coliseum Authority, and the Oakland Redevelopment Agency were separately audited by other independent certified public accounting firms.

AWARDS

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 Oakland for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Oakland has received a Certificate of Achievement for the last twelve consecutive years (fiscal years ended 1988-1999).

The City also received the GFOA's Award for Distinguished Budget Presentation for its biennium budget beginning July 1, 1997. The City's budget document was judged to be proficient in several categories including policy documentation, financial planning and effective communication. The 1997-99 Adopted Policy Budget was unanimously rated "outstanding" as a policy document and operations guide. The award is likewise valid for two years. The City of Oakland has received the Distinguished Budget Presentation Award for nine consecutive years. We believe our second biennium budget representing fiscal years 1999-00 and 2000-01 continues to conform to program requirements, and we have submitted it to GFOA to determine its eligibility for another award.

ACKNOWLEDGMENTS

I would like to express my appreciation to the entire staff of the Financial Services Agency, and most particularly the Accounting Division for their professionalism, dedication and efficiency in the preparation of this report. I also thank KPMG LLP for their assistance and guidance. Finally, I would like to thank the Mayor, members of the City Council, and the City Manager for their interest and continuing support in planning and conducting the City's financial operations in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Deborah Edgerly", is written over a horizontal line.

Deborah Edgerly, Director
Financial Services Agency

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oakland,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

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 Oakland for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Oakland has received a Certificate of Achievement for the last twelve consecutive years (fiscal years ended 1988-1999). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

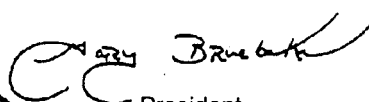


GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

**PRESENTED TO
City of Oakland,
California**

**For the Biennium Beginning
July 1, 1999**


President

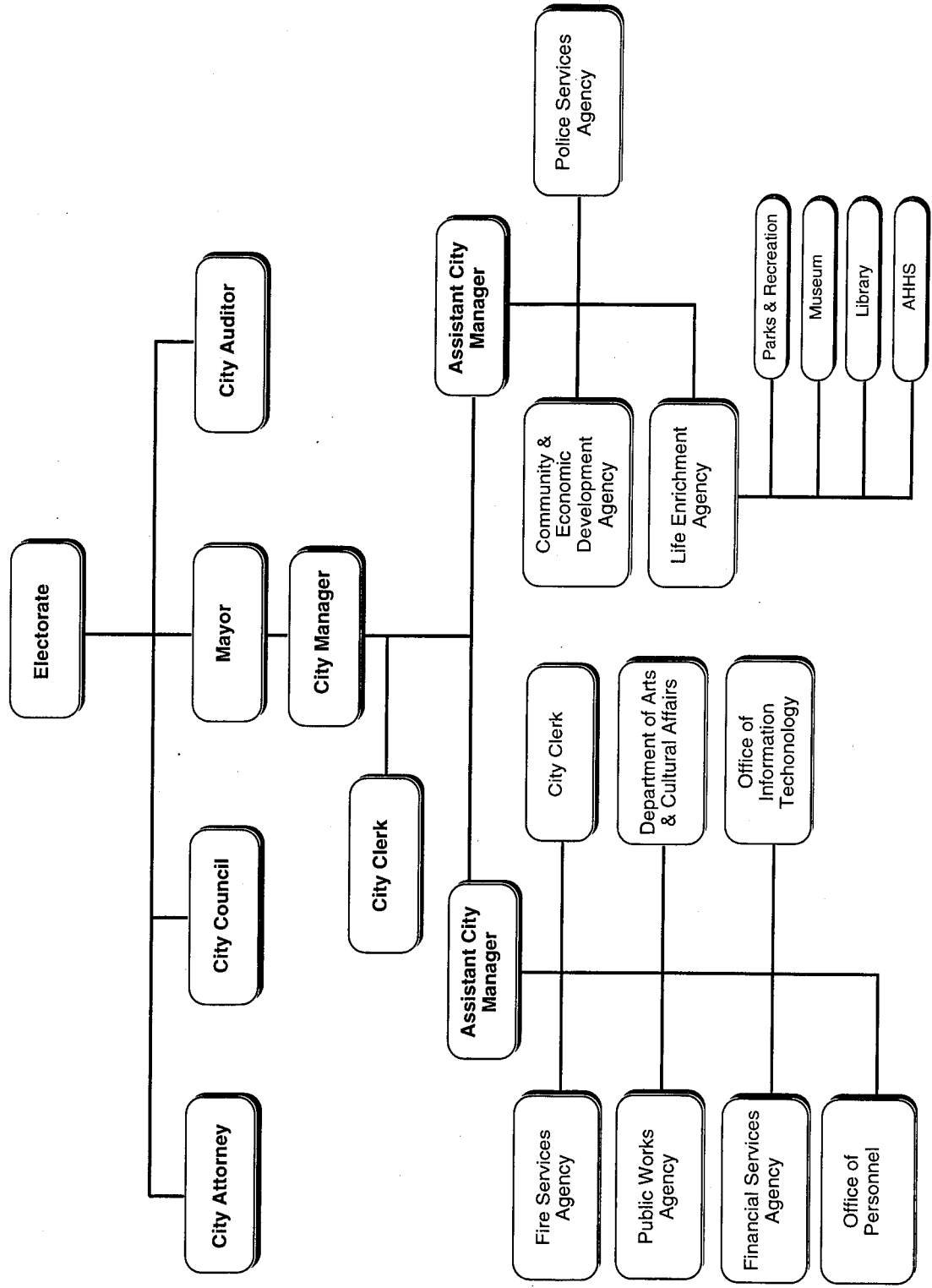

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation Award to the City of Oakland for its biannual budget for the fiscal year beginning July 1, 1999.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

CITY OF OAKLAND ORGANIZATION CHART





DIRECTORY OF CITY OFFICIALS
MAYOR/COUNCIL FORM OF GOVERNMENT
June 30, 2000

MAYOR

Jerry Brown

MEMBERS OF THE CITY COUNCIL

Ignacio De La Fuente, *President (District 5)*
Jane Brunner., *Vice-Mayor (District 1)*

At-large - Henry Chang, Jr.
District 4 - Dick Spees

District 2 - Danny Wan
District 6 - To Be Elected

District 3 - Nancy Nadel
District 7 - Larry Reid

COUNCIL APPOINTED OFFICERS

Robert C. Bobb, *City Manager*

Ceda Floyd, *City Clerk*

ELECTED OFFICERS

John Russo, *City Attorney*
Roland Smith, *City Auditor*

ASSISTANT CITY MANAGERS

Dolores E. Blanchard
George G. Musgrove

AGENCY DIRECTORS

Financial Services
Police Services
Fire Services
Life Enrichment
Public Works
Community and Economic Development

Deborah Edgerly
Richard Word
Gerald A. Simon
Gail Waiters
Claudette R. Ford
William Claggett

FINANCIAL SECTION



Three Embarcadero Center
San Francisco, CA 94111

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Oakland:

We have audited the accompanying general purpose financial statements of the City of Oakland, California (the City) as of and for the year ended June 30, 2000, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Oakland Municipal Employees' Retirement System, the Police and Fire Retirement System or the Oakland Redevelopment Agency, whose statements reflect total assets and total revenues which represent 1% and 0%, respectively, of the combined totals of the Special Revenue Funds; 31% and 12% of the combined totals of the Debt Service Funds; 60% and 80% of the combined totals of the Capital Projects Funds; 87% and 80% of the combined totals of the Fiduciary Fund Types and 15% of the combined total liabilities of the General Long-Term Obligations Account Group. We also did not audit the financial statements of the Port of Oakland, a discretely presented component unit. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities in the Special Revenue, Debt Service, Capital Projects, Fiduciary Fund Types, the General Long-Term Obligations Account Group, and the discretely presented component unit, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Oakland, California, as of June 30, 2000, and the results of its operations and the changes in plan assets of the pension trust funds and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.





The schedules of funding progress on pages 91 and 92 are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied to the schedules of funding progress certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this information and express no opinion on it.

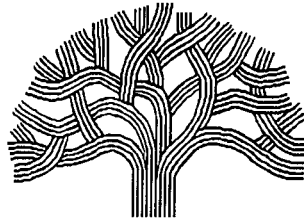
Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, which are also the responsibility of the management of the City, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such additional information has been subjected to the auditing procedures applied in our audit and the other auditors' audits of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

KPMG LLP

April 6, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

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CITY OF OAKLAND



**ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNIT
COMBINED BALANCE SHEET**

June 30, 2000

(In Thousands)

| | <u>Governmental Fund Types</u> | | | | <u>Proprietary Fund Types</u> | |
|------------------------------------------------------------------|--------------------------------|------------------------|---------------------|-------------------------|-------------------------------|-------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Enterprise</u> | <u>Internal Service</u> |
| ASSETS AND OTHER DEBITS | | | | | | |
| Assets | | | | | | |
| Cash and investments | \$ 19,613 | \$ 32,624 | \$ 9,364 | \$ 75,592 | \$ 460 | \$ 11,645 |
| Receivables (net of allowance for uncollectibles): | | | | | | |
| Accrued interest and dividends | 170 | 422 | 156 | 1,228 | 4 | — |
| Property taxes | 2,348 | 674 | 1,818 | 1,689 | — | — |
| Accounts receivable | 43,660 | 1,499 | — | 3,067 | 1,569 | 194 |
| Grants receivable | — | 48,556 | — | — | — | — |
| — Receivable from Port of Oakland | 10,263 | — | — | — | — | — |
| Due from other funds | 82,415 | 5,632 | 10,063 | 3,951 | — | — |
| — Due from other governments | — | — | — | 110 | — | — |
| Notes and loans receivable | 13,709 | 79,787 | — | 24,193 | — | — |
| Restricted cash and investments | 24 | — | 71,416 | 185,839 | — | 28,850 |
| Inventories | — | — | — | — | — | 885 |
| Fixed assets (net, where applicable of accumulated depreciation) | — | — | — | — | 79,998 | 16,278 |
| Property held for resale | — | — | 21,447 | 53,492 | — | — |
| Other | 1,509 | 26 | 460 | 2,407 | — | — |
| Other Debits | | | | | | |
| Amount available in debt service funds | — | — | — | — | — | — |
| Amount to be provided for long-term obligations | — | — | — | — | — | — |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$ 173,711</u> | <u>\$ 169,220</u> | <u>\$ 114,724</u> | <u>\$ 351,568</u> | <u>\$ 82,031</u> | <u>\$ 57,852</u> |

GENERAL PURPOSE FINANCIAL STATEMENTS

| Fiduciary Fund Types | Account Groups | | Total (Memorandum Only) | Component Unit | Total (Memorandum Only) |
|-------------------------|----------------------------|-------------------------------------|-------------------------------|--------------------|-------------------------------|
| | General Fixed Assets | General Long-Term Obligations | Primary Government | Port of Oakland | Reporting Entity |
| \$1,124,541 | \$ — | \$ — | \$1,273,839 | \$ 70,844 | \$1,344,683 |
| 5,637 | — | — | 7,617 | 9,027 | 16,644 |
| — | — | — | 6,529 | — | 6,529 |
| 20,984 | — | — | 70,973 | 32,243 | 103,216 |
| — | — | — | 48,556 | — | 48,556 |
| — | — | — | 10,263 | — | 10,263 |
| 3,829 | — | — | 105,890 | — | 105,890 |
| — | — | — | 110 | — | 110 |
| — | — | — | 117,689 | — | 117,689 |
| 220,204 | — | — | 506,333 | 456,519 | 962,852 |
| — | — | — | 885 | — | 885 |
| — | 759,580 | — | 855,856 | 1,095,592 | 1,951,448 |
| — | — | — | 74,939 | — | 74,939 |
| — | — | — | 4,402 | 23,205 | 27,607 |
| — | — | 91,829 | 91,829 | — | 91,829 |
| — | — | <u>1,398,896</u> | <u>1,398,896</u> | — | <u>1,398,896</u> |
| <u>\$1,375,195</u> | <u>\$ 759,580</u> | <u>\$1,490,725</u> | <u>\$4,574,606</u> | <u>\$1,687,430</u> | <u>\$6,262,036</u> |

(continued)



**ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNIT
COMBINED BALANCE SHEET, continued**

June 30, 2000

(In Thousands)

| | <u>Governmental Fund Types</u> | | | | <u>Proprietary Fund Types</u> | |
|----------------------------------------------------|--------------------------------|-------------------|-------------------|-------------------|-------------------------------|------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Internal Service |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | | | | |
| Liabilities | | | | | | |
| Accounts payable and accrued liabilities | \$ 77,905 | \$ 12,830 | \$ 151 | \$ 7,204 | \$ 1,728 | \$ 3,604 |
| Due to other funds | 12,124 | 36,932 | 20,492 | 23,816 | — | 5,533 |
| Payable to primary government | — | — | — | — | — | — |
| Deferred revenue | 50,562 | 88,791 | 1,458 | 49,548 | — | — |
| Interest payable | — | — | 794 | — | — | — |
| Long-term obligations | — | — | — | — | 8,923 | 28,760 |
| Due to bond holders | — | — | — | — | — | — |
| Securities lending liability | — | — | — | — | — | — |
| Other | 886 | 7 | — | 3,244 | — | — |
| Total liabilities | <u>141,477</u> | <u>138,560</u> | <u>22,895</u> | <u>83,812</u> | <u>10,651</u> | <u>37,897</u> |
| Equity and Other Credits | | | | | | |
| Investment in general fixed assets | — | — | — | — | — | — |
| Contributed capital | — | — | — | — | — | 17,382 |
| Retained earnings | — | — | — | — | 71,380 | 2,573 |
| Fund balances: | | | | | | |
| Reserved | 3,708 | 30,660 | 91,829 | 267,756 | — | — |
| Unreserved: | | | | | | |
| Designated | 11,111 | — | — | — | — | — |
| Undesignated | <u>17,415</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total equity and other credits | <u>32,234</u> | <u>30,660</u> | <u>91,829</u> | <u>267,756</u> | <u>71,380</u> | <u>19,955</u> |
| TOTAL LIABILITIES, EQUITY AND OTHER CREDITS | <u>\$ 173,711</u> | <u>\$ 169,220</u> | <u>\$ 114,724</u> | <u>\$ 351,568</u> | <u>\$ 82,031</u> | <u>\$ 57,852</u> |

The notes to the financial statements are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS

| Fiduciary Fund Types | Account Groups | | Total (Memorandum Only) | Component Unit | Total (Memorandum Only) |
|-------------------------|----------------------------|-------------------------------------|-------------------------------|--------------------|-------------------------------|
| | General Fixed Assets | General Long-Term Obligations | Primary Government | Port of Oakland | Reporting Entity |
| \$ 35,079 | \$ — | \$ — | \$ 138,501 | \$ 68,312 | \$ 206,813 |
| 6,993 | — | — | 105,890 | — | 105,890 |
| — | — | — | — | 10,263 | 10,263 |
| — | — | — | 190,359 | 4,435 | 194,794 |
| — | — | — | 794 | 25,731 | 26,525 |
| 1,010 | — | 1,490,725 | 1,529,418 | 1,014,521 | 2,543,939 |
| 12,397 | — | — | 12,397 | — | 12,397 |
| 245,582 | — | — | 245,582 | — | 245,582 |
| 8 | — | — | 4,145 | 39,383 | 43,528 |
| <u>301,069</u> | <u>—</u> | <u>1,490,725</u> | <u>2,227,086</u> | <u>1,162,645</u> | <u>3,389,731</u> |
| — | 759,580 | — | 759,580 | — | 759,580 |
| — | — | — | 17,382 | 202,903 | 220,285 |
| — | — | — | 73,953 | 321,882 | 395,835 |
| 1,074,126 | — | — | 1,468,079 | — | 1,468,079 |
| — | — | — | 11,111 | — | 11,111 |
| — | — | — | 17,415 | — | 17,415 |
| <u>1,074,126</u> | <u>759,580</u> | <u>—</u> | <u>2,347,520</u> | <u>524,785</u> | <u>2,872,305</u> |
| <u>\$1,375,195</u> | <u>\$ 759,580</u> | <u>\$1,490,725</u> | <u>\$4,574,606</u> | <u>\$1,687,430</u> | <u>\$6,262,036</u> |

(concluded)



**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

Year ended June 30, 2000

(In Thousands)

| | Governmental Fund Types | | | |
|------------------------------------------|-------------------------|--------------------|-----------------|---------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 85,872 | \$ 23,243 | \$ 16,143 | \$ 30,683 |
| State: | | | | |
| Sales and Use | 38,470 | 8,321 | — | — |
| Motor Vehicle In-lieu | 19,314 | — | — | — |
| Gas | — | 8,052 | — | — |
| Local: | | | | |
| Business License | 35,845 | — | — | — |
| Utility Consumption | 41,592 | — | — | — |
| Real Estate Transfer | 34,359 | — | — | — |
| Transient Occupancy | 12,100 | — | — | — |
| Parking | 5,686 | — | — | — |
| Franchise | 9,084 | — | — | — |
| Licenses and permits | 9,088 | 10 | — | — |
| Fines and penalties | 14,129 | 1,432 | 64 | — |
| Interest and investment income | 10,019 | 1,001 | 10,598 | 13,831 |
| Charges for services | 36,506 | 2,504 | — | 2,171 |
| Federal and state grants and subventions | 7,265 | 75,986 | — | 508 |
| Pension annuity distribution | — | — | — | — |
| Other | 8,813 | 4,246 | 1,220 | 2,880 |
| TOTAL REVENUES | <u>\$368,142</u> | <u>\$124,795</u> | <u>\$28,025</u> | <u>\$50,073</u> |

GENERAL PURPOSE FINANCIAL STATEMENTS

| <u>Fiduciary Fund Type Expendable Trust</u> | <u>Total (Memorandum Only)</u> |
|---------------------------------------------------------|----------------------------------------|
| \$ 149 | \$156,090 |
| — | 46,791 |
| — | 19,314 |
| — | 8,052 |
| — | 35,845 |
| — | 41,592 |
| — | 34,359 |
| — | 12,100 |
| — | 5,686 |
| — | 9,084 |
| — | 9,098 |
| — | 15,625 |
| 1,458 | 36,907 |
| 1 | 41,182 |
| 136 | 83,895 |
| 17,600 | 17,600 |
| <u>878</u> | <u>18,037</u> |
| <u>\$20,222</u> | <u>\$591,257</u> |

(continued)



ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES, continued

Year ended June 30, 2000

(In Thousands)

| | Governmental Fund Types | | | |
|----------------------------------------|-------------------------|-----------------|-------------------|-------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| EXPENDITURES | | | | |
| Current: | | | | |
| Elected and Appointed Officials: | | | | |
| Mayor | \$ 918 | \$ 1 | \$ — | \$ 15 |
| Council | 2,350 | 52 | — | 142 |
| City Manager | 3,910 | 1,548 | — | 1,359 |
| City Attorney | 4,824 | 409 | — | 26 |
| City Auditor | 1,079 | — | — | — |
| City Clerk | 2,171 | — | — | 64 |
| Agencies/Departments: | | | | |
| Personnel Resource Management | 3,898 | 30 | — | 126 |
| Retirement and Risk Administration | 1,055 | — | — | — |
| Information Technology | 7,024 | 26 | — | 662 |
| Financial Services | 14,016 | 206 | 642 | 1,114 |
| Police Services | 121,542 | 9,041 | — | 79 |
| Fire Services | 69,240 | 2,845 | — | 152 |
| Life Enrichment | | | | |
| Administration | 610 | 5 | — | — |
| Parks and Recreation | 12,160 | 14,099 | — | 14,944 |
| Library | 9,089 | 4,527 | — | 255 |
| Museum | 5,268 | 18 | — | 226 |
| Aging | 2,512 | 4,188 | — | — |
| Health and Human Services | 579 | 12,577 | — | — |
| Cultural Arts | 1,531 | 97 | — | 89 |
| Community and Economic Development | 18,954 | 29,666 | — | 35,774 |
| Public Works | 25,050 | 16,393 | — | 7,061 |
| Other | 22,596 | 23,402 | 1,414 | 901 |
| Capital outlay | 866 | 1,762 | — | 15,978 |
| Debt service: | | | | |
| Principal repayment | — | — | 36,144 | — |
| Interest charges | 581 | — | 73,162 | — |
| TOTAL EXPENDITURES | <u>331,823</u> | <u>120,892</u> | <u>111,362</u> | <u>78,967</u> |
| EXCESS (DEFICIENCY) OF REVENUES | | | | |
| OVER (UNDER) EXPENDITURES | <u>\$ 36,319</u> | <u>\$ 3,903</u> | <u>\$(83,337)</u> | <u>\$(28,894)</u> |

GENERAL PURPOSE FINANCIAL STATEMENTS

| <u>Fiduciary Fund Type</u> Expendable Trust | Total (Memorandum Only) |
|-------------------------------------------------------|-------------------------------|
| \$ 118 | \$ 1,052 |
| 376 | 2,920 |
| 147 | 6,964 |
| 984 | 6,243 |
| — | 1,079 |
| 43 | 2,278 |
| — | 4,054 |
| — | 1,055 |
| — | 7,712 |
| 149 | 16,127 |
| 874 | 131,536 |
| 35 | 72,272 |
| — | 615 |
| 51 | 41,254 |
| 206 | 14,077 |
| 62 | 5,574 |
| — | 6,700 |
| — | 13,156 |
| — | 1,717 |
| 7,796 | 92,190 |
| 152 | 48,656 |
| 687 | 49,000 |
| 383 | 18,989 |
| — | 36,144 |
| — | 73,743 |
| <u>12,063</u> | <u>655,107</u> |
| <u>\$ 8,159</u> | <u>\$ (63,850)</u> |

(continued)



ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES, continued

Year Ended June 30, 2000

(In Thousands)

| | Governmental Fund Types | | | |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------|------------------|------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES, BROUGHT FORWARD | \$ 36,319 | \$ 3,903 | \$ (83,337) | \$ (28,894) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond proceeds | 1,166 | 143 | 7,255 | 39,493 |
| Payment to refunded bond escrow agent | — | — | (7,125) | — |
| Property sale proceeds | 79 | 205 | — | 4,573 |
| Operating transfers in | 116,700 | 6,842 | 122,426 | 12,901 |
| Operating transfers out | (164,902) | — | (24,625) | (61,308) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(46,957)</u> | <u>7,190</u> | <u>97,931</u> | <u>(4,341)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (10,638) | 11,093 | 14,594 | (33,255) |
| Fund balances at beginning of year | <u>42,872</u> | <u>19,567</u> | <u>77,235</u> | <u>300,991</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 32,234</u> | <u>\$ 30,660</u> | <u>\$ 91,829</u> | <u>\$267,756</u> |

The notes to the financial statements are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS

| <u>Fiduciary Fund Type Expendable Trust</u> | <u>Total (Memorandum Only)</u> |
|---------------------------------------------------------|----------------------------------------|
| <u>\$ 8,159</u> | <u>\$ (63,850)</u> |
| — | 48,057 |
| — | (7,125) |
| — | 4,857 |
| 10,963 | 269,832 |
| <u>(18,338)</u> | <u>(269,173)</u> |
| <u>(7,375)</u> | <u>46,448</u> |
| 784 | (17,402) |
| <u>176,733</u> | <u>617,398</u> |
| <u>\$177,517</u> | <u>\$ 599,996</u> |
| | (concluded) |



**GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE
AND DEBT SERVICE FUNDS**

**COMBINED STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL ON A BUDGETARY BASIS**

Year ended June 30, 2000

(In Thousands)

| | | General Fund | |
|------------------------------------------|---------------------------|--------------------------------------------|---------------------------------------------------|
| | Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) |
| REVENUES | | | |
| Taxes: | | | |
| Property | \$ 82,345 | \$ 85,872 | \$ 3,527 |
| State: | | | |
| Sales and Use | 38,099 | 38,470 | 371 |
| Motor Vehicle In-lieu | 11,523 | 19,314 | 7,791 |
| Gas | — | — | — |
| Local: | | | |
| Business License | 37,766 | 35,845 | (1,921) |
| Utility Consumption | 38,355 | 41,592 | 3,237 |
| Real Estate Transfer | 20,519 | 34,359 | 13,840 |
| Transient Occupancy | 11,133 | 12,100 | 967 |
| Parking | 5,544 | 5,686 | 142 |
| Franchise | 9,756 | 9,084 | (672) |
| Licenses and permits | 10,316 | 9,088 | (1,228) |
| Fines and penalties | 17,899 | 14,129 | (3,770) |
| Interest and investment income | 3,583 | 9,365 | 5,782 |
| Charges for services | 41,463 | 36,506 | (4,957) |
| Federal and state grants and subventions | 3,313 | 7,265 | 3,952 |
| Other | <u>16,412</u> | <u>8,813</u> | <u>(7,599)</u> |
| TOTAL REVENUES | <u>\$348,026</u> | <u>\$367,488</u> | <u>\$19,462</u> |

GENERAL PURPOSE FINANCIAL STATEMENTS

| Annually Budgeted Special Revenue Funds | | | Annually Budgeted Debt Service Funds | | |
|--------------------------------------------|-----------------------------------|------------------------------------------|-----------------------------------------|-----------------------------------|------------------------------------------|
| Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) | Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) |
| \$ 16,413 | \$ 17,326 | \$ 913 | \$ — | \$ 15,511 | \$ 15,511 |
| 12,473 | 8,321 | (4,152) | — | — | — |
| — | — | — | — | — | — |
| 7,060 | 8,052 | 992 | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| 8 | 10 | 2 | — | — | — |
| 270 | 999 | 729 | — | 64 | 64 |
| 388 | 563 | 175 | 1,440 | 1,673 | 233 |
| 698 | 288 | (410) | — | — | — |
| 1,000 | 1,040 | 40 | — | — | — |
| 55 | 11 | (44) | 83 | 1,220 | 1,137 |
| <u>\$ 38,365</u> | <u>\$ 36,610</u> | <u>\$ (1,755)</u> | <u>\$ 1,523</u> | <u>\$ 18,468</u> | <u>\$ 16,945</u> |

(continued)



**GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE
AND DEBT SERVICE FUNDS**

COMBINED STATEMENT OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL ON A BUDGETARY BASIS, continued

Year ended June 30, 2000

(In Thousands)

| | | General Fund | |
|----------------------------------------|---------------------------|--------------------------------------------|---------------------------------------------------|
| | Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) |
| EXPENDITURES | | | |
| Current: | | | |
| Elected and Appointed Officials: | | | |
| Mayor | \$ 1,026 | \$ 918 | \$ 108 |
| Council | 2,427 | 2,350 | 77 |
| City Manager | 4,253 | 3,910 | 343 |
| City Attorney | 4,842 | 4,824 | 18 |
| City Auditor | 1,068 | 1,079 | (11) |
| City Clerk | 2,722 | 2,171 | 551 |
| Agencies/Departments: | | | |
| Personnel Resource Management | 3,592 | 3,898 | (306) |
| Retirement and Risk Administration | 1,188 | 1,055 | 133 |
| Information Technology | 8,255 | 7,024 | 1,231 |
| Financial Services | 15,318 | 14,016 | 1,302 |
| Police Services | 115,362 | 121,542 | (6,180) |
| Fire Services | 67,959 | 69,240 | (1,281) |
| Life Enrichment | | | |
| Administration | 550 | 610 | (60) |
| Parks and Recreation | 13,399 | 12,160 | 1,239 |
| Library | 9,170 | 9,089 | 81 |
| Museum | 5,241 | 5,268 | (27) |
| Aging | 3,402 | 2,512 | 890 |
| Health and Human Services | 557 | 579 | (22) |
| Cultural Arts | 2,536 | 1,531 | 1,005 |
| Community and Economic Development | 26,272 | 18,954 | 7,318 |
| Public Works | 26,850 | 25,050 | 1,800 |
| Other | 92,948 | 22,596 | 70,352 |
| Capital outlay | 827 | 866 | (39) |
| Debt service: | | | |
| Principal repayment | — | 119 | (119) |
| Interest charges | <u>152</u> | <u>462</u> | <u>(310)</u> |
| TOTAL EXPENDITURES | <u>409,916</u> | <u>331,823</u> | <u>78,093</u> |
| EXCESS (DEFICIENCY) OF REVENUES | | | |
| OVER (UNDER) EXPENDITURES | <u>\$ (61,890)</u> | <u>\$ 35,665</u> | <u>\$ 97,545</u> |

The notes to the financial statements are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS

| Annually Budgeted Special Revenue Funds | | | Annually Budgeted Debt Service Funds | | |
|--------------------------------------------|-----------------------------------|------------------------------------------|-----------------------------------------|-----------------------------------|------------------------------------------|
| Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) | Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) |
| \$ — | \$ 1 | \$ (1) | \$ — | \$ — | \$ — |
| — | — | — | — | — | — |
| 127 | 148 | (21) | — | — | — |
| 87 | 87 | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | 1 | (1) | — | — | — |
| — | — | — | — | — | — |
| 24 | 21 | 3 | — | — | — |
| 89 | 65 | 24 | 39 | 642 | (603) |
| — | 6 | (6) | — | — | — |
| — | — | — | — | — | — |
| 2 | 3 | (1) | — | — | — |
| 14,097 | 13,529 | 568 | — | — | — |
| — | 1 | (1) | — | — | — |
| — | 17 | (17) | — | — | — |
| — | 58 | (58) | — | — | — |
| 888 | 989 | (101) | — | — | — |
| — | — | — | — | — | — |
| 22 | 9 | 13 | — | — | — |
| 29,981 | 12,989 | 16,992 | — | — | — |
| 654 | 6,062 | (5,408) | — | — | — |
| — | 205 | (205) | 486 | 889 | (403) |
| 200 | — | 200 | 38,540 | 19,248 | 19,292 |
| — | — | — | 69,775 | 43,905 | 25,870 |
| 46,171 | 34,191 | 11,980 | 108,840 | 64,684 | 44,156 |
| <u>\$ (7,806)</u> | <u>\$ 2,419</u> | <u>\$ 10,225</u> | <u>\$(107,317)</u> | <u>\$ (46,216)</u> | <u>\$ 61,101</u> |

(concluded)



**ALL PROPRIETARY FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS**

Year Ended June 30, 2000

(In Thousands)

| | Proprietary Fund Types | |
|-------------------------------------------------------------------|-----------------------------------|-----------------------------|
| | Enterprise | Internal Service |
| OPERATING REVENUES | | |
| Rental | \$ 121 | \$ — |
| Charges for services | 18,313 | 31,108 |
| Interest | 3 | — |
| Other | 6 | 326 |
| TOTAL OPERATING REVENUES | <u>18,443</u> | <u>31,434</u> |
| OPERATING EXPENSES | | |
| Personnel | 8,581 | 11,887 |
| Supplies | 346 | 5,220 |
| Depreciation and amortization | 2,800 | 2,821 |
| Contractual services and supplies | 1,317 | 1,181 |
| Repairs and maintenance | 80 | 1,985 |
| General and administrative | 1,619 | 3,526 |
| Rental | 553 | 1,211 |
| Interest | — | 259 |
| Other | 96 | 5,345 |
| TOTAL OPERATING EXPENSES | <u>15,392</u> | <u>33,435</u> |
| OPERATING INCOME (LOSS) | <u>3,051</u> | <u>(2,001)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest | (315) | 727 |
| Other, net | — | — |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>(315)</u> | <u>727</u> |
| INCOME BEFORE OPERATING TRANSFERS | <u>2,736</u> | <u>(1,274)</u> |
| Operating transfers out | (659) | — |
| TOTAL OPERATING TRANSFERS | <u>(659)</u> | <u>—</u> |
| NET INCOME (LOSS) | <u>2,077</u> | <u>(1,274)</u> |
| Depreciation of fixed assets acquired with contributed capital | — | — |
| Retained earnings at beginning of year | <u>69,303</u> | <u>3,847</u> |
| RETAINED EARNINGS AT END OF YEAR | <u>\$ 71,380</u> | <u>\$ 2,573</u> |

The notes to the financial statements are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS

| Total (Memorandum Only) Primary Government | Component Unit Port of Oakland | Total (Memorandum Only) Reporting Entity |
|--------------------------------------------------------|-----------------------------------------|------------------------------------------------------|
| \$ 121 | \$ 172,725 | \$ 172,846 |
| 49,421 | — | 49,421 |
| 3 | — | 3 |
| <u>332</u> | <u>—</u> | <u>332</u> |
| <u>49,877</u> | <u>172,725</u> | <u>222,602</u> |
| 20,468 | 41,885 | 62,353 |
| 5,566 | — | 5,566 |
| 5,621 | 34,900 | 40,521 |
| 2,498 | — | 2,498 |
| 2,065 | 19,873 | 21,938 |
| 5,145 | 29,072 | 34,217 |
| 1,764 | — | 1,764 |
| 259 | — | 259 |
| <u>5,441</u> | <u>—</u> | <u>5,441</u> |
| <u>48,827</u> | <u>125,730</u> | <u>174,557</u> |
| <u>1,050</u> | <u>46,995</u> | <u>48,045</u> |
| 412 | (24,149) | (23,737) |
| <u>—</u> | <u>179</u> | <u>179</u> |
| <u>412</u> | <u>(23,970)</u> | <u>(23,558)</u> |
| <u>1,462</u> | <u>23,025</u> | <u>24,487</u> |
| <u>(659)</u> | <u>—</u> | <u>(659)</u> |
| <u>(659)</u> | <u>—</u> | <u>(659)</u> |
| <u>803</u> | <u>23,025</u> | <u>23,828</u> |
| — | 6,273 | 6,273 |
| <u>73,150</u> | <u>292,584</u> | <u>365,734</u> |
| <u>\$ 73,953</u> | <u>\$ 321,882</u> | <u>\$ 395,835</u> |



**ALL PROPRIETARY FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT
COMBINED STATEMENT OF CASH FLOWS**

Year ended June 30, 2000

(In Thousands)

| | Proprietary Fund Types | | Total (Memorandum Only) |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|----------------------------------------|
| | Enterprise | Internal Service | Primary Government |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 3,051 | \$(2,001) | \$ 1,050 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | |
| Depreciation and amortization | 2,800 | 2,821 | 5,621 |
| Changes in assets and liabilities: | | | |
| Receivables | 1,559 | (102) | 1,457 |
| Inventories | — | 253 | 253 |
| Other assets | — | — | — |
| Accounts payable and accrued liabilities | 526 | 228 | 754 |
| Deferred revenue | — | — | — |
| Other liabilities | — | — | — |
| Other | — | — | — |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | <u>7,936</u> | <u>1,199</u> | <u>9,135</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Inter-fund receipts | 7 | 174 | 181 |
| Inter-fund (repayments) borrowings | (293) | 1,904 | 1,611 |
| Operating transfers to other funds | <u>(659)</u> | <u>—</u> | <u>(659)</u> |
| NET CASH PROVIDED BY (USED IN) NON-CAPITAL AND RELATED FINANCING ACTIVITIES | <u>\$ (945)</u> | <u>\$ 2,078</u> | <u>\$ 1,133</u> |

GENERAL PURPOSE FINANCIAL STATEMENTS

| <u>Component Unit</u> Port of Oakland | <u>Total (Memorandum Only)</u> Reporting Entity |
|-------------------------------------------------|---------------------------------------------------------------|
| \$ 46,995 | \$ 48,045 |
| 34,900 | 40,521 |
| (9,165) | (7,708) |
| — | 253 |
| 914 | 914 |
| 3,084 | 3,838 |
| 659 | 659 |
| (2,122) | (2,122) |
| <u>(29,575)</u> | <u>(29,575)</u> |
| <u>45,690</u> | <u>54,825</u> |
| — | 181 |
| — | 1,611 |
| <u>—</u> | <u>(659)</u> |
| \$ <u>—</u> | \$ <u>1,133</u> |

(continued)



**ALL PROPRIETARY FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT
COMBINED STATEMENT OF CASH FLOWS, continued**
Year ended June 30, 2000
(In Thousands)

| | Proprietary Fund Types | | Total (Memorandum Only) |
|-------------------------------------------------------------------------------------|---------------------------|---------------------|-------------------------------|
| | Enterprise | Internal Service | Primary Government |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Long-term debt: | | | |
| New borrowings | \$ — | \$ 28,760 | \$ 28,760 |
| Repayment of principal | (599) | — | (599) |
| Payment of interest | (315) | — | (315) |
| Proceeds from sale of fixed assets | — | — | — |
| Acquisition and construction of capital assets | (7,892) | (4,284) | (12,176) |
| Grants from governmental agencies | — | — | — |
| Other | — | 727 | 727 |
| Passenger facility charges | — | — | — |
| NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(8,806)</u> | <u>25,203</u> | <u>16,397</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of investments | — | — | — |
| Proceeds from sales of investments | — | — | — |
| Interest on investments | — | — | — |
| NET CASH USED IN INVESTING ACTIVITIES | <u>—</u> | <u>—</u> | <u>—</u> |
| NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS | (1,815) | 28,480 | 26,665 |
| CASH AND EQUIVALENTS AT BEGINNING OF YEAR | <u>2,275</u> | <u>12,015</u> | <u>14,290</u> |
| CASH AND EQUIVALENTS AT END OF YEAR | <u>\$ 460</u> | <u>\$ 40,495</u> | <u>\$40,955</u> |

The notes to the financial statements are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS

| <u>Component Unit</u> | <u>Total (Memorandum Only)</u> |
|----------------------------|----------------------------------------|
| <u>Port of Oakland</u> | <u>Reporting Entity</u> |
| \$1,810,102 | \$ 1,838,862 |
| (1,366,116) | (1,366,715) |
| (23,690) | (24,005) |
| 1,664 | 1,664 |
| (182,512) | (194,688) |
| 3,896 | 3,896 |
| — | 727 |
| <u>14,180</u> | <u>14,180</u> |
| <u>257,524</u> | <u>273,921</u> |
| (417,991) | (417,991) |
| 76,071 | 76,071 |
| <u>2,060</u> | <u>2,060</u> |
| <u>(339,860)</u> | <u>(339,860)</u> |
| (36,646) | (9,981) |
| <u>107,490</u> | <u>121,780</u> |
| <u>\$ 70,844</u> | <u>\$ 111,799</u> |

(concluded)



PENSION TRUST FUNDS
COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
Year ended June 30, 2000
(In Thousands)

ADDITIONS:

| | |
|--------------------------------------------------|----------------------|
| Members contributions | \$ 909 |
| Investment income: | |
| Net appreciation in fair value of investments | 44,783 |
| Interest | 25,810 |
| Dividends | <u>7,785</u> |
| Total | 78,378 |
| Less investment expense | <u>(3,089)</u> |
| Net investment income | <u>75,289</u> |
| TOTAL ADDITIONS | <u>76,198</u> |

DEDUCTIONS:

| | |
|----------------------------------------------------|----------------------|
| Disbursements to members and beneficiaries: | |
| Retirement | \$ 39,430 |
| Disability | 21,131 |
| Death | <u>1,899</u> |
| Total | <u>62,460</u> |
| Administrative expenses | 848 |
| Interest expense - bonds | 63 |
| Interest on PERS | 253 |
| Termination refunds of employees' contributions | <u>197</u> |
| TOTAL DEDUCTIONS | <u>63,821</u> |

**EXCESS OF ADDITIONS OVER
DEDUCTIONS**

12,377

**NET ASSETS HELD IN TRUST
FOR PENSION BENEFITS:**

| | |
|-----------------------------|-------------------------|
| Beginning of year, restated | <u>884,232</u> |
| End of year | <u><u>\$896,609</u></u> |

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

(1) ORGANIZATION AND DEFINITION OF REPORTING ENTITY

The City of Oakland, California, (the City) was incorporated on May 25, 1854, by the State of California and is organized and exists under and pursuant to the provisions of State law. The Mayor/Council form of government was established in November 1998 through Charter amendment. The legislative authority is vested in the City Council and the executive authority is vested in the Mayor with administrative authority resting with the City Manager.

The City has defined its reporting entity in accordance with generally accepted accounting principles (GAAP) which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The general purpose financial statements present information on the activities of the reporting entity, including all of the fund types and account groups of the City (the primary government) and its component units.

GAAP require that the component units be separated into blended or discretely presented units for reporting purposes. Although legally separate entities, blended component units are, in substance, part of the City's operations. Therefore, they are reported as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City.

Blended Component Units

The Redevelopment Agency of the City of Oakland (Agency) was activated on October 11, 1956, for the purpose of redeveloping certain areas of the City designated as project areas. Its principal activities are acquiring real property for the purpose of removing or preventing blight, constructing improvements thereon, and rehabilitating and restoring existing properties. The Oakland City Council serves as the Board of the Agency. The Agency's funds are reported as special revenue, capital projects and expendable trust funds.

Complete financial statements of the individual component units can be obtained from:

Financial Services Agency, Accounting Division
City of Oakland
150 Frank H. Ogawa Plaza, Suite 6353
Oakland, CA 94612-2093



The Civic Improvement Corporation (Corporation) was created to provide a lease financing arrangement for the City. It is reported as a debt service fund.

The Oakland Joint Powers Financing Authority (JPFA) was formed to assist in the financing of public capital improvements. JPFA is a joint exercise agency organized under the laws of the State of California and is composed of the City and the Agency. JPFA transactions are recorded in the capital projects and debt service funds, and the general long-term obligations account group.

Discretely Presented Component Units

The Port of Oakland (Port) is a public entity established in 1927 by the City. Operations include the Oakland International Airport; the Port of Oakland Marine Terminal Facilities; and commercial real estate which includes Oakland Portside Associates (OPA), a California limited partnership, and the Port of Oakland Public Benefit Corporation (Port-PBC), a nonprofit benefit corporation. The Port is governed by a seven-member Board of Port Commissioners (the Board) which is appointed by the City Council, upon nomination by the Mayor. The Board appoints an Executive Director to administer operations. The Port prepares and controls its own budget, administers and controls its fiscal activities, and is responsible for all Port construction and operations. The Port is required by City charter to deposit its operating revenues in the City treasury. The City is responsible for investing and managing such funds.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The various funds and account groups are summarized by type in the general purpose financial statements. Fund types and account groups used by the City are described below.

Governmental Fund Types

Governmental Fund Types are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in Proprietary Fund Types) are accounted for through Governmental Fund Types. The measurement focus is based upon determination of financial position and changes in financial position, rather than upon net income determination. The following are the City's Governmental Fund Types:

The **General Fund** is the primary operating fund of the City. It accounts for normal recurring activities traditionally associated with governments which are not required to be accounted for in another fund. These activities are funded principally by property taxes, sales and use taxes,

NOTES TO FINANCIAL STATEMENTS

business and utility taxes, interest and rental income, charges for services, and federal and state grants.

Special Revenue Funds account for certain revenue sources that are legally restricted to be spent for specified purposes. Other restricted resources are accounted for in trust, debt service, and capital projects funds.

Debt Service Funds account for the accumulation of resources to be used for the payment of general long-term debt principal and interest as well as related costs.

Capital Projects Funds account for financial resources to be used for the acquisition, construction or improvement of major capital facilities (other than those financed through the proprietary fund types).

Proprietary Fund Types

Proprietary Fund Types are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector and are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City adopts all applicable FASB Statements and Interpretations issued on or before November 30, 1989, in accounting and reporting for its proprietary operations unless those pronouncements conflict with or contradict Government Accounting Standards Board pronouncements. The measurement focus is based upon determination of net income, financial position and changes in cash flows. The following are the City's Proprietary Fund Types:

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds account for operations that provide goods and services to other City departments and agencies, or to other governments, on a cost-reimbursement basis.

Fiduciary Fund Types

Trust and Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include the pension trust, expendable trust, and agency funds. Operations of the pension trust funds are accounted for in the same manner as the proprietary fund types. Operations of expendable trust funds are accounted for in essentially the same manner as governmental fund types. Agency funds are custodial in nature and do not involve measurement of results of operations.



Account Groups

The **General Fixed Assets Account Group** accounts for recorded fixed assets of the City, other than those accounted for in the proprietary fund types.

The **General Long-Term Obligations Account Group** accounts for all long-term obligations, including claim liabilities and vested compensation and sick leave of the City, except for those obligations accounted for in the proprietary fund types.

Basis of Accounting

Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Operating statements for these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary fund types and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

Modified Accrual Basis of Accounting

The modified accrual basis of accounting is followed in the governmental fund types and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on general long-term obligations, are recorded when the fund liability is incurred and is expected to be liquidated with expendable available resources. The exception to the general modified accrual expenditure recognition criteria is that principal and interest on general long-term obligations are recorded when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

Intergovernmental revenues, which are primarily grants and subventions received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues which are virtually unrestricted as to purpose of

NOTES TO FINANCIAL STATEMENTS

expenditure and revocable only for failure to meet prescribed compliance requirements are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

Property taxes receivable within the governmental fund types which have been collected within sixty days following fiscal year-end are considered measurable and available and are recognized as revenues in the funds.

The County of Alameda is responsible for assessing, collecting and distributing property taxes in accordance with enabling state law, and for remitting such amounts to the City. Property taxes are assessed and levied as of March 1 on all taxable property located in the City, and result in a lien on real property. Property taxes are then due in two equal installments, the first on November 1 and the second on March 1 of the following calendar year, and are delinquent after December 10 and April 10, respectively. Since the passage of California's Proposition 13, beginning with fiscal year 1978-79, general property taxes are limited to a flat 1% rate applied to the 1975-76 full value of the property, or 1% of the sales price of the property or of the construction value added after the 1975-76 valuation. Assessed values on properties (exclusive of increases related to sales and construction) can rise a maximum of 2% per year. Taxes were levied at the maximum 1% rate during the fiscal year ended June 30, 2000.

Special assessments are recorded as revenues and receivables to the extent installments are considered current. The estimated installments receivable not considered current are recorded as receivables and offset by deferred revenue.

Other major revenues are susceptible to accrual and are also recognized as revenue when they are collected within 60 days of fiscal year-end. These include interest, utility consumption taxes, franchise fees, transient occupancy taxes, and certain rentals. Real estate transfer taxes on assessed properties transferred prior to the fiscal year-end and held by Alameda County, and sales and use taxes and motor vehicle in-lieu taxes held by the State at year-end on behalf of the City are also recognized as revenue.

Major revenues that are determined not to be susceptible to accrual because either they are not available soon enough to pay liabilities of the current period or are not objectively measurable include delinquent property taxes, licenses (other than business licenses), permits, fines and forfeitures.

Accrual Basis of Accounting

The accrual basis of accounting is utilized in all proprietary fund types and pension trust funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Deferred Revenue

Deferred revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records deferred revenue



While the City adopts budgets for all funds, the budget to actual comparisons for the following funds have not been shown due to some projects and programs being adopted on a multi-year basis and the complexity of the presentation.

Enterprise Funds

- Park and Recreation Fund
- Sewer Service Fund

Internal Service

- Equipment Fund
- Radio Fund
- Facilities Fund
- Reproduction Fund
- Central Stores Fund

Pension Trust Funds

- OMERS
- PFRS

Expendable Trust Funds

- Oakland Redevelopment Agency Project Fund
- Parks, Recreation and Cultural Trust Fund
- Pension Annuity Fund
- Other Expendable Trust Funds

Agency Fund

- Housing Finance Revenue Bond Fund

Cash and Investments

The City follows the practice of pooling cash of all operating funds for investment, except for the Oakland Redevelopment Agency funds, agency fund types, and funds held by outside custodians. Investments are generally carried at fair value. Money market investments (such as short term, highly liquid debt instruments including commercial paper, banker's acceptances, U.S. Treasury and agency obligations) and participating interest-earning investment contracts (such as negotiable certificates of deposit, repurchase agreements and guaranteed or bank investment contracts) that have a remaining maturity at the time of purchase of one year or less, are carried at amortized cost. Changes in fair value of investments are recognized as a component of interest income.

Income earned or losses arising from the investment of pooled cash are allocated on a monthly basis to the participating funds (except for Enterprise, Internal Service and certain Special Revenue Funds) and component units based on their proportionate share of the average daily cash balance.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The proprietary fund types' investments in the City's cash and investment pool are, in substance, demand deposits and are therefore considered to be cash equivalents.

Due From/Due To Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds."

Restricted Cash and Investments

Proceeds from debt and other cash and investments held by fiscal agents by agreement are classified as restricted assets.

Other Assets

Other assets primarily include prepaid expenses for governmental funds and bond discounts and issuance costs for proprietary fund type debt which are deferred and amortized over the term of the bonds under the interest method. Bond discounts and issuance costs for governmental fund type debt are recognized as expenditures when incurred.

Inventories

Inventories, consisting of materials and supplies held for consumption, are stated at cost. Cost is generally calculated using the first-in, first-out method. Inventory items are considered expensed when used.

General Fixed Assets

General fixed assets are those acquired for general governmental purposes. Such assets currently purchased or constructed are recorded as expenditures in the governmental fund types and are capitalized at cost in the General Fixed Assets Account Group, with the exception of certain assets acquired prior to July 1, 1984, which have been recorded at estimated historical cost. Donated fixed assets are recorded at estimated fair market value at the time of receipt.

Public domain infrastructure (general fixed assets consisting of certain improvements other than buildings) is not capitalized and is not included in the General Fixed Assets Account Group. These assets include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets. Such assets normally are immovable and of value only to the City; therefore, stewardship for capital expenditures is satisfied without recording such assets.

No depreciation is provided on general fixed assets.



Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) CASH AND INVESTMENTS AND RESTRICTED CASH AND INVESTMENTS

Primary Government

The City maintains a cash and investment pool consisting of City funds and cash held for OMERS, PFRS and the Port. The City's funds are invested according to the investment policy adopted by the City Council. The objectives of the policy are legality, safety, liquidity, diversity, and yield. The policy addresses soundness of financial institutions in which the City can deposit funds, types of investment instruments permitted by the California Government Code, duration of the investments, and the percentage of the portfolio which may be invested in certain instruments. Investments permitted by the policy include:

- United States Treasury securities (subject to restrictions by the Nuclear Free Ordinance);
- federal agency issues;
- bankers' acceptances;
- commercial paper;
- medium term corporate notes and deposit notes;
- negotiable certificates of deposit;
- certificates of deposit;
- Local Agency Investment Fund;
- money market mutual funds;
- local city/agency bonds;
- State of California bonds;
- secured obligations and agreements;
- repurchase agreements; and
- reverse repurchase agreements.

The City's investment policy stipulates that the collateral to back up repurchase agreements be priced at market value and be held in safekeeping by the City's primary custodian. Additionally, the City Council has adopted certain requirements prohibiting investments in nuclear weapons makers, and restricting investments in U.S. Treasury bills and notes due to their use in funding nuclear weapons research and production. As of June 30, 2000, the City was in compliance with the above stated investment requirements.

NOTES TO FINANCIAL STATEMENTS

Other deposits and investments are invested pursuant to the governing bond covenants, deferred compensation plans, or retirement systems' investment policies. Under the investment policies, the investment counsel is given the full authority to accomplish the objectives of the bond covenants or retirement systems subject to the discretionary limits set forth in the policies.

The retirement systems' investment policies allow the following:

Obligations of the United States Government, any agency of the United States Government, common stocks, mutual funds, preferred stocks and securities convertible into common stocks, Federal Housing Administration mortgages, certificates and shares of state or federal chartered savings and loan associations, equity or mortgage debt investments in existing real property or in property to be constructed, except that no mortgage investments may be funded until the improvements on the property are substantially complete.

Total deposits and investments (in thousands):

| | City | Port | Total |
|-------------|--------------------|------------------|--------------------|
| Deposits | \$ 177,738 | \$ 1,644 | \$ 179,382 |
| Investments | <u>1,602,434</u> | <u>525,719</u> | <u>2,128,153</u> |
| TOTAL | <u>\$1,780,172</u> | <u>\$527,363</u> | <u>\$2,307,535</u> |

These are classified on the Combined Balance Sheet as (in thousands):

| | City | Port | Total |
|---------------------------------|--------------------|------------------|--------------------|
| Cash and investments | \$1,273,839 | \$ 70,844 | \$1,344,683 |
| Restricted cash and investments | <u>506,333</u> | <u>456,519</u> | <u>962,852</u> |
| TOTAL | <u>\$1,780,172</u> | <u>\$527,363</u> | <u>\$2,307,535</u> |

Deposits

At June 30, 2000, the carrying amount of the City's deposits was \$177,738,000 and the bank balance was \$166,223,000. The difference between the carrying amount and the bank balance was primarily due to deposits in transit and outstanding checks. Deposits include checking accounts, interest earning savings accounts, money market funds, and nonnegotiable certificates of deposit. Of the bank balance, \$600,000 was FDIC insured and \$165,623,000 was collateralized with securities held by the pledging financial institution in the City's name, in accordance with Section 53652 of the California Government Code.

The California Government Code requires that governmental securities or first trust deed mortgage notes be used as collateral for demand deposits and certificates of deposit at 110 percent and 150 percent, respectively, of all deposits not covered by federal deposit insurance.



The collateral must be held by the pledging financial institution's trust department and is considered held in the City's name.

Investments

The City's investments are categorized to give an indication of the level of custodial risk assumed by the City at year-end. Category 1 includes investments that are insured or registered, or securities held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments, with the securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments, with the securities held by the counterparty or by its trust department or agent but not in the City's name.

At June 30, 2000, investments included the following (in thousands):

| | Category 1 | Carrying Value |
|-----------------------------------------------------------------|--------------------|--------------------|
| Subject to Custodial Risk Categorization | | |
| U.S. Treasury securities | \$ 130,138 | \$ 130,138 |
| Federal agency issues | 280,302 | 280,302 |
| Municipal bonds | 4,913 | 4,913 |
| Commercial paper | 17,742 | 17,742 |
| Bankers Acceptance | 2,464 | 2,464 |
| Negotiable certificates of deposit | 5,998 | 5,998 |
| Corporate stocks and bonds | 528,800 | 528,800 |
| Medium term corporate notes | 247,801 | 247,801 |
| Long-term repurchase and investment agreements | 468,817 | 468,817 |
| Total | <u>\$1,687,975</u> | <u>1,686,975</u> |
| Investments Not Subject to Custodial Risk Categorization | | |
| Real estate deeds | | 5,226 |
| Real estate mortgage loans/investments | | 138 |
| Life insurance annuity contracts | | 154,436 |
| Local Agency Investment Fund | | 35,796 |
| Investments held by broker-dealers under securities loans | | <u>245,582</u> |
| Total | | <u>441,178</u> |
| TOTAL INVESTMENTS | | 2,128,153 |
| Less Port of Oakland Investments | | <u>(525,719)</u> |
| TOTAL CITY INVESTMENTS | | <u>\$1,602,434</u> |

Securities Lending Transactions

PFRS is authorized to enter into securities lending transactions which are short term collateralized loans of PFRS securities to brokers with a simultaneous agreement allowing PFRS to invest and receive earnings on the loan collateral for a loan rebate fee. All securities loans can be terminated on demand by either PFRS or the borrower, although the average term of such loans is one week.

Metropolitan West Securities, Inc. (MetWest) administers the securities lending program. MetWest is responsible for maintaining an adequate level of collateral in an amount equal to at least 102% of the market value of loaned U.S. government securities. Collateral received may include cash, letters of credit, or securities. If securities collateral is received, PFRS cannot pledge or sell the collateral securities unless the borrower defaults.

At year-end, PFRS had no credit risk exposure to securities borrowers because the amounts PFRS owed to borrowers exceeded the amounts the borrowers owed to PFRS. PFRS' contract with MetWest requires it to indemnify PFRS if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay PFRS for income distributions by the securities' issuers while the securities are on loan.

As of June 30, 2000, PFRS had securities on loan with a market value of approximately \$238,159,000 for cash collateral of \$245,582,000.

PFRS' securities lending income for the year ending June 30, 2000, is as follows:

| | |
|------------------------------------|-------------------|
| Gross Income | \$ 10,388,658 |
| Expenses: | |
| Borrower rebates | 9,552,165 |
| Administration fees | <u>356,166</u> |
| Total Expenses | <u>9,908,331</u> |
| NET INCOME FROM SECURITIES LENDING | <u>\$ 480,327</u> |

Derivatives

The City's investment policy permits investments in certain derivatives. There were no derivatives included in the investment pool during the year ended June 30, 2000.

**(4) DUE FROM/DUE TO OTHER FUNDS**

The following were the current interfund balances at June 30, 2000 (in thousands):

| | Due from | Due to |
|---------------------------------------|--------------------------|-------------------------|
| General Fund | <u>\$ 82,415</u> | <u>\$ 12,124</u> |
| Special Revenue Funds | | |
| Federal and State Grants | 3,171 | 35,773 |
| Other Special Revenue | 1,926 | 1,105 |
| Oakland Redevelopment Agency | <u>535</u> | <u>54</u> |
| | <u>5,632</u> | <u>36,932</u> |
| Debt Service Funds | | |
| Tax Allocation Bonds | — | 20,358 |
| Lease Financings | 9,942 | 106 |
| Civic Improvement | 121 | 5 |
| JPFA Fund | — | 19 |
| Other Special Revenue Bonds | <u>—</u> | <u>4</u> |
| | <u>10,063</u> | <u>20,492</u> |
| Capital Projects Funds | | |
| Municipal Improvement Capital | 1,474 | 5,200 |
| Emergency Services | — | 112 |
| Oakland Redevelopment Agency | <u>2,477</u> | <u>18,504</u> |
| | <u>3,951</u> | <u>23,816</u> |
| Internal Service Funds | | |
| Facilities | — | 2,784 |
| Central Stores | <u>—</u> | <u>2,749</u> |
| | <u>—</u> | <u>5,533</u> |
| Trust and Agency Funds | | |
| Expendable Trust Funds | | |
| Oakland Redevelopment Agency Projects | <u>3,829</u> | <u>6,993</u> |
| | <u>3,829</u> | <u>6,993</u> |
| TOTAL | <u>\$ 105,890</u> | <u>\$105,890</u> |

(5) MEMORANDUMS OF UNDERSTANDING

The City and the Port have Memorandums of Understanding (MOUs) relating to: (a) general obligation bonds issued by the City for the benefit of the Port; (b) various administrative, personnel, data processing, and financial services (Special Services); and (c) police, fire, public street cleaning and maintenance, and similar services (General Services) provided by the City to the Port.

Payments for Special Services are treated as a cost of Port operations and have priority over certain other expenditures of Port revenues. At June 30, 2000, \$6,236,000 in Special Services expenditures have been accrued as a current liability by the Port and as a receivable by the City.

The Port's legal counsel advised the Port that payments for General Services and Lake Merritt to the City are payable only to the extent the Port determines annually that surplus monies are available. Subject to final approvals by the Port and the City, and subject to availability of surplus monies, the Port will reimburse the City annually for General Services and Lake Merritt tideland trust properties. At June 30, 2000, \$527,000 and \$1,000,000, have been accrued by the Port as a current liability and by Oakland as a receivable for General Services and Lake Merritt tideland trust properties, respectively.

The City and Port are in the process of negotiating an MOU for payments to be made by the Port to the City in consideration for services provided by the City on Tidelands Trust properties. Such payments are expected to amount to \$3,000,000 per year, and represent a portion of the total expenses incurred by the City in the provision of services within the Lake Merritt Tidelands boundaries. Included in the amount recorded as a receivable from the Port of Oakland is \$2,500,000 for fiscal year 1997, which the Port has also recorded as an obligation due to the City. Any additional amount due to the City will be recorded when an MOU has been executed.

**(6) NOTES AND LOANS RECEIVABLE**

Notes and loans receivable at June 30, 2000, consisted of the following (in thousands):

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Grant-in-aid loans at various interest rates and due dates (0% to 10% at June 30, 2000) | \$ 42,099 |
| Oakland Hotel Associates, Ltd., bearing interest at 7.67%, principal and interest due July 1, 2013, or earlier under certain provisions of the note | 7,986 |
| Mar Associates, bearing interest at 8%, principal and interest due March 9, 2002 | 3,288 |
| Oakland Hotel Associates, Ltd., bearing interest at Bank of America reference rate (0% at June 30, 2000), no principal and interest payable until December 30, 2026 | 3,379 |
| Foothill Plaza Partnership, bearing interest at 3%, principal and interest payable in equal monthly installments through July 20, 2017 | 1,176 |
| Oakland Renaissance Ltd., bearing interest at 7.72%, principal and interest due August 12, 2031 | 1,770 |
| Oakland Business Development Corporation Neighborhood Economic Development Fund revolving loan program, non-interest bearing, various borrowers | 1,237 |
| Hillary Development, bearing interest at 3%. Final maturity is currently under negotiation. | 1,793 |
| Harrison Hotel Associates, bearing interest at 6%, principal and interest due December 15, 2048 | 2,287 |
| Woodrow Hotel, bearing interest at 6.50%, principal and interest due December 3, 2023 | 1,626 |
| Other pass-thru loans at various interest rates and maturities (0% to 10% at June 30, 2000) | 17,291 |
| Other notes and loans receivable at various interest rates and maturities | 19,057 |
| E.M. Health Service, bearing interest at 8.75%, principal and interest payable in equal monthly installments through April 1, 2004 | 1,100 |
| Granny Goose Foods, bearing interest at 8.5%, principal and interest payable in equal monthly installments through October 1, 2016 | 1,660 |
| Cahon, Inc., bearing interest at 6%, through June 30, 1993, and zero interest thereafter, principal and interest due December 31, 2000, or earlier under certain provisions of the note | 1,100 |
| Women's Economic Agenda, bearing interest at 6%, principal and interest due August 14, 2025 | 2,403 |
| Eastmont Town Center, bearing interest at 9.51%, principal and interest payable in equal monthly installments through April 1, 2008 | 3,626 |
| Alvingroom Court, bearing interest at 3.0%, principal and interest due December 24, 2026 | 2,491 |
| Fruitvale Development Corporation bearing interest at 6.0%, interest only payments until June 1, 2002, principal and interest payable in equal monthly installments through June 1, 2016 | 1,160 |
| Allen Temple Housing Corporation IV bearing interest at 6.0%, principal and interest due November 7, 2035 | <u>1,160</u> |
| TOTAL | <u>\$ 117,689</u> |

NOTES TO FINANCIAL STATEMENTS

(7) FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2000, follows (in thousands):

| | Balance July 1, 1999 | Transfers/ Additions | Deletions | Balance June 30, 2000 |
|------------------------------------|----------------------------|-------------------------|------------------------|-----------------------------|
| Land | \$ 70,627 | \$ 521 | \$ — | \$ 71,148 |
| Facilities and improvements | 589,144 | 15,467 | — | 604,611 |
| Furniture, machinery and equipment | 38,121 | 1,526 | 1,901 | 37,746 |
| Investments in joint venture | 17,637 | 13,546 | — | 31,183 |
| Construction in progress | <u>13,540</u> | <u>1,352</u> | <u>—</u> | <u>14,892</u> |
| TOTAL | <u>\$729,069</u> | <u>\$32,412</u> | <u>\$ 1,901</u> | <u>\$759,580</u> |

A summary of property and equipment at June 30, 2000, for proprietary fund types and discretely presented component units follows (in thousands):

| | Enterprise Funds | Internal Service Funds | <u>Component Unit Port of Oakland</u> |
|------------------------------------------------|------------------------|------------------------------|---------------------------------------------------|
| Land | \$ 220 | \$ 310 | \$ 186,552 |
| Facilities and improvements | — | 210 | 866,928 |
| Container cranes | — | — | 95,690 |
| Furniture, machinery and equipment | 100,358 | 59,989 | 32,328 |
| Construction in progress | <u>—</u> | <u>—</u> | <u>288,714</u> |
| | 100,578 | 60,509 | 1,470,212 |
| Less accumulated depreciation and amortization | <u>20,580</u> | <u>44,231</u> | <u>374,620</u> |
| TOTAL | <u>\$79,998</u> | <u>\$16,278</u> | <u>\$1,095,592</u> |

**(8) PROPERTY HELD FOR RESALE**

Property held for resale at June 30, 2000, consisted of the following (in thousands):

| | |
|-----------------------------------------------------------------------------|-----------------|
| Chinatown | \$ 840 |
| City Center | 2,543 |
| Coliseum Shoreline | 2,749 |
| Housewives Market | 1,611 |
| Multi-Service Center | 5,100 |
| Swans Market | 4,425 |
| Taldan Site | 1,302 |
| City Hall Annex | 2,875 |
| Preservation Park | 6,448 |
| City Center Garage West | 21,447 |
| Fox Theater | 3,000 |
| 11th-12th Broadway & Franklin | 3,153 |
| U.S. Ice Skating Rink | 10,588 |
| 819 Clay Street | 141 |
| Acorn Shopping Center | 2,970 |
| 529—20th Street, 1901 Telegraph Avenue, 538-544 & 562-570 William Street | 1,791 |
| 550 William Street | 192 |
| 562-570 William Street | 121 |
| 584 William Street | 36 |
| 811 Clay Street | 312 |
| Evelyn Rose Family Housing (Conveyance) | 1,049 |
| 1818-1824 San Pablo Avenue | 301 |
| 1826-1840 San Pablo Avenue (Res. 99-49) | 607 |
| 728—73rd Avenue | 365 |
| 1975 Telegraph Avenue | 891 |
| 602, 604 & 608 William Street | 82 |
| Total | <u>\$74,939</u> |

The Agency acquired the Preservation Park project, which was developed by a joint venture between the Agency and Bramalea Pacific, Inc., by credit bid at a foreclosure sale. On January 5, 1996, under an Assumption Agreement between the City and the Agency, the Agency assumed the \$6,448,000 obligation of the Preservation Park project.

On May 8, 1991, the Agency entered into a joint venture agreement with Bramalea Pacific, Inc. under the name of City Center Garage West Associates (Associates). The purpose of the joint venture was to construct and operate a multi-level parking structure and other related stores and offices. Associates entered into a loan agreement with the City for \$22,000,000 to construct the garage. On May 23, 1995, due to the Canadian bankruptcy of Bramalea's parent company, the City took title to the garage in settlement of the loan obligation of Associates. On October 12, 1995, the City transferred the title of the garage to the Agency to hold as property held for

resale and will operate for the purpose of facilitating the future development of the City Center Project. In acceptance of the title to the garage, the Agency acquired the City's loan to Associates. The Agency agreed to repay the City's loan balance of \$21,447,000.

In June 1996, U.S. Ice Ventures defaulted on their loan repayment obligations to the Agency pursuant to loan documents between the Agency and U.S. Ice Ventures. As a result of the default, the Agency sued U.S. Ice Ventures to enforce the Agency's rights under the agreements between the Agency and U.S. Ice Ventures. In October 1996, U.S. Ice Ventures filed for bankruptcy. On May 1, 1997, under the bankruptcy settlement, the Agency took title of the property.

(9) TAX AND REVENUE ANTICIPATION NOTES PAYABLE

During the fiscal year ended June 30, 2000, the City issued tax and revenue anticipation notes payable of \$60,000,000. The notes were issued to satisfy General Fund obligations and carried an effective interest rate of approximately 4.25%. Principal and interest were due and repaid on June 30, 2000.

(10) LONG-TERM OBLIGATIONS

General Long-Term Obligations

The following is a summary of changes in general long-term obligations for the year ended June 30, 2000 (in thousands):

| | Balance at July 1, 1999 | Additional Obligations and Net Increases | Maturities and Retirements | Balance at June 30, 2000 |
|---------------------------------------------------------|----------------------------------------|-------------------------------------------------------------|-------------------------------------------|-----------------------------------------|
| General obligation bonds | \$ 132,960 | \$ — | \$ 3,295 | \$ 129,665 |
| Tax allocation bonds | 184,839 | 39,395 | 7,955 | 216,279 |
| Lease financings | 508,648 | — | 6,035 | 502,613 |
| Special assessment debt with governmental commitment | 10,050 | 7,255 | 7,580 | 9,725 |
| Special revenue bonds | 422,850 | — | 15,570 | 407,280 |
| Notes payable | 29,036 | 4,280 | 7,376 | 25,940 |
| Accrued vacation and sick leave | 30,514 | — | 1,200 | 29,314 |
| Self-insurance liability for workers' compensation | 44,380 | — | — | 44,380 |
| Estimated claims payable | 13,757 | 8,749 | — | 22,506 |
| Contingent liability for Authority debt (Note 15) | <u>94,750</u> | <u>8,273</u> | <u>—</u> | <u>103,023</u> |
| TOTAL | <u><u>\$1,471,784</u></u> | <u><u>\$67,952</u></u> | <u><u>\$49,011</u></u> | <u><u>\$1,490,725</u></u> |



General long-term obligations at June 30, 2000, consisted of the following (in thousands):

| | Maturities (Calendar Year) | Interest Rates | Balance at June 30, 2000 |
|----------------------------------------------------------------------------|-------------------------------|-------------------|-----------------------------|
| General Obligation Bonds | | | |
| General Obligation Bonds Series 1991A (a) | 2000-2015 | 5.50%-8.50% | \$ 10,060 |
| General Obligation Bonds Series 1995B (a) | | | |
| Serial bonds | 2000-2013 | 5.30%-8.25% | 7,685 |
| Term bonds | 2015 | 5.875% | 1,760 |
| Term bonds | 2019 | 5.875% | 4,190 |
| General Obligation Bonds Series 1997C (a) | | | |
| Serial bonds | 2000-2019 | 5.50%-6.00% | 16,665 |
| Term bonds | 2022 | 5.90% | 4,660 |
| General Obligation Bonds Series 1992 (b) | | | |
| Serial bonds | 2000-2012 | 4.25%-6.00% | 16,320 |
| Term bonds | 2017 | 6.00% | 10,435 |
| Term bonds | 2022 | 6.00% | 14,460 |
| General Obligation Bonds Series 1997 (c) | | | |
| Serial bonds | 2000-2016 | 5.25%-5.75% | 26,270 |
| Term bonds | 2019 | 5.75% | 5,075 |
| Term bonds | 2022 | 5.85% | <u>12,085</u> |
| | | | <u>129,665</u> |
| Tax Allocation Bonds | | | |
| Acorn Refunding Series 1988 (d) | | | |
| Term bonds | 2007 | 7.40% | 2,075 |
| Central District Tax Allocation Refunding Series 1989A (e) | | | |
| Serial bonds | 2000-2000 | 6.40%-6.55% | 3,485 |
| Capital appreciation bonds | 2001-2009 | 6.60%-6.65% | 11,899 |
| Central District Senior Tax Allocation Refunding Series 1992 (f) | | | |
| Serial bonds | 2000-2008 | 5.10%-6.00% | 38,165 |
| Term bonds | 2009-2014 | 5.50%-6.15% | 35,910 |
| Central District Subordinated Tax Allocation Refunding Series 1992A (g) | 2000-2019 | 5.95% | 52,800 |
| Central District Subordinated Tax Allocation Series 1993A (h) | | | |
| Serial bonds | 2000-2004 | 4.00%-4.90% | 3,205 |
| Term bonds | 2005-2009 | 5.30% | 4,075 |
| Term bonds | 2010-2013 | 5.00% | 4,080 |
| Term bonds | 2014-2021 | 5.00% | 11,025 |
| Central District Subordinated Tax Allocation Bonds, Series 1995A (i) | | | |
| Serial bonds | 2001 | 5.50% | 225 |
| Term bonds | 2008 | 7.20% | 1,010 |
| Term bonds | 2015 | 7.50% | 1,340 |
| Term bonds | 2021 | 7.60% | 7,060 |
| General Obligations - Tribune Tower | 2011 | 5.643% | 530 |
| Subordinated Housing Set Aside Revenue (j) Bond Series 2000T | | | |
| Serial bonds | 2003 | 7.39% | 1,325 |
| Serial bonds | 2004 | 7.39% | 1,425 |
| Serial bonds | 2010 | 7.82% | 11,160 |
| Serial Bonds | 2015 | 7.93% | 14,065 |
| Serial Bonds | 2018 | 8.03% | <u>11,420</u> |
| | | | <u>216,279</u> |

NOTES TO FINANCIAL STATEMENTS

| | Maturities (Calendar Year) | Interest Rates | Balance at June 30, 2000 |
|---------------------------------------------------------------------------|-------------------------------|-------------------|-----------------------------|
| <i>Lease Financings</i> | | | |
| Oakland JPFA Lease Revenue Bonds, Series 1996 (k) | | | |
| Serial bonds | 2000-2011 | 4.60%-5.50% | \$ 28,125 |
| Term bonds | 2016 | 5.90% | 18,395 |
| Term bonds | 2021 | 5.75% | 24,610 |
| Term bonds | 2026 | 5.75% | 32,815 |
| California Statewide Communities Development Authority Bonds (l) | | | |
| Serial bonds | 2000-2007 | 5.40%-6.20% | 54,390 |
| Term bonds | 2010 | 6.00% | 31,900 |
| Term bonds | 2014 | 5.50% | 52,630 |
| Oakland Museum 1992 Series A (m) | | | |
| Serial bonds | 2000-2003 | 5.60%-6.00% | 6,525 |
| Term bonds | 2005 | 6.25% | 5,020 |
| Term bonds | 2012 | 6.00% | 15,900 |
| Capital appreciation bonds | 2006-2007 | 6.45%-6.55% | 2,203 |
| Civic Improvement Corporation (n) | 2000-2015 | Variable | 42,600 |
| Oakland JPFA Lease Revenue Bonds, Series 1998 (o) | | | |
| Swapped | 2000-2021 | 5.6775% | 170,000 |
| Variable Rate | 2000-2021 | Variable | 17,500 |
| | | | <u>502,613</u> |
| <i>Special Assessment Debt with Governmental Commitment</i> | | | |
| Medical Hill Parking District Refunding Improvement Bonds 1994 (p) | | | |
| Term bonds | 2004 | 6.00% | 1,145 |
| Oakland JPFA Reassessment Revenue Bonds | | | |
| Serial bonds | 2000-2010 | 3.70-5.15% | 2,025 |
| Term bonds | 2018 | 5.40% | 2,465 |
| Term bonds | 2024 | 5.50% | 2,620 |
| Oakland JPFA Special Assessment Pooled Revenue Bonds 1996 Series A (q) | 2000-2020 | 4.20-6.70% | 385 |
| Oakland Special Assessment Pooled Revenue Bonds 1997 (r) | | | |
| Serial Bonds | 2000-2007 | 4.20-5.20% | 575 |
| Term bonds | 2012 | 5.65% | 510 |
| | | | <u>9,725</u> |
| <i>Special Revenue Bonds</i> | | | |
| Taxable Pension Obligation Bonds Series 1997 (s) | 2000-2010 | 5.63%-7.31% | <u>407,280</u> |
| <i>Notes Payable</i> | | | |
| Koch Financial Corporation (t) | 2000-2003 | 4.11% | 8,976 |
| Department of Housing Urban Development (u) | N/A | N/A | 15,985 |
| Light-Emitting Diode Traffic Signal Conversion Project (v) | | | 979 |
| | | | <u>25,940</u> |



| | Maturities (Calendar Year) | Interest Rates | Balance at June 30, 2000 |
|--------------------------------------------------------------|-------------------------------|-------------------|-----------------------------|
| Other Long-Term Liabilities | | | |
| Accrued vacation and sick leave | | | \$ 29,314 |
| Self-insurance liability for workers' compensation (Note 12) | | | 44,380 |
| Estimated claims payable (Note 12) | | | 22,506 |
| Contingent liability for Authority debt (Note 15) | | | <u>103,023</u> |
| | | | <u>199,223</u> |
| TOTAL GENERAL LONG-TERM OBLIGATIONS | | | <u>\$ 1,490,725</u> |

General Obligation Bonds

(a) General Obligation Bonds Series 1991A, Series 1995B and Series 1997C

The City received authorization to issue \$60 million of General Obligation Bonds by a two-thirds vote of the electorate at the November 6, 1990, general election. The bonds were authorized for the purpose of financing the acquisition of land and to expand and develop park and recreation facilities. On February 19, 1991, the City issued \$12,000,000 of General Obligation Bonds Series 1991A. On March 1, 1995, the City issued a second series, \$15,000,000 General Obligation Bonds Series 1995B. On April 1, 1997, the City issued a third series, \$22,250,000 General Obligation Bonds Series 1997C, leaving the authorized but unissued amount of \$10,750,000. The City is obligated to levy ad valorem taxes upon all property subject to taxation within the City, without limitation of rate or amount, for the payment of the principal and interest on the bonds.

(b) General Obligation Bonds Series 1992

On July 15, 1992, the City issued \$50 million of General Obligation Bonds Series 1992. The City received authorization to issue these bonds by two-thirds vote of the electorate at the June 2, 1992, primary election. Bond proceeds are to be used for enhancement of the City's emergency response capabilities and for seismic reinforcement of essential public facilities and infrastructure.

(c) General Obligation Bonds Series 1997

On March 15, 1997, the City issued \$45,420,000 of General Obligation Bonds Series 1997 to repair, construct, acquire and improve libraries, museums and other cultural and recreational facilities throughout the City. The bonds represent the first and only series of bonds within the authorization approved by the voters of the City on November 5, 1996. The City is obligated to levy ad valorem taxes upon all property subject to taxation within the City, without limitation of rate or amount, for the payment of the principal and interest on the bonds.

Tax Allocation Bonds**(d) Acorn Tax Allocation Refunding Bonds Series 1988**

On November 1, 1988, the Agency issued the \$3,375,000 of Acorn Tax Allocation Refunding Bonds Series 1988 to advance refund \$2,895,000 of Acorn Tax Allocation Refunding Bonds. The bonds are a limited obligation of the Agency and are payable from and secured by a pledge of a portion of tax revenues assessed on property within the Central District Redevelopment Project Area allocable to the Agency pursuant to Redevelopment Law. Bonds maturing in 2007 are subject to mandatory sinking fund requirements commencing May 1, 2001, and are subject to prior redemption.

(e) Central District Tax Allocation Refunding Bonds Series 1989A

On August 1, 1989, the Agency issued \$92,399,000 of Central District Tax Allocation Refunding Bonds Series 1989A were issued by the Agency. Proceeds of the bonds are being used by the Agency to finance projects and improvements in the Central District Redevelopment Project Area. The bonds are a limited obligation of the Agency and are payable from and secured by a pledge of a portion of tax revenues assessed on property within the Central District Redevelopment Project Area, allocable to the Agency pursuant to Redevelopment Law.

As discussed under Central District Subordinated Tax Allocation Refunding Series 1992A, the Agency refunded all of the \$51,600,000 term portion and \$2,000,000 of the serial portion of the Series 1989A bonds.

(f) Central District Senior Tax Allocation Refunding Bonds Series 1992

On November 15, 1992, the Agency issued \$97,655,000 of Central District Senior Tax Allocation Refunding Bonds Series 1992 at an effective interest cost of 6.25%. The bonds were issued to defease in substance all of the Agency's Central District Tax Allocation Refunding Bonds Series 1986 in the amount of \$84,325,000. The bonds are secured on a senior basis by tax increment revenue of the Agency. The Series 1992 Senior Tax Allocation Refunding Bonds are a limited obligation of the Agency and are payable from and secured by a pledge of a portion of tax revenues assessed on property within the Central District Redevelopment Project Area, allocable to the Agency pursuant to Redevelopment Law.

(g) Central District Subordinated Tax Allocation Refunding Bonds Series 1992A

On July 9, 1992, the Agency issued \$53,600,000 of Central District Subordinated Tax Allocation Refunding Bonds Series 1992A, at an interest rate of 5.95% to provide a bond equivalent yield of 6.02%. These bonds were used to refund the \$51,600,000 term bond portion and \$2,000,000 of the serial bond portion of the Agency's Central District Tax Allocation Refunding Bonds Series 1989A. These bonds are on parity with the Central



District Subordinated Tax Allocation Bonds Series 1993A and Central District Tax Allocation Refunding Bonds Series 1989A. These bonds are a limited obligation of the Agency and are payable from and secured by a pledge of a portion of tax revenues assessed on property within the Central District Redevelopment Project Area allocable to the Agency pursuant to Redevelopment Law.

(h) Central District Subordinated Tax Allocation Bonds Series 1993A

On March 1, 1993, the Agency issued \$25,000,000 of Central District Subordinated Tax Allocation Bonds Series 1993A. A portion of the proceeds of the bonds is intended to be used to finance the renovation and reconstruction of the Oakland City Hall and other redevelopment projects in the Central District Redevelopment Project Area. The remaining proceeds were used to establish a capitalized interest account to pay interest charges through March 1, 1995, and to establish a reserve account. The bonds are on parity with the Central District Tax Allocation Refunding Bonds Series 1989A and Central District Subordinated Tax Allocation Refunding Series 1992A bonds, and are a limited obligation of the Agency payable from and secured by a pledge of a portion of tax revenues assessed on property within the Central District Redevelopment Project Area allocable to the Agency pursuant to Redevelopment Law.

(i) Central District Subordinated Tax Allocation Series 1995A

On August 1, 1995, the Agency issued \$10,000,000 of Central District Redevelopment Project Subordinated Tax Allocation Bonds Series 1995A, at an interest cost of 7.80%. The bonds mature on September 1, 2021.

Proceeds of the bonds provide the Agency's portion of the construction costs of the City Administration facilities. Remaining proceeds may be used for other capital expenditures within the Central District Project.

These bonds are issued on parity with the Redevelopment Agency's Central District Redevelopment Project Subordinated Tax Allocation Bonds Series 1993A, the Agency's Subordinated Tax Allocation Refunding Bonds, Series 1992A and the Agency's Central District Subordinated Tax Allocation Refunding Bonds Series 1989A.

(j) Subordinated Housing Set-Aside Revenue Bonds Series 2000T

On May 1, 2000, the Agency issued Subordinated Housing Set Aside Revenue Bonds, Series 2000T in aggregate principal amount of \$39,395,000 at interest rates ranging from 7.39% to 8.03%, which will mature on September 01, 2018. Proceeds of the bonds will be used by the Agency to increase, improve, and preserve the supply of housing within the City of Oakland available at affordable housing cost to persons or families of low or very low income. The bonds are secured by portion of the 20% housing set-aside tax increment revenues from the City's six redevelopment project areas. These bonds were issued on a federally taxable basis to provide the greatest flexibility on the use of proceeds. A portion

of the proceeds (\$1,028,641) was used to pay for closing costs such as: cost of issuance, underwriter's discount, insurance premium, and surety bond.

Lease Financings

(k) Oakland JPFA Lease Revenue Bonds Series 1996

On March 15, 1996, the Oakland Joint Power Financing Authority (JPFA) issued Lease Revenue Bonds Series 1996 in the amount of \$103,947,000. Bond proceeds are to be used for the design, construction, rehabilitation and equipping of two buildings which will be part of the administrative center of the City of Oakland. The bonds are payable from revenue consisting primarily of lease payments to be made by the City to the JPFA for certain real property and improvements thereon under a lease agreement.

(l) California Statewide Communities Development Authority Bonds

On November 1, 1992, the California Statewide Communities Development Authority (CSCDA) issued \$149,825,000 of 1992 Lease Revenue Bonds to purchase the Kaiser Convention Center (Kaiser) and the George P. Scotlan Memorial Convention Center (Scotlan). The City concurrently leased Kaiser and Scotlan from CSCDA.

Due to the substance of the financing transaction, the effect of the issuance of the Bonds has been recorded directly as an issuance of debt by the City to finance the reacquisition of the Kaiser and Scotlan Convention Centers. Accordingly, the Bonds are recorded in the General Long-Term Obligations Account Group. The City's capital lease obligation is not reflected in the City's general purpose financial statements.

The serial bonds maturing on or after October 1, 2002, the term bonds maturing on October 1, 2010, and the term bonds maturing on October 1, 2014, are subject to optional redemption, in such order of maturity as the City shall direct, commencing October 1, 2002. The bonds maturing on October 1, 2010, and October 1, 2014, will be subject to mandatory redemption, or in part by lot, on October 1 in each year, commencing on October 1, 2008, and October 1, 2001, respectively.

(m) Oakland Museum 1992 Series A

On May 15, 1992, the Agency issued \$39,408,000 of Refunding Certificates of Participation (Certificates) with an effective interest cost of 6.442% to legally defease the Oakland Museum Certificates of Participation 1987 Series A.

The Agency has leased the Museum's facilities and site to the City under a lease agreement. The Agency is not obligated to make any payments in respect to the Certificates except from the payments by or on behalf of the City pursuant to the lease agreement.



Due to the substance of the financing transaction, the effect of the issuance of the Certificates has been recorded directly as an issuance of debt by the City to finance the reacquisition of the Museum. Accordingly, the Certificates are recorded by the City in the General Long-Term Obligations Account Group. The Agency's direct financing lease receivable and City's capital lease obligation are not reflected in the City's general purpose financial statements.

(n) Civic Improvement Corporation

On December 1, 1985, the City entered into various simultaneous agreements to finance the acquisition and construction of capital improvements on City property, such as traffic control devices, street resurfacing, parking lots, garages and the rehabilitation of various City buildings. The following is a summary of the agreements that have been entered into.

Certificates of Participation—The Civic Improvement Corporation (Corporation), a not-for-profit corporation, issued \$52,300,000 variable rate demand certificates of participation evidencing the proportionate interests of the owners thereof in lease payments to be made by the City for certain property pursuant to a master lease agreement with the Corporation.

Master Lease Agreement—The City entered into a lease agreement with the Corporation whereby the Corporation agreed to provide financing for certain proposed capital improvements. Under the terms of the agreement, the City agreed to supervise and provide for the construction and improvement of certain City properties. The improvements were paid by the Corporation from the proceeds of the certificates that were held by the Trustee. Once the improvements are completed, the Corporation has agreed to lease the projects to the City. The lease payments to be received by the Corporation are equal to the related principal and interest payments on the certificates.

Letter of Credit—The letter of credit (LC) is an irrevocable direct-pay obligation of Landesbank Hessen-Thüringen Girozentrale. The LC expires August 2, 2002. In aggregate, the City has available under the LC \$44,925,808 as of June 30, 2000, of which \$44,000,000 may be drawn for the payment of the unpaid principal amount of the certificates, and \$925,808 may be drawn for payment of interest accrued on the certificates. In order to obtain the LC, the City became obligated to pay commission fees of one-quarter of one percent per annum on the available amount outstanding on the LC. For the year ended June 30, 2000, the City paid a total letter of credit fee of approximately \$106,000.

(o) Oakland Joint Powers Financing Authority, Series 1998

The 1998 bonds were issued by the Joint Powers Authority on August 3, 1998, to refund the City of Oakland's Special Refunding Revenue Bonds (Pension Financing), Series 1988A. The bonds were sold in a variable-rate mode, in two series: \$131,500,000 Series A-1 and \$56,000,000 Series A-2, with a final maturity of August 1, 2021. The bonds are limited obligations of the Authority, payable by base rental payments from the City's General Fund, in exchange for the right to use and possession of a portion of the City's sewer system. The City entered into a \$170,000,000 forwarding-starting, floating-to-fixed "synthetic-fixed-rate" swap, at a 5.6775% interest rate, with Goldman Sachs, which commenced on July 31, 1998, and terminates on July 31, 2021. The swap entitles the City to receive variable rate payments equal to the Bond Market Association Municipal Swap Index in exchange for a fixed rate payment to Goldman Sachs. The notional value of the swap declines in accord with the outstanding principal on the bonds.

Special Assessment Debt with Governmental Commitment

(p) Medical Hill Parking District Refunding Improvement Bonds 1994

In April 1994, the City issued \$2,020,000 of 1994 Refunding Improvement Bonds Medical Hill Parking Assessment District, Series 3 (Refunding Bonds) at an interest rate of 6.237%. The Refunding Bonds are payable from assessments levied against property owners in the Medical Hill District. In the event of continuing delinquencies in the payment of the property owners' installments, the City, in the absence of any other bidder, is obligated to purchase the delinquent property owner's property at a delinquent assessment sale and pay delinquent and future installments of assessments and interest thereon until the land is resold or bonds are redeemed.

(q) Oakland JPFA Reassessment Revenue Bonds

On July 5, 1999, the Oakland Joint Powers Financing Authority issued bonds in order to refinance the local obligation bonds for two special assessment districts: (1) for a portion of the costs of construction of new underground support services and for repaving the street surfaces in conjunction with the undergrounding of utility lines in the area affected by the October 1991 firestorm (Fire Area Utility Underground Assessment District No. 1994-1), and (2) for a portion of the costs of providing new, enlarged water delivery lines and higher-flow fire hydrants in the upper Rockridge area (Rockridge Water Area Improvements District No. 1994-2). The bonds are rated A- by Standards & Poors Corporation. The bonds are payable from revenues derived from the reassessments levied on the properties in the original two assessment districts.



(r) Oakland JPFA Special Assessment Pooled Revenue Bonds 1996 Series A

In August 1996, the Oakland Joint Powers Financing Authority ("JPFA") issued \$465,000 of Special Assessment Pooled Revenue Bonds 1996 Series A. The Bonds were issued pursuant to Resolution No. 96-02 of the JPFA to provide funds for a loan to the City (pursuant to City Resolution No. 72830) for the purpose of funding (1) the installation of certain underground utilities and street light fixtures within four districts in the City of Oakland, and (2) the construction of a sewer line in the Skyline Sewer District. Loan repayment will be secured exclusively by the unpaid portion of special assessments levied upon the properties benefited by the improvements acquired and constructed with the loan proceeds.

(s) Oakland Special Assessment Pooled Revenue Bonds 1997

In December 1997, the Oakland Joint Powers Authority ("JPFA") issued \$1,250,000 of Special Assessment Pooled Revenue Bonds, Series 1997. The bonds were issued pursuant to Resolution No. 97-01 of the JPFA to finance the purchase by the JPFA from the City of Oakland Assessment Bonds issued by the City of Oakland. Each issue of Assessment Bonds were issued for the purpose of funding the installation of undergrounding certain utilities and the construction of street lighting within five districts of the City of Oakland. The Assessment Bonds are payable from the unpaid assessments levied upon real property within the five districts.

(t) Taxable Pension Obligation Bonds Series 1997

On February 1, 1997, the City issued Taxable Pension Obligation Bonds Series 1997, Sub-series A, comprised of \$393,790,000 of Current Interest Bonds and \$26,705,000 of Capital Appreciation Bonds and Sub-series B in the amount of \$15,795,000 Current Interest Bonds. The proceeds of the bonds were used to fund (1) a portion of the current balance of the City's unfunded actuarial accrued liability (UAAL) for retirement benefits to members of the Oakland Police and Fire Retirement System (PFRS), (2) a portion of the City's current normal contribution to PFRS for the fiscal year ended June 30, 1997, and (3) pay costs of issuance of the Bonds. The payment to PFRS in the amount of \$417,173,000 equals the present value of the payments the City would otherwise be required to make to amortize the current balance of the City's UAAL through June 30, 2011, and a portion of the City's normal contribution as stated in (2) above.

In March 1997, the City entered into a debt service deposit agreement with a third party whereby the City received \$8,147,000 in exchange for forgoing its right to receive investment earnings on the amounts deposited with the trustee in advance of the date that the Pension Obligation Bonds debt service payment is due to the bondholders. The compensation the City received has been recorded in the General Fund as deferred revenue and is being amortized over the 14 year life of the agreement using the effective interest method.

Notes Payable**(u) Koch Financial Corporation**

The City entered into a financing agreement with Oracle Credit Corporation in March 1998 for financing costs associated with implementing a new financial and human resources/payroll system. That agreement was subsequently assigned to Koch Financial Corporation. This project will be financed over a five-year period with quarterly payments of \$894,950 beginning August 1, 1998, at an interest rate of 4.11%. The total amount to be financed is \$15.8 million. The City made an initial down payment of \$2.0 million in March 1998. As of June 30, 2000, \$15.7 million in costs had been incurred related to implementing these new systems. It is anticipated that this project will be completed prior to the end of the 2000-01 fiscal year. The balance of the loan as of June 30, 2000, was \$8,976,000.

(v) Department of Housing and Urban Development

On July 14, 1995, the City of Oakland and IDG/Banner Urban Ventures, a California Corporation, entered into a Disposition and Development Agreement pursuant to which the City agreed to sell City-owned real property located on Martin Luther King, Jr. Way. The agreement provided that the developer would acquire and renovate the core and shell of buildings on the property. The City borrowed Housing and Urban Development (HUD), Section 108 loan funds in its own name to finance the project. On February 9, 1996, the City terminated the Disposition and Development Agreement with IDG/Banner Urban Ventures and assumed full responsibility in the development of the property to commercial and high technology oriented companies. The total amount of the note was \$10,945,000. On July 28, 1998, the City Council passed Resolution No. 12074 C.M.S. authorizing the sale of the property to Children's Hospital Oakland. The balance of the note as of June 30, 2000 was \$5,620,000.

In addition to the above note to the City, an additional \$10,365,000 remain outstanding in Section 108 loans provided to private sector recipients for housing, business enterprises, and other eligible purposes. These loans are secured by Community Development Block Grant (CDBG) funds with the City.

As of June 30, 2000, the total balance outstanding under the HUD Section loan program was \$15,985,000.

(w) Light-Emitting Diode Traffic Signal Conversion Project

The City entered into a financing agreement with Banc One Leasing Corporation in November 1998 for financing costs associated with replacement of incandescent traffic light bulbs. The notes carry an interest rate of 4.3% and a final maturity of July 15, 2003.



Current Year Defeasance

In July 1999, the City sold \$7,255,000 in Marks-Roos Bonds for the sole purpose of purchasing from the City \$7,095,000 Limited Tax Obligation Bonds, Reassessment District No. 99-1 (the "Reassessment Bonds"). The Reassessment Bonds were sold by the City on behalf of two existing assessment districts, No. 1994-1 and No. 1994-2, to refund the outstanding limited obligation bonds within each of these districts (Fire Area Utility Underground, Series 1994A and Series 1994, and the Rockridge Area Water Improvements, Series 1994)—(the "Refunded Bonds"). Through a successful pricing, the City was able to produce savings that directly translated into substantial reductions on the annual assessment on each parcel within two districts. From this refinancing, Assessment District No. 1994-1 (Fire Area) was able to realize \$2,234,687 in total debt service savings, which translated into an average annual savings per home of \$41. Assessment District No. 1994-2 (Rockridge) was able to realize \$292,571 in total debt service savings, which translated into average annual savings per home of \$23. The refunding produced an economic gain (the present value of debt service savings) of \$1,504,000.

Prior Year Defeasance

In prior years, the City defeased its 1976 Pension Revenue Bonds. A portion of the proceeds of the refunding issue was placed in an irrevocable trust to provide for debt service on the defeased bonds. At June 30, 2000, \$1 million of the 1976 Pension Revenue Bonds remained outstanding.

Proprietary and Fiduciary Fund Long-Term Debt

Proprietary and fiduciary fund long-term debt at June 30, 2000, was as follows (in thousands):

| | Maturity | Interest Rates | Balance at June 30, 2000 |
|-------------------------------------------------------------------|-----------|----------------|--------------------------|
| Sewer Service Enterprise Fund | | | |
| Construction Loans | 1992-2011 | 3.50% | \$ 4,840 |
| | 1992-2011 | 3.50% | 699 |
| | 1993-2015 | 3.00% | <u>3,384</u> |
| | | | \$ 8,923 |
| Internal Service Fund - Master Equipment Lease | | | |
| Schedule No. 1 | 2001-2003 | 5.46% | \$ 5,099 |
| Schedule No. 2 | 2001-2005 | 5.40% | 4,392 |
| Schedule No. 3 | 2001-2007 | 5.39% | 11,323 |
| Schedule No. 4 | 2001-2010 | 5.43% | <u>7,946</u> |
| | | | \$28,760 |
| Pension Trust Fund | | | |
| Oakland Municipal Employees' Retirement System Revenue Bonds 1976 | 2002 | 6.50% | \$ 1,010 |

In March 1990, the City and East Bay Municipal Utility District (EBMUD) entered into an agreement to secure financing for the rehabilitation of the City's sewer system through the California State Revolving Fund Loan Program.

During the fiscal year ended June 30, 1992, construction was completed on the sewer projects. Upon completion of these projects, the City became liable for its share of the completed project costs. The liability will be repaid, together with interest thereon, to EBMUD in equal annual installments through 2015. The main source of repayment comes from monthly sewer service charges collected from property owners within the EBMUD service area.

In April 2000, the City entered into a Master Lease Purchase Agreement for \$28,760,000 in equipment leases. The lease provide funding for the replacement of City vehicles and equipment. The four lease schedules bear interest rates of 5.39% to 5.46% and a final maturity of April 26, 2010.



Discretely Presented Component Unit - Port of Oakland

The Port of Oakland debt at June 30, 2000, was as follows (in thousands):

| | Maturity | Interest Rates | Balance at June 30, 2000 |
|-----------------------------------------------------|----------|----------------|--------------------------|
| Parity Bonds (a) | | | |
| 1990 Revenue Bonds Series D | 2003 | 6.125-8.00% | \$ 27,575 |
| 1992 Revenue Bonds Series E | 2022 | 5.00-6.50% | 141,130 |
| 1993 Revenue Bonds Series F | 2009 | 2.75-5.75% | 32,297 |
| 1997 Revenue Bonds Series G | 2025 | 3.60-6.00% | 83,395 |
| 1997 Revenue Bonds Series H | 2015 | 3.60-5.50% | 76,240 |
| 1997 Revenue Bonds Series I | 2019 | 5.40-5.60% | 84,820 |
| 1997 Revenue Bonds Series J | 2026 | 5.50% | 14,845 |
| 2000 Revenue Bonds Series K | 2030 | 5.00-5.88% | <u>400,000</u> |
| Total Parity Bonds | | | <u>860,302</u> |
| Department of Boating and Waterways (DBW) Loans (b) | | | |
| Small Craft Harbor Revenue Bonds Series A-D | 2009 | 4.50% | 1,656 |
| Small Craft Harbor Revenue Bonds Series 1981 | 2010 | 4.50% | 1,129 |
| Small Craft Harbor Revenue Bonds Series 1982 | 2019 | 4.50% | 934 |
| Small Craft Harbor Revenue Bonds Series 1983 | 2020 | 4.50% | 352 |
| Small Craft Harbor Revenue Bond Series 1993 | 2028 | 4.50% | 6,500 |
| 1991 Marina Planning Loan | 2002 | 4.70% | <u>34</u> |
| Total DBW Loans | | | <u>10,605</u> |
| GE Capital Tax Exempt Loan (c) | 2005 | 4.89% | 4,014 |
| Mitsubishi Note | 2000 | 9.00% | 27 |
| Taxable Commercial Paper 1998 Series D (d) | 2003 | | 80,940 |
| Taxable Commercial Paper 1998 Series B (d) | | | 19,480 |
| Special Facilities Revenue Bonds 1992 Series A (e) | 2019 | 5.00%-6.80% | 48,500 |
| Unamortized Bond Discount/Premium | | | <u>(9,347)</u> |
| TOTAL PORT OF OAKLAND LONG-TERM DEBT | | | <u>\$1,014,521</u> |

(a) Parity Bonds

The 1990 Series D Bonds, the 1992 Series E Bonds, the 1993 Series F Bonds, and the 1997 Series G, Series H, Series I, Series J and 2000 Series K Bonds (collectively the Parity Bonds) are payable solely from and secured by a pledge of "Pledged Revenues." The 1989 Indenture and the Supplemental Trust Ninth Indenture, dated February 1, 1997 (the Ninth Supplemental Trust Indenture) define Pledged Revenues as substantially all revenues and other cash receipts of the Port, including amounts held in the Port Revenue Fund and the lesser of Oakland Portside Associate's (OPA) net revenues or \$3,300,000, but excluding amounts received from certain taxes, certain insurance proceeds and special facilities revenues. Pledged revenues do not include cash received from Passenger Facility Charges (PFC) unless projects included in a financing are determined to be PFC eligible, in which case PFCs can be pledged for debt service on the bonds. Currently the Port has not included any of these type of projects in a bond issuance. In addition, payment of bond principal and interest on the Parity Bonds when due is guaranteed by municipal bond insurance policies.

The Port has covenanted to achieve Pledged Revenues sufficient to pay: the sum of principal and interest on the outstanding Parity Bonds as they become due and payable in each year; all payments for compliance with terms of the Indenture and Supplemental Indentures, including but not limited to required deposits to any Reserve Fund; all other payments necessary to meet ongoing legal obligations of the Port payable from Pledged Revenues; and all current Operation and Maintenance Expenses (as defined).

The Port has covenanted in the 1989 Indenture to achieve in each fiscal year Net Revenues (as defined) of at least 125% of the actual debt service (as defined) becoming due on the outstanding Parity Bonds less debt service paid in such year from the proceeds of other borrowings. For the year ended June 30, 2000, Net Revenues exceeded this requirement.

The Port has also covenanted in the 1989 Indenture not to issue any additional obligations payable from or secured by Pledged Revenues, which would rank superior to the 1989 Bonds and any outstanding bonds (as defined) under the Ninth Supplemental Trust Indenture. The 1990 Bonds, 1992 Bonds, 1993 Bonds, 1997 Bonds, and 2000 Bonds have been issued at parity. Additional bonds may be issued on a parity or subordinate basis with the outstanding bonds subject to certain debt service coverage ratios and other requirements.

(b) Department of Boating and Waterways Loans

Department of Boating and Waterway Loans were issued pursuant to various resolutions of the Board of Port Commissioners and are subordinate to the Parity Bonds.

(c) GE Capital Loan

The Port of Oakland entered into a tax-exempt financing agreement with GE Capital for the purchase of five 40-foot Gillig AirBART shuttle buses and fifteen 35-foot Gillig parking lot shuttle buses. The loan is for \$5,000,000 effective November 9, 1998, at the rate of 4.89% for a seven-year term. GE Capital is the lien holder on the buses' title. BART has agreed to share the costs and revenues of the AirBART shuttle service, including the debt service payments.



(d) Commercial Paper

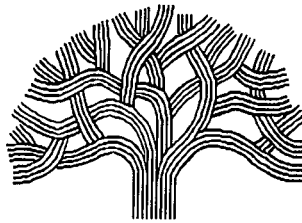
The Port Board authorized a \$300,000,000 Commercial Paper program in September 1998. The maximum maturity of the notes is 270 days and the maximum interest rate is 12%. The notes will be issued in three series: tax exempt AMT, tax exempt non-AMT and taxable. \$150,000,000 of the Notes is backed as to credit and liquidity by an irrevocable letter of credit issued jointly by Commerzbank AG and The Bank of Nova Scotia for a five-year period beginning October 14, 1998. This will allow the Port to refinance the borrowings on a long-term basis. The Port also signed a second letter of credit for an additional \$150,000,000 with Bank of America on September 1, 1999, for a three-year period ending September 16, 2002. As of June 30, 2000, the Port had \$100,420,000 outstanding under the commercial paper program.

(e) Special Facilities Revenue Bonds 1992 Series A

The Port issued the Special Facilities Bonds 1992 Series A pursuant to a trust indenture dated June 1, 1992. The Special Facilities Bonds were issued to finance the design and construction of certain facilities and improvements on premises situated in the Seventh Street Marine Terminal area.

The Special Facilities Bonds are limited obligations of the Port payable from and secured by the Bond Payment Obligation (as defined) derived by the Port under the Non-exclusive Preferential Assignment Agreement (the Agreement) between the Port and Mitsui O.S.K. Lines, Ltd. (MOL). MOL's rights and obligations under the Agreement have been assigned to and assumed by Trans Pacific Container Service Corp. (TraPac), an affiliate of MOL. TraPac's obligations under the Agreement, including its obligation to make payments sufficient to pay the principal and interest on the Special Facilities Bonds, have also been guaranteed by MOL.

Principal and interest on the bonds when due is also collateralized by an irrevocable direct-pay letter of credit expiring July 1, 2002, issued by The Industrial Bank of Japan, Ltd., Los Angeles Agency. If the letter of credit expires or terminates without being replaced or renewed, the bonds will be subject to mandatory redemption.



CITY OF OAKLAND



Repayment Schedule

The annual requirements to amortize all long-term debt as of June 30, 2000, are as follows (in thousands):

| Years Ending June 30, | General Long-Term Debt | | | Special Assessment Debt with Governmental Commitment |
|-----------------------------------------------------------|--------------------------------|----------------------------|---------------------|------------------------------------------------------------------|
| | General Obligation Bonds | Tax Allocation Bonds | Lease Financings | |
| 2001 | \$ 10,970 | \$ 20,301 | \$ 48,836 | \$ 956 |
| 2002 | 10,894 | 21,096 | 46,285 | 973 |
| 2003 | 10,775 | 21,062 | 45,559 | 953 |
| 2004 | 10,706 | 22,360 | 45,124 | 953 |
| 2005 | 10,649 | 22,425 | 46,435 | 945 |
| Thereafter | <u>176,066</u> | <u>272,654</u> | <u>599,081</u> | <u>11,823</u> |
| | 230,060 | 379,898 | 831,320 | 16,603 |
| Less amounts representing interest and discounts | <u>(100,395)</u> | <u>(163,619)</u> | <u>(328,707)</u> | <u>(6,878)</u> |
| Principal due at June 30, 2000 | <u>\$ 129,665</u> | <u>\$ 216,279</u> | <u>\$ 502,613</u> | <u>\$ 9,725</u> |

Interest rates related to the Civic Improvement Corporation Certificates of Participation included in the Lease Financings are adjustable. Estimates of future debt service payments included in the schedule above were determined by utilizing the maximum rate allowed under the terms of the Certificates of twelve percent.

NOTES TO FINANCIAL STATEMENTS

| Special Revenue Bonds | Notes Payable | Enterprise Fund Debt | Internal Service Fund Debt | Pension Trust Fund Debt | Total Primary Government | Component Unit Port of Oakland |
|-----------------------------|----------------------|-------------------------|----------------------------------|-------------------------------|--------------------------------|--------------------------------------|
| \$ 42,122 | \$ 5,741 | \$ 915 | \$ 5,881 | \$ 545 | \$ 136,267 | \$ 167,572 |
| 44,437 | 5,893 | 915 | 5,881 | 224 | 136,598 | 66,227 |
| 46,884 | 5,780 | 915 | 5,881 | 309 | 138,118 | 66,701 |
| 49,461 | 2,148 | 915 | 4,016 | — | 135,683 | 66,673 |
| 52,182 | 2,381 | 915 | 4,016 | — | 139,948 | 66,666 |
| <u>379,210</u> | <u>12,736</u> | <u>6,388</u> | <u>9,127</u> | <u>—</u> | <u>1,467,085</u> | <u>1,526,639</u> |
| 614,296 | 34,679 | 10,963 | 34,802 | 1,078 | 2,153,699 | 1,960,478 |
| <u>(207,016)</u> | <u>(8,739)</u> | <u>(2,040)</u> | <u>(6,042)</u> | <u>(68)</u> | <u>(823,504)</u> | <u>(945,957)</u> |
| <u>\$ 407,280</u> | <u>\$ 25,940</u> | <u>\$ 8,923</u> | <u>\$ 28,760</u> | <u>\$ 1,010</u> | <u>\$ 1,330,195</u> | <u>\$ 1,014,521</u> |



Conduit Debt

The following long-term debt has been issued by the City on behalf of named agents of the City. The bonds do not constitute an indebtedness of the City. The bonds are payable solely from revenue sources defined in the individual bond documents, and from other monies held for the benefit of the bond holders pursuant to the bond indentures. In the opinion of City officials, these bonds are not payable from any revenues or assets of the City, and neither the full faith and credit nor the taxing authority of the City, State or any political subdivision thereof is obligated for the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded in the General Long-Term Obligations Account Group. The debt issued and outstanding at June 30, 2000, follows (in thousands):

| | Authorized and Issued | Maturity | Outstanding at June 30, 2000 |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------|---------------------------------|
| Housing Mortgage Programs | | | |
| Housing Revenue Bonds Series D, 1991 | \$ 112,890 | 2010-2024 | \$ 6,230 |
| City of Oakland Insured Refunding Revenue Bonds (Children's Hospital Medical Center of Northern California), 1994 Series A | 19,490 | 05/01/09 | 14,725 |
| County of Alameda/City of Oakland Variable Rate Demand Revenue Bonds (The Old Oakland Company Project), December 1984 | 9,900 | 12/04/04 | 9,900 |
| City of Oakland Variable Rate Demand Revenue Bonds (The Delger Block/Ross House Company Project), December 1984 | 9,500 | 12/04/04 | 9,500 |
| County of Alameda/City of Oakland Variable Rate Demand Revenue Bonds (The Wilcox/Leimert Company Project), December 1984 | 9,500 | 12/04/04 | 9,500 |
| City of Oakland Liquidity Facility Revenue Bonds (Association of Bay Area Governments), Series 1984 | 3,300 | 12/01/09 | 1,835 |
| City of Oakland Health Facility Revenue Bonds (Children's Hospital Medical Center of Northern California), 1988 | 23,000 | 07/01/08 | 17,550 |
| City of Oakland Insured Health Facility Revenue Bonds (East Oakland Health Center Project), Series 1990 | 2,500 | 10/01/20 | 2,225 |
| City of Oakland Refunding Revenue Bonds (Oakland YMCA Project), Series 1996 | 8,650 | 06/01/10 | 7,150 |
| City of Oakland Variable Economic Development Revenue Bond 1997 Series A (Allen Temple Family Life Center Project) | 5,000 | 08/01/04 | 4,800 |
| TOTAL | | | <u>\$ 83,415</u> |

(11) CONTRIBUTED CAPITAL

A summary of changes in contributed capital for the year ended June 30, 2000, follows (in thousands):

| | <u>Primary Government</u> | <u>Component Unit</u> |
|-----------------------------------------------------------------------------|-----------------------------------|----------------------------|
| | <u>Internal Service Funds</u> | <u>Port of Oakland</u> |
| BALANCE AT JUNE 30, 1999 | \$ 17,382 | \$191,100 |
| Grants from governmental agencies | — | 3,896 |
| Passenger facility charges | — | 14,180 |
| Depreciation of property and equipment acquired with contributed capital | — | (6,273) |
| BALANCE AT JUNE 30, 2000 | <u>\$ 17,382</u> | <u>\$202,903</u> |

(12) SELF-INSURANCE

Changes in the balances of claims liabilities for all self-insured claims for the years ended June 30, 2000 and 1999, are as follows (in thousands):

| | 2000 | 1999 |
|----------------------------------------------|-----------------|-----------------|
| Unpaid claims, beginning of fiscal year | \$79,854 | \$60,581 |
| Current year claims and changes in estimates | 20,799 | 32,556 |
| Claim payments | <u>(14,103)</u> | <u>(13,283)</u> |
| Unpaid claims, end of fiscal year | <u>\$86,550</u> | <u>\$79,854</u> |

Primary Government

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; natural disasters; unemployment coverage; and providing health benefits to employees, retirees and their dependents.

The City is self-insured for its general liability, workers' compensation, malpractice liability, general and auto liability.

Property Damage

Property damage risks are covered on an occurrence basis by commercial insurance purchased from independent third parties. All properties are insured at full replacement values after a \$25,000 deductible to be paid by the City. For the past 10 years, there have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded commercial insurance coverage.



General Liability

Numerous lawsuits are pending or threatened against the City. The City estimates that as of June 30, 2000, the amount of liability determined to be probable of occurrence is approximately \$31,053,000. Of this amount, claims and litigation approximating \$8,547,000 are estimated to be payable with current expendable resources and are included as accrued liabilities of the General Fund (\$7,651,000), the Capital Fund (\$220,000), and the Sewer Fund (\$676,000). The remainder of \$22,506,000 is included in the General Long-Term Obligations Account Group. The recorded liability is the City's best estimate based on available information and may be revised as further information is obtained and as pending cases are litigated. The Agency is involved in various claims and litigation arising in the ordinary course of its activities. In the opinion of the Agency's in-house counsel, the City Attorney's Office for the City of Oakland, none of these claims are expected to have a significant impact on the financial condition of the Agency or its operations.

The City is self-insured for general liability. The City has not accumulated or segregated assets or reserved fund balance for the payment of estimated claims and judgments.

Workers' Compensation

The City is self-insured for workers' compensation. Payment of claims is provided through annual appropriations which are based on claim payment experience and supplemental appropriations. The City had an actuarial review of its self-insured workers' compensation program in the Fall of 1999. The following information is from the resulting report by the independent actuaries, dated October 5, 1999, and reflects the program as of June 30, 2000. The amount of workers' compensation liability determined to be probable is approximately \$55,497,000. Of this amount, approximately \$11,117,000 workers' compensation is estimated to be payable with expendable resources and is included as accrued liabilities of the general fund. The remaining amount of \$44,380,000 is included in the General Long-Term Obligations Account Group.

Discretely Presented Component Unit

Workers' Compensation

The Port is exposed to risk of loss related to injuries to employees. The Port is self-insured and self-administered for workers' compensation up to a maximum of \$350,000 per accident. Effective February 7, 1996, the Port carries commercial insurance for claims in excess of \$350,000.

Claim expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses are based on actuarial estimates and include an estimate of claims that have been incurred but not reported. Changes in the reported liability resulted from the following (in thousands):

| | 2000 | 1999 |
|-------------------------------------------------------------|-----------------------|-----------------------|
| Workers' compensation liability at beginning of fiscal year | \$3,000 | \$ 3000 |
| Current year claims and changes in estimates | 830 | 1,076 |
| Claim payments | <u>(830)</u> | <u>(1,076)</u> |
| Workers' compensation liability at end of fiscal year | <u><u>\$3,000</u></u> | <u><u>\$3,000</u></u> |

General Liability

The Port maintains general liability insurance in excess of specified deductibles. For the airport, coverage is provided in excess of \$100,000 in the aggregate up to a maximum of \$200,000,000. For the harbor area, coverage is provided in excess of \$100,000 per occurrence up to \$150,000,000. Liabilities are recorded as accrued expense when it is determined that a loss to the Port is probable and the amount is estimable.

**(13) RESERVATIONS AND DESIGNATIONS OF FUND BALANCES**

The components of the City's reserved and unreserved-designated fund balances at June 30, 2000, follow (in thousands):

| | General Fund | Special Revenue Funds | Debt Service Funds |
|-----------------------------------------------------------|-------------------------|--------------------------------------|-----------------------------------|
| RESERVED | | | |
| Pension obligations | \$ — | \$ — | \$ — |
| Capital projects | — | 19,816 | — |
| Property held for resale | — | — | 21,447 |
| Employees' retirement systems | — | — | — |
| Debt service | — | — | 70,382 |
| Encumbrances | <u>3,708</u> | <u>10,844</u> | <u>—</u> |
| TOTAL RESERVED FUND BALANCES | <u><u>\$ 3,708</u></u> | <u><u>\$ 30,660</u></u> | <u><u>\$ 91,829</u></u> |
| UNRESERVED-DESIGNATED | | | |
| Capital improvement projects | \$ 1,889 | \$ — | \$ — |
| Recycling program | 7,026 | — | — |
| Multi-purpose reserve | <u>2,196</u> | <u>—</u> | <u>—</u> |
| TOTAL UNRESERVED- DESIGNATED FUND BALANCES | <u><u>\$ 11,111</u></u> | <u><u>\$ —</u></u> | <u><u>\$ —</u></u> |

NOTES TO FINANCIAL STATEMENTS

| Capital Projects Funds | Pension Trust Funds | Total |
|---------------------------------------|------------------------------------|--------------------|
| \$ — | \$ 177,517 | \$ 177,517 |
| 214,264 | — | 234,080 |
| 53,492 | — | 74,939 |
| — | 896,609 | 896,609 |
| — | — | 70,382 |
| — | — | 14,552 |
| <u>—</u> | <u>—</u> | <u>—</u> |
| <u>\$267,756</u> | <u>\$1,074,126</u> | <u>\$1,468,079</u> |
| | | |
| \$ — | \$ — | \$ 1,889 |
| — | — | 7,026 |
| <u>—</u> | <u>—</u> | <u>2,196</u> |
| | | |
| <u>\$ —</u> | <u>\$ —</u> | <u>\$ 11,111</u> |

**(14) SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City accounts for operations which provide parks and recreation programs and sewage treatment as enterprise funds. These operations are financed by user charges or interest income. Segment information as of and for the year ended June 30, 2000, follows (in thousands):

| | Parks and Recreation | Sewer Service | Total Enterprise Funds |
|-------------------------------------------------------------------------|---------------------------------|--------------------------|---------------------------------------|
| For Year Ended June 30, 2000 | | | |
| Operating revenues | \$ 516 | \$ 17,927 | \$ 18,443 |
| Operating income | 257 | 2,794 | 3,051 |
| Depreciation and amortization | 1 | 2,799 | 2,800 |
| Operating transfers out | — | (659) | (659) |
| Interest and other non-operating revenues (expenses), net | — | (315) | (315) |
| Net income | 257 | 1,820 | 2,077 |
| Property and equipment - additions (deletions) | 3 | 8,803 | 8,806 |
| As of June 30, 2000 | | | |
| Net working capital | \$ 411 | \$ (106) | \$ 305 |
| Total assets | 660 | 81,371 | 82,031 |
| Total equity | 637 | 70,743 | 71,380 |
| Long-term obligations and advances - Payable from operating revenues | — | 8,923 | 8,923 |

Parks and Recreation

The City owns and operates two golf courses. The City's policy is to fund these operations through golf course fees and other golf revenues without reliance on the General Fund.

Sewer Service

The City maintains sewer service facilities between the private property hookups and the main collection system operated by the East Bay Municipal Utility District. The City's policy is to fund operations through user charges and/or operating transfers from the General Fund.

(15) JOINT VENTURE**Oakland-Alameda County Coliseum**

The City is a participant with the County of Alameda (the County) in a joint exercise of powers agreement known as the Oakland-Alameda County Coliseum Authority (the Authority), which was formed on July 1, 1995, to assist the City and County in the financing of public capital improvements in the Oakland-Alameda County Coliseum Complex (Coliseum Complex) pursuant to the Mark-Roos Local Bond Pooling Act of 1985. The Oakland-Alameda County Coliseum Financing Corporation (the Corporation) is reported as a blended component unit of the Authority. The Board of Directors of the Authority and the Corporation consists of two council members from the City and two members of the Board of Supervisors from the County. The Board of Directors of the Corporation consists of the City Manager and the County Administrator.

In August 1995, the Authority issued \$9,200,000 in Fixed Rate Refunding Lease Revenue Bonds and \$188,500,000 in Variable Rate Lease Revenue Bonds (collectively known as the Stadium Bonds) to satisfy certain obligations of the Authority, the City, the County, the Corporation and Oakland-Alameda County Coliseum Inc. (Coliseum Inc.), which manages the operations of the Coliseum Complex, to finance the costs of remodeling the stadium portion of the Coliseum complex as well as relocating the Raiders to the City.

The Stadium Bonds are limited obligations of the Authority, consisting primarily of base rental payments to be received by the Authority from the City and the County. Certain revenues collected from Raiders football operations consisting of revenues from the sale of seat rights, as well as annual seat maintenance fees, a portion of net parking and concession revenues and concessionaires' initial fees may be used toward meeting this liability. In the event that such football revenues are insufficient to make base rental payments, the City and the County are obligated to make up the shortfall in the base rental payments from their respective General Funds. The City and the County each have covenanted to appropriate \$11 million annually to cover such shortfalls in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that the City could have to pay up to \$22 million annually in the event of default by the County.

On May 25, 2000, the Authority issued \$201,300,000 in series 2000 C and D Refunding Bonds to retire \$181,900,000 of the 1995 Variable Rate Lease Revenue Stadium Bonds (\$188,500,000 less \$6,600,000 principal payment).

On August 2, 1996, the Authority issued \$70,000,000 Series A-1 and \$70,000,000 Series A-2 Variable Rate Lease Revenue Bonds (Arena Bonds) to finance the costs of remodeling the Coliseum Arena (Arena) and to satisfy certain obligations of the Authority, the City, the County and Coliseum Inc. in connection with the retention of the Golden State Warriors to play professional basketball at the Arena for at least 20 basketball seasons, beginning with the 1997-98 season. These obligations are evidenced in a series of agreements (the Warriors Agreement) among the Warriors, the City, the County, Coliseum Inc. and the Authority.



Under the original Warriors Agreements, the Arena Bonds are limited obligations of the Authority payable solely from base rental revenues of the Authority received by the Authority on behalf of the City and the County. These revenues consist of payments from the Warriors of up to \$7,428,000 annually from premium seating revenues, the sale of personal seat licenses by the Authority, concessionaire payments and the Arena naming rights. If necessary to prevent a default, additional premium seating revenues up to \$10,000,000 may be pledged to service Arena debt. If the above revenues are not sufficient to cover the debt service requirements in any fiscal year, the City and County are obligated to make up the shortfall in the base rental payment from their respective General Funds. The City and the County each have covenanted to appropriate up to \$9,500,000 annually to cover such revenue shortfalls; however, the City and the County are jointly and severally liable to cover such shortfalls; however, the City and the County are jointly and severally liable to cover such shortfalls, which means that the City would have to pay up to \$19,000,000 annually in the event of default by the County.

The Coliseum Authority has entered into an agreement with the Oakland Coliseum Joint Venture to manage the entire Coliseum Complex beginning July 1, 1998.

On September 27, 1997, the City of Oakland, the County of Alameda, and the Oakland-Alameda County Coliseum Authority, collectively known as the "East Bay Entities", filed suit against the Oakland Raiders and A.D. Football, Inc. (collectively, "Raider Management") for breach of contract, declaratory relief and interference with prospective economic advantage. The suit asks for compensatory and punitive damages with regards to revenues lost as a result of actions by Raider Management, and for declaratory relief concerning (1) the parties' rights, duties and obligations under the Master Agreement concerning the naming rights for the Stadium, (2) whether Raider Management's claims of fraudulent inducement have merit and whether Raider Management has the right to rescind or terminate the Master Agreement, and (3) under the Visiting Team Share Agreement concerning the reimbursement of legal fees and costs. Raider management has filed a cross-complaint seeking the right to rescind the Master Agreement and seeking damages for breaches of the Master Agreement and for fraudulent inducement. In a series of decisions, the court has ruled that (1) the Raiders cannot rescind or terminate its lease; and (2) the East bay Entities do not have claims for damages. Raider Management increased their claim against the East Bay Entities for damages to \$1.1 billion related to claims of fraudulent inducement. The City is optimistic that it will prevail against Raider Management claims.

In November 1998, the Authority brought an arbitration proceeding against the Golden State Warriors to collect: (1) past due rents for use of the arena; (2) past due amounts of revenue sharing required by the License Agreement; and (3) facility use fees collected by the Warriors for the Authority. The arbitration demand also seeks damages for the Warriors breach of the License Agreement for failure to sell seat rights in the new Arena, a major source of revenue to the Authority. The arbitration was divided into two phases. In the first phase on the collection issues, on October 6, 1999, the arbitrator found that the Golden State Warriors owed in excess of \$17 million to the Authority, net of some \$720,000 in offsets granted to the Warriors. The second phase of the arbitration was decided in July 2000, when the arbitrator decided that the

NOTES TO FINANCIAL STATEMENTS

Warriors breached the License Agreement by failing to sell seat rights in the new Arena. However, the arbitrator awarded no damages to the Authority because he determined the damages could not be quantified.

In fiscal year 1997, the Authority entered an interest rate swap agreement for portions of the bonds issued to finance the Arena improvements. The interest rate swap is for \$84,000,000 of the variable rate Arena bonds at a fixed rate of 6.85%. The agreement expires on September 1, 2001. The market value of the swap at June 30, 2000, is \$56,000.

Based on the swap agreements, the Authority owes interest calculated at the fixed rates stated above to the counterparty of the swap. In return, the counterparties owe the Authority interest based on a variable rate that matches the rate required by the variable rate bonds. Only the net difference in interest payments is actually exchanged with the counterparties. The bond principal is not exchanged; it is only the basis on which the interest payments are calculated. The Authority continues to pay interest to the bond holders at the variable rate provided by the bonds. However, during the term of the swap agreement, the Authority effectively pays a fixed rate on the debt. The Authority will be exposed to variable rates if the counterparties to the swaps default or if the swaps are terminated. A termination of any swap agreement may also result in the Authority's making or receiving a termination payment. The Authority is exposed to credit losses in the event of non-performance by any counterparty to these interest rate swaps, but has no off-balance sheet credit risk of accounting loss. The Authority anticipates, however, that each counterparty will be able to fully satisfy its obligations under the respective agreement.

Debt service requirements for the Coliseum debt are as follows (in thousands):

| Years Ending June 30, | Stadium Debt | Arena Debt |
|------------------------------|---------------------|-------------------|
| 2001 | \$ 11,803 | \$ 10,521 |
| 2002 | 12,816 | 10,517 |
| 2003 | 12,810 | 10,589 |
| 2004 | 12,903 | 10,649 |
| 2005 | 12,876 | 10,597 |
| 2006-2010 | 61,631 | 53,522 |
| 2011-2015 | 62,838 | 54,237 |
| 2016-2020 | 65,274 | 54,862 |
| 2021-2025 | 68,931 | 56,258 |
| 2026 on | — | 11,497 |
| Less interest | <u>(115,836)</u> | <u>(148,648)</u> |
| Total | <u>\$206,046</u> | <u>\$134,601</u> |

Complete financial statements for the Authority can be obtained from the County Auditor-Controller's office at 1221 Oak Street, Oakland, CA 94612.



The City has a 50% equity interest in the Joint Venture. The City's portion of net liability is calculated from the unaudited June 30, 2000, financial activity of the Authority as follows:

| | <u>Unaudited</u> |
|---------------------------------------------------------------|------------------|
| Total Assets | \$707,864 |
| Less: Amounts to be provided for retirement of long-term debt | <u>292,914</u> |
| Adjusted total assets | 414,950 |
| Less: Total liabilities | <u>352,585</u> |
| Net asset | <u>\$ 62,365</u> |
| 50% interest | <u>\$ 31,183</u> |

The City's share of cumulative net equity in the operation of the Authority was \$31,183,000 as of June 30, 2000, the date of the latest available unaudited financial statements. This amount is included in the General Fixed Asset Account Group. Under the joint exercise of power agreement which formed the Authority, the City is responsible for funding up to 50% of the Authority's operating costs, to the extent such funding is necessary. During the year ended June 30, 2000, the City made contributions of approximately \$15,000,000 to fund its share of operating deficits, as well as its share of the final construction costs of the Arena.

The Authority has anticipated a deficit for repayment of its Stadium bonds, such that the City and County may have to contribute to base rental payments. Of the \$20.5 million appropriated in the General Fund as part of the above agreements, it is estimated that the City may have to contribute \$13,000,000 for the 2000-01 fiscal year. There are many uncertainties in the estimation of revenues for the Authority beyond one year into the future, therefore the City has established a contingent liability to fund the Authority deficit in the General Long-Term Obligations Account Group at an amount equal to its contingent share (50%) of the outstanding Stadium bonds in the amount of \$103,023,000. The City has not established a contingent liability for the Arena debt because management is of the opinion that revenues from the Arena, including payments from the Warriors, will be sufficient to cover the debt payments.

(16) PENSION PLANS

The City has three defined benefit retirement plans: Police and Fire Retirement System (PFRS), Oakland Municipal Employees' Retirement System (OMERS) and California Public Employees' Retirement System (PERS). PFRS and OMERS are closed plans which cover employees hired prior to July 1976 and September 1970, respectively. These two plans are considered part of the City's reporting entity and are included in the City's General Purpose Financial Statements as pension trust funds. City employees hired subsequent to the plans' closure dates are covered by PERS, which is administered by the State of California.

Member and employer contributions are recognized in the period in which the contributions are due, and benefits and refunds are recognized when payable.

NOTES TO FINANCIAL STATEMENTS

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are reported based on the remaining principal balances which approximate the value of future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on prices in a competitive market as determined by a specialist.

Investments representing 5% or more of the fair value of the OMERS net assets for pension benefits as of June 30, 2000, are as follows:

| Stocks | Shares | Fair Value |
|------------------------------------------|---------------|--------------------|
| American Express | 10,500 | \$ 547,313 |
| American Telephone and Telegraph Company | 10,000 | 316,250 |
| Bristol Myers Squibb | 9,000 | 524,250 |
| Chase Manhattan Corporation | 12,750 | 587,297 |
| Dean Foods | 8,000 | 253,500 |
| Duke Energy Corporation | 12,000 | 676,500 |
| Emerson Electric Company | 6,000 | 362,250 |
| Ford Motor Company | 6,000 | 258,000 |
| Franklin Resources, Inc. | 8,000 | 243,000 |
| Hibernia Corporation | 25,000 | 271,875 |
| Internal Business Machine | 3,000 | 328,688 |
| Lucent Technologies | 7,000 | 414,750 |
| Marsh & McLennan Companies, Inc. | 6,000 | 626,625 |
| Penny, JC | 28,000 | 516,250 |
| Phillips Petroleum Company | 8,000 | 405,500 |
| SBC Communications | 13,000 | 562,250 |
| Shared Medical Services | 5,000 | 364,688 |
| Sherwin-Williams Company | 12,000 | 254,250 |
| Southern Company Electric | 20,000 | 466,250 |
| Varian Medical Systems | 10,000 | 391,250 |
| Varian Semiconductor | 6,000 | 376,875 |
| Worldcom, Inc. GA New | 5,000 | <u>229,375</u> |
| | | 8,976,986 |
| Bonds | | |
| U.S. Treasury Notes | 3,000 | <u>295,395</u> |
| Total | | <u>\$9,272,381</u> |

No investments in any one non-federal organization represented 5% or more of PFRS net assets for pension benefits as of June 30, 2000.



Complete financial statements of the Plans can be obtained from:

William E. Noland, Controller
City of Oakland
150 Frank H. Ogawa Plaza, Suite 6353
Oakland, CA 94612

| | PFRS | OMERS | PERS |
|-------------------------------|-----------------|-----------------|----------------------|
| Type of plan | Single employer | Single employer | Agent multi-employer |
| Reporting entity | City | City | State |
| Last complete actuarial study | July 1, 1998 | July 1, 1999 | June 30, 1999 |

Significant actuarial assumptions

Significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the City's actuarial accrued liability.

| | PFRS | OMERS | PERS |
|----------------------------------|------|-------|------|
| General wage increase: | | | |
| Inflation | 3.5% | 4.0% | 3.5% |
| Post-retirement benefit increase | 4.0% | 3.0% | 3.5% |
| Investment return | 8.0% | 8.0% | 8.3% |

| | PFRS | OMERS | PERS | Total |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-------|-------|
| Employees covered as of June 30, 2000 | | | | |
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not currently receiving them | 1,495 | 151 | 1,809 | 3,455 |
| Current employees—vested | 161 | 2 | 2,949 | 3,112 |

Police and Fire Retirement System

PFRS provides death, disability and service retirement benefits to uniformed employees and their beneficiaries. Members who complete at least 25 years of service, or 20 years of service and have reached the age of 55, or have reached the age of 65, are eligible for retirement benefits. The basic retirement allowance equals 50% of the compensation attached to the average rank held during the three years immediately preceding retirement, plus an additional allowance of 1-2/3% of such compensation for each year of service (up to ten) subsequent to: a) qualifying for retirement, and b) July 1, 1951. Early retirees will receive reduced benefits

based on the number of years of service. Benefit provisions and all other requirements are established by the City Charter (Charter).

In accordance with the Charter, active members of PFRS contribute a percentage of earned salaries based upon entry age as determined by the City's consulting actuary. By statute, employee contributions are limited to 13% of earned salaries. Employee contributions are refundable with interest at 4% per annum if an employee elects to withdraw from the plan upon termination of employment with the City.

The City contributes, at a minimum, such amounts that are necessary, determined on an actuarial basis, to provide assets sufficient to meet benefits to be paid to plan members. The City is required to fund all liabilities for future benefits for all members by June 30, 2026. In order to do so, the City makes contributions at rates established by consulting actuaries based upon plan valuations using various assumptions as to salary progression, inflation, and rate of return on investments. The City's contributions are based on a level percentage of all uniformed employees' compensation. Significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation. Contributions to the California PERS are subtracted and the difference is contributed to the Plan. The City contributed \$22,868,000 to the Plan during the fiscal year ended June 30, 1997, at an actuarially determined contribution rate of 60.49%. The City issued pension obligation bonds in February 1997 to fund the Plan through 2011. Bond proceeds in the amount of \$417,173,300 were contributed in fiscal 1997 and, as a result, no employer contributions are required through fiscal year 2011.

For the year ended June 30, 2000, employee contributions to PFRS totaling \$904,000 were made in accordance with actuarially determined contribution requirements.

The City's actuaries do not make an allocation of the contribution amount between normal cost and the unfunded actuarial liability because the plan is closed. The actuarial calculations are based on the aggregate cost method and the asset valuation method is on the market value basis. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities.

The plan is currently involved in class action litigation seeking payment of additional benefits to retired firefighters. If petitioners prevail, management estimates that an award could range between \$5,400,000 and \$27,300,000. In the City's opinion, at this point, the ultimate resolution of this litigation will not have a significant impact on the financial statements.



Schedule of Employer Contributions

| Fiscal Year Ended June 30, | Annual Required Contributions (\$ in millions) | Percentage (%) Contributed |
|-------------------------------|---------------------------------------------------|-------------------------------|
| 1998 | —* | — |
| 1999 | —* | — |
| 2000 | —* | — |

*Annual contribution requirement, subsequent to receipt of pension obligation bond proceeds, is zero through the year 2011.

Oakland Municipal Employees Retirement System

OMERS provides death, disability and service retirement benefits to participants of the plan. Members who complete at least 20 years of service and have reached the age of 52, or who complete at least 5 years of service and reach the age of 60, are eligible for retirement benefits. The retirement allowance is calculated on a basis which takes into account the final three-years' average compensation, age and the number of years of service. Benefit provisions and all other requirements are established by the Charter.

Employee contributions to OMERS totaling \$5,766,000 were made during 2000 in accordance with actuarially determined contribution requirements. Employee contributions are refundable with interest at 4.5% per annum if an employee elects to withdraw from the plan upon termination of employment with the City. For the years ended June 30, 2000, 1999 and 1998, the City, in accordance with actuarially determined contribution requirements, was not required to make contributions to OMERS. The actuarial calculations are computed using the projected unit credit cost method and the asset valuation is on a market value basis. Under this method, the normal cost is the actuarial present value of a member's benefit divided by the member's expected future working lifetime. The funding of the unfunded actuarial accrued liability is based on a level percentage of payroll over a period ending July 1, 2020, as required by the City Charter. The most recent actuarial valuation determined the funding status to be 190%.

California Public Employees Retirement System

Plan Description

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

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 3.57% for non-safety employees and 6.2564% for police and fire employees, of annual covered payroll. The contribution requirements of the plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 1999-00, the City's annual pension cost of \$23,591,088 was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2000, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period of the unfunded actuarial liability ends June 30, 2011.

**Three-Year Trend Information Information for PERS
(in millions)**

| Fiscal Year Ended June 30, | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---------------------------------------|--------------------------------------|------------------------------------------|-----------------------------------|
| 1998 | \$14.6 | 100% | \$ 0 |
| 1999 | 19.4 | 100 | 0 |
| 2000 | 23.6 | 100 | 0 |

(17) RECONCILIATION OF OPERATIONS ON MODIFIED ACCRUAL BASIS TO BUDGETARY BASIS

The "All Governmental Fund Types and Expendable Trust Funds Combined Statement of Revenues, Expenditures and Changes in Fund Balances" has been prepared on the modified accrual basis of accounting in accordance with GAAP. The General Fund Combined Schedule of Revenues and Expenditures - Budget and Actual on a Budgetary Basis" has been prepared on the budgetary basis, which is different from GAAP.

The budgetary process is based upon accounting for certain transactions on a basis other than generally accepted accounting principles (GAAP). The results of operations are presented in



the budget to actual comparison statement in accordance with the budgetary process (Budgetary Basis) to provide a meaningful comparison with the budget.

The main difference between Budgetary Basis "actual" and GAAP basis is a timing difference:

In March 1997, the City entered into a debt service deposit agreement with a third party whereby the City received approximately \$8.1 million in exchange for forgoing its right to receive investment earnings on the amounts deposited with the trustee in advance of the date that the related debt was due to the bondholders. The compensation to the City was recorded as revenue in fiscal 1997 when received on a budgetary basis. On a GAAP basis, the revenue was deferred and is being recognized over the 14-year life of the agreement. Amortization for the year ended June 30, 2000, was \$654,000.

The following schedule is a reconciliation of the GAAP and budgetary results of operations (in thousands):

| | General Fund |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Excess of revenues over expenditures - GAAP basis | \$ 36,319 |
| Amortization of debt service deposit agreement | <u>(654)</u> |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses - budgetary basis | <u>\$ 35,665</u> |

The General Fund Balance on a Budgetary Basis reconciled to that on a GAAP basis as of June 30, 2000, is as follows (in thousands):

| | General Fund |
|----------------------------------------------------------------------------------------------------|-------------------------|
| Fund Balance, June 30, 2000 - GAAP Basis | \$ 32,234 |
| Prior year debt service deposit agreement recorded on Budgetary Basis in the year of receipt | <u>6,252</u> |
| Fund Balance, June 30, 2000 - Budgetary Basis | <u>\$ 38,486</u> |

NOTES TO FINANCIAL STATEMENTS

General Fund Budgetary Basis Fund Balance at June 30, 2000, is composed of the following (in thousands):

| | General Fund |
|-----------------------------------------------|------------------|
| Reserved | \$ 3,708 |
| Unreserved, designated for: | |
| Capital improvement projects | 1,889 |
| Recycling program | 7,026 |
| Other | <u>2,196</u> |
| Total designated | 11,111 |
| Unreserved, undesignated | <u>23,667</u> |
| Fund Balance, June 30, 2000 - Budgetary Basis | <u>\$ 38,486</u> |

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The City has three programs in place to partially pay health insurance premiums for certain classes of retirees from City employment.

The City pays part of the health insurance premiums for all retirees from City employment receiving a pension annuity earned through City service and participating in a City-sponsored PERS health benefit plan. Approximately \$266,868 was paid on behalf of 1,809 retirees under this program for the year ended June 30, 2000.

(19) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2000, no funds reported excess expenditures over appropriations.

(20) COMMITMENTS AND CONTINGENT LIABILITIES

Grants and Subventions

Receipts from federal and state financial assistance programs are subject to review and audit by representatives of the federal and state governments to determine if the monies were expended in accordance with appropriate statutes, grant terms and regulations. The City believes that no significant liabilities will result from such review and audits.

Due to the nature of the various grant agreements and of the City's grants billing process, certain amounts included in grants receivables have not yet been billed to the granting agencies. Management believes that any amounts ultimately uncollectible on such unbilled grants receivable will not be material to the financial statements.



Construction Commitments

Primary Government

The City has committed funding in the amount of \$136,578,000 to a number of capital improvement projects.

Discretely Presented Component Unit

The Port has developed a \$1.4 billion five-year capital improvement program which forms the basis of a long-term strategic financial plan. The most significant projects include the development and construction of new container terminals, 50-foot deepening of the channel, a new airport terminal, and a new airport parking garage and surface parking lots.

The Port participated in the Corps of Engineers' Congressionally authorized project to dredge the inner and outer harbor channel to a depth of 42 feet. The actual dredging was completed in fiscal year 1998 at a cost to the Port of \$45,840,000. The Port has spent \$5,325,000 for landfill closure and a replacement of a golf course used in connection with the dredging project and estimates an additional cost of \$15,656,000.

As of June 30, 2000, the Port has firm commitments for the acquisition and construction of assets as follows (in thousands):

| | |
|------------------------|------------------|
| Maritime | \$216,648 |
| Aviation | 135,314 |
| Commercial real estate | <u>2,859</u> |
| | <u>\$354,821</u> |

The California Department of Boating and Waterways (DBW) and the Port entered into a loan and operation contract on February 21, 1994, amended on February 20, 1995, September 11, 1995, and September 16, 1996, whereby DBW agreed to make a construction loan to the Port in the amount of \$7,176,000. The purpose of the loan is to develop the boating facilities of the Jack London Square marinas. The loan will bear compound interest at the rate of 4.5% per annum and will be paid over thirty years. As of June 30, 2000, the Port has outstanding obligations of \$6,500,000 pursuant to this loan. Repayment of the loan will begin on August 1, 2001.

Other Contingencies

Primary Government

As of June 30, 2000, the Agency has entered into contractual commitments of approximately \$5,046,751 for materials and services relating to various projects. These commitments and future costs will be funded by currently available funds, tax increment revenue and other sources.

At June 30, 2000, the Agency was committed to fund \$3,395,193 in loans and had issued \$1,648,600 in letters of credit in connection with several low and moderate income housing projects. These commitments were made to facilitate the construction of low and moderate income housing within the City.

Discretely Presented Component Unit

In 1987, the California Department of Health Services (Department) issued an order determining that the Port and a former tenant of the Port are responsible for the costs of cleaning up hazardous substances on a site leased by several former tenants in Embarcadero Cove. In October 1990, the Port and a former tenant agreed to share equally in the remediation costs. During 1992, the Port submitted a feasibility study to the Department and received a Remedial Action Plan during fiscal 1993 which included an apportionment of liability for the costs of hazardous substance removal and remedial actions. As of June 30, 2000, the Port had accrued a liability of \$820,000 representing its expected 50% share of the total estimated investigation, monitoring and remediation costs related to the site.

The Port has certain legal obligations to modify or remove various underground storage tanks. As of June 30, 2000, a liability of \$750,000 has been recorded representing the expected remaining costs to modify or remove designated Port-owned underground storage tanks.

On August 9, 1994, the Board authorized a settlement for a lawsuit involving the filling of wetlands by the Port. A Consent Decree was entered into on December 15, 1994, by the United States District Court for the Northern District of California to implement the settlement. The Consent Decree requires the Port to spend \$2,500,000 to create, enhance and restore seasonal and tidal wetlands over approximately 72 acres of Port land. Construction was completed and title to the 72 acres of land was transferred to the East Bay Regional Park District (EBRPD). \$255,000 of funds remaining was turned over to the EBRPD to fund monitoring and maintenance of wetlands. As of June 30, 2000, the Port has accrued \$130,000 which will be transferred to an escrow account upon instructions from the environmental plaintiffs. The transfer to the escrow will fulfill all of the Port's obligations under the Consent Decree.

In addition to those noted above, the Port has accrued approximately \$12,442,000 as of June 30, 2000, for environmental clean-up and remediation at various identified sites based on management's best estimates. The nature of all remediation activities that may be required on these sites are currently unknown. The extent of the clean up, therefore, has not yet been fully determined.

The Port's management believes the total environmental accrual provides for all significant hazardous waste sites that are currently considered probable to require remediation and for which the potential liability can be estimated.

As future development planning is undertaken, the Port evaluates its overall provision for environmental liabilities in conjunction with the nature of future activities contemplated for



each site and accrues for a liability if necessary. It is, therefore, reasonably possible that in future reporting periods, current estimates of environmental liabilities could materially change causing additional expense to the Port.

(21) INDIVIDUAL FUND DEFICITS

As of June 30, 2000, the following funds reported deficits in fund balances and/or retained earnings (in thousands):

Internal Service

| | |
|----------------|----------|
| Facilities | \$ 4,073 |
| Central Stores | \$ 2,624 |

The City's Facilities and Central Stores deficit are expected to be funded through increased user charges for the costs incurred in each fund.

Expendable Trust

| | |
|---------------------------------------|----------|
| Oakland Redevelopment Agency Projects | \$ 3,476 |
|---------------------------------------|----------|

The City's Expendable Trust Oakland Redevelopment Agency deficit is expected to be funded by reimbursements from the Agency.

(22) SUBSEQUENT EVENT

Tax and Revenue Anticipation Notes

On July 25, 2000, the City issued tax and revenue anticipation notes payable of \$65,000,000. The notes were issued to satisfy General Fund obligations and carried an effective interest rate of approximately 4.001%. Principal and interest are due and payable on July 24, 2001.

REQUIRED SUPPLEMENTAL SCHEDULES

**OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS****(unaudited)***(In Millions)*

| Actuarial Valuation Date July 1, | Actuarial Value (\$) of Plan Assets⁽¹⁾ (a) | Accrued Actuarial Liability (\$) (AAL) (b) | Funded Ratio (%) (a/b) | Actuarial Surplus (AS) (\$) (b-a) | Covered Payroll (\$) (c) | AS as a Percentage (%) of Covered Payroll [(b-a)/c] |
|-----------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------|
| 1994 | 16.2 | 12.0 | 135 | (4.2) | .119 | (3529) |
| 1995 ⁽²⁾ | N/A | N/A | N/A | N/A | N/A | N/A |
| 1996 | 16.9 | 11.8 | 143 | (5.1) | .124 | (4113) |
| 1997 ⁽²⁾ | N/A | N/A | N/A | N/A | N/A | N/A |
| 1998 | 18.8 | 10.8 | 174 | (8.0) | .137 | (5839) |
| 1999 | 18.2 | 9.6 | 190 | (8.6) | .150 | (5734) |

⁽¹⁾At market.⁽²⁾Actuarial valuation conducted biennially.



POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
 (unaudited)
 (In Millions)

| Actuarial Valuation Date July 1, | Actuarial Value (\$) of Plan Assets ⁽¹⁾ (a) | Accrued Actuarial Liability (\$) (AAL) (b) | Funded Ratio (%) (a/b) | Unfunded/ (Overfunded) AAL (\$) (UAAL) (b-a) | Covered Payroll (\$) (c) | UAAL as a Percentage (%) of Covered [(b-a)/c] |
|-------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------|------------------------------|-------------------------------------------------------|-----------------------------|--------------------------------------------------------|
| 1994 | 304.3 | 947.4 | 32.1 | 643.1 | 20.1 | 3200 |
| 1995 ⁽²⁾ | N/A | N/A | N/A | N/A | N/A | N/A |
| 1996 | 359.2 | 983.2 | 36.5 | 624.0 | 19.6 | 3184 |
| 1997 ⁽²⁾ | N/A | N/A | N/A | N/A | N/A | N/A |
| 1998 | 861.4 | 805.5 | 106.9 | (55.9) | 19.0 | (294.2) |
| 1999 ⁽²⁾ | N/A | N/A | N/A | N/A | N/A | N/A |

⁽¹⁾At market.

⁽²⁾Actuarial valuation conducted biennially.

STATISTICAL SECTION

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GENERAL FUND

The General Fund is the primary operating fund of the City. It accounts for normal recurring activities traditionally associated with governments which are not required to be accounted for in another fund. These activities are funded principally by property taxes, sales and use taxes, business and utility taxes, interest and rental income, and federal and state grants.

GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2000 and 1999
(In Thousands)

| | 2000 | 1999 |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Cash and investments | \$ 19,613 | \$ 19,216 |
| Receivables (net of allowance for uncollectibles of: 2000, \$1,586; 1999, \$1,366): | | |
| Accrued interest and dividends | 170 | 735 |
| Property taxes | 2,348 | 2,717 |
| Accounts receivable | 43,660 | 37,823 |
| Receivable from Port of Oakland | 10,263 | 11,088 |
| Due from other funds | 82,415 | 74,039 |
| Notes and loans receivable | 13,709 | 13,709 |
| Restricted cash and investments | 24 | 24 |
| Other | <u>1,509</u> | <u>1,474</u> |
| TOTAL ASSETS | <u><u>\$173,711</u></u> | <u><u>\$160,825</u></u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 77,905 | \$ 60,139 |
| Due to other funds | 12,124 | 14,934 |
| Deferred revenue | 50,562 | 42,708 |
| Other | <u>886</u> | <u>172</u> |
| Total liabilities | <u><u>141,477</u></u> | <u><u>117,953</u></u> |
| Fund Balance | | |
| Reserved for: | | |
| Encumbrances | 3,708 | 4,378 |
| Unreserved: | | |
| Designated | 11,111 | 12,357 |
| Undesignated | <u>17,415</u> | <u>26,137</u> |
| Total fund balance | <u><u>32,234</u></u> | <u><u>42,872</u></u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u><u>\$173,711</u></u> | <u><u>\$160,825</u></u> |



GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Years ended June 30, 2000 and 1999
(In Thousands)

| | 2000 | 1999 |
|------------------------------------------|------------------|------------------|
| REVENUES | | |
| Taxes: | | |
| Property | \$ 85,872 | \$ 83,028 |
| State: | | |
| Sales and Use | 38,470 | 36,215 |
| Motor Vehicle In-lieu | 19,314 | 17,701 |
| Local: | | |
| Business License | 35,845 | 31,825 |
| Utility Consumption | 41,592 | 36,938 |
| Real Estate Transfer | 34,359 | 28,892 |
| Transient Occupancy | 12,100 | 9,430 |
| Parking | 5,686 | 5,827 |
| Franchise | 9,084 | 8,997 |
| Licenses and permits | 9,088 | 8,043 |
| Fines and penalties | 14,129 | 13,224 |
| Interest and investment income | 10,019 | 4,785 |
| Charges for services | 36,506 | 34,517 |
| Federal and state grants and subventions | 7,265 | 6,695 |
| Other | <u>8,813</u> | <u>27,732</u> |
| TOTAL REVENUES | <u>\$368,142</u> | <u>\$353,849</u> |

(continued)

GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued

Years ended June 30, 2000 and 1999

(In Thousands)

| | 2000 | 1999 |
|----------------------------------------|------------------|------------------|
| EXPENDITURES | | |
| Current: | | |
| Elected and Appointed Officials: | | |
| Mayor | \$ 918 | \$ 1,028 |
| Council | 2,350 | 2,217 |
| City Manager | 3,910 | 3,525 |
| City Attorney | 4,824 | 4,402 |
| City Auditor | 1,079 | 1,075 |
| City Clerk | 2,171 | 2,102 |
| Agencies/Departments: | | |
| Personnel Resource Management | 3,898 | 3,760 |
| Retirement and Risk Administration | 1,055 | 1,089 |
| Information Technology | 7,024 | 7,415 |
| Financial Services | 14,016 | 12,072 |
| Police Services | 121,542 | 108,074 |
| Fire Services | 69,240 | 58,315 |
| Life Enrichment | | |
| Administration | 610 | — |
| Parks and Recreation | 12,160 | 11,963 |
| Library | 9,089 | 9,154 |
| Museum | 5,268 | 4,597 |
| Aging | 2,512 | 2,671 |
| Health and Human Services | 579 | 489 |
| Cultural Arts | 1,531 | — |
| Community and Economic Development | 18,954 | 18,403 |
| Public Works | 25,050 | 26,070 |
| Other | 22,596 | 15,843 |
| Capital outlay | 866 | 635 |
| Debt Service | | |
| Interest charges | 581 | 2,543 |
| TOTAL EXPENDITURES | <u>331,823</u> | <u>297,442</u> |
| EXCESS (DEFICIENCY) OF REVENUES | | |
| OVER (UNDER) EXPENDITURES | <u>\$ 36,319</u> | <u>\$ 56,407</u> |

(continued)



GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued

Years ended June 30, 2000 and 1999

(In Thousands)

| | 2000 | 1999 |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| OTHER FINANCING SOURCES (USES) | | |
| Property sale proceeds | \$ 79 | \$ — |
| Bond proceeds | 1,166 | — |
| Operating transfers in | 116,700 | 73,122 |
| Operating transfers out | <u>(164,902)</u> | <u>(111,121)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(46,957)</u> | <u>(37,999)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (10,638) | 18,408 |
| Fund balance at beginning of year | 42,872 | 24,464 |
| Residual equity transfer | <u>—</u> | <u>—</u> |
| FUND BALANCE AT END OF YEAR | <u><u>\$ 32,234</u></u> | <u><u>\$ 42,872</u></u> |

(concluded)

SPECIAL REVENUE FUNDS

Special revenue funds account for certain revenue sources that are legally restricted to be spent for specified purposes. Other restricted resources are accounted for in trust, debt service, and capital projects funds.



SPECIAL REVENUE FUNDS

Federal and State Grants Funds account for various Federal and State grants used or expended for a specific purpose, activity or program.

Traffic Safety and Control Funds account for monies received from 3-5% parking meter collections and from fines and forfeitures for misdemeanor violations of vehicle codes which are expended or disbursed for purposes immediately connected with traffic safety and control.

State Gas Tax Funds account for the subventions received from state gas taxes under the provision of the Streets and Highways Code. State gas taxes are restricted to uses related to local streets and highways and would include acquisitions of real property, construction and improvements, and repairs and maintenance of streets and highways.

The **Landscape and Lighting Assessment District Fund** is an assessment district fund that is used to account for monies restricted to installing, maintaining and servicing public lighting, landscaping and park facilities.

Other Assessment Districts Funds account for monies restricted to specific improvements that beneficially affect a well defined and limited area of land.

Other Special Revenue Funds account for other restricted monies that are classified as Special Revenue Funds.

Oakland Redevelopment Agency Funds account for monies not restricted to specific projects or activities but limited to redevelopment purposes.



**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

| | Federal and State Grants | Traffic Safety and Control | State Gas Tax | Landscape and Lighting Assessment District |
|-----------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------|--------------------------|-------------------------------------------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ — | \$ 10,247 | \$ 7,343 | \$ 2,763 |
| Receivables: | | | | |
| Accrued interest and dividends | — | 114 | 81 | 31 |
| Property taxes | 103 | — | — | 480 |
| Accounts receivable (net of allowance for uncollectibles of: 2000, \$494; 1999, \$0) | — | — | 678 | 689 |
| Grants receivable | 48,556 | — | — | — |
| Due from other funds | 3,171 | — | — | — |
| Notes and loans receivable | 73,171 | — | — | — |
| Other | 25 | — | — | — |
| TOTAL ASSETS | <u>\$125,026</u> | <u>\$10,361</u> | <u>\$ 8,102</u> | <u>\$ 3,963</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 9,574 | \$ 1,247 | \$ 175 | \$ 632 |
| Due to other funds | 35,773 | — | — | — |
| Deferred revenue | 79,678 | — | — | — |
| Other | 1 | — | — | — |
| Total liabilities | <u>125,026</u> | <u>1,247</u> | <u>175</u> | <u>632</u> |
| Fund balances | | | | |
| Reserved | — | 9,114 | 7,927 | 3,331 |
| Total fund balances | <u>—</u> | <u>9,114</u> | <u>7,927</u> | <u>3,331</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$125,026</u> | <u>\$10,361</u> | <u>\$ 8,102</u> | <u>\$ 3,963</u> |

SPECIAL REVENUE FUNDS

| Other Assessment Districts | Other Special Revenue | Oakland Redevelopment Agency | Total | |
|----------------------------------|-----------------------------|------------------------------------|------------------|------------------|
| | | | 2000 | 1999 |
| \$ 326 | \$10,146 | \$ 1,799 | \$ 32,624 | \$ 23,939 |
| 4 | 113 | 79 | 422 | 1,334 |
| 45 | 46 | — | 674 | 698 |
| 132 | — | — | 1,499 | 1,510 |
| — | — | — | 48,556 | 22,533 |
| — | 1,926 | 535 | 5,632 | 15,163 |
| — | 6,616 | — | 79,787 | 76,828 |
| — | — | 1 | 26 | 2 |
| <u>\$ 507</u> | <u>\$18,847</u> | <u>\$ 2,414</u> | <u>\$169,220</u> | <u>\$142,007</u> |
| | | | | |
| \$ — | \$ 1,127 | \$ 75 | \$ 12,830 | \$ 4,787 |
| — | 1,105 | 54 | 36,932 | 34,918 |
| — | 8,577 | 536 | 88,791 | 82,555 |
| — | 0 | 6 | 7 | 180 |
| — | 10,809 | 671 | 138,560 | 122,440 |
| <u>507</u> | <u>8,038</u> | <u>1,743</u> | <u>30,660</u> | <u>19,567</u> |
| <u>507</u> | <u>8,038</u> | <u>1,743</u> | <u>30,660</u> | <u>19,567</u> |
| <u>\$ 507</u> | <u>\$18,847</u> | <u>\$ 2,414</u> | <u>\$169,220</u> | <u>\$142,007</u> |



SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year ended June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

| | Federal and State Grants | Traffic Safety and Control | State Gas Tax | Landscape and Lighting Assessment District |
|---------------------------------------------|-----------------------------|----------------------------------|------------------------|--------------------------------------------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 4,535 | \$ — | \$ — | \$17,326 |
| State | | | | |
| Sales and Use | — | 8,321 | — | — |
| Gas | — | — | 8,052 | — |
| Licenses and permits | — | — | — | 10 |
| Fines and penalties | 398 | 999 | — | — |
| Interest and investment income | — | 200 | 362 | 1 |
| Charges for services | 146 | 267 | 1 | 20 |
| Federal and state grants and subventions | 73,496 | 1,000 | 40 | — |
| Other | <u>3,136</u> | <u>1</u> | <u>—</u> | <u>10</u> |
| TOTAL REVENUES | <u>\$81,711</u> | <u>\$10,788</u> | <u>\$ 8,455</u> | <u>\$17,367</u> |

SPECIAL REVENUE FUNDS

| Other Assessment Districts | Other Special Revenue | Oakland Redevelopment Agency | Total | |
|----------------------------------|-----------------------------|------------------------------------|------------------|------------------|
| | | | 2000 | 1999 |
| \$ 136 | \$ 1,246 | \$ — | \$ 23,243 | \$ 23,563 |
| — | — | — | 8,321 | 7,593 |
| — | — | — | 8,052 | 7,389 |
| — | — | — | 10 | 18 |
| — | 35 | — | 1,432 | 1,491 |
| 22 | 321 | 95 | 1,001 | 1,979 |
| 1 | 2,069 | — | 2,504 | 1,930 |
| — | 1,450 | — | 75,986 | 53,421 |
| <u>185</u> | <u>817</u> | <u>97</u> | <u>4,246</u> | <u>5,586</u> |
| <u>\$ 344</u> | <u>\$ 5,938</u> | <u>\$ 192</u> | <u>\$124,795</u> | <u>\$102,970</u> |

(continued)



SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued
Year ended June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

| | Federal and State Grants | Traffic Safety and Control | State Gas Tax | Landscape and Lighting Assessment District |
|----------------------------------------|-----------------------------|----------------------------------|------------------|--------------------------------------------------------|
| EXPENDITURES | | | | |
| Current: | | | | |
| Elected and Appointed Officials: | | | | |
| Mayor | \$ — | \$ — | \$ — | \$ 1 |
| Council | 17 | — | — | — |
| City Manager | 258 | — | — | 148 |
| City Attorney | 159 | — | — | 87 |
| City Clerk | — | — | — | — |
| Agencies/Departments: | | | | |
| Personnel Resource Management | 29 | — | — | 1 |
| Information Technology | 8 | — | — | 21 |
| Financial Services | 141 | — | — | 65 |
| Police Services | 8,734 | — | — | 6 |
| Fire Services | 137 | — | — | — |
| Life Enrichment | | | | |
| Administration | — | — | — | 3 |
| Parks and Recreation | 469 | 1 | — | 13,528 |
| Library | 4,522 | — | — | 1 |
| Museum | — | — | — | 17 |
| Aging | 3,030 | 989 | — | — |
| Health and Human Services | 12,577 | — | — | — |
| Cultural Arts | 39 | — | — | 58 |
| Community and Economic Development | 27,514 | 9 | — | — |
| Public Works | 3,225 | 3,263 | 7,292 | 2,434 |
| Other | 11,804 | 5,376 | 30 | 656 |
| Capital outlay | <u>1,557</u> | <u>172</u> | <u>—</u> | <u>33</u> |
| TOTAL EXPENDITURES | <u>74,220</u> | <u>9,810</u> | <u>7,322</u> | <u>17,059</u> |
| EXCESS (DEFICIENCY) OF REVENUES | | | | |
| OVER (UNDER) EXPENDITURES | <u>\$ (7,491)</u> | <u>\$ 978</u> | <u>\$ 1,133</u> | <u>\$ 308</u> |

SPECIAL REVENUE FUNDS

| Other Assessment Districts | Other Special Revenue | Oakland Redevelopment Agency | Total | |
|----------------------------------|-----------------------------|------------------------------------|----------------|----------------|
| | | | 2000 | 1999 |
| \$ — | \$ — | \$ — | \$ 1 | \$ — |
| — | 35 | — | 52 | 20 |
| — | 1,142 | — | 1,548 | 1,084 |
| — | 163 | — | 409 | 319 |
| — | — | — | — | 1 |
| — | — | — | 30 | 229 |
| — | (3) | — | 26 | 25 |
| — | — | — | 206 | 583 |
| — | 301 | — | 9,041 | 6,359 |
| 78 | 2,630 | — | 2,845 | 2,283 |
| — | 2 | — | 5 | — |
| 13 | 88 | — | 14,099 | 14,689 |
| — | 4 | — | 4,527 | 5,000 |
| — | 1 | — | 18 | — |
| — | 169 | — | 4,188 | 4,310 |
| — | — | — | 12,577 | 13,379 |
| — | — | — | 97 | — |
| — | 1,882 | 261 | 29,666 | 30,153 |
| 1 | 178 | — | 16,393 | 13,755 |
| — | 5,536 | — | 23,402 | 18,146 |
| — | — | — | 1,762 | 13,320 |
| <u>92</u> | <u>12,128</u> | <u>261</u> | <u>120,892</u> | <u>123,655</u> |
| \$ 252 | \$ (6,190) | \$ (69) | \$ 3,903 | \$ (20,685) |

(continued)



SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued
Year ended June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

| | Federal and State Grants | Traffic Safety and Control | State Gas Tax | Landscape and Lighting Assessment District |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------|------------------|--------------------------------------------------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond proceeds | \$ 142 | \$ — | \$ — | \$ — |
| Property sale proceeds | 194 | — | 11 | — |
| Operating transfers in | — | — | — | — |
| Operating transfers out | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>336</u> | <u>—</u> | <u>11</u> | <u>—</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 7,827 | 978 | 1,144 | 308 |
| Fund balances (deficit) at beginning of year | <u>(7,827)</u> | <u>8,136</u> | <u>6,783</u> | <u>3,023</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ —</u> | <u>\$ 9,114</u> | <u>\$ 7,927</u> | <u>\$ 3,331</u> |

SPECIAL REVENUE FUNDS

| Other Assessment Districts | Other Special Revenue | Oakland Redevelopment Agency | Total | |
|----------------------------------|-----------------------------|------------------------------------|------------------|------------------|
| | | | 2000 | 1999 |
| \$ — | \$ 1 | \$ — | \$ 143 | \$ — |
| — | — | — | 205 | 586 |
| — | 6,842 | — | 6,842 | 30,164 |
| — | — | — | — | (18,591) |
| — | 6,843 | — | 7,190 | 12,159 |
| 252 | 653 | (69) | 11,093 | (8,526) |
| <u>255</u> | <u>7,385</u> | <u>1,812</u> | <u>19,567</u> | <u>28,093</u> |
| <u>\$ 507</u> | <u>\$ 8,038</u> | <u>\$ 1,743</u> | <u>\$ 30,660</u> | <u>\$ 19,567</u> |

(concluded)



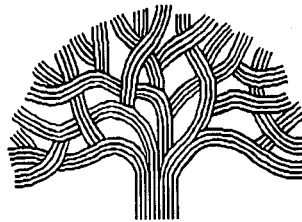
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL ON A BUDGETARY BASIS

Year ended June 30, 2000
(In Thousands)

| | <u>Traffic Safety and Control</u> | | | <u>State Gas Tax</u> | | |
|------------------------------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------------|-----------------------|------------------------------------|-------------------------------------------|
| | <u>Revised Budget</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance - Favorable (Unfavorable)</u> | <u>Revised Budget</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance - Favorable (Unfavorable)</u> |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Property | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| State: | | | | | | |
| Sales and Use | 12,473 | 8,321 | (4,152) | — | — | — |
| Gas | — | — | — | 7,060 | 8,052 | 992 |
| Licenses and permits | — | — | — | — | — | — |
| Fines and penalties | 270 | 999 | 729 | — | — | — |
| Interest and investment income | 200 | 200 | — | 188 | 362 | 174 |
| Charges for services | 694 | 267 | (427) | — | 1 | 1 |
| Federal and state grants and subventions | 1,000 | 1,000 | — | — | 40 | 40 |
| Other | <u>40</u> | <u>1</u> | <u>(39)</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| TOTAL REVENUES | <u>14,677</u> | <u>10,788</u> | <u>(3,889)</u> | <u>7,248</u> | <u>8,455</u> | <u>(1,207)</u> |
| EXPENDITURES | | | | | | |
| Elected and Appointed Officials: | | | | | | |
| Mayor | — | — | — | — | — | — |
| Council | — | — | — | — | — | — |
| City Manager | — | — | — | — | — | — |
| City Attorney | — | — | — | 13 | — | 13 |
| Agencies/Departments: | | | | | | |
| Personnel Resource Management | — | — | — | — | — | — |
| Information Technology | — | — | — | — | — | — |
| Financial Services | — | — | — | — | — | — |
| Police Services | — | — | — | — | — | — |
| Fire Services | — | — | — | — | — | — |
| Life Enrichment | | | | | | |
| Administration | — | — | — | — | — | — |
| Parks and Recreation | — | 1 | (1) | — | — | — |
| Library | — | — | — | — | — | — |
| Museum | — | — | — | — | — | — |
| Aging | 888 | 989 | (101) | — | — | — |
| Health and Human Services | — | — | — | — | — | — |
| Cultural Arts | — | — | — | — | — | — |
| Community & Economic Devel. | 22 | 9 | 13 | — | — | — |
| Public Works | 17,926 | 3,263 | 14,663 | 9,443 | 7,292 | 2,151 |
| Other | 118 | 5,376 | (5,258) | — | 30 | (30) |
| Capital outlay | <u>200</u> | <u>172</u> | <u>28</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| TOTAL EXPENDITURES | <u>19,154</u> | <u>9,810</u> | <u>9,344</u> | <u>9,456</u> | <u>7,322</u> | <u>2,134</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>\$ (4,477)</u> | <u>\$ 978</u> | <u>\$ 5,455</u> | <u>\$ (2,208)</u> | <u>\$ 1,133</u> | <u>\$ 3,341</u> |

SPECIAL REVENUE FUNDS

| Landscape and Lighting Assessment District | | | Total Special Revenue Funds | | |
|--------------------------------------------|-----------------------------|------------------------------------|-----------------------------|-----------------------------|------------------------------------|
| Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) | Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) |
| \$ 16,413 | \$ 17,326 | \$ 913 | \$ 16,413 | \$ 17,326 | \$ 913 |
| — | — | — | 12,473 | 8,321 | (4,152) |
| — | — | — | 7,060 | 8,052 | 992 |
| 8 | 10 | 2 | 8 | 10 | 2 |
| — | — | — | 270 | 999 | 729 |
| — | 1 | 1 | 388 | 563 | 175 |
| 4 | 20 | 16 | 698 | 288 | (410) |
| — | — | — | 1,000 | 1,040 | 40 |
| 15 | 10 | (5) | 55 | 11 | (44) |
| <u>16,440</u> | <u>17,367</u> | <u>927</u> | <u>38,365</u> | <u>36,610</u> | <u>(1,755)</u> |
| — | 1 | (1) | — | 1 | (1) |
| — | — | — | — | — | — |
| 114 | 148 | (34) | 127 | 148 | (21) |
| 87 | 87 | — | 87 | 87 | — |
| — | 1 | (1) | — | 1 | (1) |
| 24 | 21 | 3 | 24 | 21 | 3 |
| 89 | 65 | 24 | 89 | 65 | 24 |
| — | 6 | (6) | — | 6 | (6) |
| — | — | — | — | — | — |
| 2 | 3 | (1) | 2 | 3 | (1) |
| 14,097 | 13,528 | 569 | 14,097 | 13,529 | 568 |
| — | 1 | (1) | — | 1 | (1) |
| — | 17 | (17) | — | 17 | (17) |
| — | — | — | 888 | 989 | (101) |
| — | — | — | — | — | — |
| — | 58 | (58) | — | 58 | (58) |
| — | — | — | 22 | 9 | 13 |
| 2,612 | 2,434 | 178 | 29,981 | 12,989 | 16,992 |
| 536 | 656 | (614) | 654 | 6,062 | (5,408) |
| — | 33 | (33) | 200 | 205 | (5) |
| <u>17,561</u> | <u>17,059</u> | <u>8</u> | <u>46,171</u> | <u>34,191</u> | <u>11,980</u> |
| <u>\$ (1,121)</u> | <u>\$ 308</u> | <u>\$ (813)</u> | <u>\$ (7,806)</u> | <u>\$ 2,419</u> | <u>\$ 10,225</u> |



CITY OF OAKLAND

DEBT SERVICE FUNDS

Debt service funds account for the accumulation of resources to be used for the payment of general long-term debt principal and interest.

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DEBT SERVICE FUNDS

The **General Obligation Bonds Fund** accounts for monies received in connection with the Series 1991A, Series 1992, and Series 1995B General Obligation Bonds and the related payments on such debt. Proceeds from the Series 1991A and 1995B bonds are to be used by the City to expand and develop park and recreation facilities. Proceeds from the Series 1992 bonds are to be used for enhancing the City's emergency response capabilities and for seismic reinforcement of essential public facilities and infrastructure.

The **Tax Allocation Bonds Fund** accounts for tax increment revenues and payment of principal and interest on bonded and other indebtedness related to projects of the Oakland Redevelopment Agency.

The **Lease Financings Fund** accounts for monies received in connection with leases between the City and the Agency, and the City and the California Statewide Communities Development Authority. It also accounts for payments on bonds and other debt issued for the Oakland Museum, for capital improvements to certain City properties, and for the Scotlan and Kaiser Convention Centers.

The **Other Assessment Bonds Fund** accounts for special assessment monies received from property owners within the various special assessment districts to liquidate the improvement bonds. These districts include Medical Hill Parking, Rockridge Area Water Improvement, and the Fire Area Utility Underground.

The **Special Revenue Bonds Fund** accounts for monies received in connection with the Special Refunding Revenue Bonds (Pension Financing) 1988 Series A and for payments on such bonds. Proceeds from the bonds were used by the City to fund a portion of the City's liability for employee pensions.

The **Civic Improvement Fund** accounts for monies received in connection with leases between the City and the Civic Improvement Corporation.

The **JPFA Fund** accounts for monies received in connection with leases between the City and the JPFA.



**DEBT SERVICE FUNDS
COMBINING BALANCE SHEET**

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

| | General Obligation Bonds | Tax Allocation Bonds | Lease Financings |
|--------------------------------------------|-----------------------------------------|-------------------------------------|-----------------------------|
| ASSETS | | | |
| Cash and investments | \$ 7,831 | \$ — | \$ — |
| Receivables: | | | |
| Accrued interest and dividends | 87 | — | 69 |
| Property taxes | 323 | 7 | — |
| Special assessments | — | — | — |
| Due from other funds | — | — | 9,942 |
| Restricted cash and investments | 1,345 | 10,604 | 7,189 |
| Property held for resale | — | 21,447 | — |
| Other | — | — | — |
| TOTAL ASSETS | <u><u>\$ 9,586</u></u> | <u><u>\$32,058</u></u> | <u><u>\$ 17,200</u></u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ — | \$ 121 | \$ — |
| Due to other funds | — | 20,358 | 106 |
| Deferred revenue | — | — | — |
| Interest payable | — | 716 | 78 |
| Other | — | — | — |
| Total liabilities | <u><u>—</u></u> | <u><u>21,195</u></u> | <u><u>184</u></u> |
| Fund balances | | | |
| Reserved for debt service | <u>9,586</u> | <u>10,863</u> | <u>17,016</u> |
| Total fund balances | <u>9,586</u> | <u>10,863</u> | <u>17,016</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$ 9,586</u></u> | <u><u>\$32,058</u></u> | <u><u>\$ 17,200</u></u> |

DEBT SERVICE FUNDS

| Civic Improvement | JPFA Fund | Other Assessment Bonds | Special Revenue Bonds | Total | |
|----------------------|-----------------|------------------------------|-----------------------------|------------------|------------------|
| | | | | 2000 | 1999 |
| \$ — | \$ — | \$ 1,533 | \$ — | \$ 9,364 | \$ 3,865 |
| — | — | — | — | 156 | 234 |
| — | — | 1,488 | — | 1,818 | 156 |
| — | — | — | — | — | 1,479 |
| 121 | — | — | — | 10,063 | 6,847 |
| 26,153 | 6,023 | 794 | 19,308 | 71,416 | 78,449 |
| — | — | — | — | 21,447 | 21,447 |
| — | — | — | 460 | 460 | 460 |
| <u>\$26,274</u> | <u>\$ 6,023</u> | <u>\$ 3,815</u> | <u>\$ 19,768</u> | <u>\$114,724</u> | <u>\$112,937</u> |
| | | | | | |
| \$ — | \$ — | \$ 1 | \$ 29 | \$ 151 | \$ 155 |
| 5 | 19 | — | 4 | 20,492 | 33,161 |
| — | — | 1,458 | — | 1,458 | 1,457 |
| — | — | — | — | 794 | 906 |
| — | — | — | — | — | 23 |
| <u>5</u> | <u>19</u> | <u>1,459</u> | <u>33</u> | <u>22,895</u> | <u>35,702</u> |
| <u>26,269</u> | <u>6,004</u> | <u>2,356</u> | <u>19,735</u> | <u>91,829</u> | <u>77,235</u> |
| <u>26,269</u> | <u>6,004</u> | <u>2,356</u> | <u>19,735</u> | <u>91,829</u> | <u>77,235</u> |
| <u>\$26,274</u> | <u>\$ 6,023</u> | <u>\$ 3,815</u> | <u>\$ 19,768</u> | <u>\$114,724</u> | <u>\$112,937</u> |



DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

| | General Obligation Bonds | Tax Allocation Bonds | Lease Financings |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------|---------------------|
| REVENUES | | | |
| Property taxes | \$15,511 | \$ 632 | \$ — |
| Fines and penalties | 64 | — | — |
| Interest and investment income | 324 | 2,493 | 4,573 |
| Other | <u>—</u> | <u>—</u> | <u>—</u> |
| TOTAL REVENUES | <u>15,899</u> | <u>3,125</u> | <u>4,573</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Financial Services | 6 | — | — |
| Other | <u>—</u> | 48 | 234 |
| Debt service: | | | |
| Principal repayment | 3,295 | 7,955 | 7,541 |
| Interest charges | <u>7,735</u> | <u>11,736</u> | <u>10,309</u> |
| TOTAL EXPENDITURES | <u>11,036</u> | <u>19,739</u> | <u>18,084</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>4,863</u> | <u>(16,614)</u> | <u>(13,511)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Bond proceeds | — | — | — |
| Payment to refunded bond escrow agent | — | — | — |
| Operating transfers in | — | 20,747 | 23,458 |
| Operating transfers out | <u>—</u> | <u>(3,637)</u> | <u>—</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>—</u> | <u>17,110</u> | <u>23,458</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 4,863 | 496 | 9,947 |
| Fund balances at beginning of year | <u>4,723</u> | <u>10,367</u> | <u>7,069</u> |
| FUND BALANCES (DEFICIT) AT END OF YEAR | <u>\$ 9,586</u> | <u>\$10,863</u> | <u>\$17,016</u> |

DEBT SERVICE FUNDS

| Civic Improvement | JPFA Fund | Other Assessment Bonds | Special Revenue Bonds | Total | |
|----------------------|-----------------|------------------------------|-----------------------------|------------------|------------------|
| | | | | 2000 | 1999 |
| \$ — | \$ — | \$ — | \$ — | \$ 16,143 | \$ 7,798 |
| — | — | — | — | 64 | 21 |
| 1,505 | 354 | — | 1,349 | 10,598 | 10,284 |
| — | — | 1,220 | — | 1,220 | 780 |
| <u>1,505</u> | <u>354</u> | <u>1,220</u> | <u>1,349</u> | <u>28,025</u> | <u>18,883</u> |
| — | — | 464 | 172 | 642 | 361 |
| 243 | — | 824 | 65 | 1,414 | 4,556 |
| 1,400 | — | 383 | 15,570 | 36,144 | 30,457 |
| <u>1,378</u> | <u>5,834</u> | <u>382</u> | <u>35,788</u> | <u>73,162</u> | <u>71,867</u> |
| <u>3,021</u> | <u>5,834</u> | <u>2,053</u> | <u>51,595</u> | <u>111,362</u> | <u>107,241</u> |
| <u>(1,516)</u> | <u>(5,480)</u> | <u>(833)</u> | <u>(50,246)</u> | <u>(83,337)</u> | <u>(88,358)</u> |
| — | — | 7,255 | — | 7,255 | 187,500 |
| — | — | (7,125) | — | (7,125) | (168,539) |
| 1,924 | 5,921 | 2,786 | 67,590 | 122,426 | 90,170 |
| — | (508) | (2,786) | (17,694) | (24,625) | (13,692) |
| <u>1,924</u> | <u>5,413</u> | <u>130</u> | <u>49,896</u> | <u>97,931</u> | <u>95,439</u> |
| 408 | (67) | (703) | (350) | 14,594 | 7,081 |
| <u>25,861</u> | <u>6,071</u> | <u>3,059</u> | <u>20,085</u> | <u>77,235</u> | <u>70,154</u> |
| <u>\$ 26,269</u> | <u>\$ 6,004</u> | <u>\$ 2,356</u> | <u>\$ 19,735</u> | <u>\$ 91,829</u> | <u>\$ 77,235</u> |



DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL ON A BUDGETARY BASIS

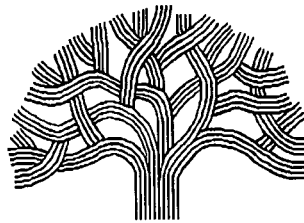
Year ended June 30, 2000

(In Thousands)

| | <u>General Obligation Bonds</u> | | | <u>Other Assessment Bonds</u> | | |
|--------------------------------------------------------------------------|---------------------------------|-----------------------------------|------------------------------------------|-------------------------------|-----------------------------------|------------------------------------------|
| | Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) | Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | \$ — | \$ 15,511 | \$ 15,511 | \$ — | \$ — | \$ — |
| Fines and penalties | — | 64 | 64 | — | — | — |
| Interest and investment income | 1,440 | 324 | (1,116) | — | — | — |
| Other | — | — | — | 83 | 1,220 | 1,137 |
| TOTAL REVENUES | <u>1,440</u> | <u>15,899</u> | <u>14,459</u> | <u>83</u> | <u>1,220</u> | <u>1,137</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Agencies: | | | | | | |
| Financial Services | — | 6 | (6) | 39 | 464 | (425) |
| Other | 52 | — | 52 | 422 | 824 | (402) |
| Debt service: | | | | | | |
| Principal repayments | 6,590 | 3,295 | 3,295 | 810 | 383 | 427 |
| Interest charges | <u>15,470</u> | <u>7,735</u> | <u>7,735</u> | <u>1,517</u> | <u>382</u> | <u>1,135</u> |
| TOTAL EXPENDITURES | <u>22,112</u> | <u>11,036</u> | <u>11,076</u> | <u>2,788</u> | <u>2,053</u> | <u>735</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>\$(20,672)</u> | <u>\$ 4,863</u> | <u>\$ 25,535</u> | <u>\$(2,705)</u> | <u>\$ (833)</u> | <u>\$ 1,872</u> |

DEBT SERVICE FUNDS

| Special Revenue Bonds | | | Total Debt Service Funds | | |
|-----------------------|-----------------------------|------------------------------------|--------------------------|-----------------------------|------------------------------------|
| Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) | Revised Budget | Actual on a Budgetary Basis | Variance - Favorable (Unfavorable) |
| \$ — | \$ — | \$ — | \$ — | \$ 15,511 | \$15,511 |
| — | — | — | — | 64 | 64 |
| — | 1,349 | 1,349 | 1,440 | 1,673 | 233 |
| — | — | — | 83 | 1,220 | 1,137 |
| — | 1,349 | 1,349 | 1,523 | 18,468 | 16,945 |
| — | 172 | (172) | 39 | 642 | (603) |
| 12 | 65 | (53) | 486 | 889 | (403) |
| 31,140 | 15,570 | 15,570 | 38,540 | 19,248 | 19,292 |
| <u>52,788</u> | <u>35,788</u> | <u>17,000</u> | <u>69,775</u> | <u>43,905</u> | <u>25,870</u> |
| <u>83,940</u> | <u>51,595</u> | <u>32,345</u> | <u>108,840</u> | <u>64,684</u> | <u>44,156</u> |
| <u>\$(83,940)</u> | <u>\$(50,246)</u> | <u>\$ 33,694</u> | <u>\$(107,317)</u> | <u>\$(46,216)</u> | <u>\$61,101</u> |



CITY OF OAKLAND

CAPITAL PROJECTS FUNDS

Capital projects funds account for financial resources to be used for the acquisition, construction or improvement of major capital facilities, except those financed by proprietary and trust funds.



**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET**

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

| | Park and Recreation | Municipal Improvement Capital |
|-------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|
| ASSETS | | |
| Cash and investments | \$ 1,605 | \$ — |
| Receivables: | | |
| Accrued interest and dividends | 18 | — |
| Property taxes | — | 70 |
| Accounts receivable | — | 2 |
| Due from other funds | — | 1,474 |
| Due from other governments | — | — |
| Notes and loans receivable (net of allowance for uncollectible of: 2000, \$144; 1999, \$197) | — | 106 |
| Restricted cash and investments | 8,329 | 102,002 |
| Property held for resale | — | — |
| Other | — | 2,402 |
| | <u>\$ 9,952</u> | <u>\$ 106,056</u> |
| TOTAL ASSETS | | |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 539 | \$ 2,440 |
| Due to other funds | — | 5,200 |
| Deferred revenue | — | 1,650 |
| Long-term obligations | — | — |
| Other | — | 1,120 |
| | <u>539</u> | <u>10,410</u> |
| Total liabilities | | |
| Fund balances | | |
| Reserved for capital projects | <u>9,413</u> | <u>95,646</u> |
| Total equity | <u>9,413</u> | <u>95,646</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 9,952</u> | <u>\$ 106,056</u> |

CAPITAL PROJECTS FUNDS

| Emergency Services | Oakland Redevelopment Agency | Total | |
|-----------------------|------------------------------------|------------------|------------------|
| | | 2000 | 1999 |
| \$ — | \$ 73,987 | \$ 75,592 | \$ 74,453 |
| — | 1,210 | 1,228 | 821 |
| — | 1,619 | 1,689 | 70 |
| — | 3,065 | 3,067 | 133 |
| — | 2,477 | 3,951 | 15,007 |
| — | 110 | 110 | 36 |
| — | 24,087 | 24,193 | 33,518 |
| 23,633 | 51,875 | 185,839 | 198,951 |
| — | 53,492 | 53,492 | 54,688 |
| 4 | 1 | 2,407 | 2,407 |
| <u>\$ 23,637</u> | <u>\$211,923</u> | <u>\$351,568</u> | <u>\$380,084</u> |
| | | | |
| \$ 1,648 | \$ 2,577 | \$ 7,204 | \$ 6,616 |
| 112 | 18,504 | 23,816 | 21,428 |
| — | 47,898 | 49,548 | 49,479 |
| — | — | — | 520 |
| — | 2,124 | 3,244 | 1,157 |
| <u>1,760</u> | <u>71,103</u> | <u>83,812</u> | <u>79,200</u> |
| | | | |
| <u>21,877</u> | <u>140,820</u> | <u>267,756</u> | <u>300,884</u> |
| <u>21,877</u> | <u>140,820</u> | <u>267,756</u> | <u>300,884</u> |
| <u>\$ 23,637</u> | <u>\$211,923</u> | <u>\$351,568</u> | <u>\$380,084</u> |



CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

| | Park and Recreation | Municipal Improvement Capital |
|------------------------------------------|------------------------------------|----------------------------------------------|
| REVENUES | | |
| Property taxes | \$ — | \$ — |
| Interest and investment income | 506 | 5,521 |
| Charges for services | — | 519 |
| Federal and state grants and subventions | — | 4 |
| Other | — | 993 |
| TOTAL REVENUES | <u>\$ 506</u> | <u>\$ 7,037</u> |

CAPITAL PROJECTS FUNDS

| Emergency Services | Oakland Redevelopment Agency | Total | |
|-----------------------|------------------------------------|------------------|------------------|
| | | 2000 | 1999 |
| \$ — | \$ 30,683 | \$ 30,683 | \$ 25,640 |
| 2,566 | 5,238 | 13,831 | 31,227 |
| — | 1,652 | 2,171 | 1,745 |
| — | 504 | 508 | 1,218 |
| — | <u>1,887</u> | <u>2,880</u> | <u>6,482</u> |
| <u>\$ 2,566</u> | <u>\$ 39,964</u> | <u>\$ 50,073</u> | <u>\$ 66,312</u> |

(continued)



CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES, continued

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

| | Park and Recreation | Municipal Improvement Capital |
|---------------------------------------------|---------------------------|-------------------------------------|
| EXPENDITURES | | |
| Current: | | |
| Elected and Appointed Officials: | | |
| Mayor | \$ — | \$ 15 |
| Council | — | 140 |
| City Manager | — | 188 |
| City Attorney | 12 | 14 |
| City Clerk | — | 64 |
| Agencies/Departments: | | |
| Personnel Resource Management | — | 126 |
| Retirement and Risk Administration | — | — |
| Information Technology | — | 523 |
| Financial Services | — | 1,112 |
| Police Services | — | 79 |
| Fire Services | — | — |
| Life Enrichment | | |
| Parks and Recreation | 937 | 2,482 |
| Library | 115 | 4 |
| Museum | — | 226 |
| Cultural Arts | 15 | 74 |
| Community and Economic Development | — | 267 |
| Public Works | 391 | 5,055 |
| Other | — | — |
| Capital outlay | <u>1,544</u> | <u>4,191</u> |
| TOTAL EXPENDITURES | <u>3,014</u> | <u>14,560</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER | | |
| (UNDER) EXPENDITURES | <u>\$(2,508)</u> | <u>\$(7,523)</u> |

CAPITAL PROJECTS FUNDS

| Emergency Services | Oakland Redevelopment Agency | Total | |
|-----------------------|------------------------------------|-------------------|-------------------|
| | | 2000 | 1999 |
| \$ — | \$ — | \$ 15 | \$ 16 |
| 2 | — | 142 | — |
| 1,171 | — | 1,359 | 65 |
| — | — | 26 | 52 |
| — | — | 64 | — |
| — | — | 126 | 229 |
| — | — | — | 21 |
| 139 | — | 662 | 492 |
| 2 | — | 1,114 | 549 |
| — | — | 79 | 29 |
| 152 | — | 152 | 39 |
| 11,525 | — | 14,944 | 638 |
| 136 | — | 255 | 160 |
| — | — | 226 | — |
| — | — | 89 | — |
| 38 | 35,469 | 35,774 | 25,367 |
| 1,615 | — | 7,061 | 2,702 |
| 901 | — | 901 | 16,509 |
| <u>10,243</u> | <u>—</u> | <u>15,978</u> | <u>50,153</u> |
| <u>25,924</u> | <u>35,469</u> | <u>78,967</u> | <u>97,021</u> |
| <u>\$ (23,358)</u> | <u>\$ 4,495</u> | <u>\$(28,894)</u> | <u>\$(30,709)</u> |

(continued)

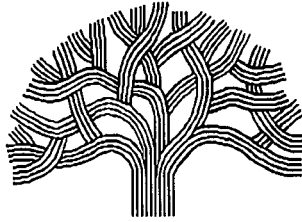


CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES, continued
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

| | Park and Recreation | Municipal Improvement Capital |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------|
| OTHER FINANCING SOURCES (USES) | | |
| Bond proceeds | \$ — | \$ 98 |
| Property sale proceeds | — | — |
| Operating transfers in | — | 337 |
| Operating transfers out | <u>—</u> | <u>(20,671)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>—</u> | <u>(20,236)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (2,508) | (27,759) |
| Fund balances at beginning of year | <u>11,921</u> | <u>123,405</u> |
| FUND BALANCES AT END OF YEAR | <u><u>\$ 9,413</u></u> | <u><u>\$ 95,646</u></u> |

CAPITAL PROJECTS FUNDS

| Emergency Services | Oakland Redevelopment Agency | Total | |
|-----------------------|------------------------------------|------------------|------------------|
| | | 2000 | 1999 |
| \$ — | \$ 39,395 | \$ 39,493 | \$ 4,467 |
| — | 4,573 | 4,573 | 5 |
| — | 12,564 | 12,901 | 6,157 |
| — | (40,637) | (61,308) | (40,330) |
| — | <u>15,895</u> | <u>(4,341)</u> | <u>(29,701)</u> |
| (23,358) | 20,390 | (33,235) | (60,410) |
| <u>45,235</u> | <u>120,430</u> | <u>300,991</u> | <u>361,294</u> |
| <u>\$ 21,877</u> | <u>\$140,820</u> | <u>\$267,756</u> | <u>\$300,884</u> |
| | | | (concluded) |



CITY OF OAKLAND

ENTERPRISE FUNDS

Enterprise funds account for public service operations that are financed and operated like private businesses.

ENTERPRISE FUNDS

Parks and Recreation Funds account for monies received and expended for the three golf courses operated by Parks and Recreation and Cultural Affairs.

The **Sewer Service Fund** was created by Council Ordinance 6551 CMS to provide the levy of a service charge based on the use of water. The proceeds are used for construction and maintenance of sanitary sewers and the administration costs of the program.

**ENTERPRISE FUNDS
COMBINING BALANCE SHEET****June 30, 2000****With comparative totals as of June 30, 1999***(In Thousands)*

| | Parks and Recreation | Sewer Service |
|-----------------------------------------------|---------------------------------|--------------------------|
| ASSETS | | |
| Cash and investments | \$ 430 | \$ 30 |
| Receivables | | |
| Property taxes | 4 | — |
| Accounts receivable | — | 1,569 |
| Due from other funds | — | — |
| Fixed assets, net of accumulated depreciation | <u>226</u> | <u>79,772</u> |
| TOTAL ASSETS | <u>\$ 660</u> | <u>\$81,371</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 23 | \$ 1,705 |
| Due to other funds | — | — |
| Long-term obligations | <u>—</u> | <u>8,923</u> |
| Total liabilities | <u>23</u> | <u>10,628</u> |
| Fund equity | | |
| Retained earnings | <u>637</u> | <u>70,743</u> |
| Total equity | <u>637</u> | <u>70,743</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 660</u> | <u>\$81,371</u> |

| Total | |
|-----------------|-----------------|
| 2000 | 1999 |
| \$ 460 | \$ 2,275 |
| 4 | 8 |
| 1,569 | 3,124 |
| — | 7 |
| <u>79,998</u> | <u>74,906</u> |
| <u>\$82,031</u> | <u>\$80,320</u> |
| | |
| \$ 1,728 | \$ 1,202 |
| — | 293 |
| <u>8,923</u> | <u>9,522</u> |
| <u>10,651</u> | <u>11,017</u> |
| | |
| <u>71,380</u> | <u>69,303</u> |
| <u>71,380</u> | <u>69,303</u> |
| <u>\$82,031</u> | <u>\$80,320</u> |



ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

| | Parks and Recreation | Sewer Service |
|----------------------------------------------------|-------------------------|------------------|
| OPERATING REVENUES | | |
| Rental | \$ 121 | \$ — |
| Interest | 3 | — |
| Charges for services | 392 | 17,921 |
| Other | <u>—</u> | <u>6</u> |
| TOTAL OPERATING REVENUES | <u>516</u> | <u>17,927</u> |
| OPERATING EXPENSES | | |
| Personnel | 5 | 8,576 |
| Supplies | 29 | 317 |
| Depreciation and amortization | 1 | 2,799 |
| Contractual services and supplies | 108 | 1,209 |
| Repairs and maintenance | — | 80 |
| General and administrative | — | 1,619 |
| Rental | 20 | 533 |
| Interest | — | — |
| Other | <u>96</u> | <u>—</u> |
| TOTAL OPERATING EXPENSES | <u>259</u> | <u>15,133</u> |
| OPERATING INCOME | <u>257</u> | <u>2,794</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Federal and state grants | — | — |
| Interest | — | (315) |
| Other, net | <u>—</u> | <u>—</u> |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>—</u> | <u>(315)</u> |
| INCOME BEFORE OPERATING TRANSFERS | 257 | 2,479 |
| Operating transfers out | <u>—</u> | <u>(659)</u> |
| NET INCOME | 257 | 1,820 |
| Retained earnings at beginning of year | 380 | 68,923 |
| Prior period adjustment | <u>—</u> | <u>—</u> |
| RETAINED EARNINGS AT END OF YEAR | <u>\$ 637</u> | <u>\$ 70,743</u> |

| Total | |
|------------------|------------------|
| 2000 | 1999 |
| \$ 121 | \$ 113 |
| 3 | — |
| 18,313 | 17,722 |
| <u>6</u> | <u>416</u> |
| <u>18,443</u> | <u>18,251</u> |
| 8,581 | 6,242 |
| 346 | 405 |
| 2,800 | 2,910 |
| 1,317 | 1,380 |
| 80 | 59 |
| 1,619 | 2,267 |
| 553 | 682 |
| — | — |
| <u>96</u> | <u>69</u> |
| <u>15,392</u> | <u>14,014</u> |
| <u>3,051</u> | <u>4,237</u> |
| — | 1 |
| (315) | (335) |
| <u>—</u> | <u>(468)</u> |
| <u>(315)</u> | <u>(802)</u> |
| 2,736 | 3,435 |
| <u>(659)</u> | <u>(659)</u> |
| 2,077 | 2,776 |
| 69,303 | 66,527 |
| <u>—</u> | <u>—</u> |
| <u>\$ 71,380</u> | <u>\$ 69,303</u> |



ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

| | Parks and Recreation | Sewer Service |
|---------------------------------------------------------------------------------------------------|-------------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Operating income | \$ 257 | \$ 2,794 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation and amortization | 1 | 2,799 |
| Changes in assets and liabilities: | | |
| Receivables | (4) | 1,563 |
| Accounts payable and accrued liabilities | <u>(15)</u> | <u>541</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>239</u> | <u>7,697</u> |
| CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Inter-fund receipts | — | 7 |
| Inter-fund (repayments) borrowings | — | (293) |
| Operating transfers to other funds | <u>—</u> | <u>(659)</u> |
| NET CASH PROVIDED BY (USED IN) NON-CAPITAL AND RELATED FINANCING ACTIVITIES | <u>\$ —</u> | <u>\$ (945)</u> |

ENTERPRISE FUNDS

| <u>Total</u> | |
|--------------|--------------|
| <u>2000</u> | <u>1999</u> |
| \$ 3,051 | \$ 4,237 |
| 2,800 | 2,910 |
| 1,559 | (762) |
| <u>526</u> | <u>746</u> |
| <u>7,936</u> | <u>7,131</u> |
| 7 | 99 |
| (293) | (15) |
| <u>(659)</u> | <u>(659)</u> |
| \$ (945) | \$ (575) |

(continued)



ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS, continued
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

| | Parks and Recreation | Sewer Service |
|-----------------------------------------------------------------------|---------------------------------|--------------------------|
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Long-term debt: | | |
| Repayment of principal | \$ — | \$ (599) |
| Repayment of interest | — | (315) |
| Acquisition and construction of capital assets | (3) | (7,889) |
| Grants from governmental agencies | <u>—</u> | <u>—</u> |
| NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(3)</u> | <u>(8,803)</u> |
| NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS | 236 | (2,051) |
| CASH AND EQUIVALENTS AT BEGINNING OF YEAR | <u>194</u> | <u>2,081</u> |
| CASH AND EQUIVALENTS AT END OF YEAR | <u>\$ 430</u> | <u>\$ 30</u> |

| Total | |
|----------------|-----------------|
| 2000 | 1999 |
| \$ (599) | \$ (581) |
| (315) | (335) |
| (7,892) | (12,662) |
| <u> </u> | <u> 1</u> |
| <u>(8,806)</u> | <u>(13,577)</u> |
| (1,815) | (7,021) |
| <u>2,275</u> | <u>9,296</u> |
| <u>\$ 460</u> | <u>\$ 2,275</u> |

(concluded)



INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

| | Equipment | Radio | Facilities |
|-----------------------------------------------|------------------------|------------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 9,213 | \$ 1,972 | \$ — |
| Receivables: | | | |
| Accounts receivable | 122 | 61 | 6 |
| Due from other funds | — | — | — |
| Restricted cash | 28,850 | — | — |
| Inventories | — | — | — |
| Fixed assets, net of accumulated depreciation | <u>14,139</u> | <u>1,753</u> | <u>372</u> |
| TOTAL ASSETS | <u><u>\$52,324</u></u> | <u><u>\$ 3,786</u></u> | <u><u>\$ 378</u></u> |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 1,973 | \$ 298 | \$ 1,039 |
| Due to other funds | — | — | 2,784 |
| Long-term obligations | <u>28,760</u> | <u>—</u> | <u>—</u> |
| Total liabilities | <u><u>30,733</u></u> | <u><u>298</u></u> | <u><u>3,823</u></u> |
| Fund Equity | | | |
| Contributed capital | 15,057 | 1,023 | 628 |
| Retained earnings (deficit) | <u>6,534</u> | <u>2,465</u> | <u>(4,073)</u> |
| Total fund equity (deficit) | <u><u>21,591</u></u> | <u><u>3,488</u></u> | <u><u>(3,445)</u></u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u><u>\$52,324</u></u> | <u><u>\$ 3,786</u></u> | <u><u>\$ 378</u></u> |

INTERNAL SERVICE FUNDS

| Reproduction | Central Stores | Total | |
|---------------|-------------------|------------------|------------------|
| | | 2000 | 1999 |
| \$ 460 | \$ — | \$ 11,645 | \$ 12,015 |
| 5 | — | 194 | 92 |
| — | — | — | 174 |
| — | — | 28,850 | — |
| — | 885 | 885 | 1,138 |
| <u>14</u> | <u>—</u> | <u>16,278</u> | <u>14,815</u> |
| <u>\$ 479</u> | <u>\$ 885</u> | <u>\$ 57,852</u> | <u>\$ 28,234</u> |
| | | | |
| \$ 71 | \$ 223 | \$ 3,604 | \$ 3,376 |
| — | 2,749 | 5,533 | 3,629 |
| — | — | <u>28,760</u> | — |
| <u>71</u> | <u>2,972</u> | <u>37,897</u> | <u>7,005</u> |
| | | | |
| 137 | 537 | 17,382 | 17,382 |
| <u>271</u> | <u>(2,624)</u> | <u>2,573</u> | <u>3,847</u> |
| <u>408</u> | <u>(2,087)</u> | <u>19,955</u> | <u>21,229</u> |
| <u>\$ 479</u> | <u>\$ 885</u> | <u>\$ 57,852</u> | <u>\$ 28,234</u> |



INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

| | Equipment | Radio | Facilities |
|---------------------------------------------------|-----------------|-----------------|-------------------|
| OPERATING REVENUES | | | |
| Rental | \$ — | \$ — | \$ — |
| Charges for services | 13,219 | 1,492 | 14,519 |
| Other | <u>326</u> | <u>—</u> | <u>—</u> |
| TOTAL OPERATING REVENUES | <u>13,545</u> | <u>1,492</u> | <u>14,519</u> |
| OPERATING EXPENSES | | | |
| Personnel | 3,943 | 361 | 6,597 |
| Supplies | 2,676 | 274 | 979 |
| Depreciation and amortization | 2,631 | 173 | 13 |
| Contractual services and supplies | 248 | 321 | 501 |
| Repairs and maintenance | 835 | 73 | 1,069 |
| General and administrative | 1,163 | 81 | 1,765 |
| Rental | 195 | 64 | 306 |
| Interest | 259 | — | — |
| Other | <u>888</u> | <u>230</u> | <u>3,673</u> |
| TOTAL OPERATING EXPENSES | <u>12,838</u> | <u>1,577</u> | <u>14,903</u> |
| OPERATING INCOME (LOSS) | 707 | (85) | (384) |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Federal and state grants | — | — | — |
| Other, net | <u>372</u> | <u>—</u> | <u>355</u> |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>372</u> | <u>—</u> | <u>355</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | <u>1,079</u> | <u>(85)</u> | <u>(29)</u> |
| NET INCOME (LOSS) | 1,079 | (85) | (29) |
| Retained earnings (deficit) at beginning of year | <u>5,455</u> | <u>2,550</u> | <u>(4,044)</u> |
| RETAINED EARNINGS (DEFICIT) AT END OF YEAR | <u>\$ 6,534</u> | <u>\$ 2,465</u> | <u>\$ (4,073)</u> |

INTERNAL SERVICE FUNDS

| Reproduction | Central Stores | Total | |
|---------------|-------------------|-----------------|-----------------|
| | | 2000 | 1999 |
| \$ — | \$ — | \$ — | \$ 10 |
| 1,043 | 835 | 31,108 | 30,414 |
| <u>—</u> | <u>—</u> | <u>326</u> | <u>114</u> |
| <u>1,043</u> | <u>835</u> | <u>31,434</u> | <u>30,538</u> |
| 273 | 713 | 11,887 | 10,821 |
| 115 | 1,176 | 5,220 | 5,117 |
| 4 | — | 2,821 | 4,248 |
| — | 111 | 1,181 | 738 |
| 8 | — | 1,985 | 1,348 |
| 261 | 256 | 3,526 | 3,995 |
| 615 | 31 | 1,211 | 1,109 |
| — | — | 259 | — |
| <u>—</u> | <u>554</u> | <u>5,345</u> | <u>3,708</u> |
| <u>1,276</u> | <u>2,841</u> | <u>33,435</u> | <u>31,084</u> |
| (233) | (2,006) | (2,001) | (546) |
| — | — | — | 102 |
| <u>—</u> | <u>—</u> | <u>727</u> | <u>136</u> |
| — | — | 727 | 238 |
| <u>(233)</u> | <u>(2,006)</u> | <u>(1,274)</u> | <u>(308)</u> |
| (233) | (2,006) | (1,274) | (308) |
| <u>504</u> | <u>(618)</u> | <u>3,847</u> | <u>4,155</u> |
| <u>\$ 271</u> | <u>\$ (2,624)</u> | <u>\$ 2,573</u> | <u>\$ 3,847</u> |



**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS**

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

| | Equipment | Radio | Facilities |
|---------------------------------------------------------------------------------------------------------------|------------------|---------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Operating income (loss) | \$ 707 | \$ (85) | \$(384) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | 2,631 | 173 | 13 |
| Changes in assets and liabilities: | | | |
| Receivables | (86) | (40) | 29 |
| Inventories | — | — | — |
| Other assets | — | — | — |
| Accounts payable and accrued liabilities | <u>168</u> | <u>242</u> | <u>(372)</u> |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | <u>3,420</u> | <u>290</u> | <u>(714)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | |
| Inter-fund receipts | 1 | — | 45 |
| Inter-fund (repayments) borrowings | <u>(26)</u> | <u>(2)</u> | <u>315</u> |
| NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES | <u>\$ (25)</u> | <u>\$ (2)</u> | <u>\$ 360</u> |

INTERNAL SERVICE FUNDS

| Reproduction | Central Stores | Total | |
|---------------|-------------------|-----------------|------------------|
| | | 2000 | 1999 |
| \$ (233) | \$ (2,006) | \$(2,001) | \$ (546) |
| 4 | — | 2,821 | 4,248 |
| (5) | — | (102) | 117 |
| — | 253 | 253 | (288) |
| — | — | — | 30 |
| <u>55</u> | <u>135</u> | <u>228</u> | <u>843</u> |
| <u>(179)</u> | <u>(1,618)</u> | <u>1,199</u> | <u>4,404</u> |
| 128 | — | 174 | 1,679 |
| <u>(1)</u> | <u>1,618</u> | <u>1,904</u> | <u>(3,499)</u> |
| <u>\$ 127</u> | <u>\$ (1,618)</u> | <u>\$ 2,078</u> | <u>\$(1,820)</u> |

(continued)



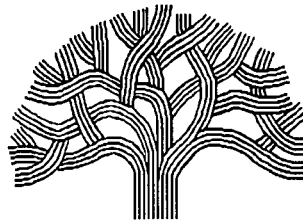
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS, continued
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

| | Equipment | Radio | Facilities |
|----------------------------------------------------------------------------|-----------------|-----------------|-------------|
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| New borrowings | \$28,760 | \$ — | \$ — |
| Acquisition and construction of capital assets | (3,183) | (1,100) | (1) |
| Grants from governmental agencies | — | — | — |
| Other | <u>372</u> | <u>—</u> | <u>355</u> |
| NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES | <u>25,949</u> | <u>(1,100)</u> | <u>354</u> |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | 29,344 | (812) | — |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>8,719</u> | <u>2,784</u> | <u>—</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$38,063</u> | <u>\$ 1,972</u> | <u>\$ —</u> |

INTERNAL SERVICE FUNDS

| Reproduction | Central Stores | Total | |
|---------------|-------------------|------------------|------------------|
| | | 2000 | 1999 |
| \$ — | \$ — | \$ 28,760 | \$ — |
| — | — | (4,284) | (6,956) |
| — | — | — | 102 |
| <u>—</u> | <u>—</u> | <u>727</u> | <u>136</u> |
| <u>—</u> | <u>—</u> | <u>25,203</u> | <u>(6,718)</u> |
| (52) | — | 28,480 | (4,134) |
| <u>512</u> | <u>—</u> | <u>12,015</u> | <u>16,149</u> |
| <u>\$ 460</u> | <u>\$ —</u> | <u>\$ 40,495</u> | <u>\$ 12,015</u> |

(concluded)



CITY OF OAKLAND

TRUST AND AGENCY FUNDS

Trust funds, including pension and expendable trusts, account for resources held by the City which must be spent as provided in legal trust agreements and related state laws. Agency funds account for assets held for other funds, governments, private organizations or individuals. Agency funds do not measure the results of operations and generally serve as clearing accounts.

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TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

The **Oakland Municipal Employees Retirement System (OMERS) Fund** is a closed benefit plan that covers non-uniformed employees hired prior to September 1970 who have not elected to transfer to the California Public Employees Retirement System.

The **Police and Fire Retirement System (PFRS) Fund** is a closed benefit plan administered by a Board of Trustees which covers uniformed police and fire employees. Membership in the plan is limited to uniformed employees hired prior to July 1, 1976. All subsequent hires are covered under the California Public Employees Retirement System.

EXPENDABLE TRUST FUNDS

The **Oakland Redevelopment Agency Projects Fund** accounts for monies dedicated to Oakland Redevelopment Agency projects.

The **Parks, Recreation and Cultural Trust Fund** accounts for monies held for the general betterment and beautification of City parks, recreation centers, the Oakland Public Museum, and the Oakland Public Library.

The **Pension Annuity Fund** accounts for monies held in trust by the Police and Fire Retirement System. The monies are primarily invested in guaranteed insurance annuity contracts. The distributions received from the contracts are transferred out to meet the City's current debt service requirements for the Special Revenue Refunding Bonds.

Other Expendable Trust Funds account for the operations of certain trust funds, such as the Major Gifts Funds or the Youth Opportunity Program Fund, that are not related to ORA projects or parks, recreation or cultural activities.

AGENCY FUNDS

The **Housing Finance Revenue Bond Fund** accounts for monies held in trust for holders of Housing Finance Revenue Bonds Series B, C, and D.



**TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET**

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

| | Pension Trust | Expendable Trust |
|--------------------------------------------|---------------------------|-----------------------------|
| ASSETS | | |
| Cash and investments | \$1,118,269 | \$ 6,272 |
| Receivables: | | |
| Accrued interest and dividends | 5,567 | 70 |
| Accounts receivable | 20,979 | 5 |
| Due from other funds | — | 3,829 |
| Due from other governments | — | — |
| Restricted cash and investments | <u>32,873</u> | <u>174,934</u> |
| TOTAL ASSETS | <u><u>\$1,177,688</u></u> | <u><u>\$185,110</u></u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 34,487 | \$ 592 |
| Due to other funds | — | 6,993 |
| Long-term obligations | 1,010 | — |
| Due to bond holders | — | — |
| Other | — | 8 |
| Securities lending liability | <u>245,582</u> | <u>—</u> |
| Total liabilities | <u><u>281,079</u></u> | <u><u>7,593</u></u> |
| Fund balances | | |
| Reserved for pension benefits | 896,609 | — |
| Reserved | — | 177,517 |
| Unreserved - Undesignated | <u>—</u> | <u>—</u> |
| Total fund balances | <u><u>896,609</u></u> | <u><u>177,517</u></u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$1,177,688</u></u> | <u><u>\$185,110</u></u> |

| Agency | Total | |
|------------------|--------------------|--------------------|
| | 2000 | 1999 |
| \$ — | \$1,124,541 | \$1,046,184 |
| — | 5,637 | 5,634 |
| — | 20,984 | 11,010 |
| — | 3,829 | 512 |
| — | — | — |
| <u>12,397</u> | <u>220,204</u> | <u>212,687</u> |
| <u>\$ 12,397</u> | <u>\$1,375,195</u> | <u>\$1,276,027</u> |
| | 1,362,798 | |
| | | |
| \$ — | \$ 35,079 | \$ 32,727 |
| — | 6,993 | 3,386 |
| — | 1,010 | 1,150 |
| 12,397 | 12,397 | 12,414 |
| — | 8 | 8 |
| — | <u>245,582</u> | <u>165,140</u> |
| <u>12,397</u> | <u>301,069</u> | <u>214,825</u> |
| | | |
| — | 896,609 | 884,469 |
| — | 177,517 | 175,171 |
| — | — | 1,562 |
| — | <u>1,074,126</u> | <u>1,061,202</u> |
| <u>\$ 12,397</u> | <u>\$1,375,195</u> | <u>\$1,276,027</u> |



PENSION TRUST FUNDS
COMBINING STATEMENT OF PLAN NET ASSETS
June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

| | OMERS | PFRS | <u>Total</u> | |
|------------------------------------------------------|------------------|--------------------|--------------------|--------------------|
| | | | 2000 | 1999 |
| ASSETS | | | | |
| Cash and investments | \$ 15,476 | \$1,102,793 | \$1,118,269 | \$1,039,966 |
| Receivables: | | | | |
| Interest and dividends | 80 | 5,487 | 5,567 | 5,576 |
| Investments and contributions | — | 20,979 | 20,979 | 11,010 |
| Restricted cash and investments | <u>1,436</u> | <u>31,437</u> | <u>32,873</u> | <u>26,656</u> |
| TOTAL ASSETS | <u>\$ 16,992</u> | <u>\$1,160,696</u> | <u>\$1,177,688</u> | <u>\$1,083,208</u> |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 11,750 | \$ 22,737 | \$ 34,487 | \$ 32,449 |
| Securities lending liability | — | 245,582 | 245,582 | 165,140 |
| Long-term obligations | <u>1,010</u> | <u>—</u> | <u>1,010</u> | <u>1,150</u> |
| Total Liabilities | <u>12,760</u> | <u>268,319</u> | <u>281,079</u> | <u>198,739</u> |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | <u>\$ 4,232</u> | <u>\$ 892,377</u> | <u>\$ 896,609</u> | <u>\$ 884,469</u> |

PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

| | OMERS | PFRS | <u>Total</u> | |
|--------------------------------------------------------------|-----------------|------------------|------------------|------------------|
| | | | 2000 | 1999 |
| ADDITIONS: | | | | |
| Contributions: | | | 19,287 | |
| Members | \$ 5 | \$ 904 | \$ 909 | \$ 1,304 |
| Total | <u>5</u> | <u>904</u> | <u>909</u> | <u>1,304</u> |
| Investment Income: | | | | |
| Net appreciation in fair value of investments | (138) | 44,921 | 44,783 | 42,320 |
| Interest | 432 | 25,378 | 25,810 | 25,845 |
| Dividends | <u>228</u> | <u>7,557</u> | <u>7,785</u> | <u>8,183</u> |
| Total | 522 | 77,856 | 78,378 | 76,348 |
| Less investment expense | <u>(71)</u> | <u>(3,018)</u> | <u>(3,089)</u> | <u>(2,777)</u> |
| Net investment income | <u>451</u> | <u>74,838</u> | <u>75,289</u> | <u>73,571</u> |
| TOTAL ADDITIONS | <u>\$ 456</u> | <u>\$ 75,742</u> | <u>\$ 76,198</u> | <u>\$ 74,875</u> |
| | | | 176,733 | |
| DEDUCTIONS: | | | | |
| Disbursements to members and beneficiaries: | | | | |
| Retirement | \$ 1,163 | \$ 38,267 | \$ 39,430 | \$ 35,389 |
| Disability | 171 | 20,960 | 21,131 | 19,141 |
| Death | <u>7</u> | <u>1,892</u> | <u>1,899</u> | <u>1,797</u> |
| Total | <u>1,341</u> | <u>61,119</u> | <u>62,460</u> | <u>56,327</u> |
| Administrative expenses | 159 | 689 | 848 | 793 |
| Interest expense - bonds | 63 | — | 63 | 79 |
| Interest on PERS | 253 | — | 253 | 849 |
| Termination refunds of employees' contributions | <u>—</u> | <u>197</u> | <u>197</u> | <u>271</u> |
| TOTAL DEDUCTIONS | <u>1,816</u> | <u>62,005</u> | <u>63,821</u> | <u>58,319</u> |
| EXCESS (DEFICIT) OF ADDITIONS OVER (UNDER) DEDUCTIONS | <u>(1,360)</u> | <u>13,737</u> | <u>12,377</u> | <u>16,556</u> |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | | | | |
| Beginning of year, restated | <u>5,593</u> | <u>878,639</u> | <u>884,232</u> | <u>867,913</u> |
| End of year | <u>\$ 4,233</u> | <u>\$892,376</u> | <u>\$896,609</u> | <u>\$884,469</u> |

**EXPENDABLE TRUST FUNDS****COMBINING BALANCE SHEET****June 30, 2000****With comparative totals as of June 30, 1999***(In Thousands)*

| | Oakland Redevelopment Agency Projects | Parks, Recreation, and Cultural Trust | Pension Annuity |
|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------------|
| ASSETS | | | |
| Cash and investments | \$ — | \$ 1,402 | \$ 1,632 |
| Receivables: | | | |
| Accrued interest and dividends | — | 16 | 18 |
| Accounts receivable | 5 | — | — |
| Due from other funds | 3,829 | — | — |
| Due from other governments | — | — | — |
| Restricted cash and investments | — | — | 174,934 |
| TOTAL ASSETS | <u>\$ 3,834</u> | <u>\$ 1,418</u> | <u>\$176,584</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 317 | \$ 117 | \$ — |
| Due to other funds | 6,993 | — | — |
| Other | — | 1 | — |
| Total liabilities | <u>7,310</u> | <u>118</u> | <u>—</u> |
| Fund balances (deficit) | | | |
| Reserved for assets not available | (3,476) | 1,300 | 176,584 |
| Unreserved - Undesignated (deficit) | — | — | — |
| Total fund balances (deficit) | <u>(3,476)</u> | <u>1,300</u> | <u>176,854</u> |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICIT) | <u>\$ 3,834</u> | <u>\$ 1,418</u> | <u>\$176,584</u> |

| Other Expendable Trusts | Total | |
|-------------------------------|------------------|------------------|
| | 2000 | 1999 |
| \$ 3,238 | \$ 6,272 | \$ 6,218 |
| 36 | 70 | 58 |
| — | 5 | — |
| — | 3,829 | 512 |
| — | — | — |
| — | 174,934 | 173,617 |
| <u>\$ 3,274</u> | <u>\$185,110</u> | <u>\$180,405</u> |
| | | |
| \$ 158 | \$ 592 | \$ 278 |
| — | 6,993 | 3,386 |
| 7 | 8 | 8 |
| <u>165</u> | <u>7,593</u> | <u>3,672</u> |
| | | |
| 3,109 | 177,517 | 175,171 |
| — | — | 1,562 |
| <u>3,109</u> | <u>177,517</u> | <u>176,733</u> |
| <u>\$ 3,274</u> | <u>\$185,110</u> | <u>\$180,405</u> |



EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

| | Oakland Redevelopment Agency Projects | Parks, Recreation, and Cultural Trust | Pension Annuity |
|------------------------------------------|------------------------------------------------|------------------------------------------------|--------------------|
| REVENUES | | | |
| Property tax revenue | \$ — | \$ — | \$ — |
| Interest and investment income | — | 45 | 1,413 |
| Charges for services | — | 1 | — |
| Federal and state grants and subventions | — | 136 | — |
| Pension annuity distribution | — | — | 17,600 |
| Other | — | 156 | — |
| TOTAL REVENUES | \$ — | \$ 338 | \$ 19,013 |
| EXPENDITURES | | | |
| Current: | | | |
| Elected and Appointed Officials: | | | |
| Mayor | \$ 82 | \$ 36 | \$ — |
| Council | 375 | 1 | — |
| City Manager | 147 | — | — |
| City Attorney | 984 | — | — |
| City Clerk | 43 | — | — |
| Agencies/Departments: | | | |
| Retirement and Risk Administration | — | — | — |
| Financial Services | 149 | — | — |
| Fire Services | — | 35 | — |
| Police Services | 435 | — | — |
| Life Enrichment | | | |
| Parks and Recreation | 3 | 48 | — |
| Library | — | 206 | — |
| Museum | — | 62 | — |
| Community and Economic Development | 7,796 | — | — |
| Public Works | 152 | — | — |
| Other | 40 | 10 | — |
| Capital outlay | 383 | — | — |
| TOTAL EXPENDITURES | 10,589 | 398 | — |
| EXCESS (DEFICIENCY) OF REVENUES | | | |
| OVER (UNDER) EXPENDITURES | \$ (10,589) | \$ (60) | \$ 19,013 |

TRUST AND AGENCY FUNDS

| Other Expendable Trusts | Total | |
|-------------------------------|------------------|------------------|
| | 2000 | 1999 |
| \$ 149 | \$ 149 | \$ — |
| — | 1,458 | 11,475 |
| — | 1 | 12 |
| — | 136 | 300 |
| — | 17,600 | 18,114 |
| <u>722</u> | <u>878</u> | <u>2,632</u> |
| <u>\$ 871</u> | <u>\$ 20,222</u> | <u>\$ 32,533</u> |
| | | |
| \$ — | \$ 118 | \$ 214 |
| — | 376 | 386 |
| — | 147 | 120 |
| — | 984 | 1,031 |
| — | 43 | 44 |
| — | — | 1 |
| — | 149 | 309 |
| — | 35 | — |
| 439 | 874 | 837 |
| — | 51 | 27 |
| — | 206 | 230 |
| — | 62 | 3 |
| — | 7,796 | 5,595 |
| — | 152 | 139 |
| 637 | 687 | 1,341 |
| <u>—</u> | <u>383</u> | <u>1,765</u> |
| <u>1,076</u> | <u>12,063</u> | <u>12,042</u> |
| | | |
| <u>\$ (205)</u> | <u>\$ 8,159</u> | <u>\$ 20,491</u> |

(continued)



EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES, continued

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

| | Oakland Redevelopment Agency Projects | Parks, Recreation, and Cultural Trust | Pension Annuity |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|--------------------|
| OTHER FINANCING SOURCES (USES) | | | |
| Property sale proceeds | \$ — | \$ — | \$ — |
| Operating transfers in | 10,963 | — | — |
| Operating transfers out | <u>(738)</u> | <u>—</u> | <u>(17,600)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>10,225</u> | <u>—</u> | <u>(17,600)</u> |
| EXCESS ((DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (364) | (60) | 1,413 |
| Fund balances (deficit) at beginning of year | <u>(3,112)</u> | <u>1,360</u> | <u>175,171</u> |
| FUND BALANCES (DEFICIT) AT END OF YEAR | <u>\$ (3,476)</u> | <u>\$ 1,300</u> | <u>\$176,584</u> |

| Other Expendable Trusts | Total | |
|-------------------------------|------------------|------------------|
| | 2000 | 1999 |
| \$ — | \$ — | \$ 2 |
| — | 10,963 | 9,625 |
| — | (18,338) | (24,845) |
| — | (7,375) | (15,218) |
| (205) | 784 | 5,273 |
| <u>3,314</u> | <u>176,733</u> | <u>171,460</u> |
| <u>\$ 3,109</u> | <u>\$177,517</u> | <u>\$176,733</u> |

(concluded)



AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended June 30, 2000
(In Thousands)

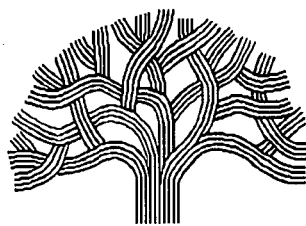
Housing Finance Revenue Bond Fund

| | Balance June 30, 1999 | Additions | Deductions | Balance June 30, 2000 |
|---------------------------------|--------------------------------------|------------------|-------------------|--------------------------------------|
| ASSETS | | | | |
| Restricted cash and investments | <u>\$ 12,414</u> | <u>\$ —</u> | <u>\$17</u> | <u>\$12,397</u> |
| LIABILITIES | | | | |
| Due to bond holders | <u>\$ 12,414</u> | <u>\$ —</u> | <u>\$17</u> | <u>\$12,397</u> |

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for fixed assets other than those accounted for in the proprietary type funds. The City does not include infrastructure in its General Fixed Assets Account Group. Examples of such infrastructure would be roads, curbs and gutters, streets and sidewalks, and similar assets that are immovable and of value only to the City.

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CITY OF OAKLAND



SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND TYPE

June 30, 2000

(In Thousands)

| | Land | Facilities and Improvements | Furniture, Machinery and Equipment |
|------------------------------------|------------------------|-----------------------------------|---------------------------------------------|
| General Government | \$ — | \$ 23,910 | \$ 11,387 |
| Public Safety | 477 | 115,051 | 9,543 |
| Public Works | 31,429 | 336,395 | 14,314 |
| Life Enrichment | 25,743 | 112,590 | 1,496 |
| Community and Economic Development | 13,499 | 16,665 | 1,006 |
| Investment in joint venture | — | — | — |
| TOTAL GENERAL FIXED ASSETS | <u>\$71,148</u> | <u>\$604,611</u> | <u>\$37,746</u> |

SCHEDULE OF CHANGES IN GENERAL FIXED
ASSETS BY FUNCTION AND ACTIVITY

Year ended June 30, 2000

(In Thousands)

| | Balance July 1, 1999 | Transfers/ Additions | Deletions |
|---------------------------------------|--------------------------|-------------------------|-----------------------|
| General Government | \$ 34,516 | \$ 1,587 | \$1,112 |
| Public Safety | 124,896 | 479 | 304 |
| Public Works | 381,435 | 14,919 | 11 |
| Life Enrichment | 139,955 | 661 | 461 |
| Community and Economic Development | 30,630 | 1,220 | 13 |
| Investment in joint venture (Note 15) | <u>17,637</u> | <u>13,546</u> | <u>—</u> |
| TOTAL GENERAL FIXED ASSETS | <u>\$ 729,069</u> | <u>\$ 32,412</u> | <u>\$1,901</u> |

GENERAL FIXED ASSETS ACCOUNT GROUP

| Investment in Joint Venture | Construction in Progress | Total |
|----------------------------------------|-------------------------------------|------------------|
| \$ — | \$ — | \$ 35,297 |
| — | — | 125,071 |
| — | 13,899 | 396,037 |
| — | 326 | 140,155 |
| — | 667 | 31,837 |
| <u>31,183</u> | <u>—</u> | <u>31,183</u> |
| <u>\$31,183</u> | <u>\$ 14,892</u> | <u>\$759,580</u> |

**Balance
June 30, 2000**

\$ 34,991
125,071
396,343
140,155
31,837
31,183
\$759,580



SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

June 30, 2000

(In Thousands)

| | |
|-------------------------------------------------------------------------------------------------|-------------------------|
| Investment in general fixed assets acquired prior to July 1, 1987 | \$405,372 |
| Source of funding for general fixed assets acquired from July 1, 1987 through June 30, 2000: | |
| General fund | 19,554 |
| Special revenue funds | 65,082 |
| Capital projects funds | 238,389 |
| Investment in joint venture | <u>31,183</u> |
| TOTAL INVESTMENT IN GENERAL FIXED ASSETS | <u>\$759,580</u> |

TABLE 1

GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾*(In Thousands)*

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|-----------------------------------------------------|------------------|------------------|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Property Tax | <u>\$109,399</u> | <u>\$114,920</u> | <u>\$115,393</u> | <u>\$114,869</u> | <u>\$120,027</u> | <u>\$122,297</u> | <u>\$119,813</u> | <u>\$135,605</u> | <u>\$140,029</u> | <u>\$155,941</u> |
| State Taxes | | | | | | | | | | |
| Sales and Use | 34,903 | 30,440 | 29,674 | 31,073 | 32,480 | 38,774 | 37,253 | 40,202 | 43,808 | 46,791 |
| Motor Vehicle In-lieu | 13,943 | 12,800 | 13,316 | 15,004 | 13,500 | 14,158 | 15,080 | 16,410 | 17,701 | 19,314 |
| Cigarette | 561 | 275 | 43 | — ⁽²⁾ | — | — | — | — | — | — |
| Gas | <u>4,522</u> | <u>4,794</u> | <u>4,530</u> | <u>4,710</u> | <u>6,831</u> | <u>6,935</u> | <u>7,056</u> | <u>7,209</u> | <u>7,389</u> | <u>8,052</u> |
| Total | <u>53,929</u> | <u>48,309</u> | <u>47,563</u> | <u>50,787</u> | <u>52,811</u> | <u>59,867</u> | <u>59,389</u> | <u>63,821</u> | <u>68,898</u> | <u>74,157</u> |
| Local Taxes | | | | | | | | | | |
| Business License | 22,207 | 23,841 | 24,555 | 25,583 | 26,205 | 28,705 | 31,935 | 31,198 | 31,825 | 35,845 |
| Utility Consumption | 19,314 | 26,343 | 29,052 | 33,133 | 34,067 | 32,818 | 32,783 | 35,695 | 36,938 | 41,592 |
| Real Estate Transfer | 10,243 | 10,270 | 10,364 | 13,491 | 12,317 | 13,660 | 17,645 | 22,716 | 28,892 | 34,359 |
| Transient Occupancy | 5,556 | 5,384 | 4,894 | 5,554 | 5,430 | 6,241 | 7,321 | 8,466 | 9,430 | 12,100 |
| Parking | — | — | 3,000 ⁽³⁾ | 3,581 | 3,988 | 4,511 | 4,595 | 4,837 | 5,827 | 5,686 |
| Franchise | <u>4,928</u> | <u>5,617</u> | <u>7,411</u> | <u>6,605</u> | <u>7,592</u> | <u>7,876</u> | <u>8,579</u> | <u>8,776</u> | <u>8,997</u> | <u>9,084</u> |
| Total | <u>62,248</u> | <u>71,455</u> | <u>79,276</u> | <u>87,947</u> | <u>89,599</u> | <u>93,811</u> | <u>102,858</u> | <u>111,688</u> | <u>121,909</u> | <u>138,666</u> |
| Total Taxes | <u>225,576</u> | <u>234,684</u> | <u>242,232</u> | <u>253,603</u> | <u>262,437</u> | <u>275,975</u> | <u>282,060</u> | <u>311,114</u> | <u>330,836</u> | <u>368,764</u> |
| Licenses and Permits | 6,161 | 5,745 | 6,535 | 6,064 | 5,904 | 6,880 | 7,097 | 7,701 | 8,061 | 9,098 |
| Fines and Penalties | 9,854 | 7,138 | 7,579 | 8,495 | 9,722 | 8,875 | 10,218 | 12,494 | 14,736 | 15,625 |
| Interest/Investment, net income | 45,924 | 41,228 | 48,842 | 50,415 | 41,503 | 41,410 | 41,569 | 53,401 | 48,275 | 35,449 |
| Charges for Services | 22,479 | 26,135 | 24,330 | 24,494 | 26,658 | 28,373 | 33,449 | 34,510 | 38,192 | 41,181 |
| Federal and State Grants and Subventions | 42,506 | 89,383 | 73,449 | 84,945 | 77,674 | 82,114 | 77,659 | 85,346 | 61,334 | 83,759 |
| Other | <u>15,847</u> | <u>8,951</u> | <u>12,054</u> | <u>10,913</u> | <u>16,257</u> | <u>15,870</u> | <u>20,601</u> | <u>25,312</u> | <u>40,580</u> | <u>17,159</u> |
| TOTAL | <u>\$368,347</u> | <u>\$413,264</u> | <u>\$415,021</u> | <u>\$438,929</u> | <u>\$440,155</u> | <u>\$459,497</u> | <u>\$472,653</u> | <u>\$529,878</u> | <u>\$542,014</u> | <u>\$571,035</u> |

⁽¹⁾ Reflects revenues of the General, Special Revenue, Debt Service and Capital Projects Funds.⁽²⁾ The State cigarette tax is no longer distributed to the City. (after 1993)⁽³⁾ A parking tax was instituted to replace the parking stall fee which had been included in Charges for Services. (1993)

Source: City of Oakland, Financial Services Agency



TABLE 2

GOVERNMENTAL EXPENDITURES⁽¹⁾

(In Thousands)

| | 1991 ⁽³⁾ | 1992 ⁽⁴⁾ | 1993 ⁽⁵⁾ | 1994 ⁽⁶⁾ | 1995 ⁽⁷⁾ | 1996 ⁽⁸⁾ | 1997 ⁽⁹⁾ | 1998 | 1999 | 2000 |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|------------------|------------------|
| Elected and Appointed Officials: | | | | | | | | | | |
| Mayor | \$ 951 | \$ 1,828 | \$ 7,429 | \$ 7,378 | \$ 857 | \$ 954 | \$ 864 | \$ 893 | \$ 1,044 | \$ 934 |
| Council | 759 | 714 | 1,056 | 1,385 | 1,305 | 1,388 | 1,647 | 2,031 | 2,237 | 2,544 |
| City Manager | 1,695 | 6,707 | 11,639 | 10,562 | 2,784 | 3,647 | 2,973 | 2,790 | 4,674 | 6,817 |
| City Attorney | 4,591 | 5,076 | 5,480 | 5,192 | 4,939 | 4,468 | 5,692 | 4,460 | 4,773 | 5,259 |
| City Auditor | 562 | 548 | 629 | 716 | 596 | 615 | 713 | 902 | 1,075 | 1,079 |
| City Clerk | 900 | 967 | 1,156 | 965 | 920 | 1,355 | 2,093 | 2,014 | 2,103 | 2,235 |
| Total | <u>9,458</u> | <u>15,840</u> | <u>27,389</u> | <u>26,198</u> | <u>11,401</u> | <u>12,427</u> | <u>13,982</u> | <u>13,090</u> | <u>15,906</u> | <u>18,868</u> |
| Personnel Resource Management | 5,605 | 5,415 | 5,323 | 4,838 | 3,887 | 4,070 | 4,200 | 3,807 | 4,218 | 4,054 |
| Marketing & Public Information | — | 431 | 670 | 1,208 | 1,243 | 9 | — | — | — | — |
| Retirement & Risk Administration | 442 | 542 | 931 | 511 | 774 | 764 | 895 | 941 | 1,110 | 1,055 |
| Communication & Information Services | 4,043 | 6,882 | 7,319 | 6,876 | 5,945 | 6,618 | 7,365 | 6,435 | 7,932 | 7,712 |
| General Services | 8,250 | 5,284 | 6,657 | 7,103 | 6,076 | 176 | — | — | — | — |
| Total | <u>18,340</u> | <u>18,554</u> | <u>20,900</u> | <u>20,536</u> | <u>17,925</u> | <u>11,637</u> | <u>12,460</u> | <u>11,183</u> | <u>13,260</u> | <u>12,821</u> |
| Agencies: | | | | | | | | | | |
| Financial Services | <u>9,058</u> | <u>7,539</u> | <u>6,963</u> | <u>6,844</u> | <u>6,521</u> | <u>8,240</u> | <u>8,938</u> | <u>12,166</u> | <u>13,565</u> | <u>15,978</u> |
| Police Services | <u>93,966</u> | <u>96,130</u> | <u>102,958</u> | <u>101,835</u> | <u>87,953</u> | <u>89,524</u> | <u>97,721</u> | <u>105,248</u> | <u>114,462</u> | <u>130,662</u> |
| Fire Services | <u>52,034</u> | <u>51,373</u> | <u>56,849</u> | <u>59,366</u> | <u>49,181</u> | <u>51,303</u> | <u>53,613</u> | <u>58,151</u> | <u>60,637</u> | <u>72,237</u> |
| Total Public Safety | <u>146,000</u> | <u>147,503</u> | <u>159,807</u> | <u>161,201</u> | <u>137,134</u> | <u>140,827</u> | <u>151,334</u> | <u>163,399</u> | <u>175,099</u> | <u>202,899</u> |
| Life Enrichment | | | | | | | | | | |
| Parks & Recreation | 17,446 | 25,576 | 20,827 | 23,506 | 22,176 | 24,525 | 24,783 | 24,526 | 27,290 | 43,535 |
| Library | 6,303 | 8,652 | 8,955 | 9,142 | 10,364 | 11,776 | 12,906 | 13,425 | 14,314 | 13,871 |
| Museum | 4,259 | 5,715 | 5,621 | 5,170 | 4,485 | 4,377 | 4,557 | 4,815 | 4,597 | 5,512 |
| Aging | 3,977 | 5,484 | 6,762 | 6,875 | 6,552 | 6,958 | 5,716 | 6,206 | 6,981 | 6,700 |
| Health and Human Services | — | 30 | 7,509 | 7,941 | 9,938 | 11,046 | 11,175 | 14,134 | 13,868 | 13,156 |
| Total | <u>31,985</u> | <u>45,457</u> | <u>49,674</u> | <u>52,634</u> | <u>53,515</u> | <u>58,682</u> | <u>59,137</u> | <u>63,106</u> | <u>67,050</u> | <u>82,774</u> |
| Community & Economic Development | <u>37,778</u> | <u>47,718</u> | <u>43,829</u> | <u>44,573</u> | <u>46,453</u> | <u>60,521</u> | <u>81,247</u> | <u>73,833</u> | <u>73,923</u> | <u>84,394</u> |
| Public Works | <u>42,408</u> | <u>44,846</u> | <u>36,852</u> | <u>42,369</u> | <u>43,154</u> | <u>47,162</u> | <u>47,618</u> | <u>46,768</u> | <u>42,527</u> | <u>48,504</u> |
| Payment to unfunded pension | — | — | — | — | 27,674 | 27,034 | 440,409 | — | — | — |
| Other | <u>14,745</u> | <u>16,700</u> | <u>8,694</u> | <u>7,130</u> | <u>20,515</u> | <u>41,524</u> | <u>23,363</u> | <u>30,906</u> | <u>55,054</u> | <u>48,313</u> |
| Capital Outlay | <u>52,047</u> | <u>48,901</u> | <u>47,416</u> | <u>65,573</u> | <u>45,894</u> | <u>58,584</u> | <u>85,054</u> | <u>82,702</u> | <u>64,108</u> | <u>18,606</u> |
| Debt Service | <u>45,441</u> | <u>46,532</u> | <u>43,570</u> | <u>62,260</u> | <u>67,667</u> | <u>68,250</u> | <u>85,365</u> | <u>107,831</u> | <u>104,867</u> | <u>109,887</u> |
| Total | <u>154,641</u> | <u>156,979</u> | <u>136,532</u> | <u>177,332</u> | <u>204,904</u> | <u>242,554</u> | <u>681,809</u> | <u>268,207</u> | <u>267,556</u> | <u>225,310</u> |
| TOTAL EXPENDITURES⁽¹⁰⁾ | <u>\$407,260</u> | <u>\$439,590</u> | <u>\$444,734</u> | <u>\$489,318</u> | <u>\$477,853</u> | <u>\$534,888</u> | <u>\$1,008,907</u> | <u>\$ 604,984</u> | <u>\$625,359</u> | <u>\$643,044</u> |

- (1) Reflects expenditures of the General, Special Revenue, Debt Service and Capital Projects Funds.
- (2) Significant changes from the prior year were due to: Personnel Resource Management's development of the Human Resource Information System; Communication and Information Service's first full year as a new and expanded department; Police and Fire increases in salaries and benefits and new equipment acquired after the earthquake; the transfer of the Head Start program from Social Services to Parks and Recreation; the department of Aging being established from divisions of Social Services; reclassification of Public Works capital projects to capital outlay; Housing and Neighborhood Development's (formerly Community Development) expanded housing program to compensate for earthquake damaged low-income housing; and reclassification of pension annuities out of General Governmental Funds into Expendable Trust Funds.
- (3) The significant change from the prior year was due to Public Works increasing street maintenance expenses incurred with the receipt of additional gas tax revenues.
- (4) Significant changes from the prior year were due to: the addition of a Drugs and Crime program in the Mayor's Office; the establishment of Oakland Hills Fire recovery management in the City Manager's Office; public information staff in different departments being consolidated into Marketing and Public Information; the transfer of the Communications Division from General Services to Communication and Information Services; general obligation bond expenditures for expansion of parks and recreation facilities; and in the Other category, the decrease in state grants and federal and state subventions was offset by a one-time salary accrual not allocated to individual departments.
- (5) Significant changes from the prior year were due to: Joint Training and Partnership Act grant expenditures being transferred from Economic Development and Employment to the Mayor's Office; the Community Restoration and Development Center for rebuilding after the Hills Fire being established under the City Manager; Risk Administration being consolidated with the Retirement Department; the Head Start program in Parks and Recreation and the Community Services Block Grant program in Housing and Neighborhood Development being transferred to the new Health and Human Services department; and the consolidation of Public Works' Developmental Services Division, Housing and Neighborhood Development's Code Compliance Division and the Office of City Planning into the new Planning and Building department; and the salary adjustment recorded in the Other category in the prior year was allocated to individual departments (see 4 above).
- (6) Significant changes from the prior year were due to: the addition of Council member assistants to staff the new District Offices; the consolidation of all marketing and public information programs within the new Marketing and Public Information Department; the transfer of the Cultural & Arts Division from the Office of the City Manager to the Office of Parks and Recreation; the consolidation of all City planning and building functions, including those of the CRDC into the Office of Planning and Building; the implementation of three new programs—Contract Compliance, Recycling, and Comprehensive Clean-Up—by the Office of Public Works; additional loans made from Economic Development and Employment grant programs; Capital Outlay for City Hall repairs, purchase of a fireboat and other fire suppression equipment, installation of new traffic signals, and construction of a new fire station; and the City making its first [delayed] principal payments on various debt issues.
- (7) Significant changes from prior years were due to: major staff reduction/reorganization within the City Manager's Office, completion of restoration/construction activities required prior to re-occupancy of City Hall after the 1989 earthquake and the reclassification of public safety unfunded pension liability costs from the Police Department.
- (8) Significant changes from prior years were due to: the City's reorganization, hiring of new sworn personnel, additional staffing funded by the Enhanced Enterprise Community and Economic Development Initiative grants, the City Administration Building construction, Fire Underground District implementation, and cost of living adjustments.
- (9) Significant changes from prior years were due to: functional transfers between Agencies, staffing increases, additional loans made by Housing and Neighborhood Development grant programs, payments to PFRS' unfunded liability and construction of the City's Administration Complex.
- (10) Significant changes from prior year were due to functional transfers between agencies, addition of public safety staff, and reduction in annual funding of unfunded pension liability.

Source: City of Oakland, Financial Services Agency



TABLE 3

PROPERTY TAX LEVIES AND COLLECTIONS
(In Thousands)

| 1% TAX ROLL ⁽¹⁾ | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Tax Levied | \$46,054 | \$48,897 | \$45,204 | \$42,703 | \$41,841 | \$44,191 | \$44,606 | \$45,176 | \$47,448 | \$49,855 |
| % of Increase (decrease) | 7.18% | 6.17% | (7.55%) | (5.53%) | (2.02%) | 5.61% | 0.93% | 1.28% | 5.03% | 5.07% |
| Total Collected | \$43,649 | \$46,358 | \$42,976 | \$40,830 | \$40,810 | \$42,830 | \$43,276 | \$43,948 | \$46,138 | \$47,921 |
| % Collected to Total Tax Levied | 94.78% | 94.81% | 95.07% | 95.61% | 97.54% | 96.92% | 97.02% | 97.28% | 97.24% | 96.12% |
| Delinquent Collections ⁽²⁾ | \$ 2,405 | \$ 2,539 | \$ 2,228 | \$ 1,873 | \$ 1,031 | \$ 1,361 | \$ 1,330 | \$ 1,228 | \$ 1,310 | \$ 1,110 |
| VOTER APPROVED | | | | | | | | | | |
| DEBT TAX ROLL ⁽³⁾ | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
| Total Tax Levied | \$20,255 | \$23,290 | \$24,646 | \$28,110 | \$26,665 | \$30,675 | \$29,115 | \$35,745 | \$35,848 | \$45,245 |
| % of Increase (Decrease) | 8.90% | 14.98% | 5.82% | 14.06% | (5.14%) | 15.04% | (5.05%) | 22.77% | 0.29% | 26.21% |
| Total Collected | \$18,833 | \$21,450 | \$22,994 | \$26,152 | \$24,962 | \$29,217 | \$27,720 | \$34,229 | \$34,599 | \$43,475 |
| % Collected to Total Tax Levied | 92.98% | 92.10% | 93.30% | 93.03% | 93.61% | 95.25% | 95.21% | 95.76% | 96.52% | 96.09% |
| Delinquent Collections ⁽²⁾ | \$ 1,422 | \$ 1,840 | \$ 1,652 | \$ 1,958 | \$ 1,703 | \$ 1,458 | \$ 1,395 | \$ 1,516 | \$ 1,249 | \$ 1,770 |

⁽¹⁾ The maximum tax rate is 1% of the assessed value or \$1/\$100 of the assessed value, excluding the tax rate for debt service.

⁽²⁾ Includes delinquent tax, penalty, and interest.

⁽³⁾ Voter approved tax roll for debt is in addition to the 1% rate shown in note (1).

Source: County of Alameda, Office of the Auditor-Controller

TABLE 4

ASSESSED VALUE OF PROPERTY (In Thousands)

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---------------------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| ASSESSED VALUE⁽¹⁾ | | | | | | | | | | |
| Land | \$ 4,861,297 | \$ 5,072,036 | \$ 5,201,540 | \$ 5,433,041 | \$ 5,638,015 | \$ 5,699,770 | \$ 5,741,638 | \$ 5,848,619 | \$ 6,000,890 | \$ 6,293,257 |
| Improvements | <u>8,454,322</u> | <u>9,172,668</u> | <u>9,470,527</u> | <u>10,051,559</u> | <u>10,573,856</u> | <u>10,867,072</u> | <u>11,036,651</u> | <u>11,385,631</u> | <u>11,816,263</u> | <u>12,756,685</u> |
| Total Real Property | \$13,315,619 | \$14,244,704 | \$14,672,067 | \$15,484,600 | \$16,211,871 | \$16,566,842 | \$16,778,289 | \$17,234,250 | \$17,817,153 | \$19,049,942 |
| Personal Property | <u>1,263,806</u> | <u>1,425,536</u> | <u>1,375,119</u> | <u>1,421,620</u> | <u>1,366,412</u> | <u>1,606,001</u> | <u>1,690,311</u> | <u>1,824,028</u> | <u>2,065,964</u> | <u>1,860,397</u> |
| TOTAL | \$14,579,425 | \$15,670,240 | \$16,047,186 | \$16,906,220 | \$17,578,283 | \$18,172,843 | \$18,468,600 | \$19,058,278 | \$19,883,117 | \$20,910,339 |
| EXEMPTIONS⁽²⁾ | | | | | | | | | | |
| Homeowners' | \$ 372,563 | \$ 371,926 | \$ 357,088 | \$ 362,801 | \$ 370,141 | \$ 370,119 | \$367,809 | \$367,393 | \$ 364,255 | \$ 365,882 |
| Other | <u>758,365</u> | <u>835,727</u> | <u>793,998</u> | <u>899,071</u> | <u>1,184,535</u> | <u>1,227,280</u> | <u>1,244,458</u> | <u>1,300,280</u> | <u>1,206,055</u> | <u>1,334,358</u> |
| TOTAL | \$1,130,928 | \$1,207,653 | \$1,151,086 | \$1,261,872 | \$1,554,676 | \$1,597,399 | \$1,612,267 | \$1,667,673 | \$1,570,310 | \$ 1,700,240 |
| ASSESSED VALUE (Net of Exemptions) | | | | | | | | | | |
| | \$13,448,497 | \$14,462,587 | \$14,896,100 | \$15,644,348 | \$16,023,607 | \$16,575,444 | \$16,856,333 | \$17,390,605 | \$18,312,807 | \$19,210,099 |
| Less: | | | | | | | | | | |
| Redevelopment Tax Increments ⁽³⁾ | <u>1,696,107</u> | <u>1,854,492</u> | <u>1,893,525</u> | <u>1,995,440</u> | <u>1,742,425</u> | <u>1,750,137</u> | <u>1,646,294</u> | <u>1,747,932</u> | <u>1,881,435</u> | <u>2,193,715</u> |
| NET ASSESSED VALUE | \$11,752,390 | \$12,608,095 | \$13,002,575 | \$13,648,908 | \$14,281,182 | \$14,825,307 | \$15,210,039 | \$15,642,673 | \$16,431,372 | \$17,016,384 |
| NET INCREASE (DECREASE) | \$ 888,503 | \$ 855,705 | \$ 394,480 | \$ 646,333 | \$ 632,274 | \$ 544,125 | \$ 384,732 | \$ 432,634 | \$788,699 | \$ 585,012 |
| % OF INCREASE (DECREASE) | 8.18% | 7.28% | 3.13% | 4.97% | 4.63% | 3.81% | 2.60% | 2.84% | 5.04% | 3.56% |

(1) Assessed value (full cash value) of taxable property represents all property within the City. For fiscal year 1981-82 and thereafter, the assessed value is 100% of the full cash value in accordance with State legislation. The maximum tax rate is 1% of the full cash value or \$1/\$100 of the assessed value, excluding the tax rate for debt service.

(2) Exemptions are summarized as follows:

- (a) Homeowners' exemption arises from Article XIII(25) which reimburses local governments for revenues lost through the homeowners' exemption in Article XIII(3)(k).
- (b) Other exemptions are revenues lost to the City because of provisions of California Constitution, Article XIII(3).

(3) Tax increments are allocations made to the Redevelopment Agency under authority of California Constitution, Article XVI.

Source: County of Alameda, Office of the Auditor-Controller



TABLE 5

PROPERTY TAX RATES
Direct and Overlapping Governments
(per \$1,000 Assessed Value)

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| CITY OF OAKLAND | | | | | | | | | | |
| General Fund | 0.3485% | 0.3485% | 0.3484% | 0.3485% | 0.3485% | 0.3485% | 0.3485% | 0.3485% | 0.3485% | 0.3485% |
| 1981 Pension Liability ⁽¹⁾ | 0.1575 | 0.1575 | 0.1575 | 0.1575 | 0.1575 | 0.1575 | 0.1575 | 0.1575 | 0.1575 | 0.1575 |
| Debt Service Fund ⁽¹⁾ | — | 0.0138 | 0.0163 | 0.0287 | 0.0295 | 0.0275 | 0.0153 | 0.0629 | 0.0265 | 0.0756 |
| Total | 0.5060 | 0.5198 | 0.5222 | 0.5347 | 0.5355 | 0.5335 | 0.5213 | 0.5689 | 0.5325 | 0.5816 |
| OTHER GOVERNMENTS | | | | | | | | | | |
| Alameda County | 0.3086 | 0.3086 | 0.3086 | 0.3086 | 0.3086 | 0.3086 | 0.3086 | 0.3086 | 0.3086 | 0.3086 |
| Education ⁽²⁾ | 0.2165 | 0.2165 | 0.2165 | 0.2165 | 0.2165 | 0.2165 | 0.2165 | 0.2165 | 0.2165 | 0.2165 |
| Education Debt ⁽¹⁾⁽³⁾ | 0.0403 | 0.0384 | 0.0368 | 0.0298 | 0.0238 | 0.0352 | 0.0304 | 0.0332 | 0.0318 | 0.0274 |
| BART and AC Transit | 0.0517 | 0.0517 | 0.0517 | 0.0517 | 0.0517 | 0.0517 | 0.0517 | 0.0517 | 0.0517 | 0.0517 |
| BART Debt ⁽¹⁾ | 0.0250 | 0.0251 | 0.0258 | 0.0240 | 0.0235 | 0.0230 | 0.0225 | 0.0220 | 0.0167 | — |
| Other ⁽⁴⁾ | 0.0487 | 0.0487 | 0.0488 | 0.0487 | 0.0487 | 0.0487 | 0.0487 | 0.0505 | 0.0505 | 0.0505 |
| East Bay Municipal Utility Debt | — | — | — | — | — | 0.0108 | 0.0108 | 0.0096 | 0.0091 | 0.0087 |
| East Bay Regional Parks District | 0.0260 | 0.0260 | 0.0260 | 0.0260 | 0.0260 | 0.0260 | 0.0260 | 0.0242 | 0.0242 | 0.0242 |
| East Bay Regional Parks District Debt ⁽¹⁾ | 0.0032 | 0.0028 | 0.0074 | 0.0069 | 0.0066 | 0.0094 | 0.0080 | 0.0081 | 0.0092 | 0.0088 |
| TOTAL | 1.2260% | 1.2376% | 1.2438% | 1.2469% | 1.2409% | 1.2634% | 1.2445% | 1.2933% | 1.2508% | 1.2780% |

⁽¹⁾ Voter approved debt.

⁽²⁾ The education levy is made up of the Peralta Community College District and the Oakland Unified School District.

⁽³⁾ Bonds issued by the Oakland Unified School District and the Peralta Community College District.

⁽⁴⁾ This category includes the Alameda County Flood Control District, Bay Area Air Quality Management District, Mosquito Abatement District, and the East Bay Municipal Utility District.

Source: County of Alameda, Office of the Auditor-Controller

TABLE 6

PRINCIPAL PROPERTY TAXPAYERS
June 30, 2000

| Property Taxpayer | Type of Business | 2000 Assessed Valuation | Tax Levy | Percentage of Total Assessed Valuation ⁽¹⁾ |
|--------------------------------------------|---------------------|-----------------------------|----------------------------|-------------------------------------------------------|
| Oakland City Center LLC | Property Management | \$189,277,179 | \$ 2,464,542 | 1.034 |
| Prentiss Properties Acquisiton Partners LP | Property Management | 115,478,070 | 1,546,290 | 0.631 |
| Kaiser Foundation Hospitals | Health | 113,678,377 | 1,510,609 | 0.621 |
| 1800 Harrison Foundation | Property Management | 102,162,894 | 1,333,753 | 0.558 |
| Clorox Company | Manufacturing | 90,236,918 | 1,202,754 | 0.493 |
| Kaiser Center, Inc. | Health | 99,064,709 | 1,144,415 | 0.541 |
| Lake Merritt Plaza | Property Management | 82,113,550 | 1,097,160 | 0.448 |
| Owens Illinois Glass Container, Inc. | Manufacturing | 62,894,332 | 847,780 | 0.343 |
| Webster Street Partners, Ltd. | Professional | 61,675,200 | 829,915 | 0.337 |
| KSL Claremont Resort, Inc. | Hotel | <u>58,658,060</u> | <u>789,581</u> | <u>0.320</u> |
| ASSESSED PROPERTY VALUATION - NET | | <u>\$975,239,289</u> | <u>\$12,766,799</u> | <u>5.326</u> |

⁽¹⁾ Based on total assessed value of \$18,312,807,466

Source: County of Alameda, Office of the Auditor-Controller



TABLE 7

SPECIAL ASSESSMENT BILLINGS
AND COLLECTIONS

(In Thousands)

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| MEDICAL HILL | | | | | | | | | |
| Initial Tax Levied and Collected | \$ 490 | \$ 495 | \$ 492 | \$ 449 | \$ 271 | \$ 273 | \$ 274 | \$ 275 | \$ 276 |
| LIGHTING AND LANDSCAPING DISTRICT | | | | | | | | | |
| Initial Tax Levied | 13,335 | 14,771 | 16,000 | 15,931 | 15,930 | 15,935 | 15,907 | 15,909 | 15,945 |
| Adjustments | (199) | (8) | (35) | (9) | (12) | (40) | (15) | (27) | — |
| Net Tax Levied | \$13,136 | \$14,763 | \$15,965 | \$15,922 | \$15,918 | \$15,895 | \$15,892 | \$15,882 | \$15,945 |
| TOTAL COLLECTED | \$12,139 | \$13,704 | \$14,818 | \$14,865 | \$14,938 | \$14,903 | \$14,987 | \$15,010 | \$15,190 |
| TOTAL UNCOLLECTED | \$ 997 | \$ 1,059 | \$ 1,147 | \$ 1,057 | \$ 980 | \$ 992 | \$ 905 | \$ 872 | \$ 755 |
| FIRE PREVENTION AND SUPPRESSION DISTRICT⁽¹⁾ | | | | | | | | | |
| Initial Tax Levied | — | — | \$ 1,977 | \$ 1,968 | \$ 1,957 | \$ 1,975 | \$ — | \$ — | \$ — |
| Adjustment | — | — | — | 2 | 2 | (3) | — | — | — |
| Net Tax Levied | — | — | \$ 1,977 | \$ 1,970 | \$ 1,959 | \$ 1,972 | \$ — | \$ — | \$ — |
| TOTAL COLLECTED | — | — | \$ 1,859 | \$ 1,855 | \$ 1,850 | \$ 1,862 | \$ — | \$ — | \$ — |
| TOTAL UNCOLLECTED | — | — | \$ 118 | \$ 115 | \$ 109 | \$ 110 | \$ — | \$ — | \$ — |
| LIBRARY SERVICES RETENTION | | | | | | | | | |
| Initial Tax Levied | — | — | — | \$ 2,505 | \$ 4,303 | \$ 4,309 | \$ 4,433 | \$ 4,518 | \$ 4,667 |
| Adjustment | — | — | — | — | (3) | (7) | (3) | — | — |
| Net Tax Levied | — | — | — | \$ 2,505 | \$ 4,300 | \$ 4,302 | \$ 4,430 | \$ 4,518 | \$ 4,667 |
| TOTAL COLLECTED | — | — | — | \$ 2,326 | \$ 4,006 | \$ 4,045 | \$ 4,183 | \$ 4,263 | \$ 4,329 |
| TOTAL UNCOLLECTED | — | — | — | \$ 179 | \$ 294 | \$ 257 | \$ 247 | \$ 255 | \$ 338 |
| UTILITIES SPECIAL ASSESSMENT | | | | | | | | | |
| Initial Tax Levied | — | — | — | — | — | \$ 1,174 | \$ 980 | \$ 979 | \$ 768 |
| Adjustment | — | — | — | — | — | 26 | 6 | 13 | — |
| Net Tax Levied | — | — | — | — | — | \$ 1,200 | \$ 986 | \$ 992 | \$ 768 |
| TOTAL COLLECTED | — | — | — | — | — | \$ 1,109 | \$ 911 | \$ 933 | \$ 769 |
| TOTAL UNCOLLECTED | — | — | — | — | — | \$ 91 | \$ 75 | \$ 59 | \$ (1) |
| MISCELLANEOUS ASSESSMENTS | | | | | | | | | |
| Initial Tax Levied | — | — | — | — | — | — | \$ 287 | \$ 271 | \$ 246 |
| Adjustment | — | — | — | — | — | — | — | (1) | — |
| Net Tax Levied | — | — | — | — | — | — | \$ 287 | \$ 270 | \$ 246 |
| TOTAL COLLECTED | — | — | — | — | — | — | \$ 247 | \$ 230 | \$ 241 |
| TOTAL UNCOLLECTED | — | — | — | — | — | — | \$ 40 | \$ 40 | \$ 5 |
| MEDICAL HILL, LIGHTING AND LANDSCAPING DISTRICT, LIBRARY SERVICES RETENTION, UTILITIES SPECIAL ASSESSMENTS AND FIRE PREVENTION AND SUPPRESSION DISTRICT | | | | | | | | | |
| Initial Tax Levied | \$13,825 | \$15,266 | \$18,469 | \$20,853 | \$22,461 | \$23,666 | \$21,881 | \$21,952 | \$21,902 |
| Adjustments | (199) | (8) | (35) | (7) | (13) | (24) | (12) | (15) | — |
| Net Tax Levied | \$13,626 | \$15,258 | \$18,434 | \$20,846 | \$22,448 | \$23,642 | \$21,869 | \$21,937 | \$21,902 |
| TOTAL COLLECTED | \$12,629 | \$14,199 | \$17,169 | \$19,945 | \$21,065 | \$22,192 | \$20,602 | \$20,711 | \$20,805 |
| TOTAL UNCOLLECTED | \$ 997 | \$ 1,059 | \$ 1,265 | \$ 1,351 | \$ 1,383 | \$ 1,450 | \$ 1,267 | \$ 1,226 | \$ 1,097 |

(1) Fire Prevention and Suppression District Assessment expired in 1997.

Source: County of Alameda, Office of the Auditor-Controller

TABLE 8

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2000

| | |
|-----------------------------------------------|--------------------------|
| Total assessed valuation (net of exemptions) | \$ 19,210,099,052 |
| Less redevelopment tax increments | <u>2,193,714,677</u> |
| Basis of levy ⁽¹⁾ | <u>\$ 17,016,384,375</u> |
| Debt limit: | |
| 3.75 percent of valuation subject to taxation | \$ 638,114,414 |
| Less amount of debt applicable to debt limit | <u>129,665,000</u> |
| Legal debt margin | <u>\$ 508,449,414</u> |

(1) County of Alameda, Office of the Auditor-Controller



TABLE 9

**PERCENTAGE OF NET GENERAL OBLIGATION
BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA**

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|--------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|
| Total Assessed Value⁽¹⁾ | \$14,579 | \$15,670 | \$16,047 | \$16,906 | \$17,578 | \$18,173 | \$18,468 | \$19,058 | \$19,883 | \$ 20,910 |
| Total Exemptions | <u>(1,131)</u> | <u>(1,208)</u> | <u>(1,151)</u> | <u>(1,262)</u> | <u>(1,554)</u> | <u>(1,598)</u> | <u>1,612</u> | <u>1,668</u> | <u>1,570</u> | <u>1,700</u> |
| Assessed Value⁽¹⁾ | \$13,448 | \$14,462 | \$14,896 | \$15,644 | \$16,024 | \$16,575 | \$16,856 | \$17,390 | \$18,313 | \$ 19,210 |
| Net Bonded Debt⁽²⁾ | \$12,000 | \$12,000 | \$62,000 | \$60,520 | \$74,025 | \$71,465 | \$138,315 | \$136,135 | \$132,960 | \$129,665 |
| Percentage of Net Bonded Debt to Assessed Value | 0.089% | 0.083% | 0.416% | 0.387% | 0.462% | 0.4312% | 0.8206% | 0.7828% | 0.7260% | 0.6750% |
| Population⁽³⁾ | 376,661 | 380,200 | 382,700 | 384,100 | 378,091 | 383,900 | 387,600 | 388,100 | 399,900 | 402,100 |
| Net Bonded Debt per Capita | \$32 | \$32 | \$162 | \$158 | \$196 | \$186 | \$356 | \$351 | \$332 | \$ 322 |

⁽¹⁾ In millions (see Table 4).

⁽²⁾ All general obligation debt; in thousands.

⁽³⁾ Estimated by State of California, Department of Finance; 1990 from the United States Census.

TABLE 10

**PERCENTAGE OF ANNUAL DEBT SERVICE
EXPENDITURES TO TOTAL GENERAL GOVERNMENTAL
EXPENDITURES**

(In Thousands)

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|-----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt Service⁽¹⁾ | | | | | | | | | | |
| Principal | \$ 3,695 | \$ 4,993 | \$ 2,625 | \$ 15,450 | \$ 20,645 | \$ 20,080 | \$ 22,846 | \$ 26,664 | \$ 30,457 | \$ 36,144 |
| Interest ⁽²⁾ | <u>41,746</u> | <u>41,539</u> | <u>39,031</u> | <u>42,602</u> | <u>47,022</u> | <u>48,170</u> | <u>62,519</u> | <u>81,167</u> | <u>74,410</u> | <u>73,743</u> |
| Total Debt Service | \$ 45,441 | \$ 46,532 | \$ 41,656 | \$ 58,052 | \$ 67,667 | \$ 68,250 | \$ 85,365 | \$107,831 | \$104,867 | \$109,887 |
| Total Expenditures | \$407,260 | \$439,590 | \$444,734 | \$489,318 | \$477,853 | \$534,888 | \$1,008,907 | \$603,984 | \$625,359 | \$654,007 |
| Percentage of Debt Service to Total Expenditures | 11.16% | 10.59% | 9.37% | 11.86% | 14.16% | 12.76% | 8.37% | 17.09% | 16.77% | 16.80% |

(1) Includes general, special revenue, debt service, and capital projects funds; excludes special assessment debt with government commitment.

(2) Includes bond issuance costs where applicable.

Source: City of Oakland, Financial Services Agency



TABLE 11

DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2000

| | Percentage Applicable to City | City Share of Debt |
|-----------------------------------------------------------------------------|----------------------------------|-------------------------|
| DIRECT BONDED DEBT | | |
| City of Oakland | 100. | \$ 129,665,000 |
| City of Oakland General Fund Obligations Lease Revenue Obligations | 100. | 672,925,525 |
| City of Oakland 1915 Act Bond Obligations | 100. | 9,860,000 |
| City of Oakland Pension Special Assessment Obligations | 100. | <u>407,279,659</u> |
| Total Direct Bonded Debt | | <u>\$ 1,219,730,184</u> |
| OVERLAPPING BONDED DEBT | | |
| Alameda-Contra Costa Transit District Certificates of Participation | 22.421 | \$ 5,280,646 |
| Alameda County Board of Education Public Facilities Corporation | 19.683 | 1,246,811 |
| Alameda County and Coliseum Authority General Fund Obligation | 19.683 | 117,996,973 |
| Alameda County Pension Obligations | 19.683 | 97,350,721 |
| East Bay Municipal Utility District | 21.299 | 1,452,290 |
| East Bay Municipal Utility District, Special District #1 | 53.596 | 23,930,065 |
| East Bay Regional Park District | 11.657 | 20,290,531 |
| Chabot-Los Positas Community College District Certificates of Participation | 3.142 | 135,786 |
| Peralta Community College District | 54.940 | 20,226,409 |
| Oakland Unified School District | 99.996 | 138,582,910 |
| Oakland Unified School District Certificates of Participation | 99.996 | 51,667,933 |
| San Leandro Unified School District | 22.377 | 2,604,707 |
| Other Unified School Districts and Certificates of Participation | .016 | 15,001 |
| City of Emeryville 1915 Act Bonds | 10.417-18.790 | <u>603,189</u> |
| Total Overlapping Bonded Debt | | <u>\$ 481,383,972</u> |
| TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT⁽¹⁾ | | <u>\$ 1,701,114,156</u> |
| Less: East Bay M.U.D. (100% self-supporting) | | 1,452,290 |
| East Bay M.U.D. Special District #1 (100% self supporting) | | <u>23,930,065</u> |
| TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT | | <u>\$ 1,675,731,801</u> |

1999-00 ASSESSED VALUATION: \$17,016,384,375 (after deducting \$2,193,714,677 redevelopment incremental valuation)

1999-00 POPULATION: 402,100

| | | Per Capita | Ratio to Assessed Value |
|---------------------------------------------------------------------------|-------------------------|------------|----------------------------|
| DEBT RATIOS | | | |
| General Obligation Bonds | \$ 129,665,000 | | |
| Lease Revenue Bonds, Certificates of Participation and Pension Obligation | <u>1,080,205,184</u> | | |
| Net Direct Debt | \$ 1,209,870,184 | \$3,009 | 7.11% |
| Other Direct Debt | <u>9,860,000</u> | | |
| Gross Direct Debt | <u>\$ 1,219,730,184</u> | \$3,033 | 7.17% |
| Total Gross Debt | \$ 1,701,114,156 | \$4,231 | 10.00% |
| Total Net Debt | \$ 1,675,731,801 | \$4,167 | 9.85% |

⁽¹⁾ Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital-lease obligations.

Sources: City of Oakland, Financial Services Agency, California Municipal Statistics, Inc., San Francisco, CA, and County of Alameda, Office of the Auditor-Controller

TABLE 12

REVENUE BOND COVERAGE

(In Thousands)

PORT OF OAKLAND

| | 1991 ⁽¹⁾ | 1992 ⁽¹⁾ | 1993 ⁽¹⁾ | 1994 ⁽¹⁾ | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|-----------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Revenue Available for Debt Service | \$40,146 | \$ 54,276 | \$ 68,624 | \$59,325 | \$61,960 | \$68,508 | \$70,797 | \$73,744 | \$75,302 | \$91,441 |
| Debt Service Requirements: | | | | | | | | | | |
| Principal | \$5,275 | \$ 5,170 | \$ 5,510 | \$ 1,135 | \$ 7,765 | \$ 8,040 | \$10,640 | \$12,630 | \$11,560 | \$12,180 |
| Interest | <u>19,073</u> | <u>18,526</u> | <u>24,601</u> | <u>24,056</u> | <u>24,166</u> | <u>28,063</u> | <u>27,206</u> | <u>30,299</u> | <u>26,192</u> | <u>25,496</u> |
| TOTAL | \$24,348 | \$23,696 | \$30,111 | \$25,191 | \$31,931 | \$36,103 | \$37,846 | \$ 42,929 | \$37,752 | \$37,676 |
| Debt Service Coverage | 164.88% | 229.05% | 227.90% | 235.50% | 194.04% | 189.76% | 187.06% | 171.78% | 190.91% | 242.70% |

(1) Debt service is that which is defined in the Port's Master Indenture dated 4/1/89 and in subsequent Supplemental Indentures.

Source: Port of Oakland.

OMERS REVENUE BOND⁽¹⁾

| | 1991 ⁽¹⁾ | 1992 ⁽¹⁾ | 1993 ⁽¹⁾ | 1994 ⁽¹⁾ | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|-----------------------------------------------|---------------------|---------------------|---------------------|---------------------|------------|------------|------------|-----------|-----------|-----------|
| Net Revenue Available for Debt Service | \$(1,283) | \$(1,649) | \$ (752) | \$(1,363) | \$ 896 | \$ (670) | \$ (620) | \$ (230) | \$ (923) | \$ (964) |
| Debt Service Requirements: | | | | | | | | | | |
| Principal | \$1,750 | \$2,050 | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 450 | \$ 150 |
| Interest | <u>352</u> | <u>244</u> | <u>120</u> | <u>117</u> | <u>108</u> | <u>105</u> | <u>101</u> | <u>99</u> | <u>79</u> | <u>65</u> |
| TOTAL | \$2,102 | \$2,294 | \$ 170 | \$ 167 | \$ 158 | \$ 155 | \$ 151 | \$ 149 | \$ 529 | \$ 215 |
| Debt Service Coverage | (61.04)% | (71.88)% | (442.35)% | (816.17)% | 567.09% | (432.26)% | (410.60)% | (154.44)% | (174.48)% | (448.37)% |

(1) Includes the 1974 and 1976 OMERS Revenue Bonds (the 1974 bonds were paid off in 1992).

Source: City of Oakland, Financial Services Agency



TABLE 13

ECONOMIC INDICES

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|-----------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|------------|
| Port Activity⁽¹⁾ | | | | | | | | | | |
| Imports ⁽²⁾ | \$10,821 | \$14,887 | \$16,600 | \$18,885 | \$18,474 | \$15,250 | \$14,712 | \$16,380 | N/A | \$ 15,734 |
| Exports ⁽²⁾ | \$7,591 | \$9,248 | \$10,137 | \$11,835 | \$11,267 | \$ 9,979 | \$ 8,923 | \$ 9,771 | N/A | 10,198 |
| Revenue Tons | 15,760,760 | 18,101,290 | 18,579,467 | 20,976,711 | 22,293,355 | 21,418,402 | 21,234,151 | 21,979,993 | N/A | 23,708,593 |
| Containers | 701,667 | 753,559 | 757,293 | 856,583 | 856,695 | 858,340 | 874,665 | 899,500 | N/A | 944,136 |
| Airport Activity | | | | | | | | | | |
| Freight ⁽³⁾ | 463,193 | 608,519 | 791,929 | 950,779 | 1,077,071 | 1,131,790 | 1,287,148 | 1,414,064 | 1,456,741 | 1,430,733 |
| Air Mail ⁽³⁾ | 37,553 | 72,445 | 59,534 | 79,500 | 76,651 | 82,539 | 71,055 | 81,159 | 84,100 | 78,756 |
| Building Permits Issued | 6,443 | 6,900 | 5,814 | 8,557 | 9,692 | 12,154 | 12,459 | 12,545 | 14,860 | 16,725 |
| Authorized New Dwelling Units | 326 | 205 | 165 | 243 | 290 | 180 | 176 | 233 | 181 | 542 |
| Commercial Value ⁽⁴⁾ | \$121,227 | \$118,853 | \$178,728 | \$96,004 | \$132,865 | \$99,844 | \$202,995 | \$302,080 | \$117,410 | \$195,270 |
| Residential Value ⁽⁴⁾ | \$113,585 | \$101,598 | \$71,659 | \$51,710 | \$47,129 | \$79,278 | \$ 39,425 | \$121,006 | \$175,115 | \$272,170 |
| Taxable Retail Sales⁽⁵⁾ | \$2,406 | \$2,384 | \$2,768 | \$1,556 | \$1,596 | \$2,596 | \$3,132 | \$3,250 | \$3,812 | \$ 3,591 |
| Commercial Bank Activity⁽⁶⁾ | | | | | | | | | | |
| Deposits | \$8,856 | \$9,543 | \$10,577 | \$9,286 | \$8,663 | \$9,821 | \$9,545 | \$10,095 | N/A | N/A |
| Number of banks | 36 | 31 | 31 | 32 | 33 | 28 | 27 | 29 | N/A | N/A |
| Number of branches | 220 | 210 | 192 | 190 | 193 | 195 | 176 | 180 | N/A | N/A |

(1) Calendar year data.

(2) In millions; does not include domestic offshore trade/calendar year data

(3) In million pounds

(4) Construction costs for labor and materials; in thousands

(5) In millions

(6) Alameda County (dollars in thousands)

Sources: Port of Oakland, Research Department
City of Oakland, Office of Public Works
California State Board of Equalization
Federal Reserve Bank

TABLE 14

DEMOGRAPHIC STATISTICS

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|-------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|---------|---------|---------|
| Population⁽¹⁾ | 376,661 | 380,200 | 382,700 | 384,100 | 378,091 | 383,900 | 387,600 | 388,100 | 399,900 | 402,100 |
| Per Capita Income⁽²⁾ | \$24,056 | \$25,382 | \$26,083 | \$26,910 | \$28,405 | \$29,842 | \$29,683 | N/A | N/A | 32,130 |
| Public School Enrollment⁽³⁾ | 51,000 | 52,788 | 51,234 | 51,748 | 50,805 | 52,452 | 53,273 | 53,564 | 54,191 | 54,867 |
| Private School Enrollment⁽⁴⁾ | 8,700 | 9,396 | 9,076 | 9,494 | 9,485 | 9,232 | 9,328 | 9,242 | 9,461 | N/A |
| Alameda County Unemployment Rate⁽⁵⁾ | 6.3% | 7.1% | 7.1% | 6.8% | 6.2% | 5.1% | 5.0% | 4.2% | 3.5% | 2.8% |

(1) Estimated by State of California, Department of Finance; 1990 from the United States Census

(2) U.S. Bureau of Economic Analysis, Regional Economic

(3) Oakland Unified School District

(4) Alameda County Office of Education

(5) State of California Employment Development Department



TABLE 15

MISCELLANEOUS STATISTICS

June 30, 2000

| | |
|--------------------------------------------------------------------|----------------|
| Date of Incorporation as a Town | March 27, 1852 |
| Date of Incorporation as a City | May 25, 1854 |
| Form of government | Mayor/Council |
| Number of authorized full time employees | 4,218 |
| Elected Officials | 11 |
| Land area in square miles | 53.8 |
| Lake area in square miles | 0.3 |
| City of Oakland facilities and services | |
| Miles of streets | 836 |
| Number of street lights | 35,180 |
| Culture and Recreation | |
| Library branches | 16 |
| Library mobile units | 1 |
| Recreation centers | 23 |
| Parks | 106 |
| Park acreage | 2,500 |
| Golf courses | 2 |
| Swimming pools | 5 |
| Tennis courts | 48 |
| Playgrounds | 12 |
| Softball/baseball fields | 47 |
| Football and soccer fields | 13 |
| Headstart centers | 20 |
| Museums | 2 |
| Senior Centers | 4 |
| Fire Protection | |
| Number of stations | 26 |
| Number of firefighters | 492 |
| Number of civilians | 66 |
| Number of firefighters and civilians per thousand population | 1.39 |
| Number of calls answered | 62,230 |
| Number of commercial inspections conducted | 5,636 |

TABLE 15

| | |
|----------------------------------------------------------------------|-------------|
| Police Protection | |
| Number of stations and substations | 2 |
| Number of sworn officers and trainees..... | 751 |
| Number of civilians | 462 |
| Number of police officers and civilians per thousand population..... | 3.02 |
| Sewerage System | |
| Miles of sanitary sewers | 1,800 |
| Miles of storm sewers..... | 304 |
| Amount of treatment in gallons daily average..... | 75,000,000 |
| Maximum daily capacity of treatment plant in gallons | 415,000,000 |
| Water System | |
| Number of fire hydrants..... | 6,550 |
| Daily average consumption in gallons per family | 282.0 |
| Maximum daily capacity of plant in gallons | 395,000,000 |
| Harbor Facilities | |
| Miles of waterfront | 19 |
| Berthing length at wharfs..... | 23,590 ft |
| Harbor area | 700 acres |
| Aviation Facilities | |
| Airports operated | 1 |
| Paved airport runways | 4 |
| Total length of runways..... | 24,520 ft |
| Area of airport..... | 2,400 acres |
| Facilities and services not included in the reporting entity | |
| Education | |
| Oakland Unified School District | |
| Number of elementary schools..... | 61 |
| Number of secondary schools..... | 26 |
| Number of special education schools | 2 |
| Area community colleges | 5 |
| Area universities and colleges | 9 |
| Hospitals | |
| Number of hospitals..... | 12 |



GENERAL INFORMATION

The City of Oakland is located on the eastern side of the Oakland/San Francisco Bay in the County of Alameda. Its western border offers 19 miles of coastline, while the rolling hills to the east present views of the Bay and the Pacific Ocean. In between are traditional, well-kept neighborhoods, a progressive downtown and superior cultural and recreational amenities. It is the administrative site for the County of Alameda, the regional seat for the federal government, the district location of primary state offices, and the *transportation hub and center of commerce* for the Bay Area.

With an estimated population of 402,100, ranking the seventh largest city in the State of California, Oakland is a city of contrasts. It has a thriving industrial port located near restored historic buildings. Major corporate headquarters are in close proximity to traditional businesses and small shops. Historic structures continue to be preserved and revitalized while new buildings are built.

Oakland has grown rapidly since World War II. It has striven to balance this growth by preserving its abundant natural beauty and resources. The City has 106 parks within its borders and several recreational areas along its perimeter. The downtown area includes Lake Merritt, the largest saltwater lake within a U.S. city. Its shoreline is a favorite retreat for joggers, office workers and picnickers. At dusk, the area sparkles as the lake is lit with the "Necklace of Lights." Lake Merritt is the oldest officially declared wildlife sanctuary in the United States, dating back to 1870.

ALL-AMERICA CITY

Less obvious to people passing through Oakland is the extraordinary number of individuals and groups of all ethnic backgrounds who work quietly, often voluntarily, usually with little public notice, to improve living conditions for everyone. There are about 150 neighborhood, community and merchant organizations in Oakland, an unusually large number for any city.

In recognition of these activities, the City and its residents were awarded the National Civic League's prestigious All-American City designation. Ten cities out of 151 applicants were selected. Each had to demonstrate broad-based citizen involvement reflecting the community's demographics, the shared decision-making among its public and private sectors, the creative mobilization of community resources, and the willingness to confront critical local issues and results that have a lasting impact.

GOVERNMENT

In November 1998, the citizens of Oakland changed the form of government from Council/Manager to Mayor/Council through a charter amendment. The legislative authority is vested in the City Council. The executive authority is vested in the Mayor with administrative authority resting with the City Manager under the direction of the Mayor.

The City Council is the governing body of the City and is comprised of eight elected officials. One Council member is elected "at large", while the other seven Council members represent specific districts. The Mayor and City Council are elected to serve four-year terms. The City Manager, appointed by the Mayor, is responsible for day-to-day administrative and fiscal operations of the City.

Oakland is also the seat of Alameda County, which is one of California's largest counties.

COMMERCIAL SECTORS

Over the last 28 years, Oakland has made significant gains in diversifying its economic base. While manufacturing jobs have decreased, the economy now offers a healthy mix of trade, government, financial, medical, publishing and service-oriented occupations. It also has a growing skilled-crafts sector.

Oakland is abundant in resources that are available to its businesses and residents. State-of-the-art transportation, law enforcement and utility facilities keep the City running smoothly. Waterfront restaurants, shops, and a nine-screen movie theater make Jack London Square a lively night-time attraction. In addition, new office and retail buildings, public facilities, hotels, a convention center, park enhancements and outdoor art have created a cosmopolitan environment in the downtown. The City's increasingly robust neighborhood retail areas are expanding and being revitalized. Abandoned warehouses, foundries and long silent cigar, macaroni and tent factories are being converted into live/work studios for crafts people.

City departments and processes are being streamlined through its Banishing Bureaucracy Program initiative to better serve the needs of the businesses and the community. A variety of incentives are available to companies located in its Enterprise, Foreign Trade, and Recycling Market Development Zones. The Business Support Center links businesses with the many services available to them throughout the area and serves as an ombudsman for companies dealing with the City. Neighborhood Commercial Specialists work with merchants in each commercial district to promote the district, obtain loans, expedite permits and arrange for City services.

Oakland is a city of rich history, impressive growth and a promising future. Located within the nation's largest metropolitan area, California's seventh largest city is strategically positioned as the economic heart of the East Bay. Oakland is ready for the twenty first century with a diverse business base and opportunities for expansion in business services, retail and the cutting-edge advanced technology industries. Downtown Oakland offers competitively priced office space, a fiber optic infrastructure and the amenities for both traditional and emerging enterprises.

Industrial Oakland is well positioned to welcome a mix of advanced industries and value oriented retail. The Oakland trade area is an under-served market with a population of 2,257,800, 40.9% of which have an average annual income of \$50,000. Portions of Oakland are among the wealthiest untapped consumer markets in California. Oakland's effective buying income is \$5.7 billion and estimated annual taxable sales are \$3.0 billion dollars. Also strategically positioned as the economic, transportation and civic center of the East Bay, Oakland's consumer market strength makes it ready for business.



DEMOGRAPHICS

Oakland is a Mecca of culture, a community of people from all over the world working together to build a progressive City. At the same time, it has maintained a rich heritage of ethnic backgrounds and traditions.

The well-maintained freeways, mass transit systems and ferry service make getting to and from downtown Oakland a relatively quick and easy process—travel times to San Francisco, San Jose and other area cities are surprisingly short.

The prospects for Oakland's economy are better than ever. Ranked the fifth best city by *Forbes Magazine* this year, Oakland has experienced dramatic economic growth.

In downtown Oakland, over 1.8 million square feet of new office space is currently being developed—including both new buildings and the renovation of vacant buildings. Meanwhile, the vacancy rate for high quality ("Class A") office space dropped to less than 1.0%. The Shorenstein Company is currently building a 20-story office tower that will house the headquarters of Ask Jeeves when it opens in early 2002. Other corporate additions include: Valuestar, Via Novus, Morgan Stanley Dean Witter, eSupportNow, Rainin Instruments, Just Desserts, and Scientific Learning. Citywide, approximately 10,000 new jobs have been created over the past 18 months.

Interest is so strong for office space in downtown Oakland, developers are launching speculative projects for the first time in half a century. Historic buildings that have stood empty since the Loma Prieta earthquake of 1989 are now being renovated. These include the Rotunda Building, the Tribune Tower, the Latham Building, the Unity Building, the Old Sears Building, 1440 Broadway and 1404 Franklin Street.

Mayor Jerry Brown launched his initiative to bring 10,000 new residents into downtown Oakland within the next five years. This will require the development of 6,000 new residential units. To date, three housing projects have been completed (113 units), nine more are under construction (1,199 units) and 18 projects are in planning (3,876 units). These projects will meet 86% of the Mayor's goal. The vast majority of these are market-rate, non-subsidized developments.

Three new hotels are now under development in the downtown area: the 215-room Hilton Garden Inn, the 162-room Courtyard by Marriott, and the 62-room expansion of the Waterfront Plaza Hotel. These hotels will open between mid-2001 and early-2002, and they will enhance both the Oakland Convention center and the downtown office environment.

Both Oakland's Maritime and International Airport operations are undergoing major capital improvements. A \$1.5 billion capital investment program will enhance the state of the art operating facilities at both terminals. The Airport will add 12 new passenger gates, a new terminal complex, new and expanded cargo facilities, a new roadway system, parking structure, and an automated shuttle linking the Airport to the Bay Area's Rapid Transit System (BART).

The Mayor and City Council have achieved considerable success in their active recruitment of and support for new and existing companies in five major target industries: telecommunications, software/multimedia, biotechnology, transportation and food processing. The Oakland metro region is now home to more than 2,145 high-tech companies employing more than 52,000 people. According to a recent study by the American Electronics Association, Oakland is one of California's top five cyber cities.

OAKLAND METRO REGION

| | |
|-------------------------|-------------|
| High-tech employment | 53,297 |
| High-tech establishment | 2,145 |
| High-tech payroll | \$3 billion |
| Average high-tech wage | \$56,824 |

As the Bay Area's economic boom spreads to Oakland, the City is also focusing its efforts on ensuring that more of its residents are able to enjoy the benefits of that boom. In conjunction with Freddie Mac and Bank of America, the City has launched an aggressive \$1 billion First-time Homebuyer Program targeted at helping Oakland residents buy their own home. Mayor Brown has set a goal of raising Oakland's home ownership rate by one percent every year for the next four years. Private mortgage lenders and community organizations are also helping to achieve this ambitious goal.

HISTORY

Oakland's first inhabitants, the Ohlone Indians, arrived about 1,200 B.C. and lived in small tribal groups on the edge of the hills surrounding the Bay. The Ohlone Indians were a stocky hunting and gathering group who lived in such harmony with nature that they left no permanent mark on the landscape. They maintained such a peaceful attitude with each other that they had no word for war.

Spanish explorers first entered the area that is now Oakland by land in 1772. They reported the natural geography as possibly the most perfect on earth. Near the shore were magnificent oaks; on the hills stood acres of giant redwoods. In the spring, wildflowers filled the valley with golden poppies and purple iris. Deer, rabbit, bear and wildcat roamed the woods. Creeks tumbled into a Bay filled with salmon, crab, sturgeon, smelt, lobsters, clams and mussels. The marsh that would become Lake Merritt was alive with wildfowl.

Spain established a Presidio and Mission on the west side of the Bay in 1776 and Mission San Jose (south of Oakland) is what is now Fremont in 1797. Mission San Jose had jurisdiction over Oakland, the area the Spaniards called Encinal, "grove of evergreen oaks." European diseases and settler hostility obliterated the Ohlones and most of their culture within a few years.

Development as a commercial and transportation center began with the California Gold Rush of 1849, when Oakland became the mainland staging point for passengers and cargo traveling between the Bay and the Sierra foothills.

Oakland was chartered as a city in 1854, and construction of shipping wharves began immediately. Ferry service between Oakland and San Francisco had existed for years, but by building large wharves



and dredging a shipping channel, Oakland became an independent destination. Oakland grew steadily through the 19th century. After the devastating earthquake in 1906, many people and businesses chose to relocate from San Francisco to Oakland. Oakland's population more than doubled between 1900 and 1910.

Oakland benefited from the general prosperity of the area through the 1920s. California farms expanded their markets, contributing to canning, processing, and shipping companies based in Oakland. Auto makers and steel companies led the industrial expansion throughout the East Bay. Construction businesses had plenty of work as homes went up south and east of the inner city, and new high-rise office buildings were built in downtown Oakland.

World War II brought tremendous changes to Oakland. Huge numbers of workers moved to the Bay Area to work in local shipyards, and many of these people, as well as large numbers of military personnel who mustered out at Treasure Island and the Oakland Army Base, chose to remain in the Bay Area. The population grew by almost one third between 1940 and 1950.

Oakland has a rich literary and cultural heritage. Such historical notables as writers Bret Harte, Jack London, Joaquin Miller, Ina Donna Coolbrith, Jessica Mitford, Norman Jayo, Ishmael Reed, and Gertrude Stein; architect Julia Morgan; and dancer Isadora Duncan are just a few who have left their cultural mark on the City. It is also the birthplace of the West Coast Blues.

TRANSPORTATION

Located in the geographical center of the Bay Area, Oakland has been recognized as an important transportation hub for more than 100 years. The combination of train, bus, ferry, marine, aviation, freeway and the Bay Area Rapid Transit (BART) system guarantees ease of travel for local residents and efficient channels of commerce for businesses relying on the City's easy access. Oakland's Port is a primary sea terminal for transporting cargo between the Western United States and the Pacific Rim, Latin America and Europe. Air cargo service is minutes away at the Oakland International Airport.

The Port of Oakland

The Port of Oakland is located on the east (or mainland) side of San Francisco Bay, one of the most beautiful natural harbors in the world. The Port is the third largest container port on the Pacific Coast, fourth largest in the United States and among the top 20 in the world. It is served by two railroad companies: the Burlington Northern Santa Fe and the Union Pacific.

The Port handles over 97 percent of Northern California's container traffic, which includes service by over 30 container lines. It has technically advanced facilities available not only for containers but for break-bulk, heavy-lift, and other specialized cargo. The Port has approximately 700 acres of developed terminal facilities and container storage areas with an additional 531 acres under construction. Thirty-one ship-to-shore container cranes are in operation, and four new container cranes are en route to Oakland's 1st new Vision 2000 container terminal slated to open during January 2001. Currently under construction, the Vision 2000 program consists of two container terminals, a 150-acre Joint Intermodal

Terminal to accommodate the Port's two major transcontinental railways, a new harbor roadway, and increased waterfront access for the public.

Oakland International Airport

Oakland International is San Francisco Bay Area's most convenient airport and is a leader in on-time performance with 72.6% of its flights out on time. Strategically located at the center of the region, Oakland International handles nearly 10.2 million passengers and 665,500 metric tons of air cargo annually. The airport is comprised of two airfields. South Field (the main commercial airfield) and North Field (primarily used by general and corporate aviation and some cargo companies). Between the two airfields, Oakland International handles more than a half million operations annually, making it the 8th busiest airport in the world. From South Field, there are more than 158 departures daily to domestic and international destinations. The passenger terminal complex consists of two terminals with 22 gates, including an international arrivals building for Oakland's growing international service to such destinations as Guadalajara, Morelia, Leon, Mexico, Paris, and Papeete, Tahiti and the Azores Islands. Service between Oakland and Hawaii was inaugurated in February 2000 and direct flights to New York, JFK and Newark, New Jersey was started. The airport employs 10,500 people. United Airlines and Alaska Airlines operate maintenance facilities at Oakland International.

Air Cargo at Oakland International Airport

Oakland International handles nearly 665,500 metric tons of cargo annually, making it the 26th largest airport in the world in the amount of cargo handled. Five all-cargo carriers currently serve Oakland International. Additionally, air cargo is on the domestic and international passenger carriers that serve the airport. About one in every four employees works in a job related to cargo. FedEx, which currently doubled its operations in Oakland by opening a new 13-acre, 191,000 square foot complex, operates a regional sorting and international import clearance facility at Oakland, where nearly 2,100 people are employed. UPS employs 450 people in its airport sort facility and operates a regional distribution center at the nearby Oakland Airport Business Park.

Mass Transit

Local bus service is provided by AC Transit, the public bus system serving 13 cities (and adjacent unincorporated communities) in 390 square miles along the east shore of San Francisco Bay. Serving a population of 1.4 million, AC Transit operates a network of 147 transbay and local East Bay bus routes, 98% of which make transfer connections with the Bay Area Rapid Transit (BART) system. AC Transit buses also serve the new Amtrak Station and ferry terminal at Jack London Square, the Oakland International Airport and many other Bay Area attractions including downtown San Francisco.

The BART is a 95-mile, automated rapid transit system serving over 3 million people in the three BART counties of Alameda, Contra Costa, and San Francisco counties, as well as northern San Mateo County. Trains traveling up to 80 mph connect 17 Bay Area cities and 39 stations. Plans for extending BART services include a new station at the San Francisco International Airport. Travel between



Oakland and San Francisco averages only 20 minutes of BART. People in the Bay Area ride BART because it is a safe, reliable, economical, and energy-efficient means of transportation.

Other modes of transportation include the Alameda/Oakland Ferry Service that also links Oakland with San Francisco. Nine major U.S. and California highways pass through Oakland. Daily service to rail destinations throughout the U.S. is offered at the Oakland Amtrak Station. Greyhound Bus Lines likewise offers daily bus service to cities throughout the United States.

EDUCATION

The Oakland Unified School District is governed by the Board of Education consisting of seven elected members and three mayoral appointees. The day-to-day operations are managed by the board appointed Superintendent of Schools.

The District operates 60 elementary, 16 middle, 6 high and 6 alternative high schools. They also operate 22 child development centers and 4 adult education schools. The pupil to teacher ratio is 20:1 for K-3, 31:1 for grades 4-5, and 32:1 for 6-12 graders. Current implementation of 20:1 ratio for 9th graders is on-going.

There are two community colleges and four four-year institutions inside the city limits, with the world-renowned U.C. Berkeley campus located nearby. In addition, a variety of evening extension courses are offered in Oakland by other nine Bay Area colleges, including U.C. Berkeley. A wide array of non-profit, county and City-sponsored skills enhancement training programs are provided to Oakland residents, and career development is successfully encouraged at area high school academies.

HEALTH CARE

Oakland's medical facilities are among the best in the nation. The medical community provides the latest and most sophisticated medical technology for the diagnosis and treatment of disease. Over 1,500 physicians, 250 dentists and four major hospitals are located within the City. Overall, the health care industry in Oakland employs approximately 14,000 people.

PUBLIC SAFETY

Oakland uses a variety of aggressive and innovative approaches to increase public safety and lessen the levels of violence. These efforts are paying off, especially as more and more business owners and residents become involved in the Community Policing Program. Recent statistics comparing the January to June 2000 period to the same period in 1999 indicate a continued reduction by 15.00% in the overall Part I crime rate in Oakland. The exceptions to this trend are the homicide, rape and vehicle theft statistics, showing increases of 54.17%, 1.67% and 6.13%, respectively. Burglaries dropped by 16.72% while larceny-theft decreased by 23.41% and aggravated assault by 10.11%. Strong-armed robbery dropped by 3.23% and arson decreased by 6.67%.

PARKS AND RECREATION

Sports, performing arts, boating, camping, gardens and many other leisure activities are available at more than 140 parks, playgrounds, community centers and other recreational facilities operated by the City. There are two public golf courses and a third driving range. Six outdoor pools offer seasonal lap and recreational swimming, instruction and showers. The Parks and Recreation Department operates more than 50 tennis courts. It also operates Oakland's Feather River Camp, a family camp located in the Plumas National Forest. Instruction in sailing, wind surfing, and kayaking are available at Lake Merritt. Boats are available for rent, including paddleboats, kayaks, rowboats, canoes, and sailboats. The City provides public boat launches at its seven-acre, waterfront park on the estuary and at Lake Merritt. The Port of Oakland owns and operates three marinas with berths. The Oakland City Stables, managed by the Wildcat Canyon Ranch Program, provides horse riding lessons, year-round after school programs, an alternate education site for the school district, and summer internships for a number of Oakland Youth. The program serves 1,500 Oakland youth annually.

There are over 79,000 acres of wilderness and parklands in the nearby East Bay Regional Park District, including 53 parks and 20 regional trails in Alameda and Contra Costa counties.

CRAFTS AND CULTURAL ARTS

Oakland has one of the largest visual and performing arts communities on the West Coast and is currently experiencing an exciting cultural rebirth. There are more than 5,000 professional artists who live and work in the City of Oakland. Oakland offers a vast amount of cultural activities with 25 dance companies, 36 music groups and organizations, 12 theater companies, 34 visual arts galleries and 15 historic and museum sites.

The Mayor and City Council have set a priority *to Celebrate Arts and Culture and to Express the Creativity and Diversity of Oakland*. In support of the Arts in Oakland, the department of Craft and Cultural Arts under the Mayor's Office provides a variety of cultural funding grants for local art groups and individuals. To enhance the city's visual beauty, the City supports the development of public art projects and are currently developing two downtown art exhibition galleries to showcase the work of local artists.

Oakland has one of the world's finest regional museums. The Oakland Museum of California hosts a number of traveling exhibitions each year, and maintains three permanent exhibitions featuring California's artistic and cultural heritage and natural resources. The museum's vast collections, special exhibitions and educational programs attract a multi-cultural audience of more than 200,000 visitors annually and its renowned education department serves more than 60,000 school children annually.

The City of Oakland hosts Alice Arts Center, a multi-cultural performing arts complex, which presents local, regional and national theater, dance and music productions. The City also manages the Henry J. Kaiser Convention Center, a performing arts and entertainment site that features a 1,800 seat theater, indoor arena and rooms for smaller public and private events. Another jewel along Oakland's waterfront will be the Artship Foundation's floating arts and cultural center which is currently moored



at the 9th Avenue Terminal. "Artship," a recovered WWII merchant marine vessel, will host several theaters and workshops when it is converted into one of Oakland's finest cultural centers.

The Oakland East Bay Symphony proudly features maestro Michael Morgan, who showcases a fine classical repertoire and works of California composers. Another highlight is the internationally recognized Oakland Ballet, led by Karen Brown. Both the Symphony and the Ballet use the fabulous art deco Paramount Theater to perform. This 1931 movie place, authentically restored in 1973 and since utilized as Oakland's premier live performance facility, also hosts an impressive variety of popular attractions, including Broadway shows, R&B concerts, gospel performers, comedy and special engagements.

SPORTS

Oakland is a magnet for sports fans of all types. Whatever the season, Oakland pro and amateur games often garner broad national media coverage. In the last two decades, Oakland's professional sports teams have won six world championships in three major sports. Of those, the Oakland Athletics have won six American League Championships and four baseball World Series titles. The Oakland Coliseum complex is home to the Athletics, the Golden State Warriors, and the Oakland Raiders. The City's fine sports reputation has made it a natural home for key events such as the 1987 All Star Game, the 1988, 1989 and 1990 World Series, 1989 Masters Rowing Regatta, the 1991 Summer Police Games, the World Figure Skating Championships in 1992, the Olympic Boxing Team Trials of 1996, the NBA All Star game in 2000, and the AFC Championship game between the Oakland Raiders and the Baltimore Ravens in 2001. The Oakland Ice Rink, located in downtown City Center area, is one of the most technologically advanced ice rinks in the nation.

MEDIA

Oakland has its own daily and weekly regional newspapers, radio stations and a television station with daily award-winning newscasts. Its neighborhoods distribute 50 newsletters. In addition to media and cable companies located in Oakland, the City is served by other major Bay Area newspapers, seven television stations (including the three major networks) and the Public Broadcasting System. Over 30 other Bay Area radio stations are easily received in Oakland.