

# COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2020



**OAKLEY**  
—  —  
**CALIFORNIA**



**CITY OF OAKLEY, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2020**

**PREPARED BY THE  
FINANCE DEPARTMENT**

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# **INTRODUCTORY SECTION**

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CITY COUNCIL  
Kevin Romick, *Mayor*  
Sue Higgins, *Vice-Mayor*  
Randy Pope  
Claire Alaura  
Michael Krieg



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November 24, 2020

To the Residents of the City of Oakley,  
and the Honorable Members of the Oakley City Council,

We are pleased to submit to you the City of Oakley's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This report is published in accordance with State law that requires financial statements be presented in conformity with accounting principles generally accepted in the United States of America, and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. It is also prepared to meet reporting standards set forth by the Governmental Finance Officers Association.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework designed to both protect the City's assets from loss, theft, or misuse and compile sufficient reliable information for the presentation of the City's financial statements in conformity with GAAP. Given the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the changes in financial position of the governmental activities and the various funds of the City; and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

## **CITY PROFILE**

The City of Oakley is a community of approximately 44,000 residents located in the eastern portion of Contra Costa County in the San Francisco Bay Area. The City entity is a California municipality incorporated on July 1, 1999, and operates under a Council-City Manager form of government. The City Council is comprised of five members elected by the voters, serving in staggered four year terms. The Council hires a City Manager to run the City's day-to-day operations.

The City provides the following services: Legislative; Administrative; Building and Safety; Code Enforcement, Planning; Engineering; Streets, Parks and Landscape Maintenance; Recreation; and Police Protection. Other community services that are provided by local special districts with their own governing boards include: Sewer, Water, Transit, Irrigation, Mosquito Abatement, Flood Control, Schools, and Fire Protection. The City contracts for sanitation services with a local firm under a long-term franchise agreement.

## **FINANCIAL INFORMATION**

Discussion and analysis of the City's finances can be found in the MD&A section of the attached report. The information below includes a summary of what is recorded in the General Fund and certain Other Financial Information of ongoing interest but not included in the MD&A.

The Financial Statements presented in this CAFR include the City and its component unit, the Oakley Public Financing Authority. It is blended in the report since it is governed by the City Council sitting in a separate capacity and provides services exclusively to the City. The Oakley Redevelopment Agency was dissolved on January 31, 2012, and its assets and liabilities were transferred to the City, as Housing Successor, and to a Successor Agency. The Successor Agency is reported as a Private Purpose Trust Fund, since it is legally a separate entity and its decisions and governance are subject to the approval of parties other than the City Council.

Each year, the City Council holds a strategic planning discussion and adopts a budget to direct the allocation of City resources in accordance with its strategic planning priorities. The process typically begins in January with internal budget reviews, followed by a strategic planning session in March, a budget workshop in May to discuss a Proposed Budget, and adoption of a final Recommended Budget in June. Due to the onset of COVID-19 and orders to shelter in place, the traditional strategic planning meetings were not held' however, a survey was sent out to

residents of Oakley regarding their priorities for the City's Fiscal Year 2020-2021 Budget, and input received was incorporated into the Budget.

The City operates on a fiscal year that begins each July 1 and ends on June 30. The adopted Budget includes the annual update of the City's Comprehensive Statement of Financial Policies, which serves as a framework for its financial practices, an update to its 10-Year Plan, and budgets for each of the funds under the City's control. Budgetary control is established at the Fund level.

The City's General Fund is its primary operating fund, and is used to account for Legislative, Administrative Services, Community Development, Recreation, Police and Public Works operations, and is where the City accounts for all its general purpose revenues. The General Fund is distinguished from the City's other governmental funds that are used to account for special purpose revenues, capital projects, debt service activities, and monies held for the benefit of others.

#### Debt Management

The City generally does not incur debt, except in instances where there will be long-term benefits or where no other method of acquiring an asset is possible. Equipment purchases are funded through the City's Equipment Replacement Fund, or with current revenues.

#### Reserves

The City has sufficient reserves to meet its current and immediate future obligations. The Statement of Financial Policies contains reserve policies and the City's Adopted Budget includes a 10-Year Plan which highlights the impact of near term decisions on fund balances and reserves during the 10-year period. Furthermore, in order to maintain the 10 Year Plan's relevance, twice each year (at budget adoption and again at mid-year), the City reviews and updates the assumptions used in the Plan.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

In preparing the budget for FY 2020/21, management staff considered the following significant factors likely to affect the financial condition of the City:

- Housing prices have continued to strengthen and building activity continues to grow, with 168 new homes built in FY 2019/20. Property tax revenue growth was budgeted conservatively at 1%, due to the many uncertainties created by the COVID-19 Pandemic. However, with record-low interest

rates, we are now anticipating greater growth in property tax revenue in Fiscal Year 2020/21, reflecting the increasing market strength, offset by conservative estimates of what the County Assessor might or might not reflect in his assessed values. In addition, the City projects developers will complete more than 200 new homes in Fiscal Year 2020/21.

- The City is also anticipating a rise in commercial and industrial development with the Contra Costa Logistic Center opening two buildings, totaling more than 600,000 square feet of building area in Fiscal Year 2020/21. At build-out, the Center will provide approximately two million square feet of new, Class A light industrial, warehousing, distribution, e-commerce fulfillment, and light manufacturing space that will serve as a regional catalyst for jobs and business in the City and beyond.
- The City has accumulated reserves above its adopted policy level of 20% of anticipated General Fund expenditures. With an adequate reserve, the Council has begun the appropriation of the excess to fund one-time additional infrastructure and economic development investments.
- In December 2016 the California Public Employees Retirement System (“CalPERS”) lowered the discount rate assumption, the long-term rate of return from 7.50% to 7% over the subsequent three years. In FY 2017/18 the City set up a pension trust that will be used to reduce the unfunded accrued liability and/or provide rate stabilization in future years. In FY 2019/20 City Council appropriated \$200,000 towards the 115 Pension Trust and zero was appropriated in the FY 2020/21 Budget. However, the City paid down just over \$1 million of its unfunded accrued liability (UAL) during FY 2019/20 and has set aside reserves of \$700,000 for consideration of further section 115 Trust or UAL pay downs during FY 2020/21.

While the budget news was generally good, the City Council continues to support a budget process that uses recurring revenues for recurring expenditures and allocates one-time funds for one-time purposes only, reflecting the Council’s commitment to conservative budgeting, controlling costs, and using the City’s revenues wisely.

## **LONG TERM FINANCIAL PLANNING**

The City adopts a balanced budget for each fiscal year by June 30. The City has financial policies that include the use of one-time revenues will be used for non-recurring or one-time expenditures including capital and reserves. The City has adopted a fund balance policy that requires the unassigned fund balance in the General Fund to be at least 20% of operating expenditures. As part of the budgeting process a 10-year financial projection is approved each year. This creates the framework to evaluate the City's success in ensuring service sustainability. Each year a 5-year Capital Improvement Plan is created to maintain the core infrastructure of the City will building new infrastructure for the community.

## **THE LOCAL AND REGIONAL ECONOMIES**

Oakley's local economy continued to grow in FY 2019/20, in spite of the COVID-19 Pandemic. While commercial activity in the region has improved, commercial vacancies in nearby cities remain a viable and competing alternative to new ground-up construction in Oakley. New development and City initiatives bring infrastructure improvements and attractive new neighborhoods, and these investments also support the City's efforts to attract new businesses and expand existing local employment opportunities. The City continues the revitalization of the Downtown area. New commercial development is planned in the Downtown, and grant funding has been received by the San Joaquin Joint Powers Authority to install an Amtrak train platform in the Downtown area.

Like most small cities in metropolitan areas, Oakley's economy is influenced strongly by the regional economy. Oakley's economy rises as the region expands, and falls as the region contracts.

The greater San Francisco Bay Area economy has continued to improve this last year and employment for the City's residents has increased. Oakley has a labor force of 22,520 with an unemployment rate that, due to the Pandemic, increased in 2020 up to 14.7%, from 3.7% in 2019 and 4.2% in 2018.

## **INDEPENDENT AUDITORS**

State statutes require an annual audit by independent certified public accountants. The accounting firm of Maze & Associates has been engaged by the City to conduct this year's audit. The auditor's report on the basic financial statements is included in the financial section of the report.

## **AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING**

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 for its comprehensive annual financial report for the fiscal year ended June 30, 2019. To receive the award, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

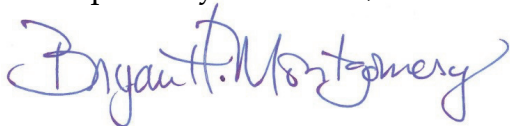
## **AVAILABILITY TO THE PUBLIC**

Once accepted by the Council, the report will be made available to the Public at the City Offices, on the City's website, at State and Federal repositories, and by providing copies to the City's bond disclosure dissemination agent.

## **CONCLUSION**

We are proud to deliver to you the City's Comprehensive Annual Financial Report for the year ended June 30, 2020. The preparation of this report on a timely basis could not be accomplished without the dedicated services of Finance Department staff and the assistance of many others in the City organization. We would like to express our appreciation to everyone who contributed to its preparation and thank you for your continued support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

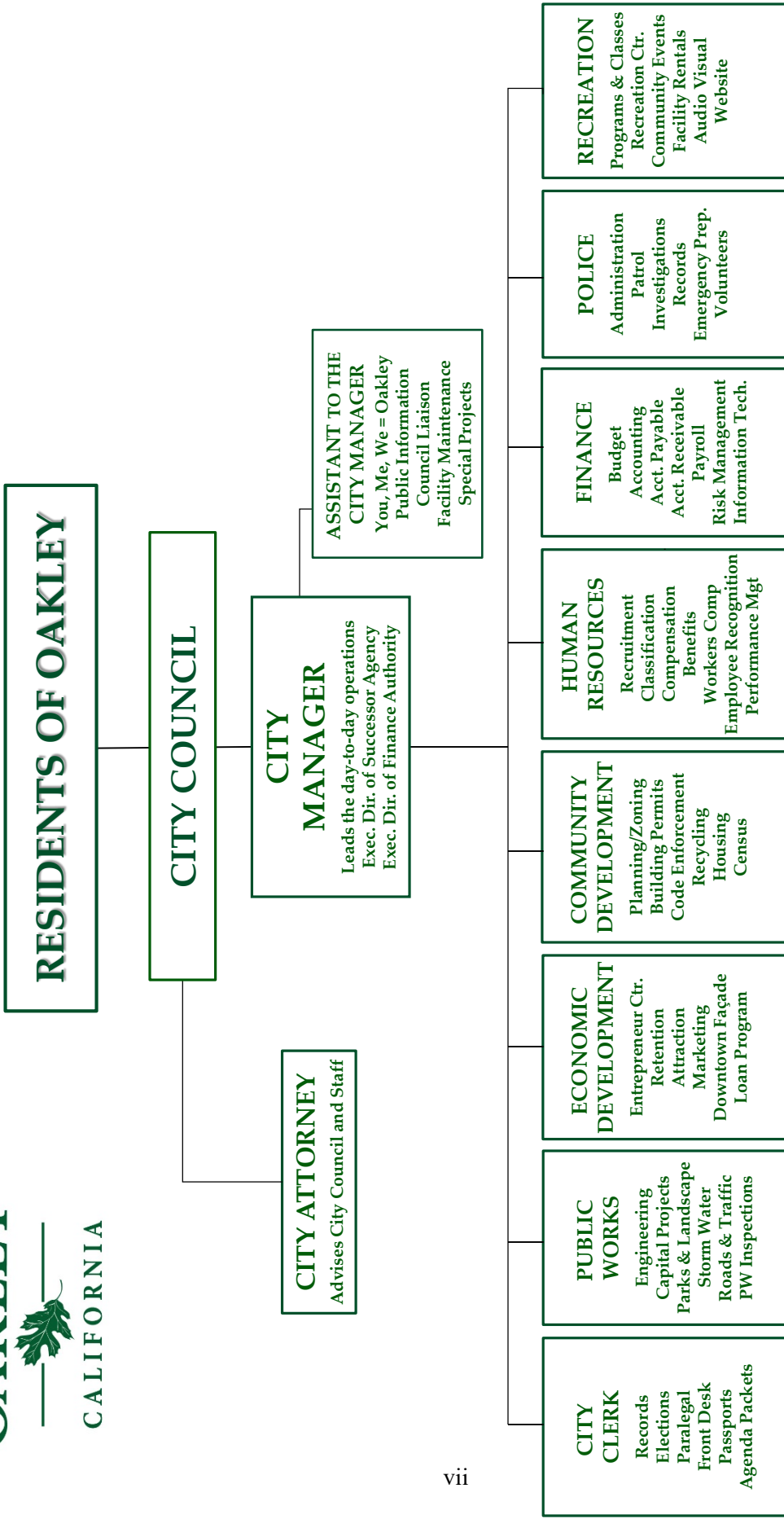


Bryan H. Montgomery  
City Manager



Tim Przybyla  
Finance Director





**CITY OF OAKLEY**  
**ELECTED OFFICIALS AND**  
**ADMINISTRATIVE PERSONNEL**

**JUNE 30, 2020**

**ELECTED OFFICIALS**

Mayor	Kevin Romick
Vice-Mayor	Sue Higgins
Council Member	Claire Alaura
Council Member	Michael Krieg
Council Member	Randy Pope

**ADMINISTRATIVE PERSONNEL**

City Manager  
City Attorney  
Finance Director  
Chief of Police  
City Clerk  
City Engineer

Bryan H. Montgomery  
Derek Cole  
Tim Przybyla  
Eric Christensen  
Libby Vreonis  
Kevin Rohani



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Oakley  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Oakley, California

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Oakley, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California  
November 24, 2020



# **MANAGEMENT’S DISCUSSION AND ANALYSIS**

This discussion and analysis of the City of Oakley’s financial performance for the fiscal year ended June 30, 2020, provides an overview of year ending results based on the government-wide statements, an analysis on the City’s overall financial position and results of operations to assist users in evaluating the City’s financial position, and discussions of both significant changes that occurred in funds and significant budget variances. In addition, it describes the activities during the year for capital assets and long-term debt. It concludes with a description of currently known facts, decisions, and conditions that are expected to have a significant effect on the financial position or results of operations. Please read this MD&A in conjunction with the City’s financial statements.

## **FINANCIAL HIGHLIGHTS**

- Government-wide net position increased by \$11,105,082, or 4.60 percent this year.
- Government-wide program expenses exceeded program revenues by \$4,830,922.
- General Fund revenues were \$2,067,314 more than budgeted; expenditures were \$1,316,579 less than budgeted.
- The General Fund balance at the end of the year was \$18,050,372 of which \$7,342,426 was available/unassigned.

## **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities (on pages 14 and 15) provide information about the activities of the City as a whole and present a long-term view of the City’s finances. Fund financial statements start on page 18. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City’s operations in more detail than the government-wide statements by providing information about the City’s most significant funds and other funds. The remaining fiduciary fund statement provides financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

## REPORTING THE CITY AS A WHOLE

### **The Statement of Net Position and the Statement of Activities:**

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities to answer this question. These statements include all assets, deferred outflows/inflows of resources and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and *changes in net position*. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position is an indication of whether its *financial health* is improving or deteriorating. To put the City's financial health in perspective, you will likely need to consider certain non-financial factors, such as changes in the economy, that impact consumer spending or property values. In the statement of Net Position and the Statement of Activities, we include City Activities from two categories:

**Governmental activities** – Most of the City's basic services are reported in this category, and include: general government (city manager, city clerk, finance, etc.), community development (planning and building, public works and parks, police protection, and recreation. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

**Component unit activities** – The City includes one additional legal entity in its report – the Oakley Public Financing Authority. Although legally separate, the City is financially accountable for this "component unit".

## REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds (called "major" funds) and other funds (called "non-major" funds) – not the City as a whole. Some funds are required by State law and/or by bond covenants; however, management has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for the use of certain taxes, grants, and other resources. The City's funds are classified as Governmental Funds, Proprietary Funds or Fiduciary Funds.

## **Governmental Funds**

Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

## **Proprietary Funds - Internal Service Activities**

The City has established Equipment Replacement and Capital Facilities Maintenance and Replacement Internal Services Funds. Internal Service Funds are operated in a manner similar to a private business enterprise. In the case of the Equipment Replacement Fund, it charges the other City funds to accumulate amounts sufficient to replace the equipment at the end of its useful life. The Capital Facilities Maintenance and Replacement Fund charges the other City Funds to accumulate amounts sufficient pay for major repairs and building systems replacements when they may occur. These Funds are reported using the *accrual basis of accounting*.

## **Trust and Agency Funds - Reporting the City's Fiduciary Responsibilities**

The City is the trustee, or *fiduciary*, for certain funds held on behalf of bondholders and other governmental agencies. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City doesn't own these assets and cannot use them to finance its operations. The City is the Successor Agency to the Oakley Redevelopment Agency, and the Successor Agency's assets and liabilities are accounted for in a private purpose trust fund reported with the City's other fiduciary funds.

## **THE CITY AS A WHOLE**

For Fiscal Year 2019/20 the City's combined net position increased \$11,105,082 from \$241,462,015 to \$252,567,097. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental activities.

Table 1  
Net Position  
As of June 30, 2019 and 2018

<b>Governmental Activities</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Assets		
Current and restricted assets	\$ 69,937,796	\$ 61,895,295
Capital assets	<u>199,319,875</u>	<u>196,864,631</u>
Total Assets	<u>269,257,671</u>	<u>258,759,926</u>
Deferred Outflows of Resources		
Related to pensions (Note 11)	<u>3,482,156</u>	<u>2,259,151</u>
Liabilities		
Long-term debt outstanding	8,865,000	9,160,000
Other liabilities	<u>11,218,090</u>	<u>10,310,864</u>
Total Liabilities	<u>20,083,090</u>	<u>19,470,864</u>
Deferred Inflows of Resources		
Related to pensions (Note 11)	<u>89,640</u>	<u>86,198</u>
Net Position		
Net Investment in Capital Assets	188,554,875	185,805,254
Restricted	39,992,104	35,779,720
Unrestricted	<u>24,020,118</u>	<u>19,877,041</u>
Total Net Position	<u>\$ 252,567,097</u>	<u>\$ 241,462,015</u>

The City's Net Position is made-up of three components: Net Investment in Capital Assets; Restricted Net Position; and Unrestricted Net Position. Net Investment in Capital Assets, representing capital assets, and principally infrastructure assets, accounts for the majority of the City's governmental activities net position.

The increase of \$2,749,621 in Net Investment in Capital Assets resulted primarily from the completion of the Laurel Road Widening Project, Laurel and Rose Signalization Project and Nunn-Wilson Park.

The increase of \$4,212,384 in Restricted Net Position is primarily due to funds restricted for capital projects, as a result of current year project expenditures and carryover to the next year for project completion.

The increase of \$4,143,077 in Unrestricted Net Position is primarily attributed to the General Fund revenues in excess of expenditures. While property tax, sales tax and building permits were more than anticipated, large capital projects, such as street repairs were carried over to FY 2020/21 bringing expenditures in under budget.

Table 2  
Changes in Net Position  
As of June 30, 2020 and 2019

<b>Governmental Activities</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>REVENUES</b>		
<u>Program revenues:</u>		
Charges for Services	\$15,762,029	\$13,439,746
Operating Grants & Contributions	2,246,262	2,090,548
Capital Grants & Contributions	10,090,275	8,430,423
<u>General revenues:</u>		
Property tax	7,965,003	7,435,086
Sales tax	2,183,053	2,040,960
Other taxes	2,275,039	2,203,087
Use of money and property	1,572,811	1,645,140
Miscellaneous	<u>1,940,098</u>	<u>1,462,076</u>
<b>Total Revenues</b>	<b><u>44,034,570</u></b>	<b><u>38,747,066</u></b>
<b>EXPENSES</b>		
Legislative	661,388	754,545
Administrative Services	3,197,031	1,970,609
Law Enforcement	10,257,399	9,567,083
Community Development and Housing	4,575,972	4,022,546
Public Works	13,197,601	12,969,355
Recreation	661,635	770,516
Interest on long-term debt	<u>378,462</u>	<u>390,343</u>
<b>Total Expenses</b>	<b><u>32,929,488</u></b>	<b><u>30,444,997</u></b>
Change in Net Position	11,105,082	8,302,069
Net Position – Beginning	<u>241,462,015</u>	<u>233,159,946</u>
Net Position – Ending	<u><u>\$252,567,097</u></u>	<u><u>\$241,462,015</u></u>

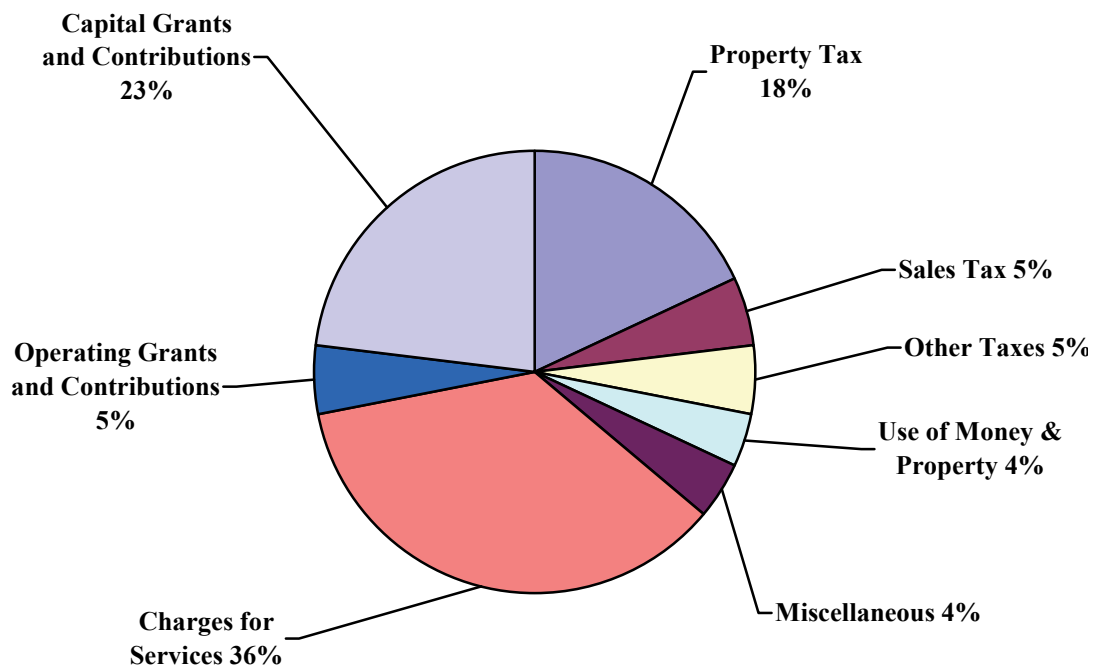
## Governmental Activities

Total revenue was \$44,034,570. Charges for services which accounts for 36% of revenue increased \$2,322,283 due to increased developer fees, building permits, special assessments for lighting and landscape districts and public safety assessments. Property taxes increased \$529,917 due to increased property values and the increase in new homes. Miscellaneous revenue increased \$478,022 due to a developer contribution for street repairs. Capital grants and contributions saw an increase of \$1,659,852 significantly due to developer contributions of parks and infrastructure. Most other categories experienced slight increases.

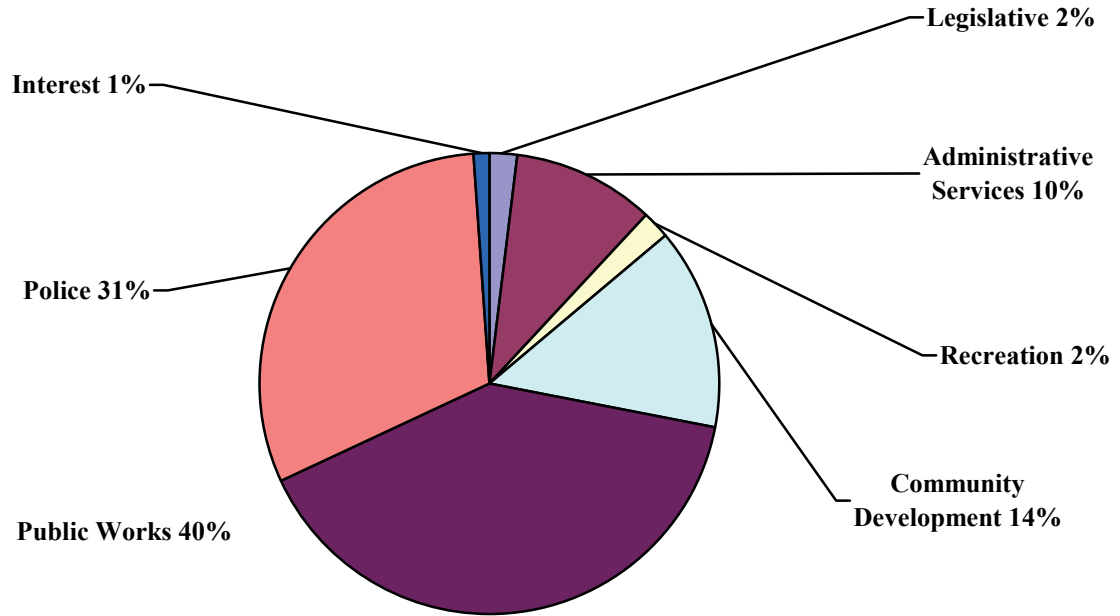
Total expenses were \$32,929,488. Public works, with \$13,197,601 of expenses, represented the largest component of total governmental expenses. The \$288,246 increase in public works expenses resulted from increases in capital projects for street repair and maintenance. Law enforcement expenses increased \$690,316 primarily due to salary and benefit increases, worker's compensation, technology upgrades including body cameras, and an increase to dispatching services.

## Fiscal Year 2020 Governmental Activities

### Sources of Revenues



## Functional Expenses



## THE CITY'S FUNDS

On page 18, the governmental funds balance sheet is shown. The combined fund balance was \$51,370,703, an increase of \$7,879,635. The largest contributors to the change in fund balance were the increases in the General Fund (\$1,113,346) primarily due to revenues exceeding expenditures, the increase in the Traffic Impact Fees Fund (\$1,694,439) due to increased development and the increase in the Lighting and Landscaping Districts Fund (\$1,033,676) resulting from an increase in assessed value and growth of the City. The combined fund balance includes the General Fund balance of \$18,050,372.

The General Fund balance increased by \$1,113,346 from the prior year. The increased revenues in property taxes and licenses and permits were due to the increase in residential and commercial building and development. Expenditures decreased \$163,216 primarily due to decreases in capital outlay and law enforcement. The decrease in capital outlay of \$1,817,310 was due to a land purchase made in FY 2018/19 and the decrease in law enforcement of \$500,998 was due to a decrease in overtime, travel and non-departmental shared expenditures. These decreases netted against increases to administration and community development. Administration increases of \$1,652,721 were primarily due to a one time lump sum payment to CALPERS to reduce the City's unfunded accrued liability as well as salary increases. The increase in community development of \$1,003,739 was due to salary increases as well as an increase to consulting services as development continues to thrive.

General Fund Unassigned fund balances decreased by \$453,534, due primarily to the assignment of over \$2 million for future known capital projects.

General Fund revenues were \$4,101,297 more than expenditures before transfers. This is a result of property taxes and building revenue coming in higher than anticipated as well as expenditures being less than anticipated as some capital projects were not completed in the fiscal year.

### General Fund Budgetary Highlights

For the City’s General Fund, actual revenues of \$16,974,080 were \$2,067,314 more than the final budgeted revenues of \$14,906,766. Property, sales and other tax revenues exceeded budget by \$753,769. The increase in assessed value of property was approximately 8%, which was better than the projected increase of 5%. The City received \$231,053 or 11.8% more sales tax revenues than anticipated. Licenses & permits exceeded final budget by \$848,081 due to permits, building inspections and business license revenue coming in higher than anticipated. Use of money and property revenue was over budget by \$261,849 due to increased interest and gain on investments.

Actual General Fund expenditures of \$12,872,783 were \$1,316,579 less than final budget of \$14,189,362. Savings were primarily in public works (\$938,755) and law enforcement (\$946,656). The savings resulted from capital projects that were not completed in the current fiscal year and vacant police positions creating a savings in salary and benefits as well as lower than normal training costs due to COVID 19 restrictions.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of Fiscal Year 2019/20, the City had \$199,319,875 invested in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, vehicles and equipment. (See Table 3).

Table 3  
Capital Assets  
As of June 30, 2020 and 2019

<b>Governmental Activities</b>	<u>2020</u>	<u>2019</u>
Non Depreciable		
-Land	\$18,407,212	\$18,355,525
-Construction in progress	3,466,341	10,082,793
Depreciable, net of accumulated depreciation:		
-Machinery, equipment and vehicles	694,568	800,598
-Buildings and improvements	27,166,739	20,994,363
-Park improvements	11,503,370	10,641,599
-Infrastructure	<u>138,081,645</u>	<u>135,989,753</u>
Total Capital Assets	<u>\$199,319,875</u>	<u>\$196,864,631</u>



Capital assets increased by \$2,455,244 during Fiscal Year 2019/20, the Laurel Road Widening Project and Laurel and Rose Signalization project completed. In addition, the City accepted developer dedicated infrastructure totaling \$1,784,224.

The City’s FY 2020/21 capital improvement budget calls for it to spend \$4,869,000 for new capital projects, the majority being the construction of roadways, street repair and resurfacing and traffic signalization. The projects will be financed primarily with Traffic Impact Fees, Gas Tax, and General Fund Allocations. Additional information about the capital assets can be found in Note 7 of the financial statements.

**Debt**

At year-end, the City’s governmental activities had \$8,865,000 of outstanding debt as shown in Table 4. In December 2016, the City issued the 2016 Lease Revenue Bonds of \$10,025,000 to refinance the outstanding 2006 Certificates of Participation and to finance the construction of the Oakley Recreation Center. Additional information about the City’s debt can be found in Note 8 of the financial statements.

Table 4  
Outstanding Debt at Year-End

<b>Governmental Activities</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
2016 Lease Revenue Bonds	\$8,865,000	\$9,160,000

During the year, the City made all of its current year debt service payments in a timely manner.

**CONTACTING THE CITY FOR FINANCIAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City’s Finance Department at the City offices at 3231 Main Street, Oakley, California, by calling (925) 625-7010, or forwarding your inquiry via the “contact us” page on the City’s website ([www.oakleyinfo.com](http://www.oakleyinfo.com)). This CAFR, as well as other financial documents, is posted in the Finance Department section of the City’s website.

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**CITY OF OAKLEY**

**STATEMENT OF NET POSITION  
AND STATEMENT OF ACTIVITIES**

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

The Statement of Net Position reports the difference between the City’s total assets and deferred outflows of resources and the City’s total liabilities and deferred inflows of resources, including all the City’s capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City’s Net Position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the City’s Governmental Activities in a single column. The City’s Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds.

The Statement of Activities reports increases and decreases in the City’s Net Position. It is also prepared on the full accrual basis, which means it includes all the City’s revenues and all its expenses, regardless of when cash changes hands. This differs from the “modified accrual” basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

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

Both these Statements include the financial activities of the City and the Oakley Public Financing Authority, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of the entity.

CITY OF OAKLEY  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities
<b>ASSETS</b>	
Cash and investments available for operations (Note 3)	\$51,996,114
Cash and investments with fiscal agent (Note 3)	966,180
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	1,357,940
Interest receivable	136,871
Prepays and deposits	55,000
Loans receivable (Note 5)	12,101,509
Land held for resale (Note 6)	3,324,182
Capital assets (Note 7):	
Land and construction in progress	21,873,553
Depreciable, net	177,446,322
Total Assets	269,257,671
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions (Note 11)	3,482,156
<b>LIABILITIES</b>	
Accounts payable	1,724,160
Accrued liabilities	584,699
Deposits payable	2,088,694
Unearned revenue	1,181,012
Interest payable	60,261
Claims payable - due in one year (Note 14)	14,386
Compensated absences (Note 1H):	
Due within one year	828,928
Due in more than one year	521,976
Advance from Fire District (Note 15D)	1,900,000
Long-term debt (Note 8):	
Due within one year	305,000
Due in more than one year	8,560,000
Net pension liability, due in more than one year (Note 11)	2,313,974
Total Liabilities	20,083,090
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions (Note 11)	89,640
<b>NET POSITION (Note 10)</b>	
Net investment in capital assets	188,554,875
Restricted for:	
Capital projects	29,236,649
Debt service	44,286
Low and moderate income housing	10,711,169
Total Restricted Net Position	39,992,104
Unrestricted net position	24,020,118
Total Net Position	\$252,567,097

See accompanying notes to financial statements

CITY OF OAKLEY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities:</b>					
Legislative	\$661,388				(\$661,388)
Administrative Services	3,197,031	\$888,653	\$268,099		(2,040,279)
Community Development	4,572,432	3,311,659	46,697	\$1,372,270	158,194
Public Works	13,197,601	5,571,350	1,690,378	8,718,005	2,782,132
Housing Programs	3,540				(3,540)
Law Enforcement	10,257,399	5,407,819	217,206		(4,632,374)
Recreation	661,635	582,548	23,882		(55,205)
Interest and fiscal charges	378,462				(378,462)
<b>Total Governmental Activities</b>	<b>\$32,929,488</b>	<b>\$15,762,029</b>	<b>\$2,246,262</b>	<b>\$10,090,275</b>	<b>(4,830,922)</b>
<b>General revenues:</b>					
<b>Taxes:</b>					
Property taxes					7,965,003
Sales taxes					2,183,053
Business license taxes					148,066
Transient occupancy taxes					233,458
Franchise taxes					1,893,515
<b>Intergovernmental, unrestricted:</b>					
Motor vehicle in lieu					33,050
Use of money and property					1,572,811
Miscellaneous					1,907,048
<b>Total General Revenues</b>					<b>15,936,004</b>
Change in Net Position					11,105,082
Net Position-Beginning					241,462,015
Net Position-Ending					<b>\$252,567,097</b>

See accompanying notes to financial statements

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## **FUND FINANCIAL STATEMENTS**

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

## **MAJOR GOVERNMENTAL FUNDS**

The funds described below were determined to be Major Funds by the City in fiscal 2020. Individual non-major funds may be found in the Supplemental Section.

### **GENERAL FUND**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues deposited in the General Fund include property tax, sales tax, franchise fees, business licenses, fines and forfeitures and fees for services. This fund is used to finance most of the City's basic services including Legislative, General Administration, Law Enforcement, Public Works and Community Development.

### **LIGHTING AND LANDSCAPING DISTRICTS SPECIAL REVENUE FUND**

This fund accounts for assessments made upon parcels of land within the Lighting and Landscaping Zones #1, #2 and #3 and their use in accordance with the provisions of the State of California Streets and Highway Code.

### **PUBLIC PROTECTION SPECIAL REVENUE FUND**

This fund accounts for dedicated Police Services Special Taxes and State COPS program funds.

### **DEVELOPER DEPOSITS SPECIAL REVENUE FUND**

This fund accounts for deposits received from contractors and property owners to offset the cost of providing certain Community Development services including processing applications and reviewing grading plans of applicant projects.

### **LOW AND MODERATE INCOME HOUSING ASSET SPECIAL REVENUE FUND**

This fund accounts for the housing assets of the former Oakley Redevelopment Agency and loan repayments restricted to low and moderate income housing projects.

### **TRAFFIC IMPACT FEES CAPITAL PROJECTS FUND**

This fund accounts for fees assessed on new development to provide street and road improvements.

CITY OF OAKLEY  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

	<u>General</u>	<u>Lighting and Landscaping Districts</u>	<u>Public Protection</u>	<u>Developer Deposits</u>
<b>ASSETS</b>				
Cash and investments available for operations (Note 3)	\$14,212,635	\$9,960,690		\$1,975,315
Cash and investments with fiscal agent (Note 3)	443,944			
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	958,896			197,726
Interest receivable	52,285	27,429	\$995	
Due from other funds (Note 4C)	16,468			
Prepays and deposits	55,000			
Loans receivable (Note 5)	446,593			
Advances to other funds (Note 4B)	278,532			
Land held for resale (Note 6)	3,324,182			
<b>Total Assets</b>	<u><u>\$19,788,535</u></u>	<u><u>\$9,988,119</u></u>	<u><u>\$995</u></u>	<u><u>\$2,173,041</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$662,950	\$278,477		\$92,100
Accrued liabilities	583,953			
Due to other funds (Note 4C)			\$995	
Deposits payable	4,753			2,080,941
Unearned revenue	486,507			
Advances from other funds (Note 4B)		78,532		
<b>Total Liabilities</b>	<u><u>1,738,163</u></u>	<u><u>357,009</u></u>	<u><u>995</u></u>	<u><u>2,173,041</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - loans receivable				
Unavailable revenue - interest on advances to other funds				
<b>Total Deferred Inflows of Resources</b>				
<b>FUND BALANCES</b>				
Fund balance (Note 10):				
Nonspendable	4,104,307			
Restricted	643,944	9,631,110		
Assigned	5,959,695			
Unassigned	7,342,426			
<b>Total Fund Balances (Deficits)</b>	<u><u>18,050,372</u></u>	<u><u>9,631,110</u></u>		
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u><u>\$19,788,535</u></u>	<u><u>\$9,988,119</u></u>	<u><u>\$995</u></u>	<u><u>\$2,173,041</u></u>

See accompanying notes to financial statements



Low and Moderate Income Housing Asset	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
\$243,080	\$7,293,708	\$17,177,853 522,236	\$50,863,281 966,180
800		198,268	1,355,690
729	17,571	34,230	133,239
			16,468
			55,000
11,630,806	24,110		12,101,509
	588,387	575,859	1,442,778
			3,324,182
<u>\$11,875,415</u>	<u>\$7,923,776</u>	<u>\$18,508,446</u>	<u>\$70,258,327</u>
	\$187,341	\$451,676 746	\$1,672,544 584,699
		15,473	16,468
		3,000	2,088,694
	114,043	580,462	1,181,012
<u>\$1,164,246</u>		<u>200,000</u>	<u>1,442,778</u>
<u>1,164,246</u>	<u>301,384</u>	<u>1,251,357</u>	<u>6,986,195</u>
11,630,806			11,630,806
	136,768	133,855	270,623
<u>11,630,806</u>	<u>136,768</u>	<u>133,855</u>	<u>11,901,429</u>
			4,104,307
	7,485,624	10,498,259 6,624,975	28,258,937 12,584,670
<u>(919,637)</u>			<u>6,422,789</u>
<u>(919,637)</u>	<u>7,485,624</u>	<u>17,123,234</u>	<u>51,370,703</u>
<u>\$11,875,415</u>	<u>\$7,923,776</u>	<u>\$18,508,446</u>	<u>\$70,258,327</u>

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CITY OF OAKLEY  
 Reconciliation of the  
 GOVERNMENTAL FUNDS - BALANCE SHEET  
 with the  
 STATEMENT OF NET POSITION  
 JUNE 30, 2020

Total fund balances reported on the governmental funds balance sheet: \$51,370,703

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

**CAPITAL ASSETS**

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Government Funds. 199,319,875

**ALLOCATION OF INTERNAL SERVICE FUND NET POSITION**

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the Statement of Net Position. 1,087,099

**NON-CURRENT REVENUES**

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 11,901,429

**LONG TERM ASSETS AND LIABILITIES**

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(8,865,000)
Interest payable	(60,261)
Advance from Fire District	(1,900,000)
Compensated absences	(1,350,904)
Net pension liability and pension-related deferred outflows/inflows of resources	1,078,542
Claims Payable	(14,386)
	(8,865,000)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$252,567,097**

See accompanying notes to financial statements

CITY OF OAKLEY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Lighting and Landscaping Districts</u>	<u>Public Protection</u>	<u>Developer Deposits</u>
<b>REVENUES</b>				
Property taxes	\$7,459,885			
Sales tax	2,183,053			
Other taxes	2,126,973	\$128,103		
Licenses and permits	2,330,781			
Charges for services	161,459			
Fines and forfeits	104,555			
Intergovernmental:				
Motor vehicle in lieu	33,050			
Other	419,533		\$155,948	
Developer fees				
Special assessments		4,167,406	5,238,444	\$1,560,958
Loan repayments				
Use of money and property	713,549	183,719	5,098	
Miscellaneous	1,441,242	625	2,836	
Total Revenues	<u>16,974,080</u>	<u>4,479,853</u>	<u>5,402,326</u>	<u>1,560,958</u>
<b>EXPENDITURES</b>				
Current:				
Legislative	683,327			
Administrative Services	3,238,336			
Community Development	3,004,123			1,560,958
Public Works	805,733	3,597,164		
Housing programs				
Law Enforcement	4,404,289		5,402,326	
Recreation	659,389			
Capital outlay	77,586			
Debt service:				
Principal				
Interest and fiscal charges		1,518		
Total Expenditures	<u>12,872,783</u>	<u>3,598,682</u>	<u>5,402,326</u>	<u>1,560,958</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,101,297</u>	<u>881,171</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 4A)	58,049	152,505		
Transfers (out) (Note 4A)	<u>(3,046,000)</u>			
Total Other Financing Sources (Uses)	<u>(2,987,951)</u>	<u>152,505</u>		
NET CHANGE IN FUND BALANCES	1,113,346	1,033,676		
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>16,937,026</u>	<u>8,597,434</u>		
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$18,050,372</u>	<u>\$9,631,110</u>		

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
		\$505,118	\$7,965,003
			2,183,053
		1,260,238	3,515,314
			2,330,781
			161,459
			104,555
			33,050
		2,352,724	2,928,205
	\$3,999,685	2,830,153	6,829,838
		324,882	11,291,690
\$94,719			94,719
4,048	142,363	239,103	1,287,880
	894,412	224,045	2,563,160
<u>98,767</u>	<u>5,036,460</u>	<u>7,736,263</u>	<u>41,288,707</u>
			683,327
			3,238,336
		42,722	4,607,803
	136,969	1,553,538	6,093,404
3,540			3,540
			9,806,615
		27,922	687,311
	3,205,052	4,308,581	7,591,219
		295,000	295,000
22,089		378,910	402,517
<u>25,629</u>	<u>3,342,021</u>	<u>6,606,673</u>	<u>33,409,072</u>
<u>73,138</u>	<u>1,694,439</u>	<u>1,129,590</u>	<u>7,879,635</u>
		3,722,869	3,933,423
		(887,423)	(3,933,423)
		2,835,446	
73,138	1,694,439	3,965,036	7,879,635
(992,775)	5,791,185	13,158,198	43,491,068
<u>(\$919,637)</u>	<u>\$7,485,624</u>	<u>\$17,123,234</u>	<u>\$51,370,703</u>

CITY OF OAKLEY  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2020

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$7,879,635

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital expenditures are added back to fund balance	7,498,668
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$584,416 which has already been allocated to serviced funds.)	(7,265,231)
Developer dedicated infrastructure is added to fund balance	1,784,224
Assets funded by internal service funds are added to fund balance	715,116

LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	295,000
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NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Non-current portion of compensated absences	(245,666)
Interest payable	1,967
Unavailable revenue	177,861
Net pension liability and deferred outflows/inflows related to pensions	883,718
Claims payable	41,785

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition and maintenance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - Internal Service Fund	<u>(661,995)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$11,105,082

See accompanying notes to financial statements

CITY OF OAKLEY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Amended Budget	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$7,142,142	\$7,142,142	\$7,459,885	\$317,743
Sales taxes	1,952,000	1,952,000	2,183,053	231,053
Other taxes	1,922,000	1,922,000	2,126,973	204,973
Licenses and permits	1,482,700	1,482,700	2,330,781	848,081
Charges for services	205,200	205,200	161,459	(43,741)
Fines and forfeits	119,600	119,600	104,555	(15,045)
Intergovernmental:				
Motor vehicle in lieu	15,000	15,000	33,050	18,050
Other	356,856	356,856	419,533	62,677
Use of money and property	451,700	451,700	713,549	261,849
Miscellaneous	1,259,568	1,259,568	1,441,242	181,674
<b>Total Revenues</b>	<b>14,906,766</b>	<b>14,906,766</b>	<b>16,974,080</b>	<b>2,067,314</b>
<b>EXPENDITURES</b>				
Current:				
Legislative	710,932	743,281	683,327	59,954
Administrative Services	2,486,629	3,269,410	3,238,336	31,074
Community Development	2,468,913	2,725,376	3,004,123	(278,747)
Public Works	1,670,009	1,744,488	805,733	938,755
Law Enforcement	5,173,870	5,350,945	4,404,289	946,656
Recreation	237,837	247,794	659,389	(411,595)
Capital outlay	52,000	108,068	77,586	30,482
<b>Total Expenditures</b>	<b>12,800,190</b>	<b>14,189,362</b>	<b>12,872,783</b>	<b>1,316,579</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,106,576</b>	<b>717,404</b>	<b>4,101,297</b>	<b>3,383,893</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			58,049	58,049
Transfers (out)	(3,050,000)	(3,751,000)	(3,046,000)	705,000
<b>Total Other Financing Sources (Uses)</b>	<b>(3,050,000)</b>	<b>(3,751,000)</b>	<b>(2,987,951)</b>	<b>763,049</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(\$943,424)</b>	<b>(\$3,033,596)</b>	<b>1,113,346</b>	<b>\$4,146,942</b>
Fund balance at beginning of year			16,937,026	
Fund balance at end of year			<u>\$18,050,372</u>	

See accompanying notes to financial statements

CITY OF OAKLEY  
LIGHTING AND LANDSCAPING DISTRICTS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Other taxes	\$56,730	\$56,730	\$128,103	\$71,373
Special assessments	4,052,026	4,052,026	4,167,406	115,380
Use of money and property			183,719	183,719
Miscellaneous			625	625
Total Revenues	<u>4,108,756</u>	<u>4,108,756</u>	<u>4,479,853</u>	<u>371,097</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	5,125,336	5,129,616	3,597,164	1,532,452
Debt service:				
Interest and fiscal charges			1,518	(1,518)
Total Expenditures	<u>5,125,336</u>	<u>5,129,616</u>	<u>3,598,682</u>	<u>1,530,934</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,016,580)</u>	<u>(1,020,860)</u>	<u>881,171</u>	<u>1,902,031</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	339,722	339,722	152,505	(187,217)
Transfers out	(150,000)	(150,000)		150,000
Total Other Financing Sources (Uses)	<u>189,722</u>	<u>189,722</u>	<u>152,505</u>	<u>(37,217)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>(\$826,858)</u></u>	<u><u>(\$831,138)</u></u>	<u>1,033,676</u>	<u><u>\$1,864,814</u></u>
Fund balance at beginning of year			<u>8,597,434</u>	
Fund balance at end of year			<u><u>\$9,631,110</u></u>	

See accompanying notes to financial statements



CITY OF OAKLEY  
PUBLIC PROTECTION SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental:				
Other	\$100,000	\$100,000	\$155,948	\$55,948
Special assessments	4,791,615	4,791,615	5,238,444	446,829
Use of money and property	5,200	5,200	5,098	(102)
Miscellaneous			2,836	2,836
	4,896,815	4,896,815	5,402,326	505,511
Total Revenues				
EXPENDITURES				
Current:				
Law Enforcement	4,896,815	4,900,315	5,402,326	(502,011)
	4,896,815	4,900,315	5,402,326	(502,011)
Total Expenditures				
NET CHANGE IN FUND BALANCES	(3,500)	(\$3,500)	\$3,500	\$3,500
Fund balance at beginning of year				
Fund balance at end of year				

See accompanying notes to financial statements

CITY OF OAKLEY  
 DEVELOPER DEPOSITS SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Developer fees	<u>\$558,197</u>	<u>\$558,197</u>	<u>\$1,560,958</u>	<u>\$1,002,761</u>
Total Revenues	<u>558,197</u>	<u>558,197</u>	<u>1,560,958</u>	<u>1,002,761</u>
EXPENDITURES				
Current:				
Community Development	<u>558,197</u>	<u>558,197</u>	<u>1,560,958</u>	<u>(1,002,761)</u>
Total Expenditures	<u>558,197</u>	<u>558,197</u>	<u>1,560,958</u>	<u>(1,002,761)</u>
NET CHANGE IN FUND BALANCES	<u>                    </u>	<u>                    </u>		<u>                    </u>
Fund balance at beginning of year			<u>                    </u>	
Fund balance at end of year			<u>                    </u>	

See accompanying notes to financial statements

CITY OF OAKLEY  
 LOW AND MODERATE INCOME HOUSING ASSET SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Loan repayment	\$12,000	\$12,000	\$94,719	\$82,719
Use of money and property	<u>1,500</u>	<u>1,500</u>	<u>4,048</u>	<u>2,548</u>
Total Revenues	<u>13,500</u>	<u>13,500</u>	<u>98,767</u>	<u>85,267</u>
EXPENDITURES				
Current:				
Housing programs	3,500	3,500	3,540	(40)
Debt service:				
Interest	<u>10,000</u>	<u>10,000</u>	<u>22,089</u>	<u>(12,089)</u>
Total Expenditures	<u>13,500</u>	<u>13,500</u>	<u>25,629</u>	<u>(12,129)</u>
NET CHANGE IN FUND BALANCES	<u>          </u>	<u>          </u>	73,138	<u>\$73,138</u>
Fund balance (deficit) at beginning of year			<u>(992,775)</u>	
Fund balance (deficit) at end of year			<u>(\$919,637)</u>	

See accompanying notes to financial statements

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## **PROPRIETARY FUNDS**

### **INTERNAL SERVICE FUNDS**

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

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of the internal service fund is eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

CITY OF OAKLEY  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>	
Current:	
Cash and investments available for operations (Note 3)	\$1,132,833
Receivables:	
Accounts	2,250
Interest	<u>3,632</u>
Total Current Assets	<u>1,138,715</u>
Noncurrent:	
Capital assets (Note 7):	
Land and construction in progress	51,616
Depreciable, net	<u>6,278,145</u>
Total noncurrent Assets	<u>6,329,761</u>
Total Assets	<u>7,468,476</u>
<b>LIABILITIES</b>	
Current:	
Accounts payable	<u>51,616</u>
Total Liabilities	<u>51,616</u>
<b>NET POSITION (Note 10)</b>	
Net investment in capital assets	6,329,761
Unrestricted	<u>1,087,099</u>
Total Net Position	<u><u>\$7,416,860</u></u>

See accompanying notes to financial statements

CITY OF OAKLEY  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUE, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	<u>\$615,000</u>
Total Operating Revenues	<u>615,000</u>
OPERATING EXPENSES	
Supplies	783,329
Depreciation	<u>584,416</u>
Total Operating Expenses	<u>1,367,745</u>
Operating Income (Loss)	<u>(752,745)</u>
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	6,198
Interest income	<u>34,439</u>
Total Nonoperating Revenues	<u>40,637</u>
Income (Loss) Before Contributions	(712,108)
Contributions	<u>50,113</u>
Change in net position	(661,995)
BEGINNING NET POSITION	<u>8,078,855</u>
ENDING NET POSITION	<u><u>\$7,416,860</u></u>

See accompanying notes to financial statements

CITY OF OAKLEY  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$612,750
Payments to suppliers	<u>(950,118)</u>
Cash Flows from Operating Activities	<u>(337,368)</u>
 <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Proceeds from sale of capital assets	6,198
Acquisition of capital assets	<u>(205,154)</u>
Cash Flows from Capital Financing Activities	<u>(198,956)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>37,983</u>
Net Cash Flows	(498,341)
Cash and investments at beginning of period	<u>1,631,174</u>
Cash and investments at end of period	<u><u>\$1,132,833</u></u>
 <b>NONCASH TRANSACTIONS</b>	
Contribution of capital assets	<u><u>\$50,113</u></u>
 <b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>	
Operating income (loss)	(\$752,745)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:	
Depreciation	584,416
Net change in liabilities:	
Accounts receivable	(2,250)
Accounts payable	<u>(166,789)</u>
Cash Flows from Operating Activities	<u><u>(\$337,368)</u></u>

See accompanying notes to financial statements



<b>FIDUCIARY FUNDS</b>
------------------------

**FIDUCIARY FUNDS**

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements. Fiduciary assets are held for others, therefore they are reported in aggregate without indicating whether they are restricted or unrestricted.

**Successor Agency to the Redevelopment Agency Private Purpose Trust Fund** is used to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Oakley.

**Agency Funds** are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

CITY OF OAKLEY  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2020

	Successor Agency to the Redevelopment Agency Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and investments (Note 3 and 16)	\$1,502,189	\$4,306,262
Cash and investments with fiscal agent (Note 3 and 16)	368	1,552,166
Accounts receivable	2,000	
Interest receivable		3,583
Loans receivable (Note 16B)	650,763	
Total Assets	2,155,320	\$5,862,011
<b>LIABILITIES</b>		
Accounts payable		\$2,155,721
Interest payable	274,035	
Due to other agencies		327,254
Due to bondholders		3,379,036
Long-term debt (Note 16C):		
Due within one year	815,000	
Due in more than one year	24,646,679	
Total Liabilities	25,735,714	\$5,862,011
<b>NET POSITION</b>		
Held in Trust for the Successor Agency and Other Governments	(\$23,580,394)	

See accompanying notes to financial statements

CITY OF OAKLEY  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2020

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund <hr/>
<b>ADDITIONS</b>	
Property taxes	\$1,982,174
Use of money and property	19,149
	<hr/>
Total Additions	2,001,323
	<hr/>
<b>DEDUCTIONS</b>	
Redevelopment and economic development	252,850
Debt service:	
Interest and fiscal charges	1,026,183
	<hr/>
Total Deductions	1,279,033
	<hr/>
Change in Net Position	722,290
 <b>NET POSITION HELD IN TRUST FOR SUCCESSOR            AGENCY AND OTHER GOVERNMENTS</b>	
Beginning of year	(24,302,684)
	<hr/>
End of year	(\$23,580,394)
	<hr/> <hr/>

See accompanying notes to financial statements

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**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Oakley was incorporated as a general law city on July 1, 1999. Oakley is a community of approximately 40,144 residents situated in Contra Costa County on the east side of San Francisco Bay. Oakley is located approximately 50 miles east of the City of San Francisco. The City operates under the Council-Manager form of government and provides the following services: law enforcement, highways and streets, public improvements, planning and zoning, recreation, and general administration services.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

**A. Reporting Entity**

The City is governed by a five member council elected by City residents. The City is legally separate and fiscally independent which means it can issue debt, set and modify budgets and fees and sue or be sued. The accompanying basic financial statements include only the financial activities of the City and the Oakley Public Financing Authority, which is a component unit controlled by and dependent on the City. The Authority is included (“blended”) with funds of the City since it is governed by the City Council sitting in a separate capacity.

The Oakley Public Financing Authority is a separate governmental entity whose purpose is to assist in the financing and refinancing of certain redevelopment activities of the former Redevelopment Agency and certain programs and projects of the City. The Authority’s activities to date consist only of the purchase and resale of City or Redevelopment Agency debt issues, and the issuance of the 2004-1 Limited Obligation Bonds, the 2006-1 Infrastructure Revenue Bonds, the 2006 Certificates of Participation and the Refunding Revenue Bonds, Series 2012, the Refunding Revenue Bonds, Series 2014, and the 2016 Lease Revenue Bonds. Separate financial statements are not issued for the Oakley Public Financing Authority.

**B. Basis of Presentation**

The City’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Financial Statements:** The fund financial statements provide information about the City's funds, including blended component units. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**C. Major Funds**

Major governmental funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

**General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues deposited in the General Fund include property tax, sales tax, franchise fees, business licenses, fines and forfeitures and fees for services. This fund is used to account for most of the City's basic services including Legislative, General Administration, Law Enforcement, Recreation and Community Development.

**Lighting and Landscaping Districts Special Revenue Fund** – This fund accounts for assessments made upon parcels of land within the Lighting and Landscaping Zones #1, #2 and #3 and their use in accordance with the provisions of the State of California Streets and Highway Code.

**Public Protection Special Revenue Fund** – This fund accounts for dedicated Police Services Special Taxes and State COPS program funds.

**Low and Moderate Income Housing Asset Special Revenue Fund** – This fund accounts for the housing assets of the former Oakley Redevelopment Agency and loan repayments restricted to low and moderate income housing projects.

**Developer Deposits Special Revenue Fund** – This fund accounts for deposits received from contractors and property owners to offset the cost of providing certain Community Development services including processing applications and reviewing grading plans of applicant projects.

**Traffic Impact Fees Capital Projects Fund** – This fund accounts for fees assessed on new development to provide street and road improvements.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City also reports the following fund types:

**Internal Service Funds** – The funds account for equipment replacement and capital facilities maintenance and replacement; all of which are provided to City departments on a cost reimbursement basis.

**Fiduciary Funds** – These funds account for assets held by the City as an agent for various functions. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. Agency funds are used to account for assets held by the City as an agent for the Assessment Districts 2004-1 and 2006-1, assets held on behalf of the County for regional mitigation fees and on behalf of other agencies for other purposes. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

**D. Basis of Accounting**

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are sales tax, transfer tax, fines, interest revenue and gross receipts taxes. Charges for services, and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

*Non-exchange transactions*, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, special purpose revenues and general purpose revenues. While both restricted and unrestricted Net Position may be available to finance program expenditures the City's policy is to first apply restricted purpose revenues to such programs, followed by general purpose revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. *Deferred Outflows/Inflows of Resources***

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

In addition to liabilities, the statement of net position or balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: accounts receivable, interest on interfund advances and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**F. *Accounts Receivable***

Receivables at June 30, 2020 were comprised of the following:

Governmental Activities:	<u>Taxes</u>	<u>Accounts</u>	<u>Inter- Governmental</u>	<u>Total Receivables</u>
General Fund	\$875,356	\$52,634	\$30,905	\$958,895
Developer Fees Special Revenue Fund		197,727		197,727
Low and Moderate Income Housing Assets Special Revenue Fund		800		800
Non-Major Governmental Funds			198,268	198,268
Internal Service Funds		<u>2,250</u>		<u>2,250</u>
Total	<u>\$875,356</u>	<u>\$253,411</u>	<u>\$229,173</u>	<u>\$1,357,940</u>

**G. *Property Taxes and Special Assessment Revenue***

Revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the City; under the County’s “Teeter Plan” the County remits the entire amount levied for secured taxes and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1 and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the personal property being taxed. Secured and unsecured property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. *Compensated Absences***

Compensated absences comprise unpaid vacation and certain compensated time off, which are accrued as earned. For all governmental funds, amounts expected to be paid out for permanent liquidation are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position. The liability for compensated absences is determined annually. The changes in the compensated absences were as follows:

	Governmental Activities
Beginning Balance	\$1,105,238
Additions	779,246
Payments	(533,580)
Ending Balance	\$1,350,904
Current Portion	\$828,928

The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

**I. *Prepays and Deposits***

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Prepays and deposits in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

**J. *Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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.

**L. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING**

**A. Budget Policy**

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Work sessions are conducted to obtain citizen's comments.
3. The budget is legally enacted by City Council resolution.
4. All appropriations transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to transfer unencumbered appropriations within a fund. In addition, amendments that are made to authorize spending of increased or new special purpose revenues may be approved by the City Manager. The legally adopted budget requires that expenditures not exceed total appropriations at the fund level.
5. Budgets are adopted for all Governmental Funds except the 2006-1 Assessment District Capital Projects Fund, which is governed by bond covenants.
6. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. Budgeted amounts appearing in the budgetary comparison statements are as originally adopted or as amended by the City Council or the City Manager, as authorized.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

**B. Encumbrances**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Unexpended operating appropriations lapse at year end and must be reappropriated in the following year. Unexpended capital projects appropriations are automatically reappropriated in the following year. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities.

**C. Expenditures in Excess of Appropriations**

The following funds incurred expenditures in excess of appropriations:

Fund	Excess of Expenditures Over Appropriations
Public Protection Special Revenue Fund	\$502,011
Low Income and Moderate Income Housing Asset Special Revenue Fund	12,129
Developers Deposits Special Revenue Fund	1,002,761
Public Facilities Impact Fee Capital Projects Fund	13,610

The funds had sufficient revenues or other resources to finance these expenditures.

**NOTE 3 – CASH AND INVESTMENTS**

The City pools cash from all sources and all funds, except cash of the Successor Agency and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

**A. Policies**

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City’s fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City’s cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City’s name and places the City ahead of general creditors of the institution.

The City’s investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**B. Classification**

Cash and investments are classified in the financial statements as shown below:

City cash and investments:	
Cash and investments available for operations	\$51,996,114
Cash and investments with fiscal agent	966,180
Total City Cash and Investments	52,962,294
Cash and investments in Fiduciary Funds (Separate Statement):	
Successor Agency to the Redevelopment	
Agency Private Purpose Trust Fund:	
Cash available for operations	1,502,189
Cash and investments with fiscal agent	368
Agency Funds:	
Cash and investments available for operations	4,306,262
Cash and investments with fiscal agent	1,552,166
Total Cash and Investments	\$60,323,279

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**C. Investments Authorized by the California Government Code and the City’s Investment Policy**

The City’s Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City’s Investment Policy:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Government Securities	5 years		No Limit	No Limit
U.S. Government Agency Securities: Federal Home Loan Bank Federal National Mortgage Association Federal Farm Credit Bank Federal Home Loan Mortgage Corporation Student Loan Marketing Association Government National Mortgage Association	5 years		No Limit	No Limit
State of California Warrants, Treasury Notes or Bonds	5 years		No Limit	No Limit
California Local Agency Investment Fund	N/A		No Limit	\$75 million per account
Certificates of Deposit	5 years	A1/P1	30%	No Limit
Bankers Acceptances	180 days	A1/P1	40%	30%
Medium-Term Corporate Notes	5 years	AAA	30%	No Limit
Money Market Funds	N/A	Top rating category	20%	No Limit
Investment Trust of California (CalTRUST)	N/A		No Limit	No Limit
Repurchase Agreements	1 year		No Limit	No Limit

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**D. Investments Authorized by Debt Agreements**

The City and Successor Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Government Securities	N/A	Aaa/AAA
U.S. Government Agency Securities	N/A	N/A
Local Agency Investment Fund	N/A	\$75 million per account
Bankers Acceptances	360 days	A1/A1+P1
Commercial Paper	270 days	A-1+/P-1
Money Market Funds	N/A	A/AAAm/AAAm
Municipal Obligations	N/A	Aaa/AAA
Pre-refunded Municipal Obligations	N/A	Highest
General Obligations	N/A	A2/A
Investment Agreements/Contracts	N/A	A
Repurchase Agreements	N/A	N/A
Investments fully insured by the FDIC	N/A	N/A
Tax-exempt Obligations	N/A	Highest Rating
Short term Certificates of Deposit	360 days	A1/A1+P1
Certificates of Deposit	N/A	A
California Asset Management Program	N/A	N/A
Shares in a California Common Law Trust	N/A	N/A

**E. Public Agencies Post-Employment Trust**

On June 29, 2017, the City Council adopted resolution 86-17 approving the adoption of the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code or the City’s investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio’ risk tolerance, under the Balanced Index PLUS investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

**F. Interest Rate Risk and Fair Value Hierarchy**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the distribution of the City’s investments by maturity. At June 30, 2020, all of the City’s investments mature in 12 months or less.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Investment Type	Level 2	Investments Measured at Net Asset Value	Investments Measured at Amortized Cost	Total
<i>Cash and Investments in City Treasury:</i>				
Money Market Funds			\$1,814,136	\$1,814,136
CalTRUST	\$273,219			273,219
<i>Held by Fiscal Agents:</i>				
Certificates of Deposit	735,000			735,000
California Asset Management Program		\$368		368
PARS Balanced Index PLUS		443,944		443,944
Money Market Funds			1,339,402	1,339,402
Total Investments	<u>\$1,008,219</u>	<u>\$444,312</u>	<u>\$3,153,538</u>	<u>4,606,069</u>
<i>Investments Exempt from Fair Value Hierarchy:</i>				
Local Agency Investment Fund				53,084,802
<i>Cash deposits in banks</i>				<u>2,632,408</u>
Total Cash and Investments				<u>\$60,323,279</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$65 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2020, these investments matured in an average of 191 days.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The City is a participant in the Short-Term Fund of the Investment Trust of California (CalTRUST), a joint powers authority and public agency established by its members under the provisions of Section 6509.7 of the California Government Code. Members and participants are limited to California public agencies. CalTRUST is governed by a Board of Trustees of seven Trustees, at least seventy-five percent of whom are from the participating agencies. The City reports its investment in CalTRUST at the fair value amount provided by CalTRUST, which is the same as the value of the pool shares. The balance is available for withdrawal on demand, and is based on the accounting records maintained by CalTRUST. Included in CalTRUST's investment portfolio are: United States Treasury Notes, Bills, Bonds or Certificates of Indebtedness; registered state warrants or treasury notes or bonds; California local agency bonds, notes, warrants or other indebtedness; federal agency or United States government-sponsored enterprise obligations; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term notes; money market mutual funds; notes, bonds or other obligation secured by a first priority security interest in securities authorized under Government Code Section 53651; and mortgage passthrough securities, collateralized mortgage obligations, and other asset – backed securities.

CalTRUST's Short-Term Fund has a target portfolio duration of 0 to 2 years. At June 30, 2020, these investments matured in an average of 307 days. The investment in CalTRUST, classified in Level 2 of the fair value hierarchy, is valued based on the fair value factor provided by the CalTRUST, which is calculated as the average cost to net asset value per share of the Short-Term Fund. At June 30, 2020, the fair value approximated the City's cost.

The Successor Agency is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. CAMP's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The Successor Agency reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2020, the fair value approximated the Successor Agency's cost. At June 30, 2020, these investments have an average maturity of 53 days.

The Successor Agency, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the Successor Agency may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

Money market funds are available for withdrawal on demand and at June 30, 2020 matured in an average of 50 days.



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**G. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2020 for CalTRUST is AAF, California Asset Management Program was rated AAAM, and all the City’s Money Market Funds were rated AAAM as provided by Standard and Poor’s investment ratings service. The Local Agency Investment Fund external investment pool, PARS Balanced Index PLUS, and the certificates of deposit were not rated as of June 30, 2020.

**H. Concentration of Credit Risk**

Significant investments in the securities of any individual issuers, other than U. S. Treasury securities, investment pools and money market funds, in the Agency Funds at June 30, 2020 were as follows:

Issuer	Investment Type	Amount
BMW Bank of North America	Certificate of Deposit	\$245,000
Goldman Sachs Bank	Certificate of Deposit	245,000
Ally Bank Midvale Utah	Certificate of Deposit	245,000

**NOTE 4 – INTERFUND TRANSACTIONS**

**A. Transfers Between Funds**

With Council approval, resources may be transferred from one City fund to another. Transfers are used: to move revenue from the fund that statute or budget requires to collect the item to the fund that statute or budget requires to expend the item; distribute unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; and to provide additional resources for current operations or debt service.

Transfers between Funds during the fiscal year ended June 30, 2020 and the purpose for each were as follows:

Fund Receiving Transfer	Fund Making Transfers	Transfer Amount
General Fund	Non-Major Governmental Funds	\$58,049 (A)
Lighting and Landscaping Districts Special Revenue Fund	Non-Major Governmental Funds	152,505 (B)
Non-Major Governmental Funds	General Fund	3,046,000 (B)
	Non-Major Governmental Funds	676,869 (C)
	Total Interfund Transfers	<u>\$3,933,423</u>

(A) To transfer interest.

(B) To fund capital projects and administration.

(C) To fund debt service.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 4 – INTERFUND TRANSACTIONS (Continued)**

**B. Long-Term Interfund Advances**

At June 30, 2020, the funds below had made advances which were not expected to be repaid within the next year. The balances in the funds with the advance to other funds are offset by deferred inflow, or nonspendable or restricted fund balance.

Advances to Other Funds	Advances from Other Funds	Advanced Amount
General Fund	Lighting and Landscaping Districts Fund	\$78,532
General Fund	Non-Major Governmental Funds	200,000
Traffic Impact Fees Fund	Low and Moderate Income Housing Asset Fund	588,387
Non-Major Governmental Funds	Low and Moderate Income Housing Asset Fund	575,859
	Total Interfund Advances	<u>\$1,442,778</u>

Since the City’s formation in 1999, the General Fund has, on occasion, made advances to the Lighting and Landscaping Districts Special Revenue Fund to cure operating deficits in two of the Landscaping Districts. The advances bear interest at the City’s investment pool rate. The balance of these advances totaled \$78,532 at June 30, 2020.

In fiscal year 2019-20 the General Fund agreed to advance up to \$600,000 to the Park Impact Fees Capital Projects Fund to fund the construction of the Athletic Field at Nunn-Wilson Park Project. Subsequently, an advance of \$200,000 was made from the General Fund as it was determined that the remainder of the project cost would be covered by impact fees received by the Fund. Once construction of this project is completed, the advance will be paid back to the General Fund when the Park Impact Fees are collected. The balance outstanding at June 30, 2020 was \$200,000.

The Traffic Impact Fees Capital Projects Fund, Park Impact Fees Capital Projects Fund, and Public Facilities Impact Fees Capital Projects Fund agreed to accept deferred payment of impact fees by the former Redevelopment Agency to assist with the Courtyards at Cypress Grove affordable housing project. Although no cash was advanced, these obligations were recorded as advances to the former Redevelopment Agency. The City’s Low and Moderate Income Housing Asset Special Revenue Fund, as Housing Successor to the former Redevelopment Agency’s housing activities, assumed the obligation to repay the advances, which will be repaid from future loan collections. The advances bear interest at the City’s annual pooled investment rate which was of 1.93% for fiscal year 2020. The balance outstanding at June 30, 2020 was \$1,164,246.

**C. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after at the end of the fiscal year. The Public Protection Special Revenue Fund, Cypress Grove Capital Project Capital Projects Fund, and 2006-1 Assessment District Capital Projects Fund owed the General Fund \$995, \$13,358, and \$2,115, respectively as of June 30, 2020.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 5 – LOANS RECEIVABLE**

**A. *Low and Moderate Income Housing and City Loans Receivable***

The former Redevelopment Agency engaged in programs designed to encourage construction of or improvement in low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the Agency’s terms. With the dissolution of the Redevelopment Agency as discussed in Note 16, the City agreed to become the successor to the Redevelopment Agency’s housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency’s Low and Moderate Income Housing Fund. In addition, the City has made loans to certain employees and to local businesses for economic development. Although these loans and notes are expected to be repaid in full, their balance has been offset by unavailable revenue or nonspendable fund balance. The balances of the loans receivable, including accrued interest, at June 30, 2020 are set forth below:

Golden Oak Manor	\$1,197,348
Silver Oak Apartments	626,745
Oakley Senior Housing	686,776
Oakley Cypress Associates	3,593,750
Carol Lane	5,403,948
First Time Homebuyer	122,239
Employee Home Loans	373,518
New Lifeline Ministries	24,110
Downtown Revitalization Loan Program	73,075
	\$12,101,509
Total	\$12,101,509

**B. *Golden Oak Manor***

Under the terms of a Loan Agreement dated December 19, 1994 between the Redevelopment Agency and the Developer, Golden Oak Manor, L.P., the Agency loaned the amount of \$780,000 to construct 50 senior residential rental units, with 24 of the units being restricted to very low income households. The loan is secured by a deed of trust on the property, is due in 2054 and bears simple annual interest of 3 percent. Interest and principal are deferred for 60 years or upon transfer of the property to an unqualified entity. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures. During fiscal year 2017, the loan was assigned and transferred from Golden Oak Manor, L.P., to Golden Oak Manor II, L.P.

**C. *Silver Oak Apartments***

Under the terms of a Loan Agreement dated May 1, 1998 between the Redevelopment Agency and the Developer, Ecumenical Association for Housing, the Agency loaned \$374,220 along with an additional \$99,206 in January 1999, for a total loan amount of \$473,426, to fund the construction of 24 affordable housing units. The loan is secured by a deed of trust on the property, is due in 2058 and bears simple annual interest of 3 percent with principal and interest due annually to the extent there is “residual receipts” as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 5 – LOANS RECEIVABLE (Continued)**

**D. *Oakley Senior Housing***

Under the terms of a Loan Agreement dated February 8, 2000 between the Redevelopment Agency and the Developer, Oakley Senior Associates, L.P., the Agency loaned the amount of \$1,800,000 to fund the acquisition and development costs to construct eighty units of affordable housing for low and moderate income seniors. The loan is secured by a deed of trust on the property, is due in 55 years from the issuance of the certificate of completion, but not later than 2058, and bears simple annual interest of 3 percent, with principal and interest due annually to the extent there is “residual receipts” as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures. The Agency received a payment of \$547,000 from the developer during fiscal year 2002. A portion of the loan had been funded by the Redevelopment Agency Projects Fund, and with the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency Projects Fund, including a portion of the Oakley Senior Housing loan in the amount of \$623,082, were assumed by the Successor Agency as discussed in Note 16.

**E. *Oakley Cypress Associates***

Under the terms of the Loan Agreement dated December 1, 2005, the Redevelopment Agency loaned \$2.5 million to Oakley Cypress Associates to assist in the development of 96 affordable housing units. The loan is secured by a deed of trust on the property and bears simple interest of 3 percent annually. Principal and interest payments are due annually to the extent that Oakley Cypress Associates has “residual receipts” as defined in the agreement. The remaining balance of unpaid principal and accrued interest is due fifty-five years after the issuance of the certificate of completion, but no later than December 1, 2063.

**F. *Carol Lane***

Under the terms of a Loan Agreement dated February 23, 2007 between the Redevelopment Agency and the Developer, 59 Carol Lane, L.P., the Agency loaned the amount of \$3,858,753 to fund the acquisition and development costs to construct two hundred and eight units of senior and family affordable housing for low and very-low income households. The loan is secured by a deed of trust on the property, is due in 55 years from the issuance of the certificate of completion, but not later than 2062, and bears simple interest of 3 percent annually, with principal and interest due annually to the extent there are “residual receipts” as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures.

**G. *First-Time Homebuyer Program***

The Redevelopment Agency administered a First-Time Homebuyers Program funded by Bond proceeds in the amount of \$512,392 in 1994, under which low and moderate income individuals may qualify for first-time home buyer deferred second mortgages to purchase homes in the Oakley area. The individual loans are 30-year fixed rate deferred loans, bearing interest at a rate equal to two percent below the Lender’s rate and do not exceed \$50,000. These loans are due thirty years from the date of issuance, but principal and accrued interest will be forgiven at maturity if the unit was owner occupied for the full thirty years. Under the terms of the Program, loans must be repaid in full if the property is sold to a nonqualified buyer.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 5 – LOANS RECEIVABLE (Continued)**

**H. *Employee Home Loans***

On December 1, 2005, the City loaned \$550,000 and \$70,000 to a City employee for the purpose of purchasing a home. The loan of \$550,000 is secured by a deed of trust, has a term of 30 years and bears interest of 2.5%. The \$70,000 loan was repaid in January 2006. In March 2009, the City amended the employment agreement to extend the final payment of the housing assistance loan by one year to December 2036. In June 2010, the City again amended the employment agreement to extend the final payment from December 2036 to December 2037. Each extension reflected a one-year deferral of mortgage payments and included no forgiveness of principal. The loan is being repaid timely and at June 30, 2020 had a remaining balance of \$373,518.

On December 15, 2007, the City loaned \$100,000 to a second City employee for the purpose of purchasing a home. The loan of \$100,000 is secured by a deed of trust, has a term of 15 years and bears interest of 2.5%. This employee left the City during fiscal year 2009 and the City entered into a supplemental agreement with the employee that does not require the employee to immediately repay the loan. The City retains an interest in the home and would receive repayment depending on the sales price. However, the City had agreed to forgive its loan if the sales proceeds are less than the outstanding balance on the first deed of trust on the home. The home was sold in October 2019, and as of June 30, 2020 the loan was paid off.

**I. *New Lifeline Ministries***

The City installed frontage improvements that are to be paid by the property owner, New Lifeline Ministries. Under the terms of a June 2015 reimbursement agreement, New Lifeline Ministries agreed to reimburse the City for its costs incurred in the amount of \$36,165. The loan is unsecured, bears interest of 1% and is repayable in equal monthly installments over 15 years. The balance of the loan as of June 30, 2020 was \$24,110.

**J. *Revitalization Loan Program***

In 2014, the City Council approved funds to be allocated for the Downtown Revitalization Loan Program. The goal of the Loan Program is to leverage public funds and private investment to further enhance the physical appearance and economic vitality of the commercial buildings and businesses in the downtown corridor. The long-term objectives of the program include improving the physical appearance of the buildings and area, encouraging the retention and attraction of businesses to the corridor, increasing property values, increasing tenant stability, increasing pedestrian walkability and creating a stronger “sense of place”. Loan funds under the program can be used for façade improvements, landscaping and exterior lighting, signage, ADA compliance, building infrastructure upgrades needed for new tenant conversion and demolition. The loan program requires that the applicant contribute minimum equity of 10% of the total projects.

The City issued the first loan under the program in October 2017 in the amount of \$75,000. The loan is divided into two equal parts, 50% of the loan in the amount of \$37,500 bears fixed interest of 2% over a ten year term and the other 50% does not bear interest and is forgivable in ten equal annual increments as long as the improvements are in place. The loan is secured by a promissory note and a personal guarantee, as well as UCC filings on all equipment purchased by the loan. 50% of the loan, or \$37,500, The loan can be assumed and prepaid with no prepayment penalty, but is due and payable if the business is sold. The balance of the loan was \$73,075 as of June 30, 2020.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 6 – LAND HELD FOR RESALE**

The City has purchased parcels that are expected to be resold in the near future. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

The balance of land held for resale in the General Fund at June 30, 2020 was \$3,324,182.

**NOTE 7 – CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the half-year convention method which is like the straight-line method in that the cost of the asset is divided by its expected useful life in years, but the asset is depreciated over 6 months instead over one year in its first year. The result is charged to expense each year until the asset is fully depreciated. The capitalization threshold for equipment with a cost of \$5,000 or more and a useful life of more than two years, and for all buildings, improvements and infrastructure with a cost of \$50,000 or more and a useful life of more than two years. The City has assigned the useful lives listed below to capital assets:

Buildings	40 years
Improvements	5-15 years
Machinery and Equipment	5 years
Vehicles	5 years
Roadways:	
Streets (includes pavement, sidewalk, curb & gutters, trees & signs)	7-40 years
Traffic Signals	25 years
Street Lights	40 years
Bridges	100 years
Parks and Recreation:	
General Improvement	25 years
Specialty Features	10 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 7 – CAPITAL ASSETS (Continued)**

**A. Capital Assets Additions and Retirements**

Capital asset balances comprise the following:

	Balance as of June 30, 2019	Additions	Retirements	Transfers	Balance as of June 30, 2020
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$18,355,525	\$51,687			\$18,407,212
Construction in Progress	10,082,793	8,265,401		(\$14,881,853)	3,466,341
Total capital assets not being depreciated	<u>28,438,318</u>	<u>8,317,088</u>		<u>(14,881,853)</u>	<u>21,873,553</u>
Capital assets being depreciated:					
Buildings and Improvements	26,456,545	374,075		6,678,904	33,509,524
Machinery and Equipment	2,455,052	29,838			2,484,890
Vehicles	1,986,386	172,142	(\$133,785)		2,024,743
Roadways:					
Pavement	193,902,487	307,365		3,699,390	197,909,242
Sidewalks	9,797,203	119,867			9,917,070
Curbs and Gutters	10,464,787	70,823		102,905	10,638,515
Traffic Signals	4,129,910			3,628,044	7,757,954
Regulatory Signs and Street Trees	2,206,905	151,187			2,358,092
Street Lights	3,239,203				3,239,203
Bridges	4,422,722				4,422,722
Parks and Recreation Structures	16,864,088	762,506		772,610	18,399,204
Total capital assets being depreciated	<u>275,925,288</u>	<u>1,987,803</u>	<u>(133,785)</u>	<u>14,881,853</u>	<u>292,661,159</u>
Less accumulated depreciation for:					
Buildings and Improvements	(5,462,182)	(880,603)			(6,342,785)
Machinery and Equipment	(2,140,113)	(131,088)			(2,271,201)
Vehicles	(1,500,727)	(176,922)	133,785		(1,543,864)
Roadways:					
Pavement	(79,657,906)	(5,139,887)			(84,797,793)
Sidewalks	(3,321,778)	(132,098)			(3,453,876)
Curbs and Gutters	(3,291,459)	(150,841)			(3,442,300)
Traffic Signals	(1,934,291)	(216,367)			(2,150,658)
Regulatory Signs and Street Trees	(1,491,925)	(223,290)			(1,715,215)
Street Lights	(1,317,920)	(80,980)			(1,398,900)
Bridges	(1,158,185)	(44,226)			(1,202,411)
Parks and Recreation Structures	(6,222,489)	(673,345)			(6,895,834)
Total accumulated depreciation	<u>(107,498,975)</u>	<u>(7,849,647)</u>	<u>133,785</u>		<u>(115,214,837)</u>
Net capital assets being depreciated	<u>168,426,313</u>	<u>(5,861,844)</u>		<u>14,881,853</u>	<u>177,446,322</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$196,864,631</u></u>	<u><u>\$2,455,244</u></u>			<u><u>\$199,319,875</u></u>

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For fiscal year ended June 30, 2020

**NOTE 7 – CAPITAL ASSETS (Continued)**

**B. Capital Asset Contributions**

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

**C. Depreciation Allocation**

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

<i>Governmental Activities</i>	
Administrative Services	\$191,546
Public Works	7,073,685
Internal Service Funds	<u>584,416</u>
<b>Total Depreciation</b>	<u><u>\$7,849,647</u></u>

**NOTE 8 – LONG-TERM DEBT**

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. The City’s long-term debt is recorded only in the government-wide financial statements.

In governmental fund types, debt discounts and issuance costs are recognized in the current period.

**A. Current Year Transactions and Balances**

The City’s debt issue and transaction is shown below and discussed in detail thereafter.

	Original Issue Amount	Balance June 30, 2019	Retirements	Balance June 30, 2020	Current Portion
<b>2016 Lease Revenue Bonds</b>					
2.00-5.00%, due 5/1/2041	<u>\$10,025,000</u>	<u>\$9,160,000</u>	<u>(\$295,000)</u>	<u>\$8,865,000</u>	<u>\$305,000</u>

**B. 2016 Lease Revenue Bonds**

On December 1, 2016, the Oakley Public Financing Authority issued the 2016 Lease Revenue Bonds in the principal amount of \$10,025,000 to: (i) refinance the outstanding 2006 Certificates of Participation together with related lease payment obligations, (ii) obtain additional funds to finance the construction of a community center and related facilities (the “2016 Project”), (iii) pay the premium of a debt service reserve policy for the Bonds and (iv) pay the costs of issuing the Bonds, including the premium for the Policy. Principal is payable annually and the interest is payable semi-annually through 2041. The 2006 Certificates of Participation were called on January 14, 2017.



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 8 – LONG-TERM DEBT (Continued)**

Under the terms of the Trust Agreement for the 2016 Lease Revenue Bonds, an event of default occurs if (i) the Authority fails to pay interest or principal on the Bonds when due and payable, (ii) the Authority fails to observe or perform in any material way any other covenant or term contained in the Trust Agreement, (iii) the Authority commences a voluntary case under Title 11 of the United States Code, or (iv) an event of default occurs under the lease entered into in connection with the Bonds (the “Lease”). The City has pledged City Hall as collateral for the Lease payments due to the Authority.

Upon the occurrence of an event of default, the Trustee may enforce all rights of the bond owners, including without limitation the right to receive and collect the lease payments payable by the City under the Lease (the “Lease Payments”) and declare the principal and interest of all of the Bonds then outstanding to be due and payable immediately; provided, that neither the Authority nor the Trustee may accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable.

The City’s failure to pay Lease Payments when due, among other items, constitutes an event of default under the Lease. Upon the occurrence of an event of default under the Lease Agreement, the Authority may exercise any and all remedies available under law or granted under the Lease and the Trustee acting at the direction of the insurer of the Bonds, has the right to re-enter and re-let City Hall and to terminate the Lease.

**C. Debt Service Requirements**

Annual debt service requirements are shown below for the City’s long-term debt:

For the Year Ending June 30	Principal	Interest
2021	\$305,000	\$361,569
2022	315,000	349,369
2023	330,000	336,769
2024	345,000	323,569
2025	360,000	309,769
2026 - 2030	2,035,000	1,331,911
2031 - 2035	2,185,000	886,020
2036 - 2040	2,440,000	422,868
2041 - 2041	550,000	22,688
	\$8,865,000	\$4,344,532

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 9 – ASSESSMENT DEBT WITH NO CITY COMMITMENT**

On August 3, 2004, and July 19, 2006, the Oakley Public Financing Authority issued \$17,150,000 principal amount of Revenue Bonds and \$11,460,000 principal amount of Infrastructure Revenue Bonds to finance the construction and acquisition of certain public improvements within the City's Special District Nos. 2004-1 and 2006-1, respectively. On March 3, 2012, the 2004 Bonds were refunded by the Refunding Revenue bonds, Series 2012 in the principal amount of \$14,775,000. On October 15, 2014, the Oakley Public Financing Authority issued Refunding Revenue Bonds, Series 2014, in the principal amount of \$9,070,000 to refund the 2006 Bonds. The Bonds are secured only by revenues received as payment of assessments levied against property within Special District Nos. 2004-1 and 2006-1. Neither the faith and credit nor the general taxing power of the City of Oakley have been pledged to the payment of the Bonds. Therefore, the Bonds have been excluded from the accompanying financial statements. The outstanding balances of the Bonds were \$11,225,000 and \$7,470,000, respectively, at June 30, 2020.

**NOTE 10 – NET POSITION AND FUND BALANCES**

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

**A. Net Position**

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

*Net investment in capital assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

*Unrestricted* describes the portion of Net Position which is not restricted to use.

**B. Fund Balances**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables and deferred outflows of resources, less its liabilities and deferred inflows of resources.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

*Nonspendable* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

*Committed* fund balances have constraints imposed by formal action of the City Council, such as by Resolution or Ordinance, which are equally binding, and may be altered only by the same formal action of the City Council.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee under the Appropriations Control Policy, the City Manager. This category includes encumbrances that are not to be liquidated by restricted or committed resources; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds, which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City’s Fund Balances, as of June 30, 2020, are below:

Fund Balance Classifications	General Fund	Major Special Revenue Funds		Major Capital Projects Fund		Total
		Lighting and Landscaping District	Income Housing Asset	Traffic Impact Fees	Other Governmental Funds	
<b>Nonspendables:</b>						
Items not in spendable form:						
Prepays and deposits	\$55,000					\$55,000
Loans receivable	446,593					446,593
Land held for resale	3,324,182					3,324,182
Advances	278,532					278,532
<b>Total Nonspendable Fund Balances</b>	<b>4,104,307</b>					<b>4,104,307</b>
<b>Restricted for:</b>						
Pension benefits	643,944					643,944
Lighting and landscaping services		\$9,631,110				9,631,110
Traffic impact projects				\$7,485,624		7,485,624
Fire impact projects					\$236,946	236,946
Public facilities impact projects					691,363	691,363
Street maintenance and improvement					1,883,835	1,883,835
2006-1 Assessment District					404,891	404,891
NPDES projects					359,776	359,776
Community Facilities District #1					2,250,104	2,250,104
Community Facilities District 2015-1					2,421,923	2,421,923
Citywide Community Facilities					558,256	558,256
Agricultural conservation					7,251	7,251
Debt service					44,286	44,286
Park impact fees					338,785	338,785
Cypress Grove improvements					101,500	101,500
Regional Park					1,199,343	1,199,343
<b>Total Restricted Fund Balances</b>	<b>643,944</b>	<b>9,631,110</b>		<b>7,485,624</b>	<b>10,498,259</b>	<b>28,258,937</b>
<b>Assigned to:</b>						
Termination payments	150,000					150,000
Uninsured claims payable	350,000					350,000
Police vehicles	199,627					199,627
Plans - consulting	5,260,068					5,260,068
Main Street Projects					6,624,975	6,624,975
<b>Total Assigned Fund Balances</b>	<b>5,959,695</b>				<b>6,624,975</b>	<b>12,584,670</b>
<b>Unassigned:</b>						
General Fund	7,342,426					7,342,426
Other fund deficits			(\$919,637)			(919,637)
<b>Total Unassigned Fund Balances</b>	<b>7,342,426</b>		<b>(919,637)</b>			<b>6,422,789</b>
<b>Total Fund Balances</b>	<b>\$18,050,372</b>	<b>\$9,631,110</b>	<b>(\$919,637)</b>	<b>\$7,485,624</b>	<b>\$17,123,234</b>	<b>\$51,370,703</b>

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

**C. Minimum Fund Balance Policies**

The City's Budget Policies require the City to strive to maintain the following fund balances:

- 1) 20% of the annual operating expenditures in the General Fund's Unassigned Fund Balance for emergencies and unforeseen operating or capital needs. The primary purpose of this reserve is to protect the City's essential service programs and funding requirements during periods of economic downturn (defined as a recession lasting two or more years) or other unforeseen catastrophic costs not covered by the annually budgeted Contingency Reserve.
- 2) Budget a Contingency Reserve each year for non-recurring unanticipated expenditures or to set aside funds to cover known contingencies with unknown costs. The level of the Contingency Reserve will be established as needed but shall not be less than 2% of General Fund operating expenditures. The balance of the reserve, which is a component of the General Fund's Unassigned Fund Balance was \$383,735 as of June 30, 2020.
- 3) Establish an account to accumulate funds to be used for payment of accrued employee benefits for terminated employees. The accumulated amount in the reserve will equal the projected payout of accumulated benefits requiring conversion to pay on retirement for employees then eligible for retirement so there are funds to pay out accumulated benefits requiring conversion to pay on termination. The balance of the reserve was \$150,000 as of June 30, 2020.
- 5) Claims Reserves will be budgeted at a level which, together with purchased insurance, adequately protects the City. The City will maintain a reserve of two times its deductibles for those claims covered by the insurance pool of which the City is a member (currently the Municipal Pooling Authority of Northern California). In addition, the City will perform an annual analysis of past claims not covered by the pool, and reserve an appropriate amount to pay for uncovered claims as well as Labor Code Section 4850 Salary Continuation payments. The balance of the reserve was \$350,000 as of June 30, 2020.
- 6) The City will establish a Street Maintenance Reserve Fund for the accumulation of funds for the long-term maintenance of the City's streets. The amounts transferred into the reserve will be used to augment the City's Gas Tax, Measure J, and other street improvement revenues in completing street maintenance and improvement projects. The reserve shall be considered fully funded when the balance and the combination of anticipated special revenues eligible for street maintenance is sufficient to pay for the next 3 years' anticipated maintenance, which is approximately \$2.25 million. The balance of the reserve was \$1,395,319 as of June 30, 2020.
- 7) The City will establish a Vehicle and Equipment Replacement Reserve Fund for the accumulation of funds for the replacement of worn and obsolete vehicles and other capital equipment. The balance of the reserve was \$1,002,556 as of June 30, 2020.

Staff has created a schedule of vehicles and computer equipment, along with their estimated lives and replacement values, and determined that the cost to replace existing vehicle and computer equipment is approximately \$290,000 per year. The revised policy will ensure the City's ability to replace assets when they reach the end of their useful lives.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

- 8) The City will seek to build and maintain a Facilities Maintenance Capital Asset Reserve Fund for capital costs associated with the maintenance of all City building facilities. The reserve will be maintained at a level at least equal to projected five year facilities maintenance capital costs. Park operating funds shall budget annual capital replacement costs and use them to fund reserves for future equipment replacement and resurfacing needs. The balance of the Facilities Maintenance Capital Asset Reserve was \$136,159 as of June 30, 2020 and many of the park operating funds do not have sufficient revenues to adequately fund reserves, which does not meet the targeted level. However, management believes the balance is sufficient to fund all anticipated replacements.
- 9) The City will seek to build and maintain a Storm Drain Depreciation Reserve for costs associated with the major maintenance and capital improvement costs included in the Storm Drain (NPDES) program budget. The minimum reserve level will be 50% of the costs projected over the next five years, or \$250 thousand per year as of June 30, 2020. The balance of the reserve which is a component of the NPDES Special Revenue Fund's Restricted Fund Balance was \$132,034 as of June 30, 2020.
- 10) The City will establish a Reserve for Qualifying Expenditures and will transfer into it from current revenues all amounts necessary to ensure compliance with Gann Limit provisions. These funds will be used solely to pay for Gann Limit excludable capital expenditures. To qualify, they must be for assets having a value greater than \$100,000 and having a useful life of at least 10 years. The City was in compliance with the Gann Limit provisions as of June 30, 2020, and therefore was not required to establish a Reserve for Qualifying Expenditures as of June 30, 2020.

**NOTE 11 – PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description** – All qualified permanent, probationary and part-time employees are eligible to participate in the City's Safety (police) and Miscellaneous (all other) Employee Pension Rate Plans. The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans (three miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 11 – PENSION PLAN (Continued)**

In August 2010, the City Council authorized an amendment to the contract between the City and the CalPERS in order to establish a Tier 2 retirement benefits structure. The Tier 2 changed the retirement benefit formula from 2.5%@55 to 2%@60 for new miscellaneous employees hired on or after October 18, 2010. A Tier 3 structure was established to implement the provisions of the Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, and is applicable to employees new to CALPERS, and hired after December 31, 2012, and not subject to grandfathering into the previously existing Tier 2 Rate Plan.

Effective August 12, 2015, the City established a Safety Plan that provides benefits for safety employees hired after January 1, 2013 using the 2.7% @ 57 benefit formula.

The Plan’s provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
	Prior to October 18, 2010	On or after October 18, 2010	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0 % to 2.5%	1.092% - 2.418%	1.0% - 2.5%
Required employee contribution rates	8.000%	7.000%	6.750%
Required employer contribution rates	11.432%	8.563%	6.985%
Required UAL contribution	\$151,149	\$3,024	\$2,866
	<b>Safety</b>		
	PEPRA		
	On or after		
Hire date	January 1, 2013		
Benefit formula	2.7% @ 57		
Benefit vesting schedule	5 years service		
Benefit payments	monthly for life		
Retirement age	50 - 57		
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%		
Required employee contribution rates	13.000%		
Required employer contribution rates	13.629%		
Required UAL contribution	\$4,546		

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The City elected to make the lump sum contributions and the required contribution for the unfunded liability was \$161,585 in fiscal year 2020, as shown in the table above.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 11 – PENSION PLAN (Continued)**

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

For the year ended June 30, 2020, the City’s total contributions to the Plan were \$2,174,321.

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

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

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$2,181,637
Safety	132,337
Total Net Pension Liability	\$2,313,974

The governmental activities net pension liability is liquidated primarily by the General Fund.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.02053%
Proportion - June 30, 2019	0.02258%
Change - Increase (Decrease)	0.00205%



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 11 – PENSION PLAN (Continued)**

For the year ended June 30, 2020, the City recognized pension expense of \$1,920,603. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$2,174,321	
Differences between actual and expected experience	160,164	(\$11,740)
Changes in assumptions	109,455	(37,937)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,038,216	
Net differences between projected and actual earnings on plan investments		(39,963)
	\$3,482,156	(\$89,640)
Total		

\$2,174,321 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2021	\$710,317
2022	326,136
2023	173,680
2024	8,062
Total	\$1,218,195

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 11 – PENSION PLAN (Continued)**

*Actuarial Assumptions* – For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	-100.0%
Investment Rate of Return	7.15% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2018 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

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

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 11 – PENSION PLAN (Continued)**

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

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

The table below reflects the expected real rate of return by asset class.

Asset Class (a)	Current Target Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+©
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	--%	-0.92%
Total	<u>100.0%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –***

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$4,180,518
Current Discount Rate	7.15%
Net Pension Liability	\$2,313,974
1% Increase	8.15%
Net Pension Liability	\$775,312

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 11 – PENSION PLAN (Continued)**

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

*Subsequent Event - CalPERS Pension Contribution Rates* – The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City’s contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS**

The City established a post-employment health care defined contribution plan in May 2016, pursuant to a negotiated Memoranda of Understanding (MOU) with its Oakley Police Officers Association employee bargaining unit. The City’s funding obligation for the plan is defined within the MOU and is a specified contribution of \$450 per month per police employee.

The administration of benefits for the plan rests with the plan administrator. The administrator for the plan is the Peace Officers Research Association of California (PORAC) Retiree Medical Trust. There are no vesting requirements to be eligible to use these funds post-employment. The benefit can only be used to purchase post-employment health insurance.

Contributions to the plan during fiscal year 2020 were \$168,750.

In February 2020, the City established a retirement health savings (RHS) plan for all non-safety employees. The City's funding obligation for the plan is \$20 per month per employee.

The administration of benefits for the plan rests with the plan administrator. The administrator for the plan is ICMA-RC. To be vested in the plan an employee must have 5 years of consecutive employment to be eligible to use these funds post-employment. The benefit can only be used to fund post-employment medical expenses.

Contributions to the plan during fiscal year 2020 were \$4,230.

**NOTE 13 – DEFERRED COMPENSATION PLANS**

City employees may also defer a portion of their compensation under City sponsored Deferred Compensation Plans. The City offers the opportunity to participate in one of two plans, one created in accordance with Internal Revenue Code Section 457, and one created in accordance with Internal Revenue Code 401a. Under the 457 plan, participants are not taxed on the deferred portion of their compensation until distributed to them; under the 401a plan different rules apply and amounts contributed may be either pre-tax or after-tax depending on applicable plan rules. Under both plans, distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 13 – DEFERRED COMPENSATION PLANS (Continued)**

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

**NOTE 14 – RISK MANAGEMENT**

**A. *Municipal Pooling Authority of Northern California (MPA)***

The City is a member of the Municipal Pooling Authority of Northern California. The Authority provides coverage against various types of loss risks under the terms of a joint-powers agreement with the City and several other cities and governmental agencies. The City participates in the coverage programs as follows:

<u>Types of Coverage (Deductible)</u>	<u>Coverage Limits</u>
Liability (\$25,000)	\$29,000,000
Vehicle - Physical Damage (\$3,000 for police vehicles, \$2,000 for all others)	250,000
Worker's Compensation (no deductible)	Statutory Limit
Property:	
All Risk and Copper Claims (\$25,000), Water Claims (\$150,000)	1,000,000,000
Flood*	25,000,000
Pollution Liability (\$100,000)	1,000,000
Boiler and Machinery (\$5,000)	100,000,000
Cyber Liability (\$50,000)	2,000,000
Government Crime (\$2,500)	5,000,000
Employment Liability (\$50,000)	2,000,000

\* \$100,000 minimum deductible per occurrence, except Zones A and V, which are subject to a \$250,000 deductible per occurrence.

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City’s deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the Authority are available from MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 14 – RISK MANAGEMENT (Continued)**

**B. Liability for Uninsured Claims**

Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims. Settlements have not exceeded insurance coverage for the past three fiscal years.

The City’s liability for uninsured liability claims at June 30 was estimated by management based on claims experience during the fiscal year and was computed as follows:

	June 30	
	2020	2019
Balance at beginning of year	\$56,171	\$23,075
Liability for current fiscal year claims	4	61,177
Change in liability for prior fiscal year claims and claims incurred but not reported	(14,088)	30,717
Claims paid	(27,701)	(58,798)
Balance at end of year	\$14,386	\$56,171

**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

**A. Construction and Other Commitments**

The City has the following outstanding construction commitments as of June 30, 2020 which are included in the balance of encumbrances in Note 15E:

FY 19-20 Street Repair and Resurfacing	994,427
Main-St - O'Hara Ave Intersection Improvement	432,036
Downtown Train Platform Station and Parking	242,653
Civic Center Emergency General Project	72,731
Laurel Road Reconstruction (Mellowood-Main)	53,829
Vintage Parkway Repair and Resurfacing	36,333
Traffic Signal Modernization	18,685
Downtown Parking Lot	12,077
3300 Main Street Building Remodeling	11,428
Delta De Anza & Marsh Creek Trail Connect Safety Improvements	1,753

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)**

**B. *Litigation***

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

**C. *Federal and State Grant Programs***

The City participates in several federal and State grant programs. These programs are subject to audit by the City’s independent accountants in accordance with the provisions of the federal Single Audit Act as amended and applicable State requirements. No cost disallowances have been proposed as a result of audits completed to date; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**D. *Funding Plan for Construction of Station 55 and Advance from Fire District***

In September 2018, the City entered into a cooperative funding agreement with the East Contra Costa Fire Protection District for the construction of Fire Station No. 55 in the Summer Lakes subdivision. Under the terms of a separate settlement agreement with a developer, the City received \$3.12 million for the design and construction of Fire Station #55 along with the dedication of a one acre parcel on which the station is to be built. Under the terms of the cooperative funding agreement, the District agreed to advance \$1.9 million to the City to complete the design and construction of Station 55. Within thirty days of final completion of the project, the City agrees to transfer title to Station 55 and the associated one acre parcel to the District.

Starting sixty days following the final completion of the project, the advance from the District is repayable on a monthly basis from fire facilities impact fees collected by the City in the previous month. The advance of funds does not bear interest and the balance of the advance was \$1,900,00 at June 30, 2020.

**E. *Encumbrances***

Encumbrances outstanding as of June 30, 2020 by fund were as follows:

Major Governmental Funds:	
General Fund	\$199,627
Traffic Impact Fees Capital Projects Fund	458,970
Non-Major Governmental Funds	1,405,555
Total Encumbrances	\$2,064,152

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

**A. REDEVELOPMENT DISSOLUTION**

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012 (collectively referred to as the Dissolution Act), which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

In addition, the Dissolution Act directs the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office completed its asset transfer review in July 2015, which did not require the transfer of any additional assets to the Successor Agency.

Effective January 31, 2012, the Redevelopment Agency was dissolved. In accordance with the Dissolution Act, certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of ABx1 26, the City was eligible to elect to become the Housing Successor and retain the housing assets and elected to do so. On February 1, 2012, the Agency's housing assets were transferred to the City's Low and Moderate Income Housing Asset Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Assets Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 17, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board and the Department of Finance. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

The Department of Finance issued the Successor Agency a Finding of Completion on August 15, 2014.



**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

Cash and investments of the Successor Agency as of June 30, 2020 includes the following:

Cash available for operations:	
Cash available for operations	\$143,154
Cash held for September 2, 2020 debt service payment	1,359,035
Cash and investments with fiscal agent	368
Total Cash and Investments	\$1,502,557

Details regarding cash and investments are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2020.

**B. LOANS RECEIVABLE**

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the Agency’s terms. The balance of the portion of the Oakley Senior Housing loan assumed by the Successor Agency as discussed in Note 5D above, including accrued interest was \$650,763 as of June 30, 2020.

**C. LONG-TERM DEBT**

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012.

**1. Current Year Transaction and Balances**

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds issued by the Redevelopment Agency. The Bonds are special obligations of the Agency and are secured only by the Agency’s tax increment revenues. Tax Allocation Bond transactions were as follows:

	Original Issue Amount	Balance June 30, 2019	Retirements	Balance June 30, 2020	Current Portion
<b>2015A Tax Allocation Bonds</b>					
3.375-5.00%, due 9/01/2028	\$2,595,000	\$2,595,000		\$2,595,000	
<b>2015B Tax Allocation Bonds</b>					
2.00-3.75%, due 9/01/2024	3,115,000	2,870,000	(\$470,000)	2,400,000	\$485,000
<b>2018 Tax Allocation Refunding Bonds</b>					
3.25-6.00%, due 9/01/2038	18,655,000	18,655,000	(70,000)	18,585,000	330,000
Add: Unamortized Bond Premium		1,881,679		1,881,679	
Total		\$26,001,679	(\$540,000)	\$25,461,679	\$815,000

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

**2. *Successor Agency 2015 Tax Allocation Bonds***

On May 6, 2015, the Agency issued \$2,595,000 in 2015 Tax Allocation Bonds, Series A, and \$3,115,000 in 2015 Tax Allocation Bonds, Series B. The proceeds of these bonds, secured by property tax revenues in the Redevelopment Property Tax Trust Fund, were used to refund and defease the outstanding 2003 Tax Allocation Bonds. The 2003 Bonds were called on June 19, 2015.

Under the terms of the Trust Indenture for the 2015 Bonds, an event of default occurs if, among other things, the Successor Agency (i) fails to pay interest or principal on the 2015 Bonds when due and payable, (ii) fails to observe or perform any other covenant or term contained in the Trust Indenture, or (iii) commences a voluntary case under Title 11 of the United States Code. Upon the occurrence of an event of default, the Trustee may exercise any remedies available to the Trustee and the bond owners in law or at equity.

The 2015 Bonds are secured by the Successor Agency's property tax revenues in the Redevelopment Property Tax Trust Fund. The Series A Bonds were repaid in full in fiscal year 2019-20.

**3. *Successor Agency 2018 Tax Allocation Refunding Bonds***

On July 19, 2018, the Agency issued \$18,655,000 in 2018 Tax Allocation Refunding Bonds. The proceeds of these bonds, secured by property tax revenues in the Redevelopment Property Tax Trust Fund, were used to refund and defease the outstanding 2008 Subordinate Tax Allocation Bonds. The refunding reduces the total debt service payments over 21 years by \$7,649,546 and results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,097,278. The 2008 Bonds were called on September 1, 2018.

Under the terms of the Trust Indenture for the 2018 Bonds, an event of default occurs if, among other things, the Successor Agency (i) fails to pay interest or principal on the 2018 Bonds when due and payable, (ii) fails to observe or perform any other covenant or term contained in the Trust Indenture, or (iii) commences a voluntary case under Title 11 of the United States Code. Upon the occurrence of an event of default, the Trustee may exercise any remedies available to the Trustee and the bond owners in law or at equity.

The 2018 Bonds are secured by the Successor Agency's property tax revenues in the Redevelopment Property Tax Trust Fund. The 2018 Bonds are on parity with the 2015 Bonds discussed above. Annual principal payments on the 2018 Bonds are due September 2, and semi-annual interest payments are due March 1 and September 1, through 2028.

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

**4. Pledge of Tax Revenues**

As discussed above, the Agency had pledged all future tax increment revenues, less amounts required to be set aside in the Redevelopment Agency Low and Moderate Income Housing Capital Projects Fund and certain tax increment pass through payments, for the repayment of both the 2003 and 2008A Tax Allocation Bonds (non-housing revenues). The Agency had also pledged tax increment revenues required to be set aside in the Redevelopment Agency Low and Moderate Income Housing Capital Projects Fund (housing revenue) for the repayment of a portion of the 2003 Tax Allocation Bonds. With the issuance of the 2018 Bonds, the tax increment revenue is pledged on parity with the 2015 and 2018 Bonds. The pledge of all future tax increment revenues ends upon repayment of the \$34,174,498 remaining debt service on the 2015 and 2018 Bonds above, which is scheduled to occur in 2039.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. Beginning in fiscal year 2012, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2019 calculated by the County Auditor-Controller was \$3,055,537 and the total received by the Successor Agency for fiscal year 2019 debt service was \$1,982,174 which represented of 127% of the \$1,557,321 of debt service.

**5. Debt Service Requirements**

Annual debt service requirements for the Bonds are shown below:

For the Year Ending June 30	Principal	Interest
2021	\$815,000	\$994,885
2022	845,000	962,305
2023	880,000	925,498
2024	920,000	887,048
2025	955,000	846,489
2026 - 2030	5,495,000	3,502,219
2031 - 2035	6,940,000	2,016,590
2036 - 2040	6,730,000	459,464
	23,580,000	\$10,594,498
Add: Unamortized Premium	1,881,679	
Net Long Term Debt	\$25,461,679	

**CITY OF OAKLEY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For fiscal year ended June 30, 2020**

**NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**  
**(Continued)**

***D. COMMITMENTS AND CONTINGENCIES***

***1. State Approval of Enforceable Obligations***

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance in the future cannot be determined at this time.

***2. State Asset Transfer Review***

The activities of the former Redevelopment Agency and the Successor Agency were also subject to further examination by the State of California. The State Controller’s Office conducted a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011. The results of that review were issued in July 2015 and although the review did identify ineligible transfers of assets from the former Redevelopment Agency to the City, the report reflected the current year and prior year transfers discussed in Note 16A and made no further demands for the return of assets to the Successor Agency.

***E. CONTRA COSTA COUNTYWIDE CONSOLIDATED OVERSIGHT BOARD***

On July 1, 2018, the duties of the Oakley Oversight Board transferred to a new Contra Costa Countywide Consolidated Oversight Board, which will now be responsible for overseeing the winddown affairs of all Successor Agencies in Contra Costa County, including the Successor Agency to the Oakley Redevelopment Agency.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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## REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous and Safety Rate Plans, a Cost Sharing-Employer Defined Benefit Pension Plan  
Last 10 Years\*

### SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Plan's Proportion of the Net Pension Liability (Asset)	0.04460%	0.05032%	0.04978%	0.02077%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$1,102,233	\$1,380,410	\$1,729,323	\$2,059,612
Plan's Covered Payroll	\$1,972,266	\$2,494,839	\$3,497,131	\$6,800,698
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	55.89%	55.33%	49.45%	30.29%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%

#### Notes to Schedule:

\* - Fiscal year 2015 was the 1st year of implementation.



## REQUIRED SUPPLEMENTARY INFORMATION

<u>6/30/2018</u>	<u>6/30/2019</u>
0.02053%	0.02258%
\$1,978,129	\$2,313,974
\$8,031,468	\$8,224,932
24.63%	28.13%
72.60%	83.26%

## REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous and Safety Rate Plans, a Cost Sharing-Employer Defined Benefit Pension Plan  
Last 10 Years\*

### SCHEDULE OF CONTRIBUTIONS

<b>For the year Ended June 30</b>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$296,613	\$382,769	\$746,429	\$986,847
Contributions in relation to the actuarially determined contributions	<u>296,613</u>	<u>382,769</u>	<u>746,429</u>	<u>986,847</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 Covered payroll	 <u>\$2,494,839</u>	 <u>\$3,497,131</u>	 <u>\$6,800,698</u>	 <u>\$8,031,468</u>
 Contributions as a percentage of covered payroll	 11.89%	 10.95%	 10.98%	 12.29%

\* Fiscal year 2015 was the 1st year of implementation.

## REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2020</u>
\$1,038,446	\$2,174,321
<u>1,038,446</u>	<u>2,174,321</u>
<u>\$0</u>	<u>\$0</u>
<u>\$8,224,932</u>	<u>\$8,331,862</u>
12.63%	26.10%

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## **SUPPLEMENTAL INFORMATION**

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

**TRAFFIC IMPACT FEES CAPITAL PROJECTS FUND**

This fund accounts for fees assessed on new development to provide street and road improvements.

CITY OF OAKLEY  
 TRAFFIC IMPACT FEES  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Intergovernmental:			
Other			
Developer fees	\$2,000,000	\$3,999,685	\$1,999,685
Use of money and property	40,000	142,363	102,363
Miscellaneous	969,000	894,412	(74,588)
	<u>3,009,000</u>	<u>5,036,460</u>	<u>2,027,460</u>
Total Revenues			
EXPENDITURES			
Current:			
Community Development			
Public Works	134,520	136,969	(2,449)
Capital outlay	7,493,252	3,205,052	4,288,200
	<u>7,627,772</u>	<u>3,342,021</u>	<u>4,285,751</u>
Total Expenditures			
NET CHANGE IN FUND BALANCES	<u><u>(\$4,618,772)</u></u>	1,694,439	<u><u>\$6,313,211</u></u>
Fund balance at beginning of year		<u>5,791,185</u>	
Fund balance at end of year		<u><u>\$7,485,624</u></u>	



## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

#### GAS TAX

This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Sections 2105, 2106, 2107 and 2107.5. The allocations must be spent for street maintenance and construction.

#### NPDES

This fund accounts for storm water utility fees assessed on properties city-wide and used to pay for the “National Pollution Discharge Elimination System” to prevent further polluting of our streams and bays as mandated by the Federal government.

#### YOUTH DEVELOPMENT

This fund accounts for youth development grant programs.

#### COMMUNITY FACILITIES DISTRICT #1

This fund accounts for maintenance and operations related to drainage and flood control at the Cypress Grove development.

#### COMMUNITY FACILITIES DISTRICT 2015-1

This fund accounts for the activities associated with the maintenance of neighborhood parks, community parks, regional parks, street lighting, landscaping and storm water detention facilities at Emerson Ranch.

#### OAKLEY WELCOMING

This fund accounts for the activities associated with the grant-funded Oakley Welcoming program under the You Me We Oakley! brand.

#### AG CONSERVATION

This fund accounts for the activities associated with establishing and carrying out the City’s agricultural conservation program.

#### CITYWIDE COMMUNITY FACILITIES DISTRICT

This fund was established to account for the activities associated with the maintenance of neighborhood parks and stormwater detention facilities in the areas of the 2015-2 Citywide Community Facility District.

#### REGIONAL PARK

This fund was established to account for the activities associated with the development and maintenance of the Oakley Regional Community Park.

<b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b>
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**CAPITAL PROJECTS FUNDS****MEASURE J**

This fund accounts for the City's portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

**GENERAL CAPITAL PROJECTS**

This fund accounts for revenues and expenditures related to General Fund contributions, grants and other funding accounts for capital projects not accounted for in other capital projects funds. It accounts for the total expenditures for each project charged to this fund.

**PARK IMPACT FEES**

This fund accounts for fees assessed on new development to provide for park acquisition and development.

**PUBLIC FACILITIES IMPACT FEE**

This fund accounts for fees assessed on new development to provide for public facilities.

**FIRE IMPACT FEES**

This fund accounts for fees assessed on new developments to provide for fire protection capital facilities.

**MAIN STREET**

This fund accounts for Main Street related projects funded by the General Fund.

**CYPRESS GROVE CAPITAL PROJECT**

This fund accounts for funds from the 2004-1 Limited Obligation Bonds used to purchase infrastructure assets built by developers in the 2004-1 Assessment District area.

**STREET MAINTENANCE RESERVE**

This fund was established to account for the accumulation of funds for the long-term maintenance of the City's streets. The amounts transferred into the reserve will be used to augment the City's Gas Tax, Measure J, and other street improvement revenues in completing street maintenance and improvement projects. The reserve shall be considered fully funded when the balance and the combination of anticipated special revenues eligible for street maintenance is sufficient to pay for the next 3 years' anticipated maintenance, which is anticipated to occur by June 30, 2018.

**2006-1 ASSESSMENT DISTRICT CAPITAL PROJECTS**

This fund accounts for funds from the 2006 Infrastructure Revenue Bonds that will ultimately be used to purchase infrastructure assets built by developers in the 2006-1 Assessment District area.

**DEBT SERVICE FUND**

This fund accounts for principal and interest on the City's debt issues.

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CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Youth Development	Community Facilities District #1
ASSETS				
Cash and investments available for operations	\$897,128	\$213,311		\$2,248,817
Cash with fiscal agent				
Accounts receivable, net	52,075	146,193		
Interest receivable	1,991	645		6,591
Advances to other funds				
Total Assets	\$951,194	\$360,149		\$2,255,408
LIABILITIES				
Accounts payable	\$28,408	\$373		\$5,304
Accrued liabilities				
Due to other funds				
Deposits payable				
Advances from other funds				
Unearned revenue				
Total Liabilities	28,408	373		5,304
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Restricted	922,786	359,776		2,250,104
Assigned				
Total Fund Balance	922,786	359,776		2,250,104
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$951,194	\$360,149		\$2,255,408

SPECIAL REVENUE FUNDS

Community Facilities District 2015-1	Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park
\$2,415,472	\$202,395	\$7,237	\$575,297	\$1,202,343
6,451	673	14	1,234	
<u>\$2,421,923</u>	<u>\$203,068</u>	<u>\$7,251</u>	<u>\$576,531</u>	<u>\$1,202,343</u>
	\$426 746		\$18,275	
	201,896			\$3,000
	<u>203,068</u>		<u>18,275</u>	<u>3,000</u>
\$2,421,923		\$7,251	558,256	1,199,343
<u>2,421,923</u>		<u>7,251</u>	<u>558,256</u>	<u>1,199,343</u>
<u>\$2,421,923</u>	<u>\$203,068</u>	<u>\$7,251</u>	<u>\$576,531</u>	<u>\$1,202,343</u>

(Continued)

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2020

	CAPITAL PROJECTS FUNDS			
	Measure J	General Capital Projects	Park Impact Fees	Public Facilities Impact Fee
ASSETS				
Cash and investments available for operations	\$1,039,811	\$3,885,861	\$203,957	\$581,737
Cash with fiscal agent				
Accounts receivable, net				
Interest receivable	2,594	10,434		2,453
Advances to other funds			436,230	139,629
	\$1,042,405	\$3,896,295	\$640,187	\$723,819
LIABILITIES				
Accounts payable	\$81,356	\$317,314	\$3	
Accrued liabilities				
Due to other funds				
Deposits payable				
Advances from other funds			200,000	
Unearned revenue		378,566		
	81,356	695,880	200,003	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - interest on advances to other funds			101,399	\$32,456
			101,399	32,456
FUND BALANCES				
Restricted	961,049		338,785	691,363
Assigned		3,200,415		
	961,049	3,200,415	338,785	691,363
Total Fund Balance	961,049	3,200,415	338,785	691,363
Total Liabilities, Deferred Inflows of Resources	\$1,042,405	\$3,896,295	\$640,187	\$723,819

CAPITAL PROJECTS FUNDS

Fire Impact Fees	Main Street	Cypress Grove Capital Project	Street Maintenance Reserve	2006-1 Assessment District	Debt Service Fund	Total Nonmajor Governmental Funds
\$235,796	\$2,029,241	\$114,907	\$1,395,319	\$407,006	\$44,131 323	\$17,177,853 522,236 198,268 34,230 575,859
1,150						
<u>\$236,946</u>	<u>\$2,029,241</u>	<u>\$114,907</u>	<u>\$1,395,319</u>	<u>\$407,006</u>	<u>\$44,454</u>	<u>\$18,508,446</u>
		\$49			\$168	\$451,676 746
		13,358		\$2,115		15,473 3,000 200,000 580,462
		<u>13,407</u>		<u>2,115</u>	<u>168</u>	<u>1,251,357</u>
						133,855
						133,855
\$236,946	\$2,029,241	101,500	\$1,395,319	404,891	44,286	10,498,259 6,624,975
<u>236,946</u>	<u>2,029,241</u>	<u>101,500</u>	<u>1,395,319</u>	<u>404,891</u>	<u>44,286</u>	<u>17,123,234</u>
<u>\$236,946</u>	<u>\$2,029,241</u>	<u>\$114,907</u>	<u>\$1,395,319</u>	<u>\$407,006</u>	<u>\$44,454</u>	<u>\$18,508,446</u>

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Youth Development	Community Facilities District #1
REVENUES				
Property taxes		\$505,118		
Other taxes				
Intergovernmental:				
Other	\$1,690,378			
Developer fees				
Special assessments				\$324,882
Use of money and property	9,353	5,876		53,828
Miscellaneous	6,785	90		
	1,706,516	511,084		378,710
EXPENDITURES				
Current:				
Community Development				
Public Works	539,918	540,140		100,395
Recreation				
Capital outlay	313,911	109		
Debt service:				
Principal				
Interest and fiscal charges				
	853,829	540,249		100,395
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	852,687	(29,165)		278,315
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)	(152,505)			
	(152,505)			
NET CHANGE IN FUND BALANCES	700,182	(29,165)		278,315
Fund balance (deficit) at beginning of year	222,604	388,941		1,971,789
Fund balances (deficit) at end of year	\$922,786	\$359,776		\$2,250,104



SPECIAL REVENUE FUNDS

Community Facilities District 2015-1	Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park
\$827,953			\$383,842	\$48,443
40,096	\$4,040 23,882	\$140	6,367	14,361
868,049	27,922	140	390,209	62,804
172,574	27,922		61,378	417,598
172,574	27,922		61,378	417,598
695,475		140	328,831	(354,794)
695,475		140	328,831	(354,794)
1,726,448		7,111	229,425	1,554,137
\$2,421,923		\$7,251	\$558,256	\$1,199,343

(Continued)

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	CAPITAL PROJECTS FUNDS			
	Measure J	General Capital Projects	Park Impact Fees	Public Facilities Impact Fee
<b>REVENUES</b>				
Property taxes				
Other taxes				
Intergovernmental:				
Other	\$655,646	\$6,700		
Developer fees		850,000	\$656,521	\$1,054,994
Special assessments				
Use of money and property	20,474	58,053		14,338
Miscellaneous		22,840		
	676,120	937,593	656,521	1,069,332
<b>EXPENDITURES</b>				
Current:				
Community Development				32,643
Public Works	113,268		25,865	
Recreation				
Capital outlay	1,022,269	557,894	792,332	
Debt service:				
Principal				
Interest and fiscal charges				967
	1,135,537	557,894	818,197	33,610
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(459,417)</b>	<b>379,699</b>	<b>(161,676)</b>	<b>1,035,722</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		1,146,000	200,000	
Transfers (out)		(58,049)		(676,869)
	Total Other Financing Sources (Uses)	1,087,951	200,000	(676,869)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(459,417)</b>	<b>1,467,650</b>	<b>38,324</b>	<b>358,853</b>
Fund balance (deficit) at beginning of year	1,420,466	1,732,765	300,461	332,510
Fund balances (deficit) at end of year	\$961,049	\$3,200,415	\$338,785	\$691,363

CAPITAL PROJECTS FUNDS

Fire Impact Fees	Main Street	Cypress Grove Capital Project	Street Maintenance Reserve	2006-1 Assessment District	Debt Service Fund	Total Nonmajor Governmental Funds
						\$505,118
						1,260,238
						2,352,724
\$268,638						2,830,153
10,065		(\$1,049)		\$4,089	(\$928)	324,882
48,638		66,130		55,680		239,103
327,341		65,081		59,769	(928)	224,045
						7,736,263
						42,722
10,079						1,553,538
1,119,207	\$85,261					27,922
						4,308,581
					295,000	295,000
					377,943	378,910
1,129,286	85,261				672,943	6,606,673
(801,945)	(85,261)	65,081		59,769	(673,871)	1,129,590
	1,350,000		\$350,000		676,869	3,722,869
						(887,423)
	1,350,000		350,000		676,869	2,835,446
(801,945)	1,264,739	65,081	350,000	59,769	2,998	3,965,036
1,038,891	764,502	36,419	1,045,319	345,122	41,288	13,158,198
\$236,946	\$2,029,241	\$101,500	\$1,395,319	\$404,891	\$44,286	\$17,123,234

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

SPECIAL REVENUE FUNDS						
	GAS TAX			N.P.D.E.S.		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes				\$450,000	\$505,118	\$55,118
Other taxes						
Intergovernmental:						
Other	\$1,791,095	\$1,690,378	(\$100,717)			
Developer fees						
Special assessments						
Use of money and property	1,500	9,353	7,853	2,000	5,876	3,876
Miscellaneous		6,785	6,785		90	90
Total Revenues	<u>1,792,595</u>	<u>1,706,516</u>	<u>(86,079)</u>	<u>452,000</u>	<u>511,084</u>	<u>59,084</u>
EXPENDITURES						
Current:						
Community Development						
Public Works	907,631	539,918	367,713	455,312	540,140	(84,828)
Recreation						
Capital outlay	788,557	313,911	474,646	231,879	109	231,770
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>1,696,188</u>	<u>853,829</u>	<u>842,359</u>	<u>687,191</u>	<u>540,249</u>	<u>146,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>96,407</u>	<u>852,687</u>	<u>756,280</u>	<u>(235,191)</u>	<u>(29,165)</u>	<u>206,026</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(189,722)	(152,505)	37,217			
Total Other Financing Sources (Uses)	<u>(189,722)</u>	<u>(152,505)</u>	<u>37,217</u>			
NET CHANGE IN FUND BALANCES	<u><u>(\$93,315)</u></u>	<u>700,182</u>	<u><u>\$793,497</u></u>	<u><u>(\$235,191)</u></u>	<u>(29,165)</u>	<u><u>\$206,026</u></u>
Fund balances (deficit) at beginning of year		<u>222,604</u>			<u>388,941</u>	
Fund balances (deficit) at end of year		<u><u>\$922,786</u></u>			<u><u>\$359,776</u></u>	

SPECIAL REVENUE FUNDS

YOUTH DEVELOPMENT			COMMUNITY FACILITIES DISTRICT #1			COMMUNITY FACILITIES DISTRICT 2015-1		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$791,757	\$827,953	\$36,196
			\$324,890	\$324,882	(\$8)			
\$23,700		(\$23,700)	5,000	53,828	48,828	5,000	40,096	35,096
23,700		(23,700)	329,890	378,710	48,820	796,757	868,049	71,292
			230,394	100,395	129,999	314,679	172,574	142,105
23,700		23,700						
23,700		23,700	230,394	100,395	129,999	314,679	172,574	142,105
			99,496	278,315	178,819	482,078	695,475	213,397
			\$99,496	278,315	\$178,819	\$482,078	695,475	\$213,397
				1,971,789			1,726,448	
				\$2,250,104			\$2,421,923	

(Continued)

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	OAKLEY WELCOMING			AG CONSERVATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental:						
Other						
Developer fees						
Special assessments						
Use of money and property		\$4,040	\$4,040		\$140	\$140
Miscellaneous	\$79,649	23,882	(55,767)			
Total Revenues	<u>79,649</u>	<u>27,922</u>	<u>(51,727)</u>		<u>140</u>	<u>140</u>
EXPENDITURES						
Current:						
Community Development						
Public Works						
Recreation	79,649	27,922	51,727			
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>79,649</u>	<u>27,922</u>	<u>51,727</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					140	140
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES					<u>140</u>	<u>\$140</u>
Fund balances (deficit) at beginning of year					7,111	
Fund balances (deficit) at end of year					<u>\$7,251</u>	

SPECIAL REVENUE FUNDS

CAPITAL PROJECTS FUNDS

CITYWIDE COMMUNITY FACILITIES DISTRICT			REGIONAL PARK			MEASURE J		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$139,329	\$383,842	\$244,513		\$48,443	\$48,443			
						\$575,000	\$655,646	\$80,646
	6,367	6,367		14,361	14,361	2,000	20,474	18,474
<u>139,329</u>	<u>390,209</u>	<u>250,880</u>		<u>62,804</u>	<u>62,804</u>	<u>577,000</u>	<u>676,120</u>	<u>99,120</u>
72,840	61,378	11,462				293,450	113,268	180,182
			\$504,654	417,598	87,056	1,267,280	1,022,269	245,011
<u>72,840</u>	<u>61,378</u>	<u>11,462</u>	<u>504,654</u>	<u>417,598</u>	<u>87,056</u>	<u>1,560,730</u>	<u>1,135,537</u>	<u>425,193</u>
66,489	328,831	262,342	(504,654)	(354,794)	149,860	(983,730)	(459,417)	524,313
<u>\$66,489</u>	<u>328,831</u>	<u>\$262,342</u>	<u>(\$504,654)</u>	<u>(354,794)</u>	<u>\$149,860</u>	<u>(\$983,730)</u>	<u>(459,417)</u>	<u>\$524,313</u>
	<u>229,425</u>			<u>1,554,137</u>			<u>1,420,466</u>	
	<u>\$558,256</u>			<u>\$1,199,343</u>			<u>\$961,049</u>	

(Continued)

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	CAPITAL PROJECTS FUNDS					
	GENERAL CAPITAL PROJECTS			PARK IMPACT FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental:						
Other	\$130,000	\$6,700	(\$123,300)			
Developer fees		850,000	850,000	\$300,000	\$656,521	\$356,521
Special assessments						
Use of money and property		58,053	58,053	7,500		(7,500)
Miscellaneous		22,840	22,840			
Total Revenues	<u>130,000</u>	<u>937,593</u>	<u>807,593</u>	<u>307,500</u>	<u>656,521</u>	<u>349,021</u>
EXPENDITURES						
Current:						
Community Development						
Public Works				6,000	25,865	(19,865)
Recreation						
Capital outlay	3,354,013	557,894	2,796,119	819,802	792,332	27,470
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>3,354,013</u>	<u>557,894</u>	<u>2,796,119</u>	<u>825,802</u>	<u>818,197</u>	<u>7,605</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,224,013)</u>	<u>379,699</u>	<u>3,603,712</u>	<u>(518,302)</u>	<u>(161,676)</u>	<u>356,626</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,146,000	1,146,000		600,000	200,000	(400,000)
Transfers (out)		(58,049)	(58,049)			
Total Other Financing Sources (Uses)	<u>1,146,000</u>	<u>1,087,951</u>	<u>(58,049)</u>	<u>600,000</u>	<u>200,000</u>	<u>(400,000)</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$2,078,013)</u></u>	<u>1,467,650</u>	<u><u>\$3,545,663</u></u>	<u><u>\$81,698</u></u>	<u>38,324</u>	<u><u>(\$43,374)</u></u>
Fund balances (deficit) at beginning of year		<u>1,732,765</u>			<u>300,461</u>	
Fund balances (deficit) at end of year		<u><u>\$3,200,415</u></u>			<u><u>\$338,785</u></u>	



CAPITAL PROJECTS FUNDS

PUBLIC FACILITIES IMPACT FEE			FIRE IMPACT FEES			MAIN STREET		
Budget	Actual	Variance Positive (Negative)	Budget	ACRual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$600,000	\$1,054,994	\$454,994	\$100,000	\$268,638	\$168,638			
3,000	14,338	11,338	2,000	10,065	8,065			
				48,638	48,638			
<u>603,000</u>	<u>1,069,332</u>	<u>466,332</u>	<u>102,000</u>	<u>327,341</u>	<u>225,341</u>			
20,000	32,643	(12,643)	103,500	10,079	93,421			
			1,090,943	1,119,207	(28,264)	\$2,112,001	\$85,261	\$2,026,740
	967	(967)						
<u>20,000</u>	<u>33,610</u>	<u>(13,610)</u>	<u>1,194,443</u>	<u>1,129,286</u>	<u>65,157</u>	<u>2,112,001</u>	<u>85,261</u>	<u>2,026,740</u>
<u>583,000</u>	<u>1,035,722</u>	<u>452,722</u>	<u>(1,092,443)</u>	<u>(801,945)</u>	<u>290,498</u>	<u>(2,112,001)</u>	<u>(85,261)</u>	<u>2,026,740</u>
<u>(676,869)</u>	<u>(676,869)</u>					1,350,000	1,350,000	
<u>(676,869)</u>	<u>(676,869)</u>					1,350,000	1,350,000	
<u>(\$93,869)</u>	358,853	<u>\$452,722</u>	<u>(\$1,092,443)</u>	(801,945)	<u>\$290,498</u>	<u>(\$762,001)</u>	1,264,739	<u>\$2,026,740</u>
	<u>332,510</u>			<u>1,038,891</u>			<u>764,502</u>	
	<u>\$691,363</u>			<u>\$236,946</u>			<u>\$2,029,241</u>	

(Continued)

CITY OF OAKLEY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	CAPITAL PROJECTS FUNDS					
	CYPRESS GROVE CAPITAL PROJECT			STREET MAINTENANCE RESERVE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental:						
Other						
Developer fees						
Special assessments						
Use of money and property	\$1,000	(\$1,049)	(\$2,049)			
Miscellaneous		66,130	66,130			
Total Revenues	<u>1,000</u>	<u>65,081</u>	<u>64,081</u>			
EXPENDITURES						
Current:						
Community Development						
Public Works						
Recreation						
Capital outlay	53,500		53,500			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>53,500</u>		<u>53,500</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(52,500)</u>	<u>65,081</u>	<u>117,581</u>			
OTHER FINANCING SOURCES (USES)						
Transfers in	60,346		(60,346)	\$350,000	\$350,000	
Transfers (out)						
Total Other Financing Sources (Uses)	<u>60,346</u>		<u>(60,346)</u>	<u>350,000</u>	<u>350,000</u>	
NET CHANGE IN FUND BALANCES	<u>\$7,846</u>	<u>65,081</u>	<u>\$57,235</u>	<u>\$350,000</u>	<u>350,000</u>	
Fund balances (deficit) at beginning of year		<u>36,419</u>			<u>1,045,319</u>	
Fund balances (deficit) at end of year		<u>\$101,500</u>			<u>\$1,395,319</u>	

CAPITAL PROJECTS FUNDS

2006-1 ASSESSMENT DISTRICT			DEBT SERVICE FUND		
<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$1,000	\$4,089	\$3,089	\$5,000	(\$928)	(\$5,928)
	55,680	55,680			
<u>1,000</u>	<u>59,769</u>	<u>58,769</u>	<u>5,000</u>	<u>(928)</u>	<u>(5,928)</u>
			295,000	295,000	
			381,869	377,943	3,926
			<u>676,869</u>	<u>672,943</u>	<u>3,926</u>
<u>1,000</u>	<u>59,769</u>	<u>58,769</u>	<u>(671,869)</u>	<u>(673,871)</u>	<u>(2,002)</u>
89,440		(89,440)	676,869	676,869	
<u>89,440</u>		<u>(89,440)</u>	<u>676,869</u>	<u>676,869</u>	
<u>\$90,440</u>	<u>59,769</u>	<u>(\$30,671)</u>	<u>\$5,000</u>	<u>2,998</u>	<u>(\$2,002)</u>
	345,122			41,288	
	<u>\$404,891</u>			<u>\$44,286</u>	

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## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

### **EQUIPMENT REPLACEMENT**

This fund is used to finance and account for the replacement of equipment used by City departments.

### **CAPITAL FACILITIES MAINTENANCE AND REPLACEMENT**

This fund is used to account for the maintenance and replacement of the City's capital facilities used by City departments.

CITY OF OAKLEY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
<b>ASSETS</b>			
Current:			
Cash and investments available for operations	\$997,109	\$135,724	\$1,132,833
Receivables:			
Accounts	2,250		2,250
Interest	3,197	435	3,632
Total Current Assets	<u>1,002,556</u>	<u>136,159</u>	<u>1,138,715</u>
Noncurrent:			
Capital assets:			
Land and construction in progress	51,616		51,616
Depreciable, net	694,568	5,583,577	6,278,145
Total Noncurrent Assets	<u>746,184</u>	<u>5,583,577</u>	<u>6,329,761</u>
Total Assets	<u>1,748,740</u>	<u>5,719,736</u>	<u>7,468,476</u>
<b>LIABILITIES</b>			
Accounts payable	51,616		51,616
Total Assets	<u>51,616</u>		<u>51,616</u>
<b>NET POSITION</b>			
Net investment in capital assets	746,184	5,583,577	6,329,761
Unrestricted	950,940	136,159	1,087,099
Total Net Position	<u>\$1,697,124</u>	<u>\$5,719,736</u>	<u>\$7,416,860</u>

CITY OF OAKLEY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$160,000	\$455,000	\$615,000
Total Operating Revenues	<u>160,000</u>	<u>455,000</u>	<u>615,000</u>
<b>OPERATING EXPENSES</b>			
Supplies	66,809	716,520	783,329
Depreciation	308,010	276,406	584,416
Total Operating Expenses	<u>374,819</u>	<u>992,926</u>	<u>1,367,745</u>
Operating Income (Loss)	<u>(214,819)</u>	<u>(537,926)</u>	<u>(752,745)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain on sale of assets	6,198		6,198
Interest income	29,280	5,159	34,439
Total Nonoperating Revenues	<u>35,478</u>	<u>5,159</u>	<u>40,637</u>
Income (Loss) Before Contributions	<u>(179,341)</u>	<u>(532,767)</u>	<u>(712,108)</u>
Contributions	<u>50,113</u>		<u>50,113</u>
Change in net position	(129,228)	(532,767)	(661,995)
BEGINNING NET POSITION	<u>1,826,352</u>	<u>6,252,503</u>	<u>8,078,855</u>
ENDING NET POSITION	<u><u>\$1,697,124</u></u>	<u><u>\$5,719,736</u></u>	<u><u>\$7,416,860</u></u>

CITY OF OAKLEY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$157,750	\$455,000	\$612,750
Payments to suppliers	(218,460)	(731,658)	(950,118)
Cash Flows from Operating Activities	<u>(60,710)</u>	<u>(276,658)</u>	<u>(337,368)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	6,198		6,198
Acquisition of capital assets	(151,867)	(53,287)	(205,154)
Cash Flows from Noncapital Financing Activities	<u>(145,669)</u>	<u>(53,287)</u>	<u>(198,956)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest	31,454	6,529	37,983
Net Cash Flows	(174,925)	(323,416)	(498,341)
Cash and investments at beginning of period	1,172,034	459,140	1,631,174
Cash and investments at end of period	<u>\$997,109</u>	<u>\$135,724</u>	<u>\$1,132,833</u>
<b>NONCASH TRANSACTIONS</b>			
Contribution of capital assets	<u>\$50,113</u>		<u>\$50,113</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>			
Operating income (loss)	(\$214,819)	(\$537,926)	(\$752,745)
<b>Adjustments to reconcile operating income (loss) to cash flows from operating activities:</b>			
Depreciation	308,010	276,406	584,416
<b>Net change in assets and liabilities:</b>			
Accounts receivable	(2,250)		(2,250)
Accounts payable	(151,651)	(15,138)	(166,789)
Cash Flows from Operating Activities	<u>(\$60,710)</u>	<u>(\$276,658)</u>	<u>(\$337,368)</u>



## AGENCY FUNDS

Agency Funds account for assets held by the City as an agent for individuals, governmental entities and non-public organizations.

### ASSESSMENT DISTRICT 2004-1

This fund accounts for Assessment District 2004-1 special assessment collections and debt service payments.

### GENERAL AGENCY FUND

This fund accounts for fees established by the County to fund future County capital facilities from development that are collected via building permits and submitted to the County, as well as assets held on behalf of other agencies for other purposes.

### ASSESSMENT DISTRICT 2006-1

This fund accounts for Assessment District 2006-1 special assessment collections and debt service payments.

CITY OF OAKLEY  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
<u>Assessment District 2004-1</u>				
Assets				
Cash and investments	\$982,112	\$1,210,960	\$1,157,316	\$1,035,756
Cash with fiscal agent	1,176,565	18,585		1,195,150
Interest receivable	3,424	1,942	3,424	1,942
Total Assets	<u>\$2,162,101</u>	<u>\$1,231,487</u>	<u>\$1,160,740</u>	<u>\$2,232,848</u>
Liabilities				
Due to bondholders	<u>\$2,162,101</u>	<u>\$1,231,487</u>	<u>\$1,160,740</u>	<u>\$2,232,848</u>
Total Liabilities	<u>\$2,162,101</u>	<u>\$1,231,487</u>	<u>\$1,160,740</u>	<u>\$2,232,848</u>
<u>General Agency Fund</u>				
Assets				
Cash and investments	<u>\$1,033,602</u>	<u>\$3,596,594</u>	<u>\$2,151,471</u>	<u>\$2,478,725</u>
Liabilities				
Accounts payable		\$2,151,471		\$2,151,471
Due to other agencies	<u>\$1,033,602</u>	<u>1,445,123</u>	<u>\$2,151,471</u>	<u>327,254</u>
Total Liabilities	<u>\$1,033,602</u>	<u>\$3,596,594</u>	<u>\$2,151,471</u>	<u>\$2,478,725</u>
<u>Assessment District 2006-1</u>				
Assets				
Cash and investments	\$728,520	\$767,293	\$704,032	\$791,781
Cash with fiscal agent	349,241	7,775		357,016
Interest receivable	2,665	1,641	2,665	1,641
Total Assets	<u>\$1,080,426</u>	<u>\$776,709</u>	<u>\$706,697</u>	<u>\$1,150,438</u>
Liabilities				
Accounts payable		\$4,250		\$4,250
Due to bondholders	<u>\$1,080,426</u>	<u>772,459</u>	<u>\$706,697</u>	<u>1,146,188</u>
Total Liabilities	<u>\$1,080,426</u>	<u>\$776,709</u>	<u>\$706,697</u>	<u>\$1,150,438</u>
<u>Totals - All Agency Funds</u>				
Assets				
Cash and investments	\$2,744,234	\$5,574,847	\$4,012,819	\$4,306,262
Cash with fiscal agent	1,525,806	26,360		1,552,166
Interest receivable	6,089	3,583	6,089	3,583
Total Assets	<u>\$4,276,129</u>	<u>\$5,604,790</u>	<u>\$4,018,908</u>	<u>\$5,862,011</u>
Liabilities				
Accounts payable		\$2,155,721		\$2,155,721
Due to other agencies	\$1,033,602	1,445,123	\$2,151,471	327,254
Due to bondholders	<u>3,242,527</u>	<u>2,003,946</u>	<u>1,867,437</u>	<u>3,379,036</u>
Total Liabilities	<u>\$4,276,129</u>	<u>\$5,604,790</u>	<u>\$4,018,908</u>	<u>\$5,862,011</u>

# **STATISTICAL SECTION**

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## STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

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

### ***Revenue Capacity***

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Tax Payers
4. Property Tax Levies and Collections

### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Bonded Debt Pledged Revenue Coverage, Former Redevelopment Agency Tax Allocation Bonds

### ***Demographic and Economic Information***

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

1. Demographic and Economic Statistics
2. Principal Employers

### ***Operating Information***

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

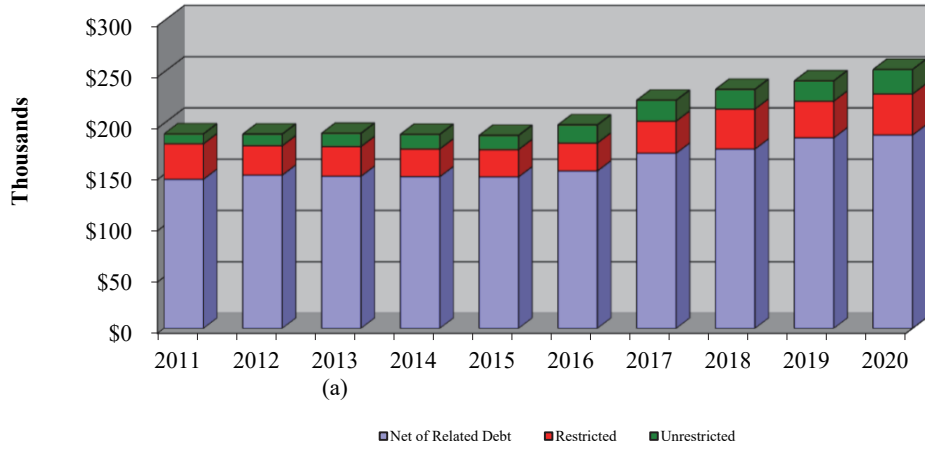
1. Budgeted Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

### ***Sources***

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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**CITY OF OAKLEY**  
**Net Position by Component (000's)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**



	Fiscal Year Ended June 30,									
	2011	2012	2013 (a)	2014	2015	2016	2017	2018	2019	2020
<b>Primary government</b>										
<b>Governmental activities</b>										
Net investment in capital assets	\$145,396	\$149,394	\$148,296	\$147,874	\$147,685	\$153,509	\$170,799	\$174,868	\$185,805	\$188,555
Restricted	34,572	28,647	28,996	27,042	26,651	27,205	31,286	39,006	35,780	39,992
Unrestricted	9,713	11,462	12,975	14,338	13,898	17,784	20,395	19,286	19,877	24,020
Total governmental activities net position	<u>\$189,681</u>	<u>\$189,503</u>	<u>\$190,267</u>	<u>\$189,254</u>	<u>\$188,234</u>	<u>\$198,498</u>	<u>\$222,480</u>	<u>\$233,160</u>	<u>\$241,462</u>	<u>\$252,567</u>

NOTES:

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

**CITY OF OAKLEY**  
**Changes in Net Position (000's)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

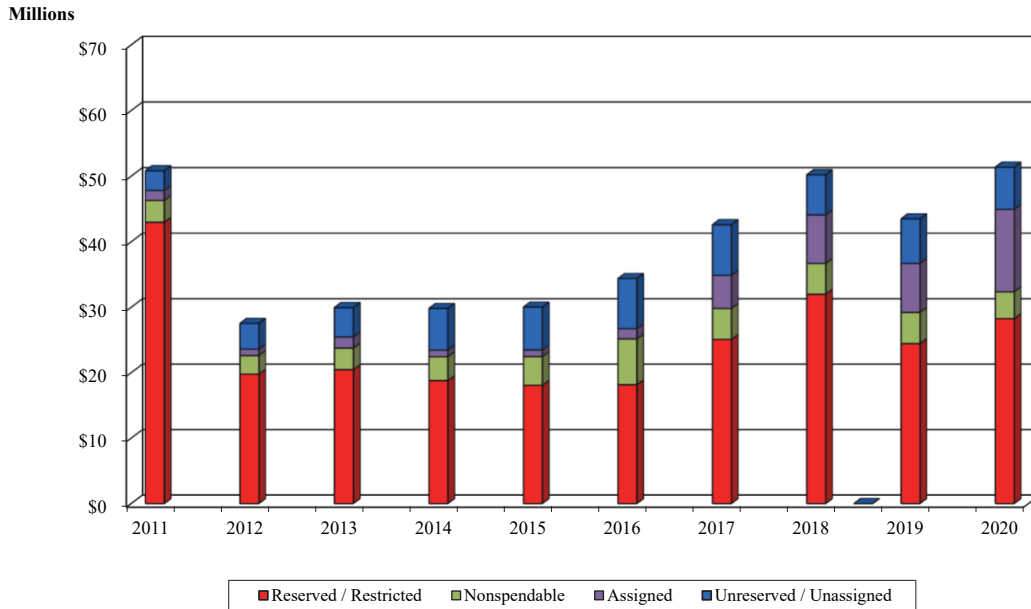
	Fiscal Year Ended June 30,									
	2011	2012	2013 (c)	2014	2015	2016	2017	2018	2019	2020 (f)
<b>Expenses</b>										
Governmental Activities:										
Legislative	\$500	\$466	\$492	\$446	\$466	\$481	\$604	\$641	\$754	\$661
Administrative Services	913	769	973	1,301	1,341	1,220	1,855	1,877	1,971	3,197
Community Development	1,830	1,711	1,802	1,819	1,843	2,152	2,088	3,160	4,019	4,572
Public Works	9,181	12,507 (a)	9,631	10,177	10,640	11,478	11,818	12,200	12,969	13,198
Redevelopment and										
Economic Development	2,023	932 (b)	9	8	45	85	3	3	4	4
Housing Programs										
Law Enforcement	7,259	7,462	7,338	7,694	8,314	8,230	8,066	9,097	9,567	10,257
Recreation	273	360	420	478	524	560	562	629	771	662
Interest and fiscal charges	2,000	606 (b)	324	317	301	292	476	400	390	378
Total Governmental Activities Expenses	<u>23,979</u>	<u>24,813</u>	<u>20,989</u>	<u>22,240</u>	<u>23,474</u>	<u>24,498</u>	<u>25,472</u>	<u>28,007</u>	<u>30,445</u>	<u>32,929</u>
Total Primary Government Expenses	<u>\$23,979</u>	<u>\$24,813</u>	<u>\$20,989</u>	<u>\$22,240</u>	<u>\$23,474</u>	<u>\$24,498</u>	<u>\$25,472</u>	<u>\$28,007</u>	<u>\$30,445</u>	<u>\$32,929</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Administrative Services	\$156	\$154	\$235	\$266	\$252	\$395	\$521	\$549	\$399	\$889
Community Development	1,341	1,186	1,461	1,154	1,375	2,133	2,151	3,137	2,759	3,312
Public Works	3,209	3,266	3,391	3,499	3,592	3,951	4,245	4,764	5,206	5,571
Law Enforcement	2,426	2,718	3,038	3,232	3,506	3,638	4,068	4,426	4,887	5,408
Recreation	42	74	54	69	73	98	126	166	189	583
Operating Grants and Contributions	1,116	1,630	1,371	1,503	1,714	1,356	1,309	1,619	2,090	2,246
Capital Grants and Contributions	5,940	8,433	3,360	2,625	2,715	5,040	10,324	10,562	8,430	10,090
Total Government Activities										
Program Revenues	14,230	17,461	12,910	12,348	13,227	16,611	22,744	25,223	23,960	28,099
Total Primary Government										
Program Revenues	<u>\$14,230</u>	<u>\$17,461</u>	<u>\$12,910</u>	<u>\$12,348</u>	<u>\$13,227</u>	<u>\$16,611</u>	<u>\$22,744</u>	<u>\$25,223</u>	<u>\$23,960</u>	<u>\$28,099</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	<u>(\$9,749)</u>	<u>(\$7,352)</u>	<u>(\$8,079)</u>	<u>(\$9,892)</u>	<u>(\$10,247)</u>	<u>(\$7,887)</u>	<u>(\$2,728)</u>	<u>(\$2,784)</u>	<u>(\$6,485)</u>	<u>(\$4,830)</u>
Total Primary Government Net Expense	<u>(\$9,749)</u>	<u>(\$7,352)</u>	<u>(\$8,079)</u>	<u>(\$9,892)</u>	<u>(\$10,247)</u>	<u>(\$7,887)</u>	<u>(\$2,728)</u>	<u>(\$2,784)</u>	<u>(\$6,485)</u>	<u>(\$4,830)</u>
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$7,050	\$5,561 (b)	\$4,359	\$4,499	\$5,331	\$5,814	\$6,233	\$6,918	\$7,435	\$7,965
Sales Taxes	1,413	1,590	1,618	1,521	1,506	1,753	1,774	1,826	2,041	2,183
Transient Occupancy Tax	118	165	196	195	196	210	267	276	270	233
Nonregulatory Franchise and Business	1,062	1,136	1,222	1,341	1,418	1,584	1,686	1,877	1,934	2,042
Intergovernmental, unrestricted:										
Motor Vehicle In-Lieu	159	18	18	16	16	16	18	22	20	33
Other							186		2	
Interest Earnings and Use of Property	883	653	371	436	519	557	563	881	1,645	1,573
Other	1,477	873	1,058	871	1,056	1,890	1,340	1,665	1,440	1,907
Extraordinary / Special Item		(2,820) (b)			362 (d)	6,327 (e)	14,642 (e)			
Total Government Activities	<u>12,162</u>	<u>9,996</u>	<u>8,842</u>	<u>8,879</u>	<u>10,404</u>	<u>18,151</u>	<u>26,709</u>	<u>13,465</u>	<u>14,787</u>	<u>15,936</u>
Total Primary Government	<u>\$12,162</u>	<u>\$9,996</u>	<u>\$8,842</u>	<u>\$8,879</u>	<u>\$10,404</u>	<u>\$18,151</u>	<u>\$26,709</u>	<u>\$13,465</u>	<u>\$14,787</u>	<u>\$15,936</u>
<b>Change in Net Position</b>										
Governmental Activities	<u>\$2,413</u>	<u>\$2,644</u>	<u>\$763</u>	<u>(\$1,013)</u>	<u>\$157</u>	<u>\$10,264</u>	<u>\$23,981</u>	<u>\$10,681</u>	<u>\$8,302</u>	<u>\$11,106</u>
Total Primary Government	<u>\$2,413</u>	<u>\$2,644</u>	<u>\$763</u>	<u>(\$1,013)</u>	<u>\$157</u>	<u>\$10,264</u>	<u>\$23,981</u>	<u>\$10,681</u>	<u>\$8,302</u>	<u>\$11,106</u>

NOTES:

- (a) The City conveyed a completed fire station project totaling \$3.3 million to the East Contra Costa County Fire Protection District which was recorded as an expenditure in the Statement of Activities.
- (b) The Redevelopment Agency was dissolved effective January 31, 2012 and its non-housing assets and liabilities were assumed by a Successor Agency.
- (c) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."
- (d) Pursuant to a settlement agreement with the Department of Finance, the City transferred assets to the Successor Agency and the Successor Agency transferred assets to the City.
- (e) Pursuant to the Long Range Property Management Plan, the Successor Agency transferred assets to the City.
- (f) Revenues were reclassified in fiscal year 2019-20. Prior years have not been revised.



**CITY OF OAKLEY**  
**Fund Balances of Governmental Funds (000's)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	\$2,847	\$2,843	\$3,301	\$3,654	\$4,375	\$7,000	\$4,741	\$4,704	\$4,793	\$4,104
Restricted	559	559	559	560	559	559	559	202	429	644
Assigned	155	100	991	331	170	943	626	4,257	3,919	5,960
Unassigned	4,347	5,255	6,151	7,837	7,938	9,068	8,769	7,172	7,796	7,342
<b>Total General Fund</b>	<u>\$7,908</u>	<u>\$8,757</u>	<u>\$11,002</u>	<u>\$12,382</u>	<u>\$13,042</u>	<u>\$17,570</u>	<u>\$14,695</u>	<u>\$16,335</u>	<u>\$16,937</u>	<u>\$18,050</u> (b)
<b>All Other Governmental Funds</b>										
Nonspendable	\$497									
Restricted	42,404	\$19,210	\$19,898	\$18,233	\$17,525	\$17,593	\$24,517	\$31,783	\$24,004	\$27,615
Assigned	1,344	884	698	668	829	622	4,434	3,132	3,543	6,625
Unassigned	(1,339)	(1,320)	(1,645)	(1,467)	(1,374)	(1,401)	(1,046)	(1,039)	(993)	(920)
<b>Total all other governmental funds</b>	<u>\$42,906</u>	<u>\$18,774</u> (a)	<u>\$18,951</u>	<u>\$17,434</u>	<u>\$16,980</u>	<u>\$16,814</u>	<u>\$27,905</u>	<u>\$33,876</u>	<u>\$26,554</u>	<u>\$33,320</u> (b)

NOTES:

(a) The Redevelopment Agency was dissolved effective January 31, 2012 and its assets and liabilities were assumed by a Successor Agency on February 1, 2012, which is reported as a Fiduciary Fund. As a result, governmental fund balances are lower beginning in 2012.

(b) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

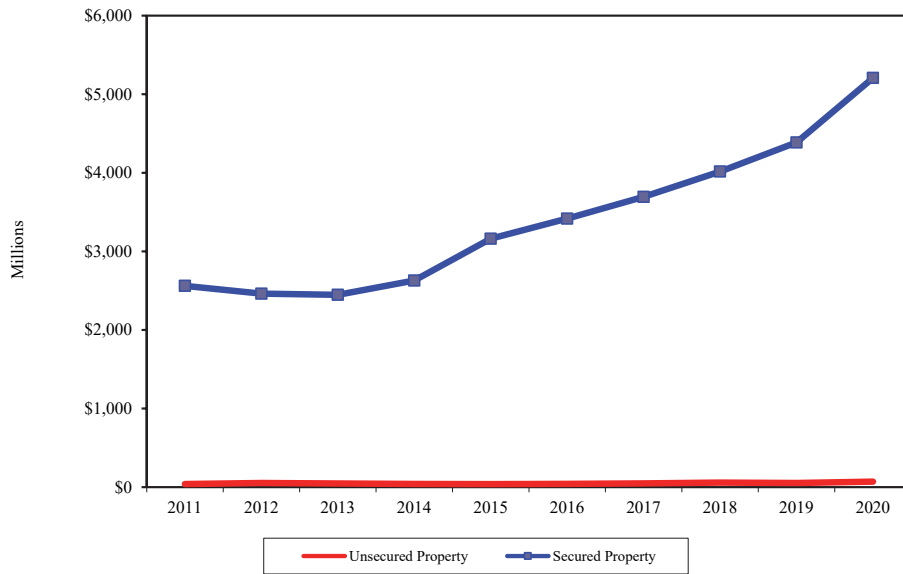
**CITY OF OAKLEY**  
**Changes in Fund Balance of Governmental Funds (000's)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	<b>Fiscal Year Ended June 30,</b>									
	<b>2011</b>	<b>2012 (a)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenues</b>										
Taxes	\$9,526	\$8,344	\$7,729	\$7,446	\$8,331	\$9,213	\$10,179	\$11,499	\$12,484	\$13,663
Licenses, permits and fees	950	990	1,178	1,345	1,285	2,024	2,348	2,562	1,772	2,331
Fines and forfeitures	149	136	181	159	135	138	133	133	129	105
Use of money and property	578	418	121	231	319	563	366	640	1,359	1,383
Intergovernmental revenues	2,538	2,164	3,306	2,471	2,651	3,030	3,015	3,757	5,092	2,961
Charges for services	7,378	8,293	8,648	8,941	9,259	11,578	14,635	16,131	12,490	18,283
Other	1,384	932	1,123	971	1,116	1,867	1,320	4,835	2,578	2,563
<b>Total Revenues</b>	<b>22,503</b>	<b>21,277</b>	<b>22,286</b>	<b>21,564</b>	<b>23,096</b>	<b>28,413</b>	<b>31,996</b>	<b>39,557</b>	<b>35,904</b>	<b>41,289</b>
<b>Expenditures</b>										
<b>Current:</b>										
Legislative	483	452	481	433	449	482	614	612	730	683
Administrative services	783	766	918	1,110	1,287	1,335	1,709	1,419	1,586	3,238
Community development	1,788	1,677	1,771	1,787	1,821	2,274	2,113	3,081	3,959	4,608
Public works	3,682	3,641	4,015	4,608	4,661	5,651	5,921	6,053	6,373	6,093
Redevelopment and economic development	455	276								
Housing programs			9	8	5	85	3	3	3	4
Law enforcement	7,002	7,437	7,186	7,458	7,975	8,098	8,038	9,202	9,779	9,807
Recreation	264	353	414	471	522	566	575	607	750	687
Pass through to County and other agencies	579	642								
SERAF payment	312									
Estimated reduction in value of property held for resale					40					
Capital outlay	10,644	5,946	4,502	5,253	5,293	7,969	6,397	10,279	18,747	7,591
<b>Debt service:</b>										
Principal repayment	742	465	240	255	265	275	6,725	275	280	295
Interest and fiscal charges	2,011	1,159	329	318	306	299	621	417	417	403
<b>Total Expenditures</b>	<b>28,745</b>	<b>22,814</b>	<b>19,865</b>	<b>21,701</b>	<b>22,624</b>	<b>27,034</b>	<b>32,716</b>	<b>31,948</b>	<b>42,624</b>	<b>33,409</b>
Excess (deficiency) of revenues over (under) expenditures	(6,242)	(1,537)	2,421	(137)	472	1,379	(720)	7,609	(6,720)	7,880
<b>Other Financing Sources (Uses)</b>										
Transfers in	3,214	2,100	925	1,067	2,227	2,311	6,091	3,747	2,891	3,933
Transfers (out)	(3,952)	(2,100)	(925)	(1,067)	(2,227)	(2,311)	(6,091)	(3,747)	(2,891)	(3,933)
Proceeds (loss) from sale of property		(14)			10	79	50			
Tax allocation bonds issued										
Lease revenue bonds issued							10,025			
Bond issuance premium							157			
<b>Total other financing sources (uses)</b>	<b>(738)</b>	<b>(14)</b>			<b>10</b>	<b>79</b>	<b>10,232</b>			
Special item					(274)	2,904	(1,294)			
Extraordinary item		(21,734)								
<b>Net Change in fund balances</b>	<b>(\$6,980)</b>	<b>(\$1,551)</b>	<b>\$2,421</b>	<b>(\$137)</b>	<b>\$208</b>	<b>\$4,362</b>	<b>\$8,218</b>	<b>\$7,609</b>	<b>(\$6,720)</b>	<b>\$7,880</b>
<b>Debt service as a percentage of noncapital expenditures</b>										
	13.0%	10.3%	6.0%	3.6%	3.1%	2.6%	29.9%	2.7%	2.1%	4.8%

**NOTES:**

(a) The Redevelopment Agency was dissolved effective January 31, 2012 and its assets and liabilities were assumed by a Successor Agency on February 1, 2012, therefore, activities in various areas were lower in the current year, including property taxes, community development and debt service.

**CITY OF OAKLEY**  
**ASSESSED AND ESTIMATED ACTUAL**  
**VALUE OF TAXABLE PROPERTY (MILLIONS)**  
**LAST TEN FISCAL YEARS**



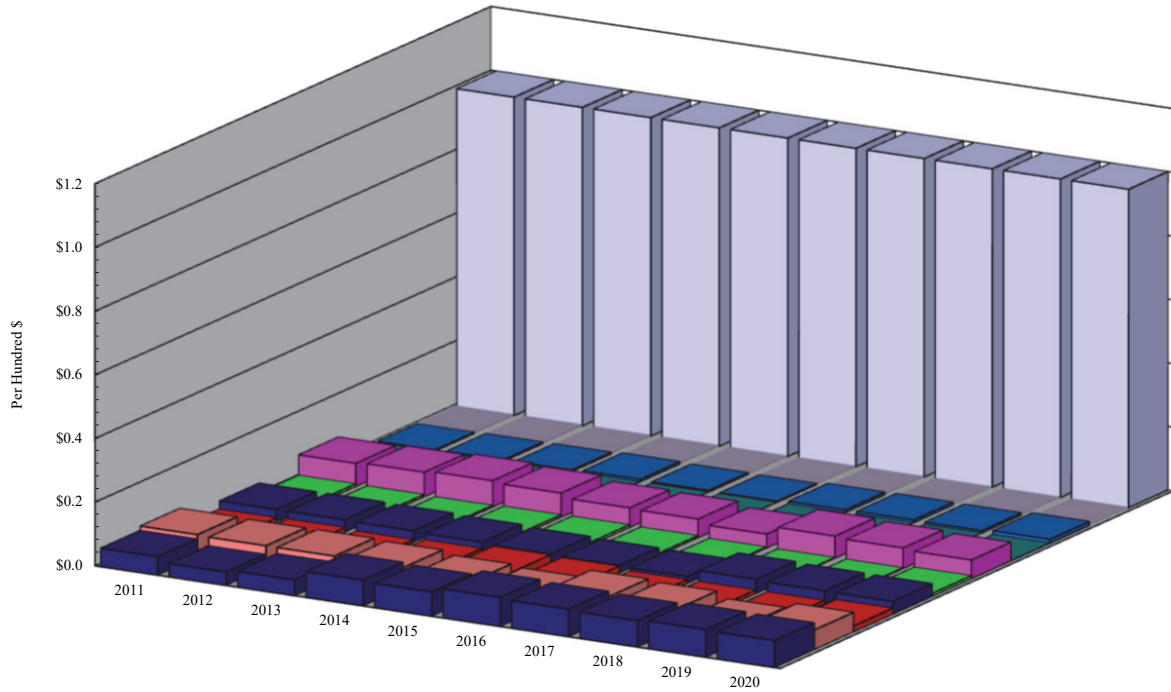
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2011	\$2,213	\$110	\$16	\$182	\$2,521	\$40	\$2,561	\$2,561	1%
2012	2,132	107	11	159	2,409	53	2,462	2,462	1%
2013	2,125	102	11	162	2,400	47	2,447	2,447	1%
2014	2,350	103	11	124	2,588	41	2,629	2,629	1%
2015	2,869	112	11	131	3,123	38	3,161	3,161	1%
2016	3,105	112	11	147	3,375	42	3,417	3,417	1%
2017	3,314	130	11	190	3,645	48	3,693	3,693	1%
2018	3,639	142	11	166	3,958	58	4,016	4,016	1%
2019	3,997	148	45	143	4,333	53	4,386	4,386	1%
2020	4,395	153	56	533	5,137	70	5,207	5,207	1%

Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

Notes:

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus the value of any new construction, plus an increment of no more than two percent annually. These values are considered to be full market values.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Oakley includes 44 tax rate areas.

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



■ Antioch Unified School District	■ Brentwood Elementary School District	■ Contra Costa Community College
■ Liberty Union School District	■ East Bay Regional Park District	■ Oakley Union School District
■ Las Positas Community College	■ BART	■ Contra Costa Water Land Levy
■ Basic County Wide Levy		

Fiscal Year	Basic County Wide Levy	East Bay Regional Park District	Oakley Union School District	Liberty Union School District	Brentwood Elementary School District	Contra Costa Community College	BART	Contra Costa Water Land Levy	Chabot Las Positas Community College	Antioch Unified School District	Total
2011	\$1.0000	\$0.0084	\$0.0725	\$0.0390	\$0.0715	\$0.0133	\$0.0031	\$0.0049	\$0.0000	\$0.0578	\$1.2705
2012	1.0000	0.0071	0.0767	0.0386	0.0688	0.0144	0.0041	0.0051	0.0000	0.0417	1.2565
2013	1.0000	0.0051	0.0823	0.0364	0.0685	0.0087	0.0043	0.0045	0.0000	0.0495	1.2593
2014	1.0000	0.0078	0.0757	0.0328	0.0639	0.0133	0.0075	0.0042	0.0000	0.0809	1.2861
2015	1.0000	0.0085	0.0614	0.0273	0.0522	0.0252	0.0045	0.0037	0.0000	0.0764	1.2592
2016	1.0000	0.0067	0.0583	0.0237	0.0447	0.0220	0.0026	0.0035	0.0000	0.0912	1.2527
2017	1.0000	0.0032	0.0433	0.0217	0.0698	0.0120	0.0080	0.0032	0.0000	0.0864	1.2476
2018	1.0000	0.0021	0.0693	0.0450	0.0635	0.0114	0.0084	0.0030	0.0000	0.0824	1.2851
2019	1.0000	0.0021	0.0641	0.0414	0.0445	0.0110	0.0070	0.0028	0.0000	0.0870	1.2599
2020	1.0000	0.0094	0.0585	0.0399	0.0617	0.0188	0.0120	0.0026	0.0000	0.0843	1.2872

Source: Contra Costa County Auditor-Controller

**CITY OF OAKLEY**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago (000's)**

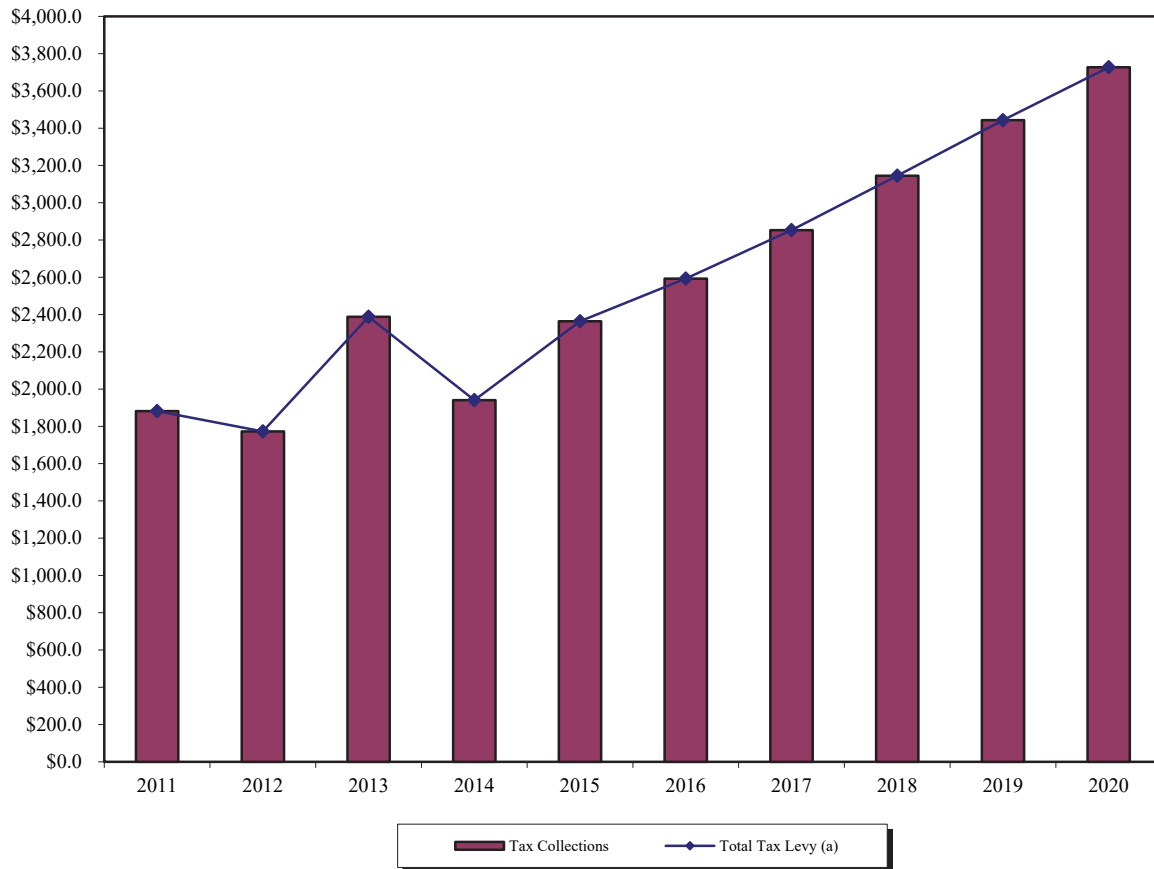
<u>Taxpayer</u>	<u>2019-20</u>			<u>2010-11</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
CC County Communities LLC	\$30,369,502	1	0.64%			
ACD TI Oakley LLC	26,552,025	2	0.56%			
Oakley Self Storage LP	22,589,142	3	0.48%			
Cypress Square and Associates	19,891,642	4	0.42%	\$17,190,168	3	0.67%
Foundation Constructors Inc	16,810,282	5	0.35%			
Neroly Sports Club Investors	15,297,491	6	0.32%	23,326,709	1	0.91%
Albert D Seeno Construction	12,256,585	7	0.26%	12,712,500	5	0.50%
HPH Properties LP	11,240,783	8	0.24%	7,801,983	10	0.30%
Shurgard Storage Centers Inc	9,510,025	9	0.20%	8,210,058	7	0.32%
Comcast Corporation	9,334,092	10	0.20%			
Shea Homes LP				20,831,117	2	0.81%
New Urban Comm LLC				13,282,245	4	0.52%
Federal National Mortgage Association				9,406,234	6	0.37%
KT-KB Oakley LLC				8,099,000	8	0.32%
Forecast Land Investment LLC				7,947,436	9	0.31%
Subtotal	<u>\$173,851,569</u>		<u>3.34%</u>	<u>\$128,807,450</u>		<u>5.03%</u>

Total Net Assessed Valuation (000's):

Fiscal Year 2019-2020	\$5,207,000,000
Fiscal Year 2010-2011	\$2,561,000,000

Source: HdL Companies (Contra Costa County Assessor 2010/2011 Combined Tax Rolls and the SBE Non Unitary Tax Roll)

**CITY OF OAKLEY  
PROPERTY TAX LEVIES AND COLLECTIONS (THOUSANDS)  
LAST TEN FISCAL YEARS**



<b>Fiscal Year</b>	<b>Total Tax Levy (a)</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
2011	\$1,882	\$1,882	100.0%	(a)	\$1,882	100.0%
2012	1,773	1,773	100.0%	(a)	1,773	100.0%
2013	2,388 (b)	2,388	100.0%	(a)	2,388	100.0%
2014	1,941	1,941	100.0%	(a)	1,941	100.0%
2015	2,364	2,364	100.0%	(a)	2,364	100.0%
2016	2,593	2,593	100.0%	(a)	2,593	100.0%
2017	2,853	2,853	100.0%	(a)	2,853	100.0%
2018	3,145	3,145	100.0%	(a)	3,145	100.0%
2019	3,443	3,443	100.0%	(a)	3,443	100.0%
2020	3,727	3,727	100.0%	(a)	3,727	100.0%

Source: City of Oakley Records

NOTES: Amounts reported above include only the 1% basic property taxes allocated to the City. They do not include special taxes, assessments, or property taxes received in lieu of vehicle license fees.

(a) The County apportions taxes under the alternative method of apportionment authorized under Revenue & Taxation Code sections 4701 et seq, under which the County provides the City with 100% of its tax levy. The County retains any penalty and delinquency charges collected.

(b) \$443 thousand of the decline in the 2010 tax levy was caused by the State's borrowing of property tax revenue under the provisions of Proposition 1A; and the increase in 2013 included the repayment of the loan.

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

<b>Governmental Activities (in thousands)</b>							
<b>Fiscal Year</b>	<b>Tax Allocation Bonds</b>	<b>Jurisdictional Transfer Agreement Pass - Throughs</b>	<b>Certificates of Participation</b>	<b>Lease Revenue Bonds</b>	<b>Total</b>	<b>Percentage of Personal Income (a)</b>	<b>Per Capita (a)</b>
2011	\$32,265	\$0	\$7,680	\$0	\$39,945	5.01%	\$1,121
2012	0 (b)	0	7,450	0	7,450	0.82%	204
2013	0	0	7,210	0	7,210	0.76%	194
2014	0	0	6,955	0	6,955	0.72%	183
2015	0	0	6,690	0	6,690	0.66%	175
2016	0	0	6,415	0	6,415	0.61%	160
2017	0	0	0	9,715	9,715	0.90%	236
2018	0	0	0	9,440	9,440	0.86%	226
2019	0	0	0	9,160	9,160	0.76%	219
2020	0	0	0	8,865	8,865	0.70%	209

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

Sources: City of Oakley

(a) See the Demographic Statistics schedule for personal income and population data.

(b) Upon the dissolution of the Redevelopment Agency effective January 31, 2012, a Successor Agency assumed the liabilities of the former Redevelopment Agency, including the Tax Allocation Bonds.

**CITY OF OAKLEY**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2020**

2019-20 Assessed Valuation, Excluding the Redevelopment Agency \$4,268,346,395

	Net Debt Outstanding	Percentage Applicable To City of Oakley	Amount Applicable To City of Oakley
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Contra Costa County Pension Debt	\$85,690,000	2.198%	\$1,883,560
Bay Area Rapid Transit District Bonds	342,153,035	2.198%	7,520,898
Bart Bond	342,719,362	2.198%	7,533,347
East Bay Regional Park District Bonds	66,651,714	2.198%	1,465,078
Liberty Union High School District 1994, 2001 and 2016 Bonds	114,327,671	20.203%	23,097,256
Brentwood Union School District Bonds	97,059,704	0.151%	146,764
Oakley Union School District Bonds	55,615,000	88.715%	49,338,713
Antioch Unified School District School Facilities Improvement District No. 1	120,867,494	5.355%	6,472,461
Contra Costa Community College District Bonds	832,650,000	2.206%	18,365,063
<b>TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$2,057,733,980</b>		<b>\$115,823,140</b>
<b>DIRECT DEBT:</b>			
<b>City of Oakley Lease Revenue Bonds</b>	<b>\$8,865,000</b>	100.000%	<b>\$8,865,000</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$124,688,140 (1)</b>

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

**RATIOS TO 2019-20 ASSESSED VALUATION:**

Direct Debt	0.00%
Overlapping Debt	2.71%
Total Debt	2.71%

Source: HdL Coren & Cone

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.



**CITY OF OAKLEY  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
JUNE 30, 2020**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$5,207,000,000
---	-----------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$195,262,500
---	---------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$0
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Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	0
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Amount of debt subject to limit	0
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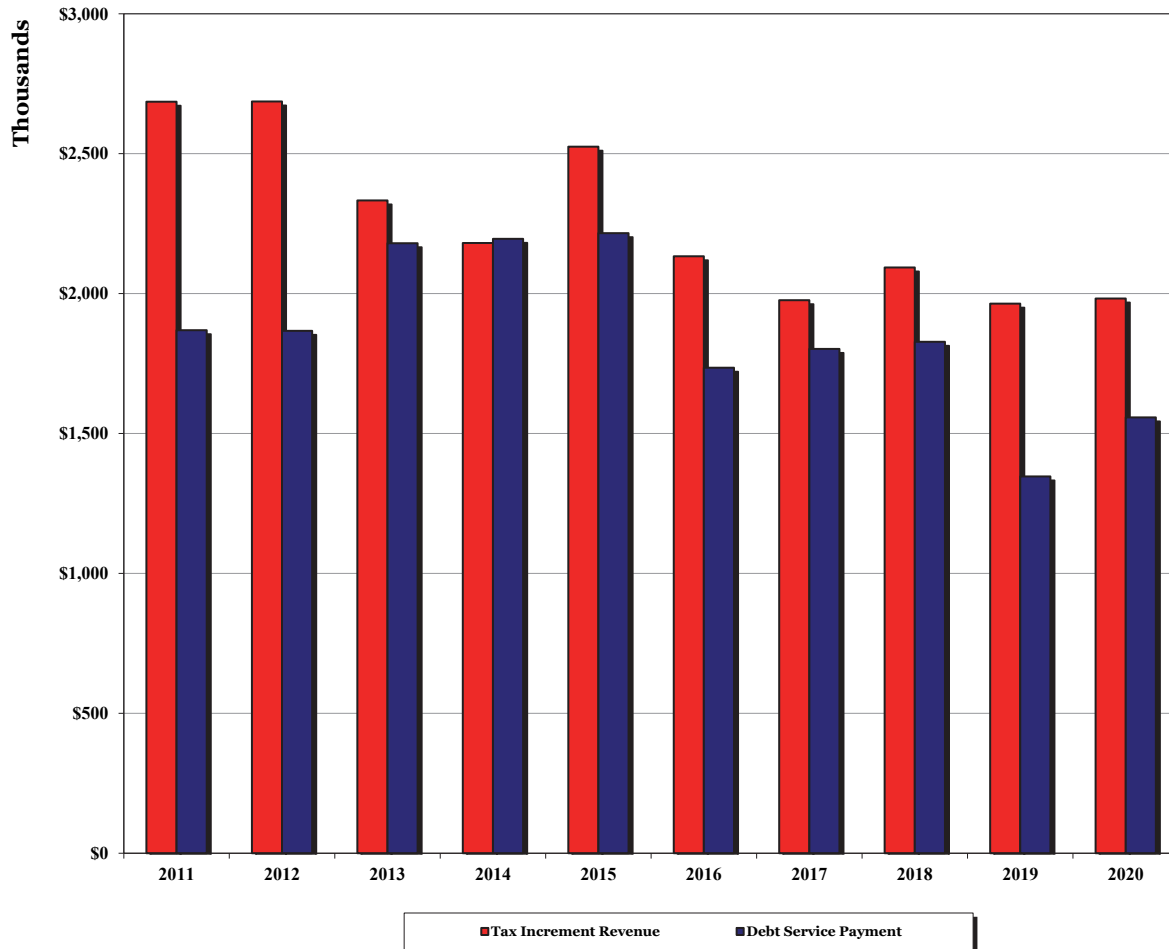
LEGAL BONDED DEBT MARGIN	\$195,262,500
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2011	\$96,075,000	\$0	\$96,075,000	0.00%
2012	92,325,000	0	92,325,000	0.00%
2013	91,762,500	0	91,762,500	0.00%
2014	98,587,500	0	98,587,500	0.00%
2015	118,537,500	0	118,537,500	0.00%
2016	128,137,500	0	128,137,500	0.00%
2017	138,487,500	0	138,487,500	0.00%
2018	150,600,000	0	150,600,000	0.00%
2019	164,475,000	0	164,475,000	0.00%
2020	195,262,500	0	195,262,500	0.00%

NOTES:

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

**CITY OF OAKLEY**  
**BONDED DEBT PLEDGED REVENUE COVERAGE**  
**FORMER REDEVELOPMENT AGENCY TAX ALLOCATION BONDS**  
**LAST TEN FISCAL YEARS**

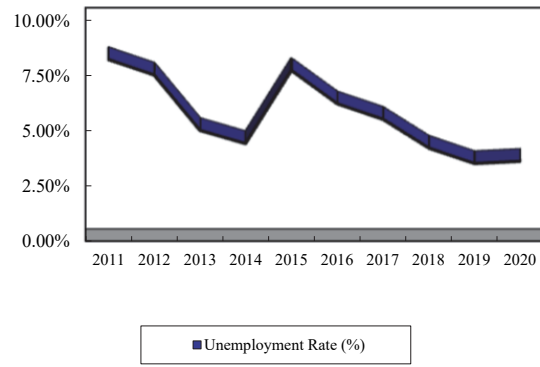
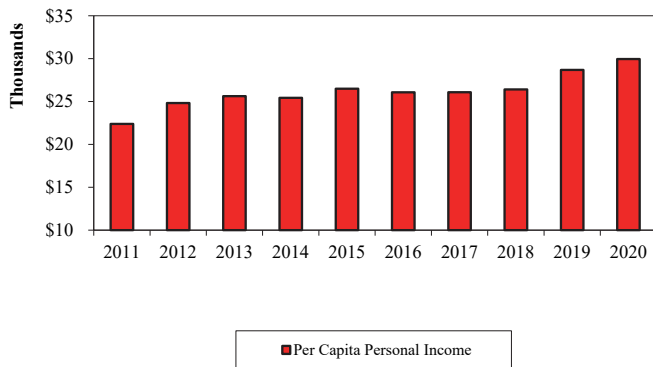
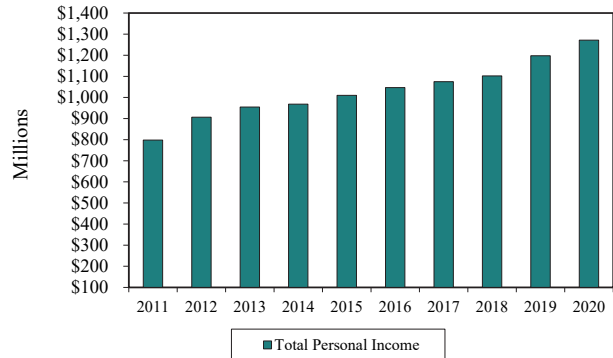
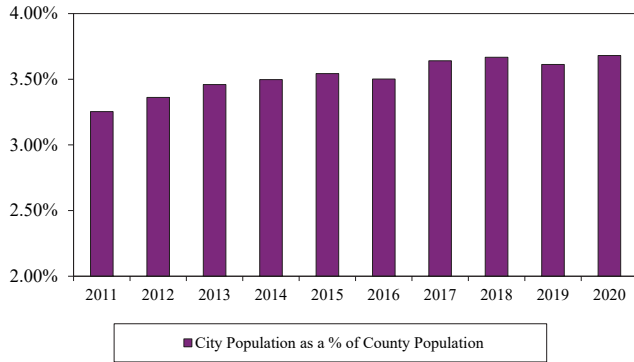


Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$2,685,494	\$225,000	\$1,644,221	\$1,869,221	1.44
2012	2,686,625 (a) (b)	235,000 (a)	1,631,824	1,866,824 (a)	1.44
2013	2,332,827 (b)	560,000 (c)	1,619,876 (c)	2,179,876	1.07
2014	2,180,805 (b)	610,000 (c)	1,585,609 (c)	2,195,609	0.99
2015	2,525,004 (b)	660,000 (c)	1,555,802 (c)	2,215,802	1.14
2016	2,133,349 (b)	425,000 (c)	1,310,054 (c)	1,735,054	1.23
2017	1,976,225 (b)	465,000 (c)	1,337,150 (c)	1,802,150	1.10
2018	2,093,153 (b)	510,000 (c)	1,317,650 (c)	1,827,650	1.15
2019	1,963,996 (b)	245,000 (c) (d)	1,101,416 (c) (d)	1,346,416	1.46
2020	1,982,174 (b)	540,000 (c)	1,017,321 (c)	1,557,321	1.27

- (a) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.
- (b) Beginning in fiscal year 2012, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.
- (c) Debt service is paid by the Successor Agency.
- (d) The Successor Agency refunded the 2008 Subordinate Tax Allocation Bonds in fiscal year 2019 with the issuance of the 2018 Tax Allocation Refunding Bonds.

Source: City of Oakley Annual Financial Statements

**CITY OF OAKLEY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**



Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%) (a)	Contra Costa County Population	City Population % of County
2011	35,646	\$798,043,000	\$22,388	8.2%	1,060,435	3.25%
2012	36,532	906,688,000	24,819	7.5%	1,056,064	3.36%
2013	37,252	954,583,000	25,625	5.0%	1,065,117	3.46%
2014	38,075	968,323,000	25,432	4.4%	1,074,702	3.50%
2015	38,124	1,010,134,000	26,496	7.7%	1,088,764	3.54%
2016	40,141	1,046,700,000	26,075	6.2%	1,102,684	3.50%
2017	41,199	1,074,714,000	26,085	5.5%	1,123,429	3.64%
2018	41,742	1,102,345,000	26,408	4.2%	1,149,363	3.67%
2019	41,759	1,197,857,000	28,684	3.5%	1,155,879	3.61%
2020	42,461	1,271,727,000	29,950	3.6%	1,153,526	3.68%

(a) Data reported is for the prior calendar year.

Sources: HdL Coren & Cone

U.S. Department of Commerce, California State Department of Finance, Employment Development Department

U.S. Census Bureau latest available data

**CITY OF OAKLEY**  
**Principal Employers**  
**Current Year and Nine Years Ago**

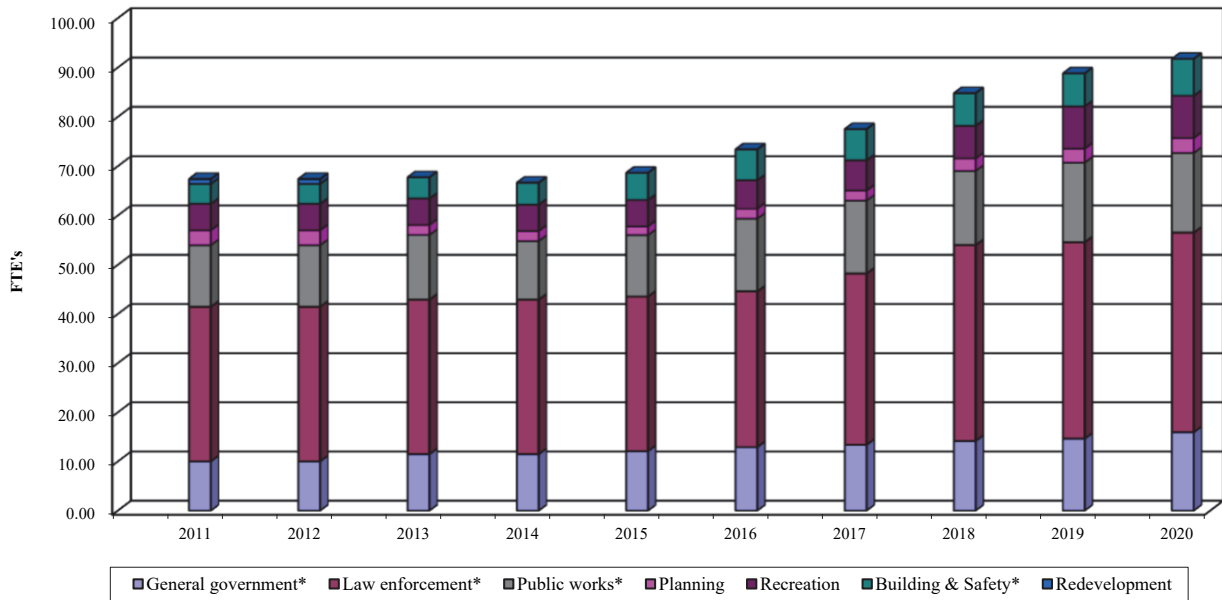
<u>Employer</u>	<u>2019-20</u>			<u>2010-11</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oakley Union Elementary School District	568	1	26.5%	475	1	30.5%
Lucky's	55	2	2.6%	59	2	3.8%
Diamond Hills Sports Club and Spa	55	2	2.6%	55	3	3.5%
Raley's	46	3	2.1%	48	4	3.1%
Round Table Development Co.	43	4	2.0%	23	10	1.5%
McDonalds	43	4	2.0%	25	9	1.6%
Dutch Bros Coffee	40	5	1.9%			
Foundation Constructors	32	6	1.5%	35	5	2.2%
Rain for Rent	30	7	1.4%	30	7	1.9%
Continente Nut LLC	30	7	1.4%	26	8	1.7%
DJ Greenblat LLC dba Grocery Outlet	27	8	1.3%			
Ironhouse Sanitary	27	8	1.3%	33	6	2.1%
Starbucks Coffee	27	8	1.3%			
Campestre Corp. dba La Costa	25	9				
Delta Black Bear Diner	24	10	1.1%	23	10	1.5%
Burger King				23	10	1.5%
Subtotal	<u>1,072</u>		<u>50.0%</u>	<u>855</u>		<u>54.8%</u>
Total City Day Population (A)	<u>2,145</u>			<u>1,559</u>		

Source: City of Oakley Finance Department - Business Licenses

Notes:

(A) Total City Day Population is the number of employees reported on business license applications by businesses located in Oakley.

**CITY OF OAKLEY**  
**Budgeted Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**



**Adopted for Fiscal Year Ended June 30,**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function</b>										
General government*	10.00	10.00	11.45	11.46	12.08	12.89	13.36	14.13	14.61	15.92
Community development:										
Public works*	12.50	12.50	13.13	11.88	12.46	14.74	14.78	15.03	16.13	16.13
Planning	3.00	3.00	2.00	2.00	1.75	2.00	2.00	2.50	2.80	3.00
Building & Safety*	4.05	4.05	4.30	4.45	5.50	6.25	6.33	6.60	6.68	7.46
Redevelopment	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Law enforcement*	31.48	31.48	31.48	31.48	31.48	31.73	34.88	39.88	39.98	40.63
Recreation	5.37	5.37	5.37	5.37	5.37	5.78	6.16	6.64	8.60	8.60
<b>Total</b>	<b>67.40</b>	<b>67.40</b>	<b>67.73</b>	<b>66.64</b>	<b>68.64</b>	<b>73.39</b>	<b>77.51</b>	<b>84.78</b>	<b>88.80</b>	<b>91.74</b>

**Notes:**

Amounts reported are Full Time Equivalent (FTEs).  
n/a means not available.

\* The City Contracts for the following services:

City Attorney and IT services are contracted with an outside firm and included in the General Government total.

Police Services were contracted with the County Sheriff through April 30, 2016 and include contracting for a specific number of officers.

Building Inspection and Engineering Services were contracted with an outside firm until October 2013.

Source: City of Oakley Operating Budgets

**CITY OF OAKLEY**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function/Program</b>										
Law enforcement:										
Police (a) (b):										
Violent crimes	80	79	85	54	46	52	54	51	59	33
Property crimes	531	526	477	468	429	615	491	511	465	537
Public Works:										
Street resurfacing (miles)	8.00	5.40	0.72	1.54	8.62	0.25	0.42	8.50	1.40	5.60
Leisure Services:										
Recreation:										
Recreation activities participants	11,500	13,300	16,486	22,663	29,630	32,386	36,430	35,417 (c)	33,996	36,832

Source: City of Oakley

Notes:

- (a) 2009 - 2017 data is prior calendar year's; 2018 is for fiscal year end.
- (b) Data from FBI Uniformed Crime Reports (UCR)
- (c) No indoor facility rentals with construction of Recreation Center

**CITY OF OAKLEY**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Law enforcement:</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	27	26	29	25	26	28	29	28	23	27
<b>Public works:</b>										
Miles of streets	119.50	127.70	129.12	131.00	131.00	133.00	136.00	136.00	139.00	141.00
Street lights	2,347	2,794	3,032	3,050	3,050	3,104	3,200	3,200	3,285	3,314
Traffic Signals	17	32	33	33	33	34	35	36	37	38
<b>Recreation:</b>										
<b>Community services:</b>										
City parks	29	29	29	30	31	32	33	34	36	37
City parks acreage	90.0	96.0	98.0	101.5	102.5	108.0	113.0	116.0	119.0	121.0
Community centers	2	2	2	2	2	1	1	0 (a)	1 (a)	1
Baseball/softball diamonds	8	8	8	8	8	8	9	9	10	10
Soccer/football fields	7	7	7	7	7	8	9	9	9	9
Skate features	3	3	3	3	3	3	3	3	3	1
BMX dirt track	1	1	1	1	0	0	0	0	0	0

Source: City of Oakley

Notes:

(a) Oakley Recreation Building closed for construction of Recreation Center.

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**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City Council  
City of Oakley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Oakley, California, as of and for the year ended June 30, 2020, and have issued our report thereon dated November 24, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 24, 2020 which is an integral part of our audit and should be read in conjunction with this report.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze & Associates*

Pleasant Hill, California  
November 24, 2020