

CITY OF OAKLEY
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021



OAKLEY
—  —
CALIFORNIA

**CITY OF OAKLEY, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**PREPARED BY THE
FINANCE DEPARTMENT**

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INTRODUCTORY SECTION

CITY OF OAKLEY, CALIFORNIA

Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Table of Contents

Page

INTRODUCTORY SECTION:

TABLE OF CONTENTS

Letter of Transmittal.....i
Organizational Chart viii
Elected Officials and Administrative Personnelix
GFOA Certificate of Achievementx

FINANCIAL SECTION:

Independent Auditor's Report..... 1

Management's Discussion and Analysis..... 3

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position 14
Statement of Activities 15

Fund Financial Statements:

Governmental Funds:

Balance Sheet 18
Reconciliation of the Governmental Funds Balance Sheet with the
Statement of Net Position..... 21
Statement of Revenues, Expenditures, and Changes in Fund Balances 22
Reconciliation of the Net Change in Fund Balances Total Governmental
Funds with the Statement of Activities 24

CITY OF OAKLEY, CALIFORNIA

Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Table of Contents

Page

FINANCIAL SECTION (Continued):

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:

General Fund	25
Lighting and Landscaping Districts	26
Public Protection	27
Developer Deposits	28
Low and Moderate Income Housing Asset.....	29

Proprietary Funds:

Statement of Net Position.....	32
Statement of Revenue, Expenses and Changes in Fund Net Position	33
Statement of Cash Flows.....	34

Fiduciary Funds:

Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position	37

Notes to Basic Financial Statements	39
---	----

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability	82
Schedule of Contributions.....	84

Supplemental Information:

Major Governmental Fund Other than the General Fund and Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Traffic Impact Fees	90
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CITY OF OAKLEY, CALIFORNIA

Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Table of Contents

Page

FINANCIAL SECTION (Continued):

Non-major Governmental Funds:

Combining Balance Sheets 94

Combining Statements of Revenues, Expenditures, and Changes
in Fund Balances 98

Combining Schedules of Revenues, Expenditures, and Changes
in Fund Balances-Budget and Actual..... 102

Internal Service Funds:

Combining Statement of Net Position 112

Combining Statement of Revenue, Expenses and Changes in Fund Net Position 113

Combining Statement of Cash Flows 114

Custodial Funds:

Combining Statement of Net Position 116

Combining Statement of Changes in Net Position 117

STATISTICAL SECTION:

Financial Trends:

Net Position by Component – Last Ten Fiscal Years..... 123

Changes in Net Position – Last Ten Fiscal Years 124

Fund Balances of Governmental Funds – Last Ten Fiscal Years 125

Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years 126

Revenue Capacity:

Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years..... 127

Property Tax Rates – All Overlapping Governments – Last Ten Fiscal Years..... 128

Principal Property Tax Payers..... 129

Property Tax Levies and Collections – Last Ten Fiscal Years 130

CITY OF OAKLEY, CALIFORNIA

Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Table of Contents

Page

STATISTICAL SECTION (Continued):

Debt Capacity:

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years..... 131

Computation of Direct and Overlapping Debt 132

Computation of Legal Bonded Debt Margin..... 133

Bonded Debt Pledged Revenue Coverage – Last Ten Fiscal Years..... 134

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years 135

Principal Employers – Current Year and Nine Years Ago..... 136

Operating Information:

Budgeted Full-Time Equivalent City Government Employees by Function
– Last Ten Fiscal Years 137

Operating Indicators by Function/Program 138

Capital Asset Statistics by Function/Program – Last Ten Fiscal Years 139

OTHER AUDIT REPORT

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 143

CITY COUNCIL
Sue Higgins, Mayor
Randy Pope, Vice Mayor
Aaron Meadows
Anissa Williams
George Fuller



CITY HALL
3231 Main Street
Oakley, CA 94561
925.625.7000 tel
925.625.9859 fax
www.ci.oakley.ca.us

November 29, 2021

To the Citizens 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. 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 of America 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 government'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, city-wide, 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 ACFR 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 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. The development of the Fiscal Year 2021/22 Proposed Budget included a City Council and Staff Strategic Planning Session on April 19th that was live-streamed and open for public input, and one citizen did submit written comments. In 2020, a survey was also sent out to citizens of Oakley regarding their priorities for the City of Oakley Fiscal Year 2020-2021 Budget. The input that we received was incorporated into this budget as well.

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. It 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 generally 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 2021/22, management 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 275 new homes built in FY 2020/21. 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 a 5% to 6% growth in property tax revenue in Fiscal Year 2021/22, 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 at least 350 new homes in Fiscal Year 2021/22.

- The City is also anticipating a rise in commercial and industrial development with the Contra Costa Logistic Center opening one more building, totaling more than 480,000 square feet of building area in Fiscal Year 2021/22. At build-out, the Center will provide approximately 1.7 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 well in excess of 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. On November 15, 2021, the CalPERS Board voted to lower the rate further, from 7% to 6.8%. 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, the City Council appropriated \$200,000 towards the 115 Pension Trust and an additional \$300,000 was appropriated in the FY 2020/21 Budget. The City of Oakley also paid down just over \$1 million of its unfunded accrued liability (UAL) during FY 2019/20 and an additional \$500,000 was paid down during FY 2020/21. The City has also set aside reserves of \$700,000 for consideration of future section 115 Trust investments or UAL pay-downs.
- Passed by Congress on March 25, 2020 and signed into law on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) provided fast and direct economic assistance for American workers, families, small businesses and industries. The CARES Act established the Coronavirus Relief Fund which was to be used to make payments to States, local and tribal governments and US territories. The money was to be used to help offset costs incurred by the COVID-19 public health emergency. Between July 2020 and October 2020, The City of Oakley received \$524,272 and used the funding to offset costs associated to Public Safety expenses.

- On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. Section 9901 of the ARPA amended Title VI of the Social Security Act to add Section 603. This establishes the Coronavirus State & Local Fiscal Recovery Fund (SLFRP) for local governments across the U.S. Every city and town received a funding allocation. In California, both large cities-entitlement cities (populations over 50,000) and small cities – non-entitlement cities (populations of less than 50,000, which includes the City of Oakley) have received ARPA funding allocations. In total, small cities (non-entitlement, cities including Oakley) in California received \$1.2 billion. At the time the budget was being prepared, it was estimated that the City of Oakley would receive approximately \$8 million. Since then, it has been determined that the City of Oakley will receive nearly \$10.2 million, with half being received in July of 2021 and the other half to be received in July of 2022.

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, 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 2020/21, 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. These investments support the City’s efforts to attract new businesses and expand existing local employment opportunities. The City continues the revitalization of the downtown area with the improvement and widening of Main Street. 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. It 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 improved yet again. Oakley has a labor force of 19,300 with an unemployment rate that dropped to 7.2 % in August 2021, compared to 14.7% in 2020 and 3.7% in 2019.

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, 2020. 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.

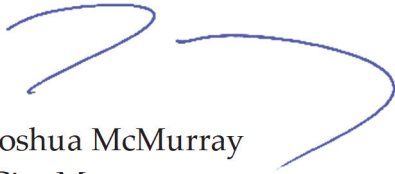
AVAILABILITY TO THE PUBLIC

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 Annual Comprehensive Financial Report for the year ended June 30, 2021. 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.

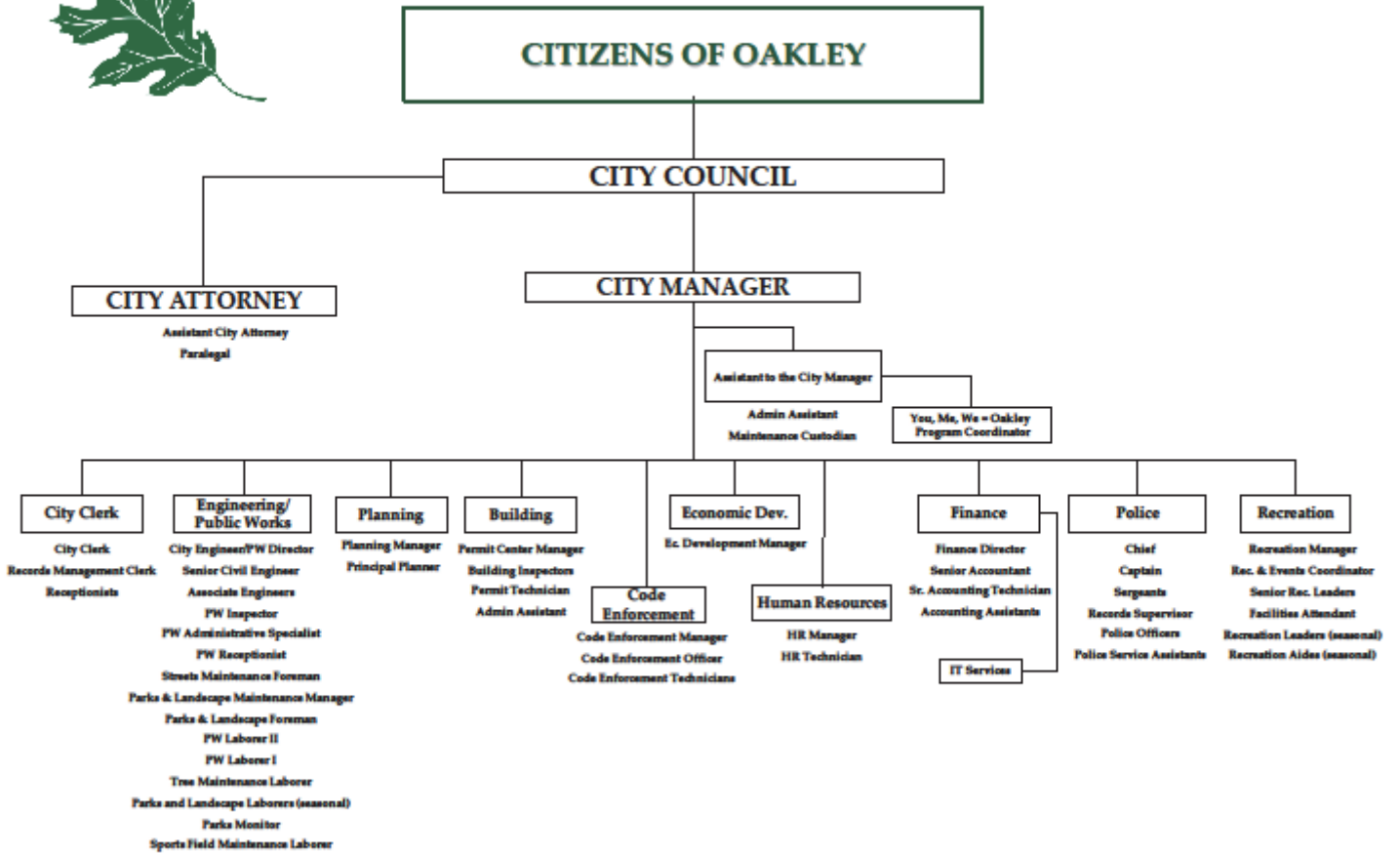
Respectfully submitted,

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by a long horizontal stroke that curves upwards at the end.

Joshua McMurray
City Manager

A handwritten signature in blue ink, written in a cursive style that reads 'Tim Przybyla'.

Tim Przybyla
Finance Director



CITY OF OAKLEY
ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL

JUNE 30, 2021

ELECTED OFFICIALS

Mayor	Sue Higgins
Vice-Mayor	Randy Pope
Council Member	George Fuller
Council Member	Aaron Meadows
Council Member	Anissa Williams

ADMINISTRATIVE PERSONNEL

Interim City Manager
City Attorney
Finance Director
Chief of Police
City Clerk
Human Resources Director
Public Works Director/City Engineer
Recreation Director

Josh McMurray
Derek Cole
Tim Przybyla
Dean Capelletti
Libby Vreonis
Nancy Marquez-Suarez
Kevin Rohani
Lindsey Bruno



Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

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**City of Oakley
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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, 2021, 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, 2021, 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.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*, which became effective during the year ended June 30, 2021 and established the new fund type, Custodial Funds, and eliminated the fund type of Agency Funds as discussed in Note 1M to the financial statements.

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 29, 2021 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 29, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Oakley’s financial performance for the fiscal year ended June 30, 2021, 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 \$43,130,143, or 17.08 percent this year.
- Government-wide program revenues exceeded program expenditures by \$27,599,232.
- General Fund revenues were \$4,846,354 more than budgeted; expenditures were \$2,124,496 less than budgeted.
- The General Fund balance at the end of the year was \$24,334,923 of which \$12,790,759 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 considered 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 2020/21 the City's combined net position increased \$43,130,143 from \$252,567,097 to \$295,697,240. 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, 2021 and 2020

Governmental Activities	<u>2021</u>	<u>2020</u>
Assets		
Current and restricted assets	\$ 90,687,911	\$ 69,937,796
Capital assets	<u>223,742,426</u>	<u>199,319,875</u>
Total Assets	<u>314,430,337</u>	<u>269,257,671</u>
Deferred Outflows of Resources Related to pensions (Note 11)	<u>3,437,053</u>	<u>3,482,156</u>
Liabilities		
Long-term debt outstanding	8,560,000	8,865,000
Other liabilities	<u>12,969,236</u>	<u>11,218,090</u>
Total Liabilities	<u>21,529,236</u>	<u>20,083,090</u>
Deferred Inflows of Resources Related to pensions (Note 11)	<u>640,914</u>	<u>89,640</u>
Net Position		
Net Investment in Capital Assets	214,187,285	188,554,875
Restricted	48,460,572	39,992,104
Unrestricted	<u>33,049,383</u>	<u>24,020,118</u>
Total Net Position	<u>\$ 295,697,240</u>	<u>\$ 252,567,097</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 \$25,632,410 in Net Investment in Capital Assets resulted primarily from the contribution of street and parks infrastructure from developers including, Gilbert Property, Duarte Ranch and Emerson Ranch.

The increase of \$8,468,468 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 \$9,029,265 in Unrestricted Net Position is primarily attributed to the General Fund revenues in excess of expenditures. With a conservative budget due to the uncertainties of the COVID 19 pandemic, property tax, sales tax and building permits were all more than anticipated. Large capital projects, primarily related to street repairs, were carried over to FY 2021/22 bringing FY 2020/21 expenditures in under budget.

Table 2
Changes in Net Position
As of June 30, 2021 and 2020

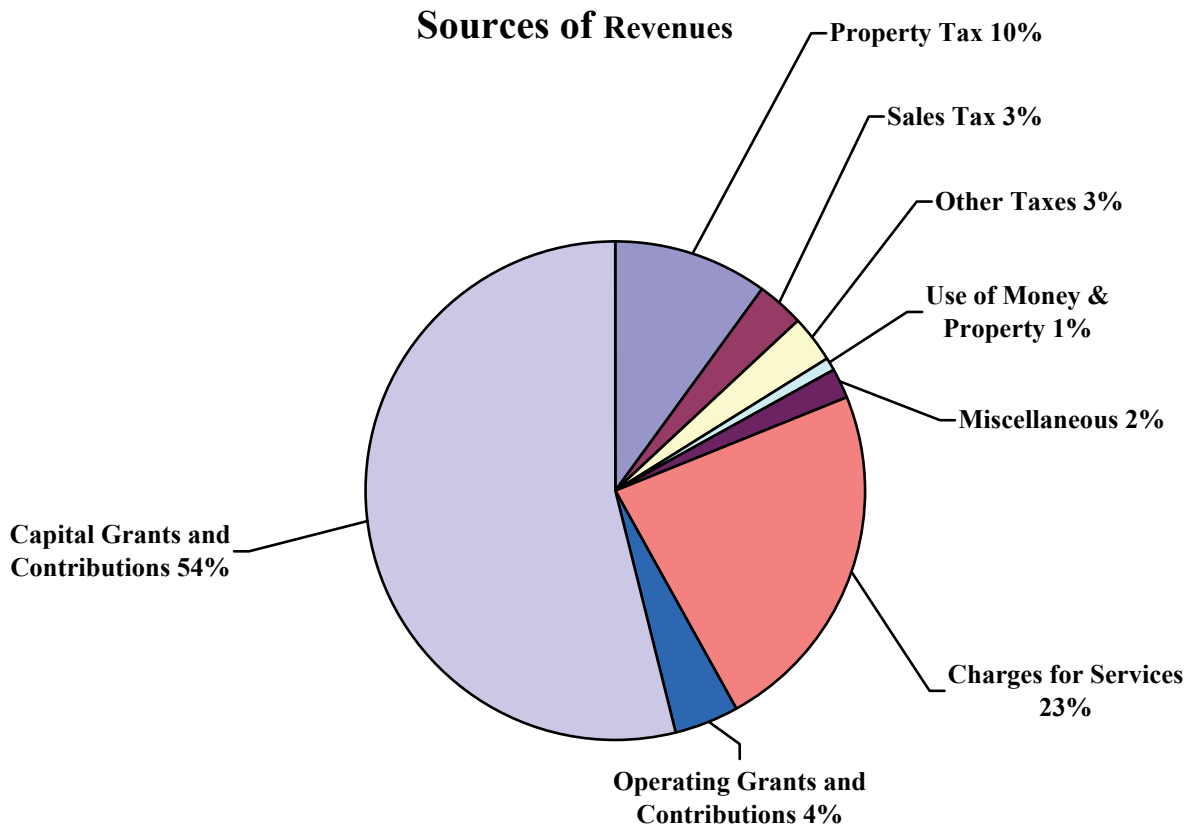
Governmental Activities	<u>2021</u>	<u>2020</u>
REVENUES		
<u>Program revenues:</u>		
Charges for Services	\$ 19,373,945	\$ 15,762,029
Operating Grants & Contributions	2,895,109	2,246,262
Capital Grants & Contributions	45,154,818	10,090,275
<u>General revenues:</u>		
Property tax	8,569,457	7,965,003
Sales tax	2,485,023	2,183,053
Other taxes	2,474,503	2,275,039
Use of money and property	755,854	1,572,811
Miscellaneous	<u>1,241,615</u>	<u>1,940,098</u>
Total Revenues	<u>82,950,324</u>	<u>44,034,570</u>
EXPENSES		
Legislative	722,088	661,388
Administrative Services	3,056,064	3,197,031
Law Enforcement	10,138,852	10,257,399
Community Development and Housing	3,439,987	4,575,972
Public Works	21,436,956	13,197,601
Recreation	652,829	661,635
Interest on long-term debt	<u>373,405</u>	<u>378,462</u>
Total Expenses	<u>39,820,181</u>	<u>32,929,488</u>
Change in Net Position	43,130,143	11,105,082
Net Position – Beginning	<u>252,567,097</u>	<u>241,462,015</u>
Net Position – Ending	<u>\$ 295,697,240</u>	<u>\$ 252,567,097</u>

Governmental Activities

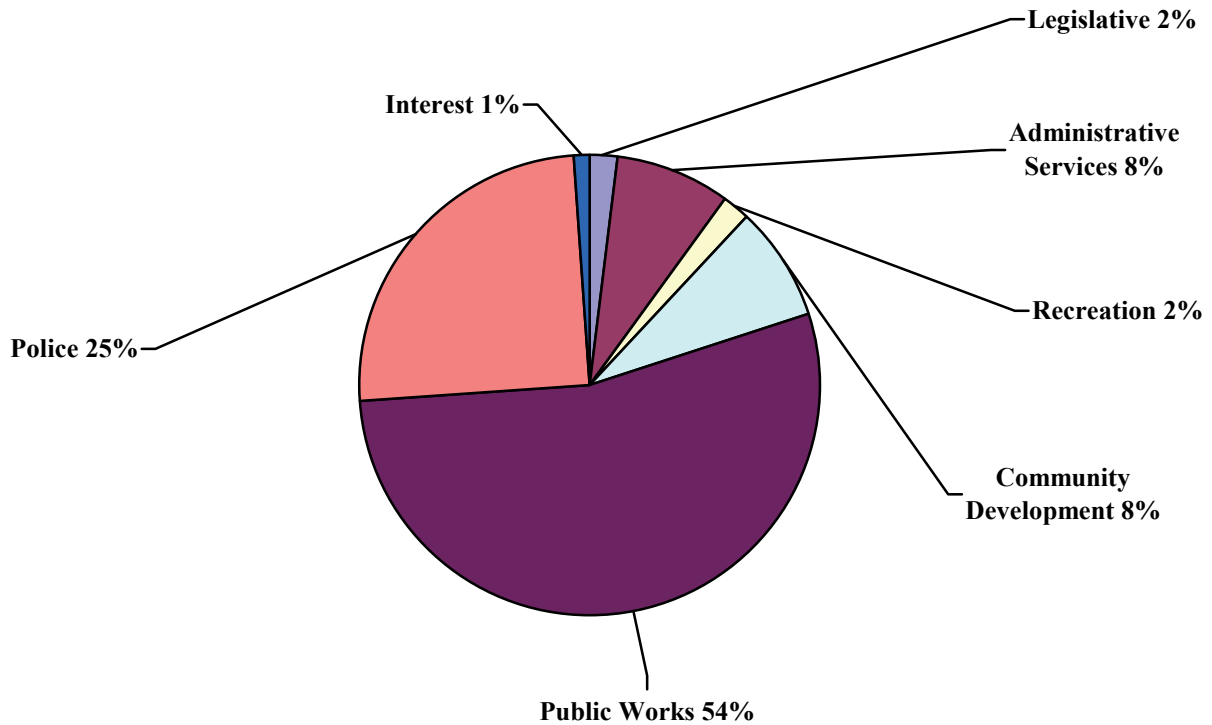
Total revenue was \$82,950,324. Capital grants and contributions, which accounts for 54% of revenue, saw an increase of \$35,064,543. This increase is significantly due to streets and parks infrastructure contributed by development. Charges for services which accounts for 23% of revenue increased \$3,611,916 due to unprecedented development continuing within the City. Property taxes increased \$604,917 due to increased property values and the increase in new homes. Most other categories experienced slight increases.

Total expenses were \$39,820,181. Public works, with \$21,436,956 of expenses, represented the largest component of total governmental expenses. The \$8,239,355 increase in public works expenses resulted from increases in capital projects for street repair and maintenance. Other categories remained similar to the prior year with some seeing slight decreases with the most significant decrease in Community Development and Housing. This decrease was due to a one-time land transaction that occurred in FY 2019/20.

Fiscal Year 2021 Government Activities



Functional Expenses



THE CITY'S FUNDS

On page 22, the governmental funds balance sheet is shown. The combined fund balance was \$68,416,266, an increase of \$17,045,563. The largest contributors to the change in fund balance were the increases in the General Fund (\$6,284,551) primarily due to revenues exceeding expenditures, the increase in the Traffic Impact Fees Fund (\$1,584,918) due to increased development and the increase in the Lighting and Landscaping Districts Fund (\$1,514,037) resulting from an increase in assessed value and growth of the City. Other Governmental Funds saw a large increase (\$7,663,072), primarily due to increases in the Parks Impact Fee and Public Facilities Impact Fee. Both funds saw an increase in revenue due to development. The combined fund balance includes the General Fund balance of \$24,334,923.

The General Fund balance increased by \$6,284,551 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 \$627,222 primarily due to decreases in community development and housing.

General Fund Unassigned fund balances increased by \$5,448,333, due primarily to increased building revenue related to development and property tax revenue increases.

General Fund revenues were \$8,444,351 more than expenditures before transfers. This is a result of building revenue and property taxes coming in higher than anticipated as well as expenditures being less than anticipated.

General Fund Budgetary Highlights

For the City’s General Fund, actual revenues of \$20,689,912 were \$4,846,354 more than the final budgeted revenues of \$15,843,558. Property tax, sales tax and other tax revenues exceeded final budget by \$1,335,496. The increase in assessed value of property was approximately 8%, which was better than the projected increase of 3%. With the COVID 19 Pandemic at the forefront during budget preparations, sales tax was anticipated to stay the same or decrease as the effects of the Pandemic were unknown. However, the City received \$485,023 or 24.3% more sales tax revenues than anticipated. Licenses & permits exceeded final budget by \$2,100,136 due to permit revenue increases related to development. Use of money and property revenue was over budget by \$113,257 due to increased interest and gain on investments.

Actual General Fund expenditures of \$12,245,561 were \$2,124,496 less than final budget of \$14,370,057. Savings were primarily in community development (\$533,897) and law enforcement (\$1,035,821). The savings in community development resulted from savings in consulting and contract services in building and planning as well as salaries in building. The savings in law enforcement was a result of vacant police positions creating a savings in salary and benefits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2020/21, the City had \$223,742,426 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, 2021 and 2020

Governmental Activities	<u>2021</u>	<u>2020</u>
Non Depreciable		
-Land	\$ 18,581,634	\$ 18,407,212
-Construction in progress	2,457,845	3,466,341
Depreciable, net of accumulated depreciation:		
-Machinery, equipment and vehicles	614,714	694,568
-Buildings and improvements	21,157,989	27,166,739
-Park improvements	16,044,983	11,503,370
-Infrastructure	<u>164,885,261</u>	<u>138,081,645</u>
Total Capital Assets	<u>\$223,742,426</u>	<u>\$199,319,875</u>

Capital assets increased by \$24,422,551 during Fiscal Year 2020/21, with the most significant increase being contribution of streets infrastructure from development in the amount of \$31,112,280.

The City’s FY 2021/22 capital improvement budget calls for it to spend \$21,030,000 for new capital projects, the majority being the construction of roadways, street repair and resurfacing and a regional park project. The projects will be financed primarily with Traffic Impact Fees, Measure J, Park Impact fees 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 \$8,560,000 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

Governmental Activities	<u>2021</u>	<u>2020</u>
2016 Lease Revenue Bonds	\$8,560,000	\$8,865,000

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). 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, 2021

	Governmental Activities
ASSETS	
Cash and investments available for operations (Note 3)	\$72,172,801
Cash and investments with fiscal agent (Note 3)	1,631,960
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	1,497,821
Interest receivable	51,464
Prepays and deposits	
Loans receivable (Note 5)	12,009,683
Land held for resale (Note 6)	3,324,182
Capital assets (Note 7):	
Land and construction in progress	21,039,479
Depreciable, net	202,702,947
Total Assets	314,430,337
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 11)	3,437,053
LIABILITIES	
Accounts payable	1,660,547
Accrued liabilities	696,178
Deposits payable	2,319,049
Unearned revenue	4,109,876
Interest payable	58,228
Claims payable - due in one year (Note 14)	14,933
Compensated absences (Note 1H):	
Due within one year	290,945
Due in more than one year	1,163,781
Advance from Fire District, due in more than one year (Note 15D)	995,141
Long-term debt (Note 8):	
Due within one year	315,000
Due in more than one year	8,245,000
Net pension liability, due in more than one year (Note 11)	1,660,558
Total Liabilities	21,529,236
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 11)	640,914
NET POSITION (Note 10)	
Net investment in capital assets	214,187,285
Restricted for:	
Capital projects	37,459,392
Debt service	45,336
Low and moderate income housing	10,955,844
Total Restricted Net Position	48,460,572
Unrestricted net position	33,049,383
Total Net Position	\$295,697,240

See accompanying notes to financial statements

CITY OF OAKLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Activities
Governmental Activities:				
Legislative	\$722,088			(\$722,088)
Administrative Services	3,056,064	\$1,735,746	\$774,272	(546,046)
Community Development	3,437,313	4,784,661	47,675	4,552,382
Public Works	21,436,956	7,021,543	1,760,933	29,342,979
Housing Programs	2,674			(2,674)
Law Enforcement	10,138,852	5,551,232	244,112	(4,343,508)
Recreation	652,829	280,763	68,117	(303,949)
Interest and fiscal charges	373,405			(373,405)
Total Governmental Activities	\$39,820,181	\$19,373,945	\$2,895,109	27,603,691
General revenues:				
Taxes:				
Property taxes				8,569,457
Sales taxes				2,485,023
Business license taxes				190,154
Transient occupancy taxes				240,477
Franchise taxes				2,043,872
Intergovernmental, unrestricted:				
Motor vehicle in lieu				31,142
Use of money and property				755,854
Miscellaneous				1,210,473
Total General Revenues				15,526,452
Change in Net Position				43,130,143
Net Position-Beginning				252,567,097
Net Position-Ending				\$295,697,240

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 2021. 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, 2021

	General	Lighting and Landscaping Districts	Public Protection	Developer Deposits
ASSETS				
Cash and investments available for operations (Note 3)	\$20,589,347	\$11,568,066	\$903	\$2,388,294
Cash and investments with fiscal agent (Note 3)	1,109,669			
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	1,200,110			87,627
Interest receivable	19,435	8,428	967	
Due from other funds (Note 4C)	25,952			
Prepays and deposits				
Loans receivable (Note 5)	109,618			
Advances to other funds (Note 4B)	78,532			
Land held for resale (Note 6)	3,324,182			
Total Assets	\$26,456,845	\$11,576,494	\$1,870	\$2,475,921
LIABILITIES				
Accounts payable	\$556,546	\$352,815		\$164,508
Accrued liabilities	663,455			
Due to other funds (Note 4C)				
Deposits payable	4,636			2,311,413
Unearned revenue	897,285			
Advances from other funds (Note 4B)		78,532		
Total Liabilities	2,121,922	431,347		2,475,921
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - loans receivable				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Fund balance (Note 10):				
Nonspendable	3,512,332			
Restricted	1,109,669	11,145,147	\$1,870	
Assigned	6,922,163			
Unassigned	12,790,759			
Total Fund Balances (Deficits)	24,334,923	11,145,147	1,870	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$26,456,845	\$11,576,494	\$1,870	\$2,475,921

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
\$246,373	\$11,296,485	\$24,744,207 522,291	\$70,833,675 1,631,960
1,172	7,557	210,084 12,958	1,497,821 50,517 25,952
11,878,366	21,699 591,329	578,738	12,009,683 1,248,599 3,324,182
<u>\$12,125,911</u>	<u>\$11,917,070</u>	<u>\$26,068,278</u>	<u>\$90,622,389</u>
	\$57,469	\$526,142 32,723 25,952 3,000	\$1,657,480 696,178 25,952 2,319,049
\$1,170,067	2,652,291	560,300	4,109,876 1,248,599
<u>1,170,067</u>	<u>2,709,760</u>	<u>1,148,117</u>	<u>10,057,134</u>
11,878,366	136,768	133,855	11,878,366 270,623
<u>11,878,366</u>	<u>136,768</u>	<u>133,855</u>	<u>12,148,989</u>
	9,070,542	17,017,397 7,769,760 (851)	3,512,332 38,344,625 14,691,923 11,867,386
<u>(922,522)</u>	<u>9,070,542</u>	<u>24,786,306</u>	<u>68,416,266</u>
<u>\$12,125,911</u>	<u>\$11,917,070</u>	<u>\$26,068,278</u>	<u>\$90,622,389</u>

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CITY OF OAKLEY
 Reconciliation of the
 GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 JUNE 30, 2021

Total fund balances reported on the governmental funds balance sheet: \$68,416,266

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. 223,742,426

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. 1,337,006

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. 12,148,989

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	(8,560,000)
Interest payable	(58,228)
Advance from Fire District	(995,141)
Compensated absences	(1,454,726)
Net pension liability and pension-related deferred outflows/inflows of resources	1,135,581
Claims Payable	(14,933)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$295,697,240

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, 2021

	General	Lighting and Landscaping Districts	Public Protection	Developer Deposits
REVENUES				
Property taxes	\$8,049,872			
Sales tax	2,485,023			
Other taxes	2,808,621	\$398,022		
Licenses and permits	4,739,597			
Charges for services	174,986			
Fines and forfeits	77,231			
Intergovernmental:				
Motor vehicle in lieu	31,142			
Other	453,353	2,103	\$156,727	
Developer fees				
Special assessments		4,644,519	5,420,492	\$1,199,933
Loan repayments				
Use of money and property	356,757	70,017	9,816	
Miscellaneous	1,513,330	2,622		
Total Revenues	<u>20,689,912</u>	<u>5,117,283</u>	<u>5,587,035</u>	<u>1,199,933</u>
EXPENDITURES				
Current:				
Legislative	728,198			
Administrative Services	2,961,495			
Community Development	2,301,185			1,199,933
Public Works	1,305,807	3,772,653		
Housing programs				
Law Enforcement	4,172,992		5,585,165	
Recreation	590,128			
Capital outlay	185,756			
Debt service:				
Principal				
Interest and fiscal charges		392		
Total Expenditures	<u>12,245,561</u>	<u>3,773,045</u>	<u>5,585,165</u>	<u>1,199,933</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,444,351</u>	<u>1,344,238</u>	<u>1,870</u>	
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)		169,799		
Transfers (out) (Note 4A)	(2,159,800)			
Total Other Financing Sources (Uses)	<u>(2,159,800)</u>	<u>169,799</u>		
NET CHANGE IN FUND BALANCES	6,284,551	1,514,037	1,870	
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>18,050,372</u>	<u>9,631,110</u>		
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$24,334,923</u>	<u>\$11,145,147</u>	<u>\$1,870</u>	

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
		\$519,585	\$8,569,457
			2,485,023
		1,693,834	4,900,477
			4,739,597
			174,986
			77,231
			31,142
		2,528,090	3,140,273
	\$4,847,979	7,565,102	12,413,081
		331,380	11,596,324
\$1,494			1,494
4,116	4,954	62,901	508,561
	1,147,753	272,676	2,936,381
<u>5,610</u>	<u>6,000,686</u>	<u>12,973,568</u>	<u>51,574,027</u>
			728,198
			2,961,495
		849,827	4,350,945
	179,584	2,786,035	8,044,079
2,674			2,674
		13,798	9,771,955
		69,397	659,525
	4,236,184	2,907,215	7,329,155
		305,000	305,000
5,821		369,225	375,438
<u>8,495</u>	<u>4,415,768</u>	<u>7,300,497</u>	<u>34,528,464</u>
<u>(2,885)</u>	<u>1,584,918</u>	<u>5,673,071</u>	<u>17,045,563</u>
		2,857,934	3,027,733
		(867,933)	(3,027,733)
		1,990,001	
(2,885)	1,584,918	7,663,072	17,045,563
(919,637)	7,485,624	17,123,234	51,370,703
<u>(\$922,522)</u>	<u>\$9,070,542</u>	<u>\$24,786,306</u>	<u>\$68,416,266</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, 2021

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 \$17,045,563

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	7,365,091
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$569,972 which has already been allocated to serviced funds.)	(8,083,559)
Developer dedicated infrastructure is added to fund balance	31,112,280
Loss on capital assets retirement is deducted from fund balance	(5,564,948)

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	305,000
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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	(103,822)
Interest payable	2,033
Unavailable revenue	247,560
Advance from Fire District	904,859
Net pension liability and deferred outflows/inflows related to pensions	57,039
Claims payable	(547)

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>(156,406)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$43,130,143

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, 2021

	Original Budget	Amended Budget	Actual Amounts	Variance Positive (Negative)
REVENUES				
Property taxes	\$7,652,020	\$7,652,020	\$8,049,872	\$397,852
Sales taxes	1,720,000	2,000,000	2,485,023	485,023
Other taxes	1,832,000	2,356,000	2,808,621	452,621
Licenses and permits	1,418,461	2,639,461	4,739,597	2,100,136
Charges for services	162,150	108,350	174,986	66,636
Fines and forfeits	87,600	37,600	77,231	39,631
Intergovernmental:				
Motor vehicle in lieu	15,000	15,000	31,142	16,142
Other	436,837	376,837	453,353	76,516
Use of money and property	283,700	243,500	356,757	113,257
Miscellaneous	71,790	414,790	1,513,330	1,098,540
Total Revenues	<u>13,679,558</u>	<u>15,843,558</u>	<u>20,689,912</u>	<u>4,846,354</u>
EXPENDITURES				
Current:				
Legislative	911,325	917,259	728,198	189,061
Administrative Services	2,241,101	3,064,558	2,961,495	103,063
Community Development	2,655,267	2,835,082	2,301,185	533,897
Public Works	1,040,079	1,256,774	1,305,807	(49,033)
Law Enforcement	4,812,781	5,208,813	4,172,992	1,035,821
Recreation	872,384	879,207	590,128	289,079
Capital outlay	22,000	208,364	185,756	22,608
Total Expenditures	<u>12,554,937</u>	<u>14,370,057</u>	<u>12,245,561</u>	<u>2,124,496</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,124,621</u>	<u>1,473,501</u>	<u>8,444,351</u>	<u>6,970,850</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	75,000	75,000		(75,000)
Transfers (out)	<u>(1,475,000)</u>	<u>(2,434,800)</u>	<u>(2,159,800)</u>	<u>275,000</u>
Total Other Financing Sources (Uses)	<u>(1,400,000)</u>	<u>(2,359,800)</u>	<u>(2,159,800)</u>	<u>200,000</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$275,379)</u></u>	<u><u>(\$886,299)</u></u>	<u>6,284,551</u>	<u><u>\$7,170,850</u></u>
Fund balance at beginning of year			<u>18,050,372</u>	
Fund balance at end of year			<u><u>\$24,334,923</u></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, 2021

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Other taxes	\$175,000	\$379,000	\$400,125	\$21,125
Special assessments	4,227,110	4,227,110	4,644,519	417,409
Use of money and property	78,775	78,775	70,017	(8,758)
Miscellaneous			2,622	2,622
Total Revenues	<u>4,480,885</u>	<u>4,684,885</u>	<u>5,117,283</u>	<u>432,398</u>
EXPENDITURES				
Current:				
Public Works	5,733,864	5,754,828	3,772,653	1,982,175
Debt service:				
Interest and fiscal charges			392	(392)
Total Expenditures	<u>5,733,864</u>	<u>5,754,828</u>	<u>3,773,045</u>	<u>1,981,783</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,252,979)</u>	<u>(1,069,943)</u>	<u>1,344,238</u>	<u>2,414,181</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	369,722	369,722	169,799	(199,923)
Transfers out	<u>(180,000)</u>	<u>(180,000)</u>		<u>180,000</u>
Total Other Financing Sources (Uses)	<u>189,722</u>	<u>189,722</u>	<u>169,799</u>	<u>(19,923)</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$1,063,257)</u></u>	<u><u>(\$880,221)</u></u>	1,514,037	<u><u>\$2,394,258</u></u>
Fund balance at beginning of year			<u>9,631,110</u>	
Fund balance at end of year			<u><u>\$11,145,147</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, 2021

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental:				
Other	\$100,000	\$100,000	\$156,727	\$56,727
Special assessments	5,259,050	5,339,050	5,420,492	81,442
Use of money and property	2,925	2,925	9,816	6,891
Miscellaneous				
Total Revenues	5,361,975	5,441,975	5,587,035	145,060
EXPENDITURES				
Current:				
Law Enforcement	5,361,975	5,441,975	5,585,165	(143,190)
Total Expenditures	5,361,975	5,441,975	5,585,165	(143,190)
NET CHANGE IN FUND BALANCES			1,870	\$1,870
Fund balance at beginning of year				
Fund balance at end of year			\$1,870	

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, 2021

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Developer fees	<u>\$470,000</u>	<u>\$1,078,000</u>	<u>\$1,199,933</u>	<u>\$121,933</u>
Total Revenues	<u>470,000</u>	<u>1,078,000</u>	<u>1,199,933</u>	<u>121,933</u>
EXPENDITURES				
Current:				
Community Development	<u>470,000</u>	<u>1,078,000</u>	<u>1,199,933</u>	<u>(121,933)</u>
Total Expenditures	<u>470,000</u>	<u>1,078,000</u>	<u>1,199,933</u>	<u>(121,933)</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, 2021

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Loan repayment	\$10,000	\$10,000	\$1,494	(\$8,506)
Use of money and property	700	700	4,116	3,416
Total Revenues	10,700	10,700	5,610	(5,090)
EXPENDITURES				
Current:				
Housing programs	3,500	3,500	2,674	826
Debt service:				
Interest	10,000	10,000	5,821	4,179
Total Expenditures	13,500	13,500	8,495	5,005
NET CHANGE IN FUND BALANCES	(\$2,800)	(\$2,800)	(2,885)	(\$85)
Fund balance (deficit) at beginning of year			(919,637)	
Fund balance (deficit) at end of year			(\$922,522)	

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, 2021

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current:	
Cash and investments available for operations (Note 3)	\$1,339,126
Receivables:	
Interest	<u>947</u>
Total Current Assets	<u>1,340,073</u>
Noncurrent:	
Capital assets (Note 7):	
Depreciable, net	<u>5,923,448</u>
Total noncurrent Assets	<u>5,923,448</u>
Total Assets	<u>7,263,521</u>
LIABILITIES	
Current:	
Accounts payable	<u>3,067</u>
Total Liabilities	<u>3,067</u>
NET POSITION (Note 10)	
Net investment in capital assets	5,923,448
Unrestricted	<u>1,337,006</u>
Total Net Position	<u><u>\$7,260,454</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, 2021

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$425,000
Miscellaneous	2,024
Total Operating Revenues	<u>427,024</u>
OPERATING EXPENSES	
Supplies	29,915
Depreciation	569,972
Total Operating Expenses	<u>599,887</u>
Operating Income (Loss)	<u>(172,863)</u>
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	7,475
Interest income	(1,761)
Total Nonoperating Revenues	<u>5,714</u>
Income (Loss) Before Contributions	(167,149)
Contributions	<u>10,743</u>
Change in net position	(156,406)
BEGINNING NET POSITION	<u>7,416,860</u>
ENDING NET POSITION	<u><u>\$7,260,454</u></u>

See accompanying notes to financial statements

CITY OF OAKLEY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$427,250
Receipts from other income	2,024
Payments to suppliers	<u>(78,464)</u>
Cash Flows from Operating Activities	<u>350,810</u>
 CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from sale of capital assets	7,475
Acquisition of capital assets	<u>(152,916)</u>
Cash Flows from Capital Financing Activities	<u>(145,441)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>924</u>
Net Cash Flows	206,293
Cash and investments at beginning of period	<u>1,132,833</u>
Cash and investments at end of period	<u><u>\$1,339,126</u></u>
 NONCASH TRANSACTIONS	
Contribution of capital assets	<u>\$10,743</u>
 Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:	
Operating income (loss)	(\$172,863)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:	
Depreciation	569,972
Net change in liabilities:	
Accounts receivable	2,250
Accounts payable	<u>(48,549)</u>
Cash Flows from Operating Activities	<u><u>\$350,810</u></u>

See accompanying notes to financial statements

FIDUCIARY FUNDS

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.

Custodial Funds are used to report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

CITY OF OAKLEY
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2021

	Successor Agency to the Redevelopment Agency Private Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments (Note 3 and 16)	\$1,364,270	\$3,424,773
Cash and investments with fiscal agent (Note 3 and 16)	314	1,571,397
Accounts receivable	2,000	
Interest receivable	143	1,214
Loans receivable (Note 16B)	669,455	
Total Assets	2,036,182	4,997,384
LIABILITIES		
Accounts payable		\$853,277
Interest payable	268,535	
Due to other agencies		703,011
Due to bondholders		
Unearned revenue	18,692	
Long-term debt (Note 16C):		
Due within one year	845,000	
Due in more than one year	23,801,679	
Total Liabilities	24,933,906	1,556,288
NET POSITION (DEFICIT)		
Restricted for:		
Held in Trust for private purpose	(22,897,724)	
Bondholders		3,441,096
Total Net Position (Deficit)	(\$22,897,724)	\$3,441,096

See accompanying notes to financial statements

CITY OF OAKLEY
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property taxes	\$1,933,455	
Special assessments		\$1,955,415
Use of money and property	(209)	28,058
	1,933,246	1,983,473
DEDUCTIONS		
Administrative expenses		219,100
Redevelopment and economic development	251,500	
Payments to bondholders and related fiscal charges		1,702,313
Debt service:		
Interest and fiscal charges	999,076	
	1,250,576	1,921,413
Total Deductions	1,250,576	1,921,413
Change in Net Position	682,670	62,060
NET POSITION (DEFICIT) HELD IN TRUST FOR SUCCESSOR AGENCY AND OTHER GOVERNMENTS		
Beginning of year, as restated (Note 1M)	(23,580,394)	3,379,036
End of year	(\$22,897,724)	\$3,441,096

See accompanying notes to financial statements

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CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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, 2021

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, 2021

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 are used to account for assets held by the City as an agent or trustee for individuals, private organizations, and other governments. 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. Custodial funds are used to account for assets held by the City 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.

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, 2021

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, 2021 were comprised of the following:

Governmental Activities:	<u>Taxes</u>	<u>Accounts</u>	<u>Inter- Governmental</u>	<u>Total Receivables</u>
General Fund	\$1,104,482	\$3,462	\$92,166	\$1,200,110
Developer Deposits Special Revenue Fund		87,627		87,627
Non-Major Governmental Funds			210,084	210,084
Total	<u>\$1,104,482</u>	<u>\$91,089</u>	<u>\$302,250</u>	<u>\$1,497,821</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, 2021

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	\$1,350,904
Additions	568,387
Payments	(464,565)
Ending Balance	\$1,454,726
Current Portion	\$290,945

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, 2021

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.

M. Restatement of Net Position

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 84 – Fiduciary Activities during the year ended June 30, 2021. Accordingly, the activities of the Assessment Districts 2004-1 and 2006-1, as well as assets held on behalf of the County for regional mitigation fees and on behalf of other agencies for other purposes, are now reported in custodial funds. As a result of the implementation, the City restated the beginning net positions of the Assessment District 2004-1 Custodial Fund and Assessment District 2006-1 Custodial Fund by increasing the balances in the amounts of \$2,232,848 and \$1,146,188 respectively.

N. New Fund

During fiscal year 2020-21, the City established the OTS Police Grants Special Revenue Fund to account for grant funding received to pay for overtime expenses on eligible traffic operations.

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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.

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	\$143,190
Developer Deposits Special Revenue Fund	121,933
Community Facilities District 2015-01 Special Revenue Fund	365,199
Public Facilities Impact Fee Capital Projects Fund	37,522
Fire Impact Fees Capital Projects Fund	460,060
Street Maintenance Reserve Capital Projects Fund	6,079

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

NOTE 3 – CASH AND INVESTMENTS (Continued)

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.

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	\$72,172,801
Cash and investments with fiscal agent	1,631,960
Total City Cash and Investments	73,804,761
Cash and investments in Fiduciary Funds (Separate Statement):	
Successor Agency to the Redevelopment	
Agency Private Purpose Trust Fund:	
Cash available for operations	1,364,270
Cash and investments with fiscal agent	314
Custodial Funds:	
Cash and investments available for operations	3,424,773
Cash and investments with fiscal agent	1,571,397
Total Cash and Investments	\$80,165,515

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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		33%	No Limit
State of California Warrants, Treasury Notes or Bonds	5 years		33%	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
Non-negotiable Certificates of Deposit	5 years		30%	No Limit
Supranational Obligations	5 years	AA	30%	No Limit
Medium-Term Corporate Notes	5 years	A	30%	5%
Money Market Mutual Funds and Mutual Funds	N/A	Top rating category	20%/10%	No Limit
Investment Trust of California (CalTRUST)	N/A		No Limit	No Limit
Commercial Paper – Pooled Funds	270 days	Top rating category	30%	5%
Commercial Paper – Non-Pooled Funds	270 days	Top rating category	25%	5%

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

NOTE 3 – CASH AND INVESTMENTS (Continued)

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.

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, 2021, 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			\$1,814,302	\$1,814,302
CalTRUST	\$274,014			274,014
<i>Held by Fiscal Agents:</i>				
Capital Asset Management Program			311	311
PARS Balanced Index PLUS		\$1,109,669		1,109,669
Money Market Funds			2,093,691	2,093,691
Total Investments	<u>\$274,014</u>	<u>\$1,109,669</u>	<u>\$3,908,304</u>	<u>5,291,987</u>
<i>Investments Exempt from Fair Value Hierarchy:</i>				
Local Agency Investment Fund				70,709,907
<i>Cash deposits in banks</i>				4,163,621
Total Cash and Investments				<u>\$80,165,515</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 \$75 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, 2021, these investments matured in an average of 291 days.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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, 2021, these investments matured in an average of 318 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, 2021, 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, 2021, the fair value approximated the Successor Agency's cost. At June 30, 2021, these investments have an average maturity of 52 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, 2021 matured in an average of 45 days.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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, 2021 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 and the PARS Balanced Index PLUS were not rated as of June 30, 2021.

H. Concentration of Credit Risk

At June 30, 2021, City had no significant investments in the securities of any individual issuers, other than U. S. Treasury securities, investment pools and money market funds.

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, 2021 and the purpose for each were as follows:

Fund Receiving Transfer	Fund Making Transfers	Transfer Amount
Lighting and Landscaping Districts Special Revenue Fund	Non-Major Governmental Funds	\$169,799 (A)
Non-Major Governmental Funds	General Fund	2,159,800 (A)
	Non-Major Governmental Funds	698,134 (A),(B)
	Total Interfund Transfers	\$3,027,733

(A) To fund capital projects and administration.

(B) To fund debt service.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Long-Term Interfund Advances

At June 30, 2021, 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 Special Revenue Fund	\$78,532
Traffic Impact Fees Capital Projects Fund	Low and Moderate Income Housing Asset Special Revenue Fund	591,329
Non-Major Governmental Funds	Low and Moderate Income Housing Asset Special Revenue Fund	578,738
	Total Interfund Advances	<u>\$1,248,599</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, 2021.

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 0.50% for fiscal year 2021. The balance outstanding at June 30, 2021 was \$1,170,067.

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 OTS Police Grants Special Revenue Fund and Cypress Grove Fees Capital Projects Fund owed the General Fund \$4,202 and \$21,750, respectively as of June 30, 2021.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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, 2021 are set forth below:

Golden Oak Manor	\$1,220,748
Silver Oak Apartments	640,678
Oakley Senior Housing	705,673
Oakley Cypress Associates	3,668,750
Carol Lane	5,519,710
First Time Homebuyer	122,807
New Lifeline Ministries	21,699
Downtown Revitalization Loan Program	109,618
Total	\$12,009,683

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, 2021

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 former 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, 2021

NOTE 5 – LOANS RECEIVABLE (Continued)

H. *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, 2021 was \$21,699.

I. *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 loans under this program are 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, of 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 \$109,618 as of June 30, 2021.

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, 2021 was \$3,324,182.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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, 2021

NOTE 7 – CAPITAL ASSETS (Continued)

A. Capital Assets Additions and Retirements

Capital asset balances comprise the following:

	Balance as of June 30, 2020	Additions	Retirements	Transfers	Balance as of June 30, 2021
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$18,407,212	\$174,422			\$18,581,634
Construction in Progress	3,466,341	7,139,053		(\$8,147,549)	2,457,845
Total capital assets not being depreciated	<u>21,873,553</u>	<u>7,313,475</u>		<u>(8,147,549)</u>	<u>21,039,479</u>
Capital assets being depreciated:					
Buildings and Improvements	33,509,524	58,005	(\$5,781,764)	474,435	28,260,200
Machinery and Equipment	2,484,890	118,828	(122,088)		2,481,630
Vehicles	2,024,743	96,447	(125,582)		1,995,608
Roadways:					
Pavement	197,909,242	14,516,662		7,473,007	219,898,911
Sidewalks	9,917,070	1,360,118			11,277,188
Storm Drains		5,043,978			5,043,978
Curbs and Gutters	10,638,515	1,512,179		103,249	12,253,943
Traffic Signals	7,757,954			44,772	7,802,726
Regulatory Signs and Street Trees	2,358,092	1,965,339			4,323,431
Street Lights	3,239,203	1,355,105			4,594,308
Bridges	4,422,722				4,422,722
Parks and Recreation Structures	18,399,204	5,300,894		52,086	23,752,184
Total capital assets being depreciated	<u>292,661,159</u>	<u>31,327,555</u>	<u>(6,029,434)</u>	<u>8,147,549</u>	<u>326,106,829</u>
Less accumulated depreciation for:					
Buildings and Improvements	(6,342,785)	(976,242)	216,816		(7,102,211)
Machinery and Equipment	(2,271,201)	(113,586)	122,088		(2,262,699)
Vehicles	(1,543,864)	(181,543)	125,582		(1,599,825)
Roadways:					
Pavement	(84,797,793)	(5,464,871)			(90,262,664)
Sidewalks	(3,453,876)	(150,629)			(3,604,505)
Storm Drains		(100,880)			(100,880)
Curbs and Gutters	(3,442,300)	(173,242)			(3,615,542)
Traffic Signals	(2,150,658)	(289,823)			(2,440,481)
Regulatory Signs and Street Trees	(1,715,215)	(249,202)			(1,964,417)
Street Lights	(1,398,900)	(97,920)			(1,496,820)
Bridges	(1,202,411)	(44,226)			(1,246,637)
Parks and Recreation Structures	(6,895,834)	(811,367)			(7,707,201)
Total accumulated depreciation	<u>(115,214,837)</u>	<u>(8,653,531)</u>	<u>464,486</u>		<u>(123,403,882)</u>
Net capital assets being depreciated	<u>177,446,322</u>	<u>22,674,024</u>	<u>(5,564,948)</u>	<u>8,147,549</u>	<u>202,702,947</u>
Governmental activities capital assets, net	<u>\$199,319,875</u>	<u>\$29,987,499</u>	<u>(\$5,564,948)</u>		<u>\$223,742,426</u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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	\$199,331
Public Works	7,884,228
Internal Service Funds	<u>569,972</u>
Total Depreciation	<u><u>\$8,653,531</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, 2020	Retirements	Balance June 30, 2021	Current Portion
2016 Lease Revenue Bonds					
2.00-5.00%, due 5/1/2041	<u>\$10,025,000</u>	<u>\$8,865,000</u>	<u>(\$305,000)</u>	<u>\$8,560,000</u>	<u>\$315,000</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, 2021

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
2022	\$315,000	\$349,369
2023	330,000	336,769
2024	345,000	323,569
2025	360,000	309,769
2026	380,000	295,369
2027 - 2031	2,110,000	1,256,066
2032 - 2036	2,180,000	789,270
2037 - 2041	2,540,000	322,782
	<u>\$8,560,000</u>	<u>\$3,982,963</u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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 \$10,680,000 and \$7,150,000, respectively, at June 30, 2021.

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, 2021

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, 2021

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2021, are below:

Fund Balance Classifications	Major Special Revenue Funds				Major Capital Projects Fund			Total
	General Fund	Lighting and Landscaping District	Public Protection	Developer Deposits	Low and Mod		Other Governmental Funds	
					Income Housing Asset	Traffic Impact Fees		
Nonspendables:								
Items not in spendable form:								
Prepays and deposits								
Loans receivable	\$109,618							\$109,618
Land held for resale	3,324,182							3,324,182
Advances	78,532							78,532
Total Nonspendable Fund Balances	3,512,332							3,512,332
Restricted for:								
Pension benefits	1,109,669							1,109,669
Lighting and landscaping services		\$11,145,147						11,145,147
Traffic impact projects						\$9,070,542		9,070,542
Police services			\$1,870					1,870
Public facilities impact projects							\$2,572,742	2,572,742
Street maintenance and improvement							3,108,340	3,108,340
2006-1 Assessment District							530,346	530,346
NPDES projects							284,010	284,010
Community Facilities District #1							2,465,807	2,465,807
Community Facilities District 2015-1							2,102,831	2,102,831
Citywide Community Facilities							785,725	785,725
Agricultural conservation							7,299	7,299
Debt service							45,336	45,336
Park impact fees							3,477,719	3,477,719
Cypress Grove improvements							74,921	74,921
Regional Park							1,562,321	1,562,321
Total Restricted Fund Balances	1,109,669	11,145,147	1,870			9,070,542	17,017,397	38,344,625
Assigned to:								
Termination payments	285,000							285,000
Uninsured claims payable	650,000							650,000
Outlay projects	87,163							87,163
Plans - consulting	200,000							200,000
Capital projects	5,000,000							5,000,000
Unfunded pension liability	700,000							700,000
Main Street Projects							7,769,760	7,769,760
Total Assigned Fund Balances	6,922,163						7,769,760	14,691,923
Unassigned:								
General Fund	12,790,759							12,790,759
Other fund deficits					(\$922,522)		(851)	(923,373)
Total Unassigned Fund Balances	12,790,759				(922,522)		(851)	11,867,386
Total Fund Balances	\$24,334,923	\$11,145,147	\$1,870		(\$922,522)	\$9,070,542	\$24,786,306	\$68,416,266

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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 \$371,099 as of June 30, 2021.
- 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 \$285,000 as of June 30, 2021.
- 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 \$650,000 as of June 30, 2021.
- 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 \$2,150,941 as of June 30, 2021.
- 7) The City established a Vehicle and Equipment Replacement Reserve Fund for the accumulation of funds for the replacement of worn and obsolete vehicles and other capital equipment. Adequate funds shall be set aside to ensure that funds are available for asset replacement at the end of the assets' life cycles. The balance of the reserve was \$1,065,380 as of June 30, 2021.

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, 2021

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 \$271,627 as of June 30, 2021 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 \$284,010 as of June 30, 2021.
- 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, 2021, and therefore was not required to establish a Reserve for Qualifying Expenditures as of June 30, 2021.

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, 2021

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 Rate 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, 2021, 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	12.361%	9.281%	7.732%
Required UAL contribution	\$82,195	\$5,729	\$4,684
	Safety		
	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	13.663%		
Required UAL contribution	\$12,002		

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 \$104,610 in fiscal year 2021, as shown in the table above.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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, 2021, the City’s total contributions to the Plan were \$1,595,273.

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, 2021, 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	\$1,323,806
Safety	336,752
Total Net Pension Liability	\$1,660,558

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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.02258%
Proportion - June 30, 2020	0.01526%
Change - Increase (Decrease)	-0.00732%

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

NOTE 11 – PENSION PLAN (Continued)

For the year ended June 30, 2021, the City recognized pension expense of \$1,538,234. At June 30, 2021, 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	\$1,595,273	
Differences between actual and expected experience	94,333	
Changes in assumptions		(\$10,564)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,700,802	(630,350)
Net differences between projected and actual earnings on plan investments	46,645	
Total	<u>\$3,437,053</u>	<u>(\$640,914)</u>

\$1,595,273 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, 2022. 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
2022	\$571,416
2023	406,460
2024	200,461
2025	22,529
Total	<u>\$1,200,866</u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

NOTE 11 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
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, 2019 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, 2021

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+(c)
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 Comprehensive Annual Financial Report, 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	\$3,896,743
Current Discount Rate	7.15%
Net Pension Liability	\$1,660,558
1% Increase	8.15%
Net Pension Liability (Asset)	(\$183,897)

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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.

C. Reduction of CalPERS Discount Rate

In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

Based on these preliminary fiscal year returns, the CalPERS has announced the funded status of the overall Public Employees Retirement Fund (PERF) is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, CalPERS indicated the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term. The CalPERS Board of Administration will continue to review the discount rate through its Asset Liability Management process during the rest of the calendar year.

CalPERS' final fiscal year 2021 investment performance will be calculated based on audited figures and will be reflected in contribution levels for contracting cities, counties, and special districts in fiscal year 2024.

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 2021 were \$166,950.

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 2021 were \$10,129.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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.

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)	800,000,000
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, 2021

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	
	2021	2020
Balance at beginning of year	\$14,386	\$56,171
Liability for current fiscal year claims	155	4
Change in liability for prior fiscal year claims and claims incurred but not reported	140,388	(14,088)
Claims paid	(139,996)	(27,701)
Balance at end of year	\$14,933	\$14,386

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A. Construction and Other Commitments

The City has the following outstanding construction commitments as of June 30, 2021 which are included in the balance of encumbrances in Note 15E:

Downtown Gateway Plaza Roadway and Parking	\$237,486
Traffic Signal Modernization	87,259
Civic Center Emergency Generator Project	72,731
Laural Road Resurfacing	28,463
Street Repair and Maintenance	17,955
Downtown Parking Lot Project	9,162
Laurel Road Reconstruction (Mellowood-Main)	8,540
Regional Park at Dutch Slough	7,420
Civic Center Park Renovation	1,824
Police Parking Lot Expansion	1,200

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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 \$995,141 at June 30, 2021.

E. *Encumbrances*

Encumbrances outstanding as of June 30, 2021 by fund were as follows:

Major Governmental Funds:	
General Fund	\$87,163
Lighting and Landscaping Districts Special Revenue Fund	101,727
Traffic Impact Fees Capital Projects Fund	87,259
Non-Major Governmental Funds	<u>447,960</u>
Total Encumbrances	<u><u>\$724,109</u></u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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, 2021

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

Cash and investments of the Successor Agency as of June 30, 2021 includes the following:

Cash available for operations:	
Cash available for operations	\$4,058
Cash held for September 1, 2021 debt service payment	1,360,212
Cash and investments with fiscal agent	314
Total Cash and Investments	\$1,364,584

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, 2021.

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 \$669,455 as of June 30, 2021.

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, 2020	Retirements	Balance June 30, 2021	Current Portion
2015A Tax Allocation Bonds					
3.375-5.00%, due 9/01/2028	\$2,595,000	\$2,595,000		\$2,595,000	
2015B Tax Allocation Bonds					
2.00-3.75%, due 9/01/2024	3,115,000	2,400,000	(\$485,000)	1,915,000	\$500,000
2018 Tax Allocation Refunding Bonds					
3.25-6.00%, due 9/01/2038	18,655,000	18,585,000	(330,000)	18,255,000	345,000
Add: Unamortized Bond Premium		1,881,679		1,881,679	
Total		\$25,461,679	(\$815,000)	\$24,646,679	\$845,000

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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. Annual principal payments on the Series A Bonds do not start till September 1, 2024, and semi-annual interest payments are due March 1 and September 1, through 2028. Annual principal payments on the Series B Bonds are due September 1, and semi-annual interest payments are due March 1 and September 1, through 2024.

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, 2021

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 \$32,364,613 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 2021 calculated by the County Auditor-Controller was \$1,975,410 and the total received by the Successor Agency for fiscal year 2021 debt service was \$1,933,455 which represented of 107% of the \$1,809,885 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
2022	\$845,000	\$962,305
2023	880,000	925,498
2024	920,000	887,048
2025	955,000	846,489
2026	1,000,000	799,986
2027 - 2031	5,750,000	3,240,926
2032 - 2036	7,285,000	1,674,965
2037 - 2041	5,130,000	262,396
	22,765,000	\$9,599,613
Add: Unamortized Premium	1,881,679	
Net Long Term Debt	\$24,646,679	

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2021

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>	<u>6/30/2020</u>
0.02053%	0.02258%	0.01526%
\$1,978,129	\$2,313,974	\$1,660,558
\$8,031,468	\$8,224,932	\$8,331,862
24.63%	28.13%	19.93%
72.60%	83.26%	90.07%

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF CONTRIBUTIONS

For the year Ended June 30	2015	2016	2017	2018
Actuarially determined contribution	\$296,613	\$382,769	\$746,429	\$986,847
Contributions in relation to the actuarially determined contributions	296,613	382,769	746,429	986,847
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Covered payroll	\$2,494,839	\$3,497,131	\$6,800,698	\$8,031,468
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>	<u>2021</u>
\$1,038,446	\$2,174,321	\$1,595,273
<u>1,038,446</u>	<u>2,174,321</u>	<u>1,595,273</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>\$8,224,932</u>	<u>\$8,331,862</u>	<u>\$8,425,819</u>
12.63%	26.10%	18.93%

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SUPPLEMENTAL INFORMATION

<p style="text-align: center;">MAJOR GOVERNMENTAL FUND, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS</p>
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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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Developer fees	\$3,232,107	\$4,847,979	\$1,615,872
Use of money and property	30,000	4,954	(25,046)
Miscellaneous	<u>969,000</u>	<u>1,147,753</u>	<u>178,753</u>
Total Revenues	<u>4,231,107</u>	<u>6,000,686</u>	<u>1,769,579</u>
EXPENDITURES			
Current:			
Community Development			
Public Works	128,000	179,584	(51,584)
Capital outlay	<u>5,591,580</u>	<u>4,236,184</u>	<u>1,355,396</u>
Total Expenditures	<u>5,719,580</u>	<u>4,415,768</u>	<u>1,303,812</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$1,488,473)</u></u>	1,584,918	<u><u>\$3,073,391</u></u>
Fund balance at beginning of year		<u>7,485,624</u>	
Fund balance at end of year		<u><u>\$9,070,542</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. This fund also accounts for the revenues and expenditures related to Senate Bill 1 (SB 1) Road Maintenance and Rehabilitation Program received from the State of California under Street and Highways Code Sections 2032. All 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.

OTS POLICE GRANTS

This fund was established to account for grant funding received to pay for overtime expenses on eligible traffic operations.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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, 2021

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Youth Development	Community Facilities District #1
ASSETS				
Cash and investments available for operations	\$1,935,024	\$333,316		\$2,480,350
Cash with fiscal agent				
Accounts receivable, net	76,733			
Interest receivable	1,371	153		1,839
Advances to other funds				
Total Assets	\$2,013,128	\$333,469		\$2,482,189
LIABILITIES				
Accounts payable	\$36,883	\$11,883		\$16,382
Accrued liabilities				
Due to other funds				
Deposits payable				
Unearned revenue		37,576		
Total Liabilities	36,883	49,459		16,382
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Restricted	1,976,245	284,010		2,465,807
Assigned				
Unassigned				
Total Fund Balance	1,976,245	284,010		2,465,807
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$2,013,128	\$333,469		\$2,482,189

SPECIAL REVENUE FUNDS

Community Facilities District 2015-1	Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park	OTS Police Grants
\$2,122,089	\$173,972	\$7,294	\$831,995	\$1,590,969	
1,542	134	5	573		\$3,351
<u>\$2,123,631</u>	<u>\$174,106</u>	<u>\$7,299</u>	<u>\$832,568</u>	<u>\$1,590,969</u>	<u>\$3,351</u>
\$20,800	\$104 32,723		\$46,843	\$25,648	
	141,279			3,000	\$4,202
<u>20,800</u>	<u>174,106</u>		<u>46,843</u>	<u>28,648</u>	<u>4,202</u>
2,102,831		\$7,299	785,725	1,562,321	
					(851)
<u>2,102,831</u>		<u>7,299</u>	<u>785,725</u>	<u>1,562,321</u>	<u>(851)</u>
<u>\$2,123,631</u>	<u>\$174,106</u>	<u>\$7,299</u>	<u>\$832,568</u>	<u>\$1,590,969</u>	<u>\$3,351</u>

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	CAPITAL PROJECTS FUNDS			
	Measure J	General Capital Projects	Park Impact Fees	Public Facilities Impact Fee
ASSETS				
Cash and investments available for operations	\$1,131,133	\$3,583,846	\$3,404,269	\$2,463,807
Cash with fiscal agent				
Accounts receivable, net		109,774		
Interest receivable	962	2,053	2,466	1,761
Advances to other funds			438,410	140,328
Total Assets	\$1,132,095	\$3,695,673	\$3,845,145	\$2,605,896
LIABILITIES				
Accounts payable		\$6,775	\$263,846	
Accrued liabilities				
Due to other funds				
Deposits payable				
Unearned revenue		378,566	2,181	\$698
Total Liabilities		385,341	266,027	698
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - interest on advances to other funds			101,399	32,456
Total Deferred Inflows of Resources			101,399	32,456
FUND BALANCES				
Restricted	\$1,132,095		3,477,719	2,572,742
Assigned		3,310,332		
Unassigned				
Total Fund Balance	1,132,095	3,310,332	3,477,719	2,572,742
Total Liabilities, Deferred Inflows of Resources	\$1,132,095	\$3,695,673	\$3,845,145	\$2,605,896

CAPITAL PROJECTS FUNDS

<u>Fire Impact Fees</u>	<u>Main Street</u>	<u>Cypress Grove Capital Project</u>	<u>Street Maintenance Reserve</u>	<u>2006-1 Assessment District</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	\$2,315,052	\$168 114,919 20,226 (161)	\$2,202,873	\$123,298 407,048	\$44,752 324 260	\$24,744,207 522,291 210,084 12,958 578,738
	<u>\$2,315,052</u>	<u>\$135,152</u>	<u>\$2,202,873</u>	<u>\$530,346</u>	<u>\$45,336</u>	<u>\$26,068,278</u>
	\$6,564	\$38,481 21,750	\$51,933			\$526,142 32,723 25,952 3,000 560,300
	<u>6,564</u>	<u>60,231</u>	<u>51,933</u>			<u>1,148,117</u>
						133,855
						133,855
	2,308,488	74,921	2,150,940	\$530,346	\$45,336	17,017,397 7,769,760 (851)
	<u>2,308,488</u>	<u>74,921</u>	<u>2,150,940</u>	<u>530,346</u>	<u>45,336</u>	<u>24,786,306</u>
	<u>\$2,315,052</u>	<u>\$135,152</u>	<u>\$2,202,873</u>	<u>\$530,346</u>	<u>\$45,336</u>	<u>\$26,068,278</u>

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Youth Development	Community Facilities District #1
REVENUES				
Property taxes		\$519,585		
Other taxes				
Intergovernmental:				
Other	\$1,714,207			
Developer fees				
Special assessments				\$331,380
Use of money and property	8,891	(456)		86
Miscellaneous	16,496	120		
	1,739,594	519,249		331,466
Total Revenues				
EXPENDITURES				
Current:				
Community Development				
Public Works	432,398	594,013		140,327
Law Enforcement				
Recreation				
Capital outlay	83,938	1,002		
Debt service:				
Principal				
Interest and fiscal charges				
	516,336	595,015		140,327
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,223,258	(75,766)		191,139
OTHER FINANCING SOURCES (USES)				
Transfers in				24,564
Transfers (out)	(169,799)			
	(169,799)			24,564
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	1,053,459	(75,766)		215,703
Fund balance (deficit) at beginning of year	922,786	359,776		2,250,104
Fund balances (deficit) at end of year	\$1,976,245	\$284,010		\$2,465,807

SPECIAL REVENUE FUNDS

Community Facilities District 2015-1	Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park	OTS Police Grants
\$622,631			\$686,234	\$384,969	\$12,947
10,548	\$1,280 68,117	\$48	3,727	20,472	
<u>633,179</u>	<u>69,397</u>	<u>48</u>	<u>689,961</u>	<u>405,441</u>	<u>12,947</u>
952,271			437,928		13,798
	69,397			42,463	
<u>952,271</u>	<u>69,397</u>		<u>437,928</u>	<u>42,463</u>	<u>13,798</u>
(319,092)		48	252,033	362,978	(851)
			(24,564)		
			(24,564)		
(319,092)		48	227,469	362,978	(851)
<u>2,421,923</u>		<u>7,251</u>	<u>558,256</u>	<u>1,199,343</u>	
<u>\$2,102,831</u>		<u>\$7,299</u>	<u>\$785,725</u>	<u>\$1,562,321</u>	<u>(\$851)</u>

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	CAPITAL PROJECTS FUNDS			
	Measure J	General Capital Projects	Park Impact Fees	Public Facilities Impact Fee
REVENUES				
Property taxes				
Other taxes				
Intergovernmental:				
Other	\$640,318	\$140,392		
Developer fees			\$3,732,745	\$2,626,968
Special assessments				
Use of money and property	6,839			9,503
Miscellaneous				
	<u>647,157</u>	<u>140,392</u>	<u>3,732,745</u>	<u>2,636,471</u>
Total Revenues				
EXPENDITURES				
Current:				
Community Development				81,522
Public Works	109,139		119,959	
Law Enforcement				
Recreation				
Capital outlay	366,972	1,490,275	472,852	
Debt service:				
Principal				
Interest and fiscal charges			1,000	
	<u>476,111</u>	<u>1,490,275</u>	<u>593,811</u>	<u>81,522</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>171,046</u>	<u>(1,349,883)</u>	<u>3,138,934</u>	<u>2,554,949</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		1,459,800		
Transfers (out)				(673,570)
	<u></u>	<u>1,459,800</u>	<u></u>	<u>(673,570)</u>
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	171,046	109,917	3,138,934	1,881,379
Fund balance (deficit) at beginning of year	<u>961,049</u>	<u>3,200,415</u>	<u>338,785</u>	<u>691,363</u>
Fund balances (deficit) at end of year	<u>\$1,132,095</u>	<u>\$3,310,332</u>	<u>\$3,477,719</u>	<u>\$2,572,742</u>

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
						\$519,585
						1,693,834
\$530,389		\$20,226	\$675,000			2,528,090
970		3		\$285	\$705	7,565,102
		62,773		125,170		331,380
531,359		83,002	675,000	125,455	705	62,901
						272,676
						12,973,568
768,305						849,827
						2,786,035
						13,798
						69,397
	\$70,753	109,581	269,379			2,907,215
					305,000	305,000
					368,225	369,225
768,305	70,753	109,581	269,379		673,225	7,300,497
(236,946)	(70,753)	(26,579)	405,621	125,455	(672,520)	5,673,071
	350,000		350,000		673,570	2,857,934
						(867,933)
	350,000		350,000		673,570	1,990,001
(236,946)	279,247	(26,579)	755,621	125,455	1,050	7,663,072
236,946	2,029,241	101,500	1,395,319	404,891	44,286	17,123,234
	\$2,308,488	\$74,921	\$2,150,940	\$530,346	\$45,336	\$24,786,306

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, 2021

	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	\$519,585	\$69,585
Other taxes						
Intergovernmental:						
Other	\$1,642,570	\$1,714,207	\$71,637			
Developer fees						
Special assessments						
Use of money and property	1,000	8,891	7,891	1,000	(456)	(1,456)
Miscellaneous		16,496	16,496		120	120
Total Revenues	<u>1,643,570</u>	<u>1,739,594</u>	<u>96,024</u>	<u>451,000</u>	<u>519,249</u>	<u>68,249</u>
EXPENDITURES						
Current:						
Community Development						
Public Works	583,750	432,398	151,352	546,000	594,013	(48,013)
Law Enforcement						
Recreation						
Capital outlay	1,366,552	83,938	1,282,614	233,210	1,002	232,208
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>1,950,302</u>	<u>516,336</u>	<u>1,433,966</u>	<u>779,210</u>	<u>595,015</u>	<u>184,195</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(306,732)</u>	<u>1,223,258</u>	<u>1,529,990</u>	<u>(328,210)</u>	<u>(75,766)</u>	<u>252,444</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(189,722)	(169,799)	19,923			
Total Other Financing Sources (Uses)	<u>(189,722)</u>	<u>(169,799)</u>	<u>19,923</u>			
NET CHANGE IN FUND BALANCES	<u>(\$496,454)</u>	<u>1,053,459</u>	<u>\$1,549,913</u>	<u>(\$328,210)</u>	<u>(75,766)</u>	<u>\$252,444</u>
Fund balances (deficit) at beginning of year		922,786			359,776	
Fund balances (deficit) at end of year		<u>\$1,976,245</u>			<u>\$284,010</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)
						\$598,477	\$622,631	\$24,154
			\$324,882 2,500	\$331,380 86	\$6,498 (2,414)		10,548	10,548
			<u>327,382</u>	<u>331,466</u>	<u>4,084</u>	<u>598,477</u>	<u>633,179</u>	<u>34,702</u>
			298,567	140,327	158,240	587,072	952,271	(365,199)
			<u>298,567</u>	<u>140,327</u>	<u>158,240</u>	<u>587,072</u>	<u>952,271</u>	<u>(365,199)</u>
			28,815	191,139	162,324	11,405	(319,092)	(330,497)
			24,564	24,564				
			<u>24,564</u>	<u>24,564</u>				
			<u>\$53,379</u>	215,703	<u>\$162,324</u>	<u>\$11,405</u>	(319,092)	<u>(\$330,497)</u>
				<u>2,250,104</u>			<u>2,421,923</u>	
				<u>\$2,465,807</u>			<u>\$2,102,831</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, 2021

	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		\$1,280	\$1,280		\$48	\$48
Miscellaneous	\$81,000	68,117	(12,883)			
Total Revenues	81,000	69,397	(11,603)		48	48
EXPENDITURES						
Current:						
Community Development						
Public Works						
Law Enforcement						
Recreation	80,575	69,397	11,178			
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	80,575	69,397	11,178			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	425		(425)		48	48
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	\$425		(\$425)		48	\$48
Fund balances (deficit) at beginning of year					7,251	
Fund balances (deficit) at end of year					\$7,299	

SPECIAL REVENUE FUNDS

CITYWIDE COMMUNITY FACILITIES DISTRICT			REGIONAL PARK			OTS Police Grants		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$765,083	\$686,234	(\$78,849)	\$167,000	\$384,969	\$217,969			
						\$54,000	\$12,947	(\$41,053)
250	3,727	3,477	15,000	20,472	5,472			
<u>765,333</u>	<u>689,961</u>	<u>(75,372)</u>	<u>182,000</u>	<u>405,441</u>	<u>223,441</u>	<u>54,000</u>	<u>12,947</u>	<u>(41,053)</u>
663,008	437,928	225,080						
						54,000	13,798	40,202
			139,124	42,463	96,661			
<u>663,008</u>	<u>437,928</u>	<u>225,080</u>	<u>139,124</u>	<u>42,463</u>	<u>96,661</u>	<u>54,000</u>	<u>13,798</u>	<u>40,202</u>
102,325	252,033	149,708	42,876	362,978	320,102		(851)	(851)
(24,564)	(24,564)							
(24,564)	(24,564)							
<u>\$77,761</u>	227,469	<u>\$149,708</u>	<u>\$42,876</u>	362,978	<u>\$320,102</u>		(851)	<u>(\$851)</u>
	<u>558,256</u>			<u>1,199,343</u>				
	<u>\$785,725</u>			<u>\$1,562,321</u>			<u>(\$851)</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, 2021

	CAPITAL PROJECTS FUNDS					
	MEASURE J			GENERAL CAPITAL PROJECTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental:						
Other	\$539,550	\$640,318	\$100,768		\$140,392	\$140,392
Developer fees						
Special assessments						
Use of money and property	5,000	6,839	1,839	\$15,000		(15,000)
Miscellaneous						
Total Revenues	<u>544,550</u>	<u>647,157</u>	<u>102,607</u>	<u>15,000</u>	<u>140,392</u>	<u>125,392</u>
EXPENDITURES						
Current:						
Community Development						
Public Works	363,700	109,139	254,561			
Law Enforcement						
Recreation						
Capital outlay	772,974	366,972	406,002	4,660,048	1,490,275	3,169,773
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>1,136,674</u>	<u>476,111</u>	<u>660,563</u>	<u>4,660,048</u>	<u>1,490,275</u>	<u>3,169,773</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(592,124)</u>	<u>171,046</u>	<u>763,170</u>	<u>(4,645,048)</u>	<u>(1,349,883)</u>	<u>3,295,165</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				1,459,800	1,459,800	
Transfers (out)						
Total Other Financing Sources (Uses)				<u>1,459,800</u>	<u>1,459,800</u>	
NET CHANGE IN FUND BALANCES	<u><u>(\$592,124)</u></u>	<u>171,046</u>	<u><u>\$763,170</u></u>	<u><u>(\$3,185,248)</u></u>	<u>109,917</u>	<u><u>\$3,295,165</u></u>
Fund balances (deficit) at beginning of year		<u>961,049</u>			<u>3,200,415</u>	
Fund balances (deficit) at end of year		<u><u>\$1,132,095</u></u>			<u><u>\$3,310,332</u></u>	

CAPITAL PROJECTS FUNDS

PARK IMPACT FEES			PUBLIC FACILITIES IMPACT FEE			FIRE IMPACT FEES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$2,802,663	\$3,732,745	\$930,082	\$1,410,025	\$2,626,968	\$1,216,943	\$306,245	\$530,389	\$224,144
			1,500	9,503	8,003	1,000	970	(30)
<u>2,802,663</u>	<u>3,732,745</u>	<u>930,082</u>	<u>1,411,525</u>	<u>2,636,471</u>	<u>1,224,946</u>	<u>307,245</u>	<u>531,359</u>	<u>224,114</u>
86,000	119,959	(33,959)	44,000	81,522	(37,522)	308,245	768,305	(460,060)
700,080	472,852	227,228						
	1,000	(1,000)						
<u>786,080</u>	<u>593,811</u>	<u>192,269</u>	<u>44,000</u>	<u>81,522</u>	<u>(37,522)</u>	<u>308,245</u>	<u>768,305</u>	<u>(460,060)</u>
<u>2,016,583</u>	<u>3,138,934</u>	<u>1,122,351</u>	<u>1,367,525</u>	<u>2,554,949</u>	<u>1,187,424</u>	<u>(1,000)</u>	<u>(236,946)</u>	<u>(235,946)</u>
			(673,570)	(673,570)				
			(673,570)	(673,570)				
<u>\$2,016,583</u>	<u>3,138,934</u>	<u>\$1,122,351</u>	<u>\$693,955</u>	<u>1,881,379</u>	<u>\$1,187,424</u>	<u>(\$1,000)</u>	<u>(236,946)</u>	<u>(\$235,946)</u>
	<u>338,785</u>			<u>691,363</u>			<u>236,946</u>	
	<u>\$3,477,719</u>			<u>\$2,572,742</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, 2021

	CAPITAL PROJECTS FUNDS					
	MAIN STREET			CYPRESS GROVE CAPITAL PROJECT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental:						
Other					\$20,226	\$20,226
Developer fees						
Special assessments						
Use of money and property				\$500	3	(497)
Miscellaneous					62,773	62,773
Total Revenues				500	83,002	82,502
EXPENDITURES						
Current:						
Community Development						
Public Works						
Law Enforcement						
Recreation						
Capital outlay	\$2,515,646	\$70,753	\$2,444,893	153,500	109,581	43,919
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	2,515,646	70,753	2,444,893	153,500	109,581	43,919
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,515,646)	(70,753)	2,444,893	(153,000)	(26,579)	126,421
OTHER FINANCING SOURCES (USES)						
Transfers in	350,000	350,000		62,773		(62,773)
Transfers (out)						
Total Other Financing Sources (Uses)	350,000	350,000		62,773		(62,773)
NET CHANGE IN FUND BALANCES	(2,165,646)	279,247	\$2,444,893	(\$90,227)	(26,579)	\$63,648
Fund balances (deficit) at beginning of year		2,029,241			101,500	
Fund balances (deficit) at end of year		\$2,308,488			\$74,921	

CAPITAL PROJECTS FUNDS

STREET MAINTENANCE RESERVE			2006-1 ASSESSMENT DISTRICT			DEBT SERVICE FUND		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$675,000	\$675,000						
			\$1,000	\$285 125,170	(\$715) 125,170	\$2,500	\$705	(\$1,795)
	<u>675,000</u>	<u>675,000</u>	<u>1,000</u>	<u>125,455</u>	<u>124,455</u>	<u>2,500</u>	<u>705</u>	<u>(1,795)</u>
\$263,300	269,379	(6,079)						
						305,000 368,570	305,000 368,225	345
<u>263,300</u>	<u>269,379</u>	<u>(6,079)</u>				<u>673,570</u>	<u>673,225</u>	<u>345</u>
<u>(263,300)</u>	<u>405,621</u>	<u>668,921</u>	<u>1,000</u>	<u>125,455</u>	<u>124,455</u>	<u>(671,070)</u>	<u>(672,520)</u>	<u>(1,450)</u>
350,000	350,000		125,170		(125,170)	673,570	673,570	
<u>350,000</u>	<u>350,000</u>		<u>125,170</u>		<u>(125,170)</u>	<u>673,570</u>	<u>673,570</u>	
<u>\$86,700</u>	755,621	<u>\$668,921</u>	<u>\$126,170</u>	125,455	<u>(\$715)</u>	<u>\$2,500</u>	1,050	<u>(\$1,450)</u>
	<u>1,395,319</u>			<u>404,891</u>			<u>44,286</u>	
	<u>\$2,150,940</u>			<u>\$530,346</u>			<u>\$45,336</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, 2021

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
ASSETS			
Current:			
Cash and investments available for operations	\$1,067,680	\$271,446	\$1,339,126
Receivables:			
Interest	767	180	947
Total Current Assets	<u>1,068,447</u>	<u>271,626</u>	<u>1,340,073</u>
Noncurrent:			
Capital assets:			
Depreciable, net	614,714	5,308,734	5,923,448
Total Noncurrent Assets	<u>614,714</u>	<u>5,308,734</u>	<u>5,923,448</u>
Total Assets	<u>1,683,161</u>	<u>5,580,360</u>	<u>7,263,521</u>
LIABILITIES			
Accounts payable	3,067		3,067
Total Liabilities	<u>3,067</u>		<u>3,067</u>
NET POSITION			
Net investment in capital assets	614,714	5,308,734	5,923,448
Unrestricted	<u>1,065,380</u>	<u>271,626</u>	<u>1,337,006</u>
Total Net Position	<u><u>\$1,680,094</u></u>	<u><u>\$5,580,360</u></u>	<u><u>\$7,260,454</u></u>

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
OPERATING REVENUES			
Charges for services	\$290,000	\$135,000	\$425,000
Miscellaneous	2,024		2,024
Total Operating Revenues	292,024	135,000	427,024
OPERATING EXPENSES			
Supplies	29,193	722	29,915
Depreciation	295,129	274,843	569,972
Total Operating Expenses	324,322	275,565	599,887
Operating Income (Loss)	(32,298)	(140,565)	(172,863)
NONOPERATING REVENUES (EXPENSES)			
Gain on sale of assets	7,475		7,475
Interest income	(2,950)	1,189	(1,761)
Total Nonoperating Revenues	4,525	1,189	5,714
Income (Loss) Before Contributions	(27,773)	(139,376)	(167,149)
Contributions	10,743		10,743
Change in net position	(17,030)	(139,376)	(156,406)
BEGINNING NET POSITION	1,697,124	5,719,736	7,416,860
ENDING NET POSITION	\$1,680,094	\$5,580,360	\$7,260,454

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$292,250	\$135,000	\$427,250
Receipts from other income	2,024		2,024
Payments to suppliers	<u>(77,742)</u>	<u>(722)</u>	<u>(78,464)</u>
Cash Flows from Operating Activities	<u>216,532</u>	<u>134,278</u>	<u>350,810</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Proceeds from sale of capital assets	7,475		7,475
Acquisition of capital assets	<u>(152,916)</u>		<u>(152,916)</u>
Cash Flows from Noncapital Financing Activities	<u>(145,441)</u>		<u>(145,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	<u>(520)</u>	<u>1,444</u>	<u>924</u>
Net Cash Flows	70,571	135,722	206,293
Cash and investments at beginning of period	<u>997,109</u>	<u>135,724</u>	<u>1,132,833</u>
Cash and investments at end of period	<u><u>\$1,067,680</u></u>	<u><u>\$271,446</u></u>	<u><u>\$1,339,126</u></u>
NONCASH TRANSACTIONS			
Contribution of capital assets	<u><u>\$10,743</u></u>		<u><u>\$10,743</u></u>
Reconciliation of Operating Income (Loss) to Cash Flows			
from Operating Activities:			
Operating income (loss)	(\$32,298)	(\$140,565)	(\$172,863)
Adjustments to reconcile operating income (loss) to cash flows			
from operating activities:			
Depreciation	295,129	274,843	569,972
Net change in assets and liabilities:			
Accounts receivable	2,250		2,250
Accounts payable	<u>(48,549)</u>		<u>(48,549)</u>
Cash Flows from Operating Activities	<u><u>\$216,532</u></u>	<u><u>\$134,278</u></u>	<u><u>\$350,810</u></u>

CUSTODIAL FUNDS

Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

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
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	Assessment District 2004-1	General Agency Fund	Assessment District 2006-1	Total
ASSETS				
Cash and investments	\$1,082,487	\$1,556,288	\$785,998	\$3,424,773
Cash and investments with fiscal agent	1,207,978		363,419	1,571,397
Interest receivable	653		561	1,214
Total Assets	2,291,118	1,556,288	1,149,978	4,997,384
LIABILITIES				
Accounts payable		853,277		853,277
Due to other agencies		703,011		703,011
Total Liabilities		1,556,288		1,556,288
NET POSITION (DEFICIT):				
Restricted for:				
Bondholders	2,291,118		1,149,978	3,441,096
Total Net Position (Deficit)	\$2,291,118		\$1,149,978	\$3,441,096

CITY OF OAKLEY
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Assessment District 2004-1	General Agency Fund	Assessment District 2006-1	Total
ADDITIONS				
Special assessments	\$1,194,985		\$760,430	\$1,955,415
Use of money and properties	17,656		10,402	28,058
Total Additions	<u>1,212,641</u>		<u>770,832</u>	<u>1,983,473</u>
DEDUCTIONS				
Administrative expenses	84,104		134,996	219,100
Payments to bondholders and related fiscal charges	<u>1,070,267</u>		<u>632,046</u>	<u>1,702,313</u>
Total Deductions	<u>1,154,371</u>		<u>767,042</u>	<u>1,921,413</u>
Change in net position	58,270		3,790	62,060
Beginning Net Position, as Restated	<u>2,232,848</u>		<u>1,146,188</u>	<u>3,379,036</u>
Ending Net Position	<u><u>\$2,291,118</u></u>		<u><u>\$1,149,978</u></u>	<u><u>\$3,441,096</u></u>

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STATISTICAL SECTION

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:

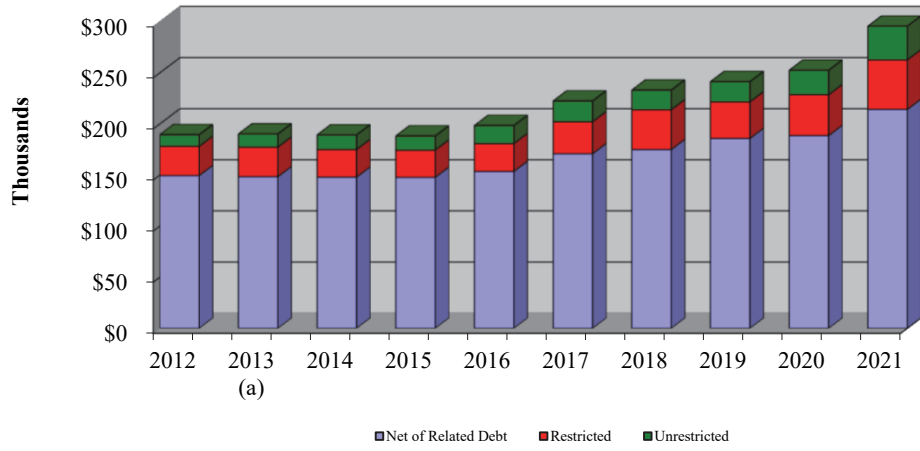
1. Budgeted Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

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,									
	2012	2013 (a)	2014	2015	2016	2017	2018	2019	2020	2021
Primary government										
Governmental activities										
Net investment in capital assets	\$149,394	\$148,296	\$147,874	\$147,685	\$153,509	\$170,799	\$174,868	\$185,805	\$188,555	\$214,187
Restricted	28,647	28,996	27,042	26,651	27,205	31,286	39,006	35,780	39,992	48,461
Unrestricted	11,462	12,975	14,338	13,898	17,784	20,395	19,286	19,877	24,020	33,049
Total governmental activities net position	<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>	<u>\$295,697</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.”

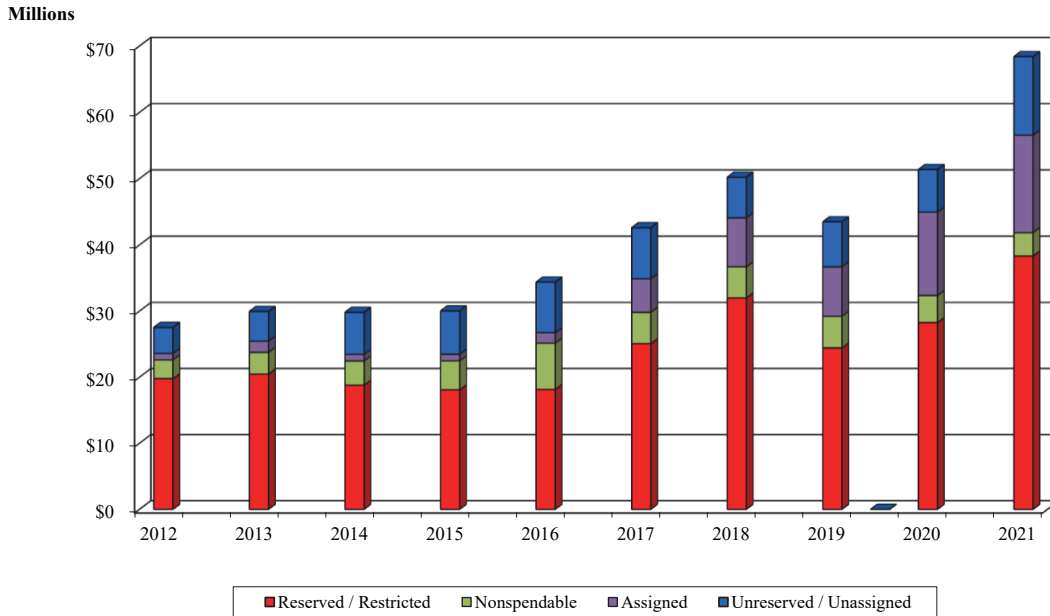
CITY OF OAKLEY
Changes in Net Position (000's)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2013 (c)	2014	2015	2016	2017	2018	2019	2020 (f)	2021
Expenses										
Governmental Activities:										
Legislative	\$466	\$492	\$446	\$466	\$481	\$604	\$641	\$754	\$661	\$722
Administrative Services	769	973	1,301	1,341	1,220	1,855	1,877	1,971	3,197	3,056
Community Development	1,711	1,802	1,819	1,843	2,152	2,088	3,160	4,019	4,572	3,437
Public Works	12,507 (a)	9,631	10,177	10,640	11,478	11,818	12,200	12,969	13,198	21,437
Redevelopment and Economic Development	932 (b)									
Housing Programs		9	8	45	85	3	3	4	4	3
Law Enforcement	7,462	7,338	7,694	8,314	8,230	8,066	9,097	9,567	10,257	10,139
Recreation	360	420	478	524	560	562	629	771	662	653
Interest and fiscal charges	606 (b)	324	317	301	292	476	400	390	378	373
Total Governmental Activities Expenses	24,813	20,989	22,240	23,474	24,498	25,472	28,007	30,445	32,929	39,820
Total Primary Government Expenses	\$24,813	\$20,989	\$22,240	\$23,474	\$24,498	\$25,472	\$28,007	\$30,445	\$32,929	\$39,820
Program Revenues										
Governmental Activities:										
Charges for Services:										
Administrative Services	\$154	\$235	\$266	\$252	\$395	\$521	\$549	\$399	\$889	\$1,736
Community Development	1,186	1,461	1,154	1,375	2,133	2,151	3,137	2,759	3,312	4,785
Public Works	3,266	3,391	3,499	3,592	3,951	4,245	4,764	5,206	5,571	7,021
Law Enforcement	2,718	3,038	3,232	3,506	3,638	4,068	4,426	4,887	5,408	5,551
Recreation	74	54	69	73	98	126	166	189	583	281
Operating Grants and Contributions	1,630	1,371	1,503	1,714	1,356	1,309	1,619	2,090	2,246	2,895
Capital Grants and Contributions	8,433	3,360	2,625	2,715	5,040	10,324	10,562	8,430	10,090	45,155
Total Government Activities Program Revenues	17,461	12,910	12,348	13,227	16,611	22,744	25,223	23,960	28,099	67,424
Total Primary Government Program Revenues	\$17,461	\$12,910	\$12,348	\$13,227	\$16,611	\$22,744	\$25,223	\$23,960	\$28,099	\$67,424
Net (Expense)/Revenue										
Governmental Activities	(\$7,352)	(\$8,079)	(\$9,892)	(\$10,247)	(\$7,887)	(\$2,728)	(\$2,784)	(\$6,485)	(\$4,830)	\$27,604
Total Primary Government Net Expense	(\$7,352)	(\$8,079)	(\$9,892)	(\$10,247)	(\$7,887)	(\$2,728)	(\$2,784)	(\$6,485)	(\$4,830)	\$27,604
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$5,561 (b)	\$4,359	\$4,499	\$5,331	\$5,814	\$6,233	\$6,918	\$7,435	\$7,965	\$8,569
Sales Taxes	1,590	1,618	1,521	1,506	1,753	1,774	1,826	2,041	2,183	2,485
Transient Occupancy Tax	165	196	195	196	210	267	276	270	233	240
Nonregulatory Franchise and Business	1,136	1,222	1,341	1,418	1,584	1,686	1,877	1,934	2,042	2,234
Intergovernmental, unrestricted:										
Motor Vehicle In-Lieu	18	18	16	16	16	18	22	20	33	31
Other						186		2		
Interest Earnings and Use of Property	653	371	436	519	557	563	881	1,645	1,573	756
Other	873	1,058	871	1,056	1,890	1,340	1,665	1,440	1,907	1,210
Extraordinary / Special Item	(2,820) (b)			362 (d)	6,327 (e)	14,642 (e)				
Total Government Activities	9,996	8,842	8,879	10,404	18,151	26,709	13,465	14,787	15,936	15,526
Total Primary Government	\$9,996	\$8,842	\$8,879	\$10,404	\$18,151	\$26,709	\$13,465	\$14,787	\$15,936	\$15,526
Change in Net Position										
Governmental Activities	\$2,644	\$763	(\$1,013)	\$157	\$10,264	\$23,981	\$10,681	\$8,302	\$11,106	\$43,130
Total Primary Government	\$2,644	\$763	(\$1,013)	\$157	\$10,264	\$23,981	\$10,681	\$8,302	\$11,106	\$43,130

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$2,843	\$3,301	\$3,654	\$4,375	\$7,000	\$4,741	\$4,704	\$4,793	\$4,104	\$3,512
Restricted	559	559	560	559	559	559	202	429	644	1,110
Assigned	100	991	331	170	943	626	4,257	3,919	5,960	6,922
Unassigned	5,255	6,151	7,837	7,938	9,068	8,769	7,172	7,796	7,342	12,791
Total General Fund	<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)	<u>\$24,335</u>
All Other Governmental Funds										
Nonspendable										
Restricted	\$19,210	\$19,898	\$18,233	\$17,525	\$17,593	\$24,517	\$31,783	\$24,004	\$27,615	\$37,235
Assigned	884	698	668	829	622	4,434	3,132	3,543	6,625	7,770
Unassigned	(1,320)	(1,645)	(1,467)	(1,374)	(1,401)	(1,046)	(1,039)	(993)	(920)	(923)
Total all other governmental funds	<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)	<u>\$44,082</u>

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.

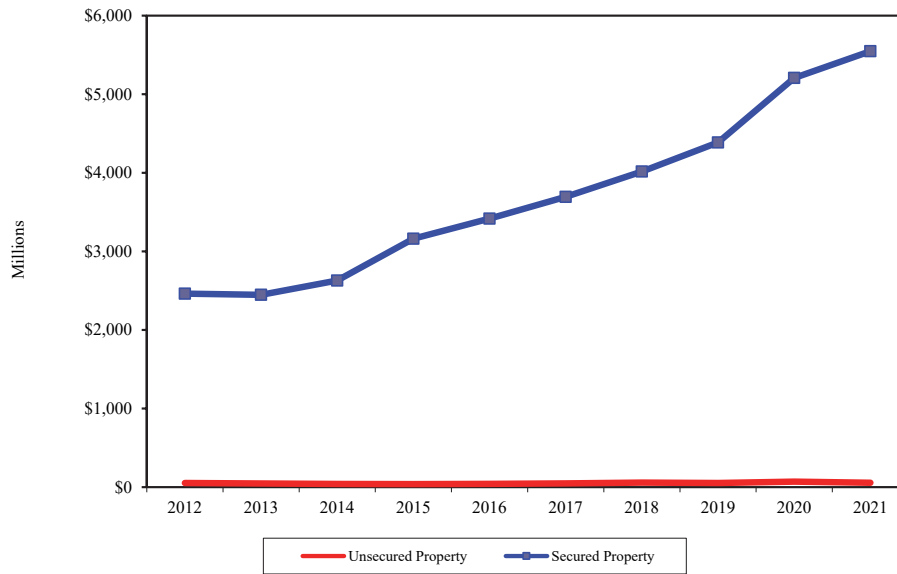
CITY OF OAKLEY
Changes in Fund Balance of Governmental Funds (000's)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012 (a)	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$8,344	\$7,729	\$7,446	\$8,331	\$9,213	\$10,179	\$11,499	\$12,484	\$13,663	\$15,955
Licenses, permits and fees	990	1,178	1,345	1,285	2,024	2,348	2,562	1,772	2,331	4,740
Fines and forfeitures	136	181	159	135	138	133	133	129	105	77
Use of money and property	418	121	231	319	563	366	640	1,359	1,383	509
Intergovernmental revenues	2,164	3,306	2,471	2,651	3,030	3,015	3,757	5,092	2,961	3,171
Charges for services	8,293	8,648	8,941	9,259	11,578	14,635	16,131	12,490	18,283	24,184
Other	932	1,123	971	1,116	1,867	1,320	4,835	2,578	2,563	2,938
Total Revenues	21,277	22,286	21,564	23,096	28,413	31,996	39,557	35,904	41,289	51,574
Expenditures										
Current:										
Legislative	452	481	433	449	482	614	612	730	683	728
Administrative services	766	918	1,110	1,287	1,335	1,709	1,419	1,586	3,238	2,961
Community development	1,677	1,771	1,787	1,821	2,274	2,113	3,081	3,959	4,608	4,351
Public works	3,641	4,015	4,608	4,661	5,651	5,921	6,053	6,373	6,093	8,044
Redevelopment and economic development	276									
Housing programs		9	8	5	85	3	3	3	4	3
Law enforcement	7,437	7,186	7,458	7,975	8,098	8,038	9,202	9,779	9,807	9,772
Recreation	353	414	471	522	566	575	607	750	687	660
Pass through to County and other agencies	642									
SERAF payment										
Estimated reduction in value of property held for resale				40						
Capital outlay	5,946	4,502	5,253	5,293	7,969	6,397	10,279	18,747	7,591	7,329
Debt service:										
Principal repayment	465	240	255	265	275	6,725	275	280	295	305
Interest and fiscal charges	1,159	329	318	306	299	621	417	417	403	375
Total Expenditures	22,814	19,865	21,701	22,624	27,034	32,716	31,948	42,624	33,409	34,528
Excess (deficiency) of revenues over (under) expenditures	(1,537)	2,421	(137)	472	1,379	(720)	7,609	(6,720)	7,880	17,046
Other Financing Sources (Uses)										
Transfers in	2,100	925	1,067	2,227	2,311	6,091	3,747	2,891	3,933	3,028
Transfers (out)	(2,100)	(925)	(1,067)	(2,227)	(2,311)	(6,091)	(3,747)	(2,891)	(3,933)	(3,028)
Proceeds (loss) from sale of property	(14)			10	79	50				
Tax allocation bonds issued										
Lease revenue bonds issued						10,025				
Bond issuance premium						157				
Total other financing sources (uses)	(14)			10	79	10,232				
Special item				(274)	2,904	(1,294)				
Extraordinary item	(21,734)									
Net Change in fund balances	(\$1,551)	\$2,421	(\$137)	\$208	\$4,362	\$8,218	\$7,609	(\$6,720)	\$7,880	\$17,046
Debt service as a percentage of noncapital expenditures	9.6%	3.7%	3.5%	3.3%	3.0%	27.9%	3.2%	2.9%	2.7%	2.5%

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



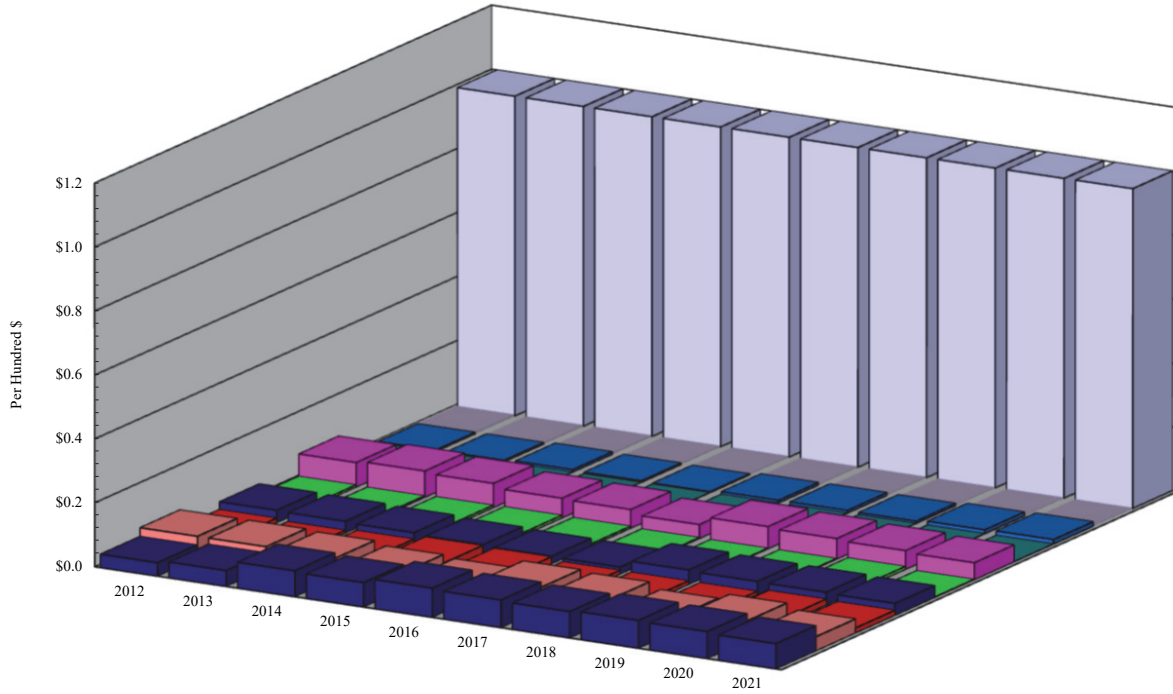
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2012	2,132	107	11	159	2,409	53	2,462	2,462	1%
2013	2,125	102	11	162	2,400	47	2,447	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%
2021	4,667	165	64	595	5,491	56	5,547	5,547	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
■ Chabot 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
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
2021	1.0000	0.0014	0.0527	0.0370	0.0445	0.0161	0.0139	0.0025	0.0000	0.0789	1.2470

Source: Contra Costa County Auditor-Controller

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

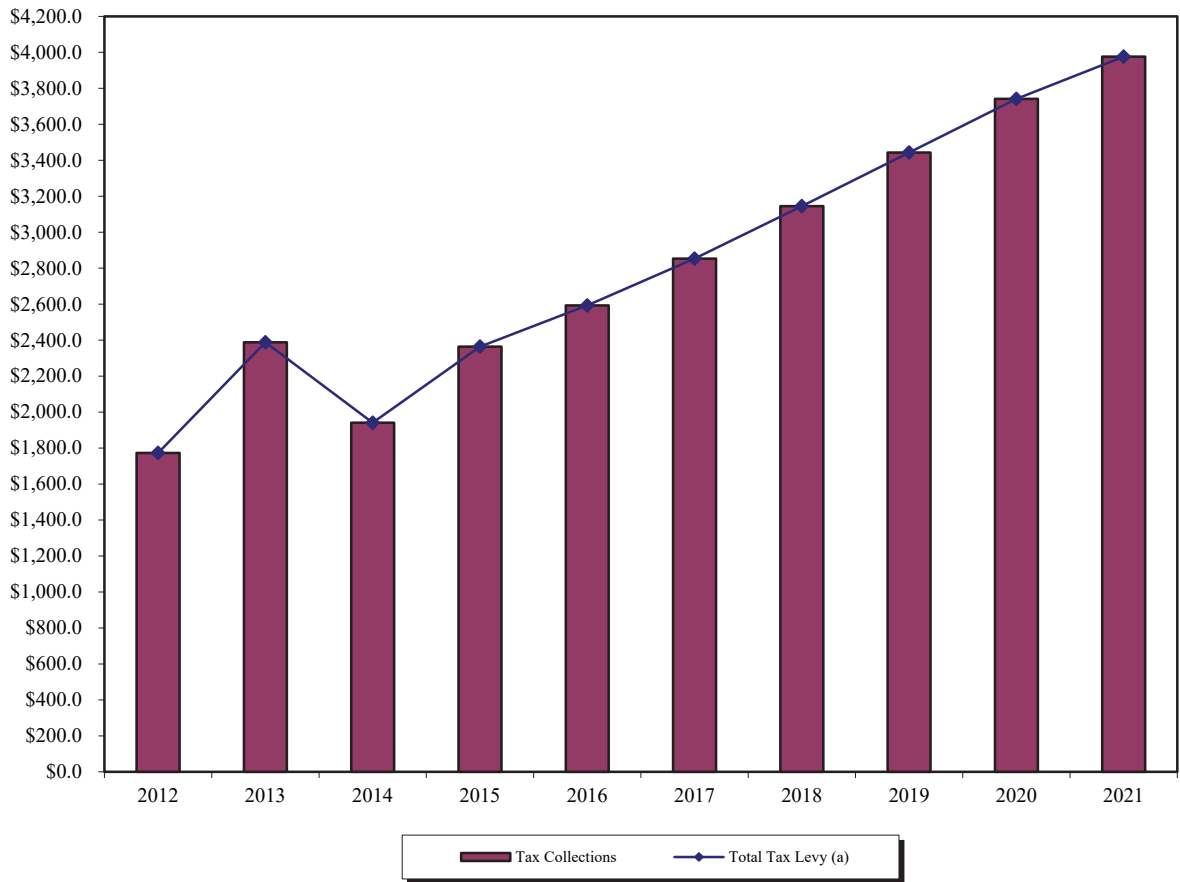
<u>Taxpayer</u>	<u>2020-21</u>			<u>2011-12</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
TIO MR LLC	\$32,362,585	1	0.64%			
OAKLEY SELF STORAGE LP	23,028,519	2	0.46%			
CYPRESS SQUARE COMMERCIAL	20,289,474	3	0.40%			
BROOKFIELD BAY AREA HOLDINGS	16,630,132	4	0.33%			
FOUNDATION CONSTRUCTORS INC	15,473,664	5	0.31%			
NEROLY SPORTS CLUB INVESTORS	15,349,298	6	0.30%	\$23,505,644	1	0.95%
HPH PROPERTIES LP	11,088,910	7	0.22%	74,016,341	8	0.30%
COMCAST CORPORATION	11,040,923	8	0.22%	5,683,229	10	0.23%
CYPRESS ROAD SELF STORAGE LLC	10,666,742	9	0.21%			
RICHMOND AMERI HOMES OF MD	10,530,000	10	0.21%			
ALBERT D SEENO CONSTRUCTION				21,846,706	2	0.89%
CYPRESS SQUARE-S AND R ASSOCIATES				17,319,609	3	0.70%
SHEA HOMES LP				15,380,477	4	0.62%
NEW URBAN COMM LLC				13,382,259	5	0.54%
WESTERN OILFIELDS SUPPLY COMPANY				8,986,499	6	0.36%
LUCKY NO CALIFORNIA INVESTOR LLC				8,318,634	7	0.34%
SHURGARD STORAGE CENTERS INC				7,018,868	9	0.29%
Subtotal	<u>\$166,460,247</u>		<u>3.00%</u>	<u>\$195,458,266</u>		<u>7.94%</u>

Total Net Assessed Valuation (000's):

Fiscal Year 2020-2021	\$5,547,000,000
Fiscal Year 2011-2012	\$2,462,000,000

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**



Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
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	3,741	3,741	100.0%	(a)	3,741	100.0%
2021	3,976	3,976	100.0%	(a)	3,976	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

Fiscal Year	Governmental Activities (in thousands)					Percentage of Personal Income (a)	Per Capita (a)
	Tax Allocation Bonds	Jurisdictional Transfer Agreement Pass - Throughs	Certificates of Participation	Lease Revenue Bonds	Total		
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
2021	0	0	0	8,560	8,560	0.63%	200

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, 2021

2020-21 Assessed Valuation, Excluding the Redevelopment Agency \$4,545,871,207

	Net Debt Outstanding	Percentage Applicable To City of Oakley	Amount Applicable To City of Oakley
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Contra Costa County Pension Debt	\$44,925,000	2.235%	\$1,004,028
Bay Area Rapid Transit District Bonds	289,804,873	2.235%	6,476,844
Bart Bond	328,172,932	2.235%	7,334,332
East Bay Regional Park District Bonds	125,395,149	2.235%	2,802,454
Liberty Union High School District 2001 and 2016 Bonds	200,563,926	20.348%	40,809,934
Brentwood Union School District Bonds	88,059,704	0.145%	127,564
Oakley Union School District Bonds	52,485,000	88.522%	46,461,018
Antioch Unified School District School Facilities Improvement District No. 1	117,857,208	5.485%	6,464,432
Contra Costa Community College District Bonds	939,870,000	2.242%	21,075,664
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT	\$2,187,133,792		\$132,556,270
DIRECT DEBT:			
City of Oakley Lease Revenue Bonds	\$8,560,000	100.000%	\$8,560,000
TOTAL DIRECT AND OVERLAPPING DEBT			\$141,116,270 (1)

(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	0.19%
Overlapping Debt	2.92%
Total Debt	3.11%

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, 2021**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$5,547,000,000
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$208,012,500
---	---------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$0
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	0
Amount of debt subject to limit	0

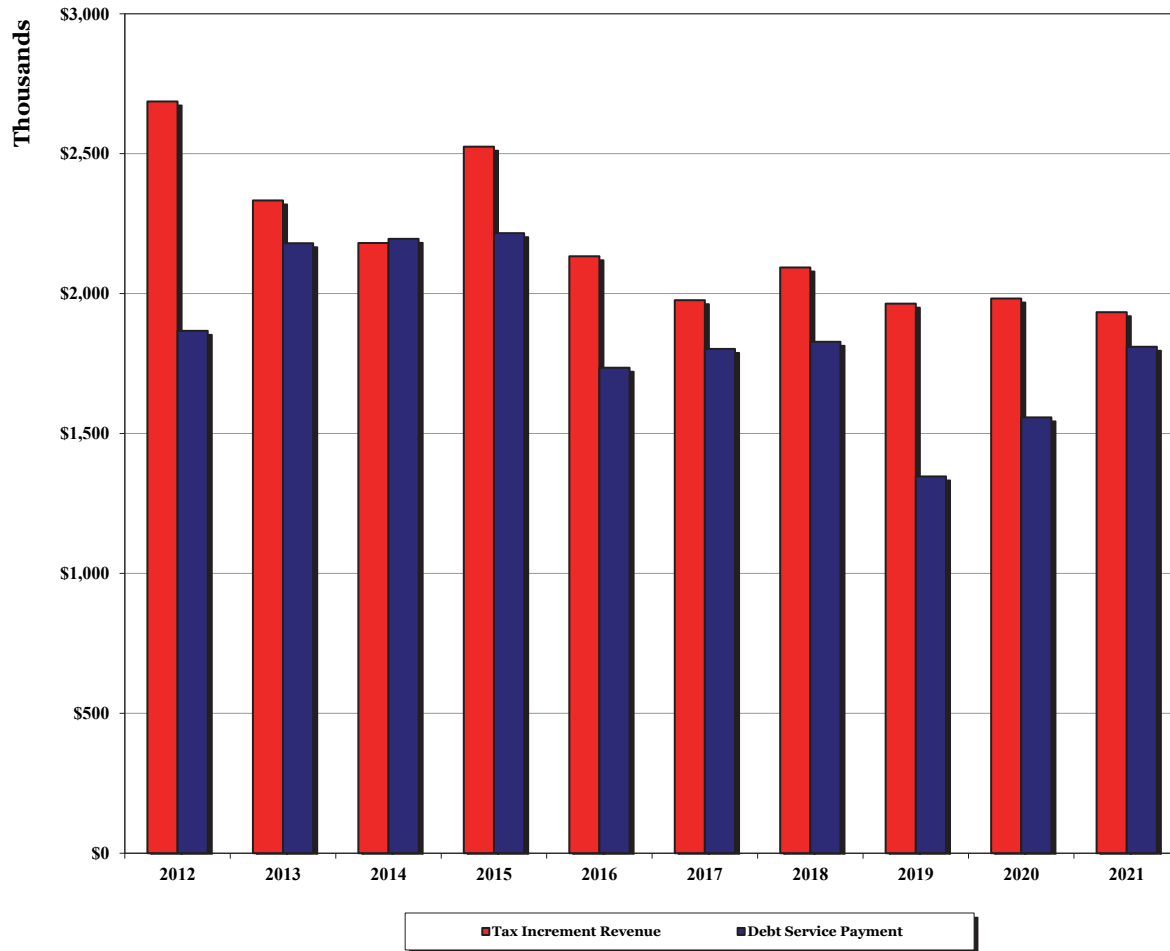
LEGAL BONDED DEBT MARGIN	\$208,012,500
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2012	\$92,325,000	\$0	\$92,325,000	0.00%
2013	91,762,500	0	91,762,500	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%
2021	208,012,500	0	208,012,500	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**

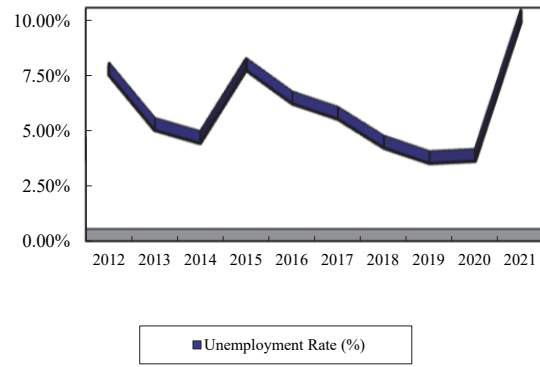
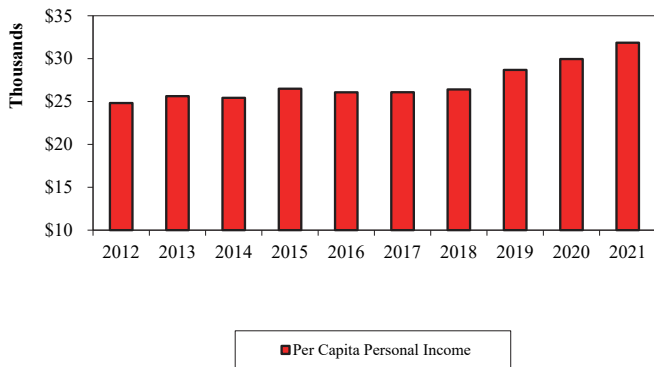
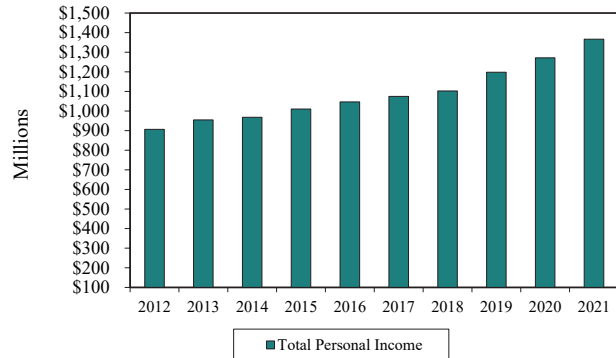
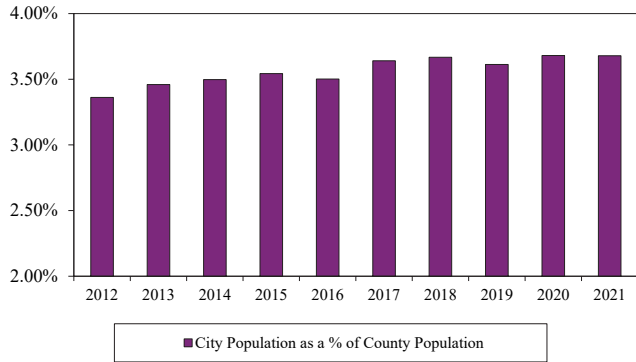


Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2012	\$2,686,625 (a) (b)	\$235,000 (a)	\$1,631,824 (a)	\$1,866,824	1.44
2013	2,332,827 (b)	560,000 (c)	1,619,876 (c)	2,179,876	1.07
2014	2,180,805 (b)	610,000 (c)	1,585,609 (c)	2,195,609	0.99
2015	2,525,004 (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
2021	1,933,455 (b)	815,000 (c)	994,885 (c)	1,809,885	1.07

- (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
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%
2021	42,895	1,366,625,000	31,859	9.9%	1,165,927	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

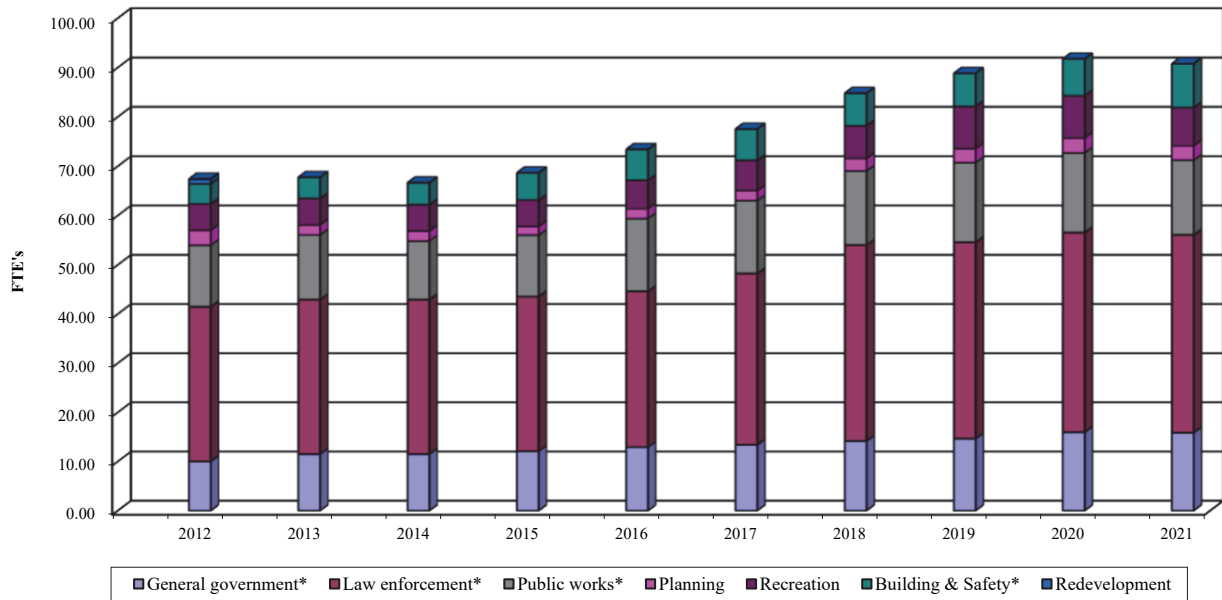
<u>Employer</u>	<u>2020-21</u>			<u>2011-12</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oakley Union Elementary School District	568	1	22.4%	514	1	29.2%
Lucky's	74	2	2.9%	55	3	3.1%
Diamond Hills Sports Club and Spa	61	3	2.4%	59	2	3.3%
Starbucks Coffee Store# 9330	59	4	2.3%			
McDonalds	51	5	2.0%	25	9	1.4%
Raley's	44	6	1.7%	48	4	2.7%
Round Table Development Co.	43	7	1.7%	23	10	1.3%
Dutch Bros Coffee	38	8	1.5%			
Taco Bell	36	9	1.4%			
Starbucks Coffee Store# 22433	36	9	1.4%			
Foundation Constructors Inc	32	10	1.3%	32	6	1.8%
Ironhouse Sanitary District				33	5	1.9%
Rain 4 Rent				30	7	1.7%
Continente Nut LLC				26	8	1.5%
Burger King				23	10	1.3%
Delta Black Bear Diner				23	10	1.3%
Subtotal	<u>1,042</u>		<u>41.1%</u>	<u>891</u>		<u>50.5%</u>
Total City Day Population (A)	<u>2,534</u>			<u>1,763</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,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
General government*	10.00	11.45	11.46	12.08	12.89	13.36	14.13	14.61	15.92	15.82
Community development:										
Public works*	12.50	13.13	11.88	12.46	14.74	14.78	15.03	16.13	16.13	15.13
Planning	3.00	2.00	2.00	1.75	2.00	2.00	2.50	2.80	3.00	2.90
Building & Safety*	4.05	4.30	4.45	5.50	6.25	6.33	6.60	6.68	7.46	8.90
Redevelopment	1.00	0.00	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	31.73	34.88	39.88	39.98	40.63	40.26
Recreation	5.37	5.37	5.37	5.37	5.78	6.16	6.64	8.60	8.60	7.77
Total	67.40	67.73	66.64	68.64	73.39	77.51	84.78	88.80	91.74	90.78

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.

Police Records Supervisory services are contracted with an outside firm.

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

Function/Program	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Law enforcement:										
Police (a) (b):										
Violent crimes	79	85	54	46	52	54	51	59	33	29
Property crimes	526	477	468	429	615	491	511	465	537	554
Public Works:										
Street resurfacing (miles)	5.40	0.72	1.54	8.62	0.25	0.42	8.50	1.40	5.60	1.50
Leisure Services:										
Recreation:										
Recreation activities participants	13,300	16,486	22,663	29,630	32,386	36,430	35,417 (c)	33,996	36,832	8,341 (d)

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
- (d) Large decrease due to COVID 19 Pandemic

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

Function/Program	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Law enforcement:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	26	29	25	26	28	29	28	23	27	29
Public works:										
Miles of streets	127.70	129.12	131.00	131.00	133.00	136.00	136.00	139.00	141.00	142.00
Street lights	2,794	3,032	3,050	3,050	3,104	3,200	3,200	3,285	3,314	3,347
Traffic Signals	32	33	33	33	34	35	36	37	38	39
Recreation:										
Community services:										
City parks	29	29	30	31	32	33	34	36	37	37
City parks acreage	96.0	98.0	101.5	102.5	108.0	113.0	116.0	119.0	121.0	121.0
Community centers	2	2	2	2	1	1	0 (a)	1 (a)	1	1
Baseball/softball diamonds	8	8	8	8	8	9	9	10	10	10
Soccer/football fields	7	7	7	7	8	9	9	9	9	9
Skate features	3	3	3	3	3	3	3	3	1	1
BMX dirt track	1	1	1	0	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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OTHER AUDIT REPORT

**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, 2021, and have issued our report thereon dated November 29, 2021.

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 29, 2021 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 29, 2021