

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2022



OAKLEY
—  —
CALIFORNIA

**CITY OF OAKLEY, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

**PREPARED BY THE
FINANCE DEPARTMENT**

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CITY OF OAKLEY, CALIFORNIA

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



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

December 13, 2022

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, 2022. 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 (GAAP) 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 45,000 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 2022/23 Proposed Budget included a strategic planning process in late 2021 when the City administered a survey to community members and employees to get their feedback on key priority areas. The survey was provided in English and Spanish and open for a month. More than 390 responses were collected and synthesized by strategic planning consultant Strategy Driver Inc. The process continued with a City Council Visioning Workshop on January 11, 2022.

A series of community workshops were held to get Council and community input on the various aspects of the strategic plan. On February 15, 2022, the City Council held the first workshop and drafted a preliminary mission, vision, and core values. At the following workshop, on March 10, 2022, the City Council and community members in attendance then discussed and updated the goals and sub-goals drafted based on community input. The final community workshop took place on March 31, 2022. 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 2022/23, management considered the following significant factors likely to affect the financial condition of the City:

- Housing prices had continued to strengthen and building activity continued to grow, with 276 building permits for new single-family homes and 170 apartment units issued in FY 2021/22. Property tax revenue growth was budgeted conservatively at 3% for Fiscal Year 2022/23. However, with the County Assessor subsequently reported an increase of over 16% in assessed valuations which is anticipated to bring in roughly \$1,000,000 more property tax and property tax in lieu of vehicle license fee revenue combined than was projected for Fiscal Year 2022/23. The City projected developers would complete approximately 220 new homes, 40 multi-family units and some new non-residential construction in Fiscal Year 2022/23. However, with rising interest rates and a slowing of the housing market, the City is anticipating a shortfall of those projections, which may be offset by the higher property tax revenues. To hedge against potentially further losses in revenue due to a recession, the City is assigning \$1 million in excess of the 30% minimum reserve policy to the General Fund Emergency Reserve for Fiscal Year 2022/23.

The City is also anticipating a rise in commercial and industrial development with the Contra Costa Logistic Center construction wrapping up in Fiscal Year 2022/23. Once complete, 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 30% of anticipated General Fund expenditures. With an adequate reserve, the Council has appropriated 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.

- 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 (CSLFRF) 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 30% 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 build and maintain the core infrastructure of the City.

THE LOCAL AND REGIONAL ECONOMIES

Oakley’s local economy continued to grow in FY 2021/22, 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 San Francisco Bay Area led the country in economic growth in 2022, with a 4.8% increase in GDP, and employment for the City's residents continues to improve. Oakley has a labor force of 19,900, with an unemployment rate that significantly dropped to 3.4 % in October 2022, compared to 7.2 % in 2021 and 14.7% in 2020.

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. To receive the award, a government must publish an easily readable and efficiently organized annual comprehensive 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.

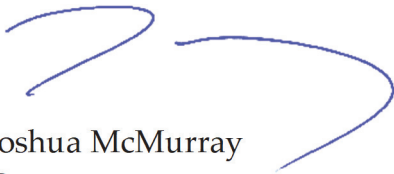
AVAILABILITY TO THE PUBLIC

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, 2022. 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.

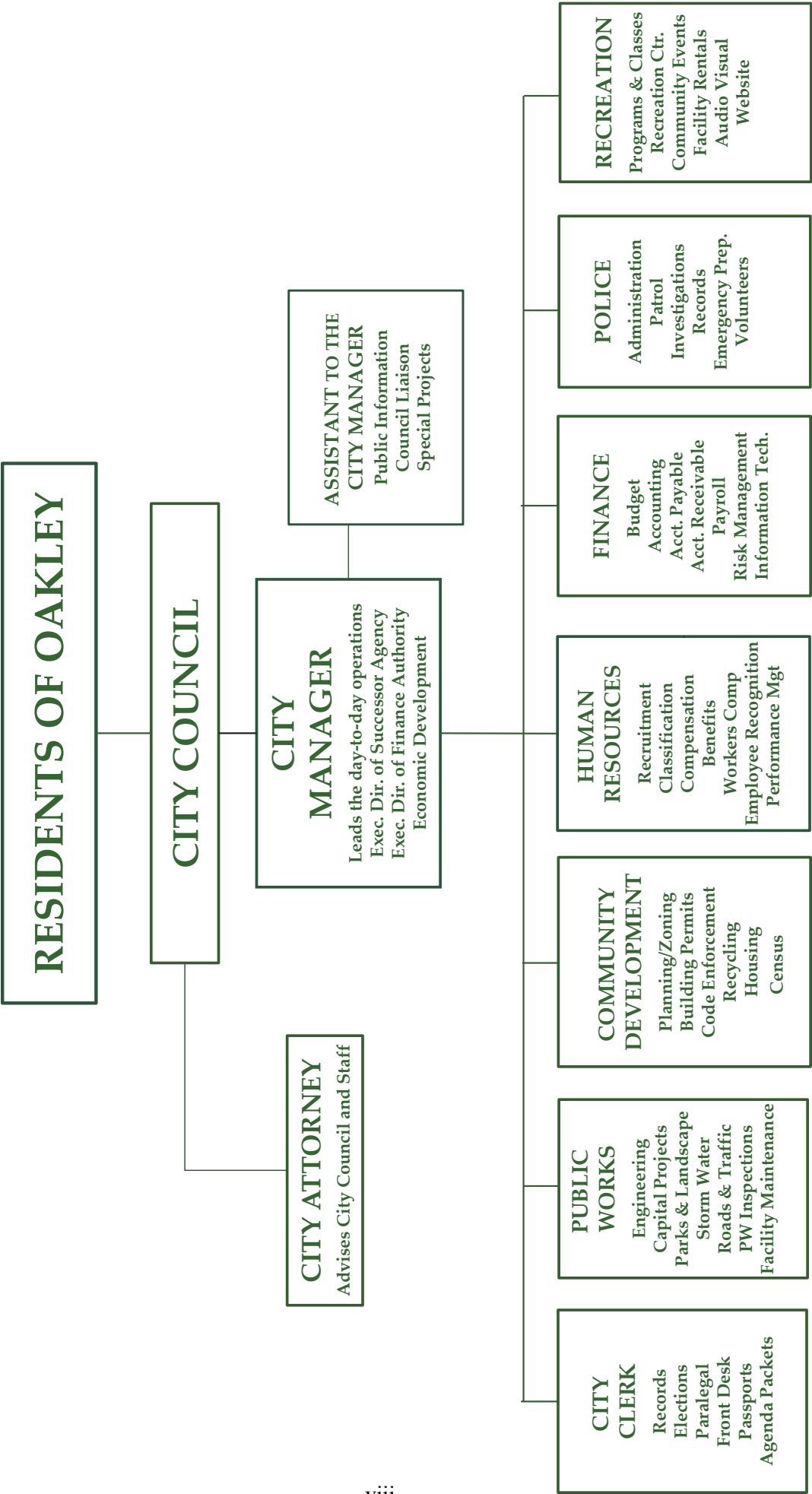
Respectfully submitted,

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by a horizontal line 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, 2022

ELECTED OFFICIALS

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

ADMINISTRATIVE PERSONNEL

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
Paul Beard
Libby Vreonis
Jeri Tejada
Kevin Rohani
Lindsey Bruno



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Oakley
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Oakley, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, 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.

Basis for Opinions

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

Responsibilities of Management 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, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, which became effective during the year ended June 30, 2022 and required the restatement of fund balance and net position as discussed in Note 1M to the financial statements:

The emphasis of this matter does not constitute a modification to our opinions.

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplemental Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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
December 2, 2022

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MANAGEMENT’S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Oakley’s financial performance for the fiscal year ended June 30, 2022, 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 management’s discussion and analysis in conjunction with the City’s financial statements.

FINANCIAL HIGHLIGHTS

- Government-wide net position increased by \$20,285,696 or 6.86 percent this year.
- Government-wide program revenues exceeded program expenditures by \$5,807,256.
- General Fund revenues were \$457,375 more than budgeted; expenditures were \$2,998,526 less than budgeted.
- The General Fund Balance at the end of the year was \$26,642,301 of which \$10,381,433 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 16 and 17) 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 20. 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, Information Technology 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 maintain and replace fleet vehicles at the end of their useful life. The Information Technology Fund is funded by transfers from the General Fund that are sufficient to replace computer equipment as necessary, and the Capital Facilities Maintenance and Replacement Fund charges the other City Funds to accumulate sufficient amounts to pay for major repairs and building systems replacements when they may occur. These Funds are reported using the *accrual basis of accounting*.

Trust and Custodial 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 2021/2022, the City's combined net position increased \$20,285,696 from \$295,697,240 to \$315,982,936. 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, 2022 and 2021

Governmental Activities	<u>2022</u>	<u>2021</u>
Assets		
Current and Restricted Assets	\$ 93,117,201	\$ 78,678,228
Other long-term Assets	14,660,449	12,009,683
Capital Assets	<u>230,225,015</u>	<u>223,742,426</u>
Total Assets	<u>338,002,665</u>	<u>314,430,337</u>
Deferred Outflows of Resources Related to Pensions (Note 11)	<u>3,889,373</u>	<u>3,437,053</u>
Liabilities		
Long-term Debt Outstanding	8,245,000	8,560,000
Other Liabilities	<u>15,947,698</u>	<u>12,969,236</u>
Total Liabilities	<u>24,192,698</u>	<u>21,529,236</u>
Deferred Inflows of Resources		
Related to Pensions (Note 11)	608,584	640,914
Related to Leases (Note 14)	<u>1,107,820</u>	<u> </u>
Total Deferred Inflows of Resources	<u>1,716,404</u>	<u>640,914</u>
Net Position		
Net Investment in Capital Assets	221,980,015	214,187,285
Restricted	56,580,454	48,460,572
Unrestricted	<u>37,442,467</u>	<u>33,049,383</u>
Total Net Position	<u>\$ 315,982,936</u>	<u>\$ 295,697,240</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 \$7,792,730 in Net Investment in Capital Assets resulted primarily from the contribution of street and parks infrastructure from developers, including the Allicante, Vines at Oakley, Stonewood and Bella Estates housing developments.

The increase of \$8,119,882 in Restricted Net Position is primarily due to funds restricted for capital projects, as a result of current year project expenditures and carryover to the next year for project completion.

The increase of \$4,373,084 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 Fiscal Year 2022/2023, bringing Fiscal Year 2021/2022 expenditures in under budget.

Table 2
Changes in Net Position
As of June 30, 2022 and 2021

Governmental Activities	<u>2022</u>	<u>2021</u>
REVENUES		
<u>Program revenues:</u>		
Charges for Services	\$19,848,551	\$ 19,373,945
Operating Grants and Contributions	3,548,566	2,895,109
Capital Grants and Contributions	16,125,068	45,154,818
<u>General Revenues:</u>		
Property Tax	8,820,565	8,569,457
Sales Tax	3,245,824	2,485,023
Other Taxes	2,736,046	2,474,503
Use of Money and Property	(1,492,642)	755,854
Miscellaneous	<u>1,158,843</u>	<u>1,241,615</u>
Total Revenues	<u>53,990,461</u>	<u>82,950,324</u>
EXPENSES		
Legislative	620,315	722,088
Administrative Services	1,236,007	3,056,064
Law Enforcement	10,004,447	10,138,852
Community Development and Housing Programs	3,784,435	3,439,987
Public Works	16,987,021	21,436,956
Recreation	723,501	652,829
Interest on Long-term Debt	<u>349,039</u>	<u>373,405</u>
Total Expenses	<u>33,704,765</u>	<u>39,820,181</u>
Change in Net Position	20,285,696	43,130,143
Net Position – Beginning	<u>295,697,240</u>	<u>252,567,097</u>
Net Position – Ending	<u>\$315,982,936</u>	<u>\$ 295,697,240</u>

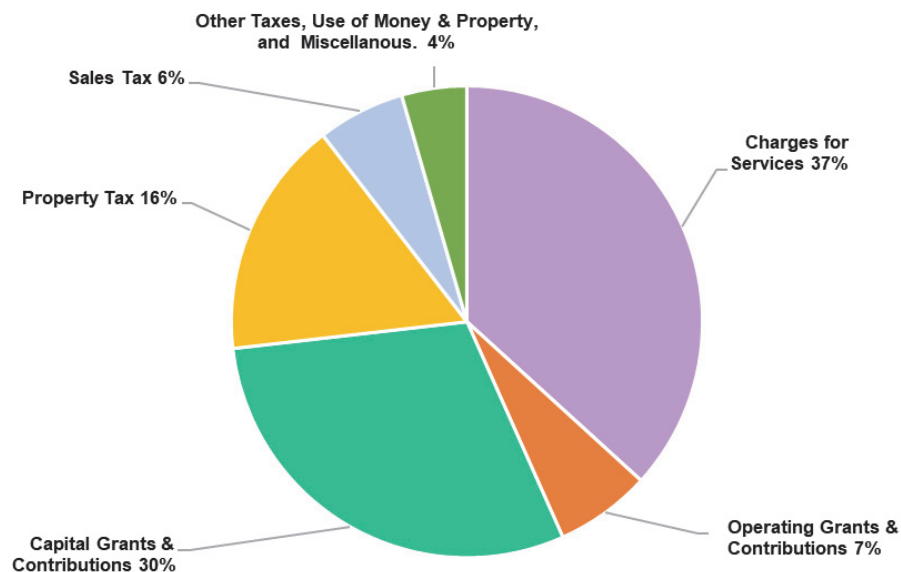
Governmental Activities

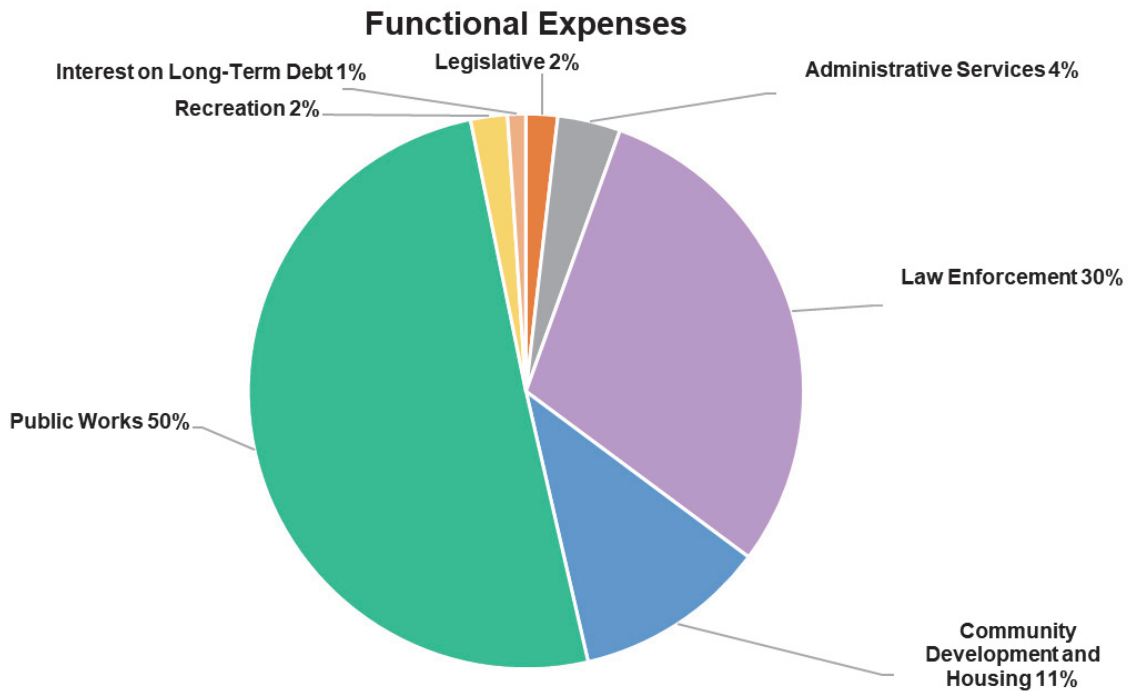
Total governmental revenue for Fiscal Year 2021/2022 was \$53,990,461. Capital Grants and Contributions, which account for 30% of revenue, saw a decrease of \$29,029,750, from \$45,154,818 in Fiscal Year 2020/2021 to \$16,125,068 in Fiscal Year 2021/2022. This decrease is due to significantly higher-than-usual capital projects that were completed in Fiscal Year 2020/2021. Charges for Services which account for 37% of revenue increased by \$474,606, due to unprecedented development continuing within the City of Oakley. Property Taxes increased \$251,108 due to a general increase in property values as well as an increase in the number of new homes on commercial and industrial buildings being assessed. With the exception of Use of Money and Property, most other categories experienced slight increases. The large decrease in Use of Money and Property was the result of rising interest rates, which created exceptionally high market losses on existing investments.

Total expenses were \$33,704,765. Public Works, with \$16,987,021 of expenses, represented the largest component of total governmental expenses. The \$4,449,935 decrease in Public Works expenses resulted primarily from far fewer capital projects being completed in Fiscal Year 2021/2022, compared to the prior fiscal year. A \$799,143 reduction in the pension-related expenses resulting from an exceptional year of earnings by CalPERS also helped to reduce Public Works expenses. Administrative Services was another category that decreased considerably; this decrease was mainly the result of a \$1,326,457 reduction in Administrative Services' pension-related expenses. Other categories remained comparable to the prior year with some seeing slight decreases.

Fiscal Year 2022 Government Activities

Sources of Revenue





On page 24, the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances is shown. The combined fund balance was \$77,750,764, an increase of \$9,334,498. The largest contributors to the change in fund balance were the increases in the General Fund (\$2,307,378), the Traffic Impact Fees Fund (\$3,228,646) and Other Governmental Funds (\$3,388,475). The combined fund balance includes the General Fund Balance of \$26,642,301.

The General Fund Balance increased by \$2,307,378 from the prior year. The increased revenues in Property Tax were primarily due to the increased property valuations and growth in residential, commercial and industrial buildings. The increase in Sales Tax due was to the rise on gas prices, inflation and a return of consumer spending in 2022, compared to the prior fiscal year when COVID-19 was more prevalent. Total General Fund expenditures decreased by \$66,165 primarily due to decreases in Administrative Services expenditures.

The General Fund Unassigned Fund Balance decreased by \$2,409,326, due primarily to the assignment of another \$5 million for use on future capital projects and a \$1 million increase to Emergency Reserves, beyond the 30 percent minimum reserve balance, to help offset potential losses of revenue due to a recession and/or the downturn in the housing market. In Fiscal Year 2022/2023, \$5 million of the Reserve for Capital Projects will be utilized for the construction of the downtown gateway roadway and parking project, which will leave the additional \$5 million available for future capital projects.

General Fund revenues were \$7,556,489 more than expenditures. That excludes Net Transfers of \$5,368,810, which are categorized under Other Financing Sources (Uses).

General Fund Budgetary Highlights

For the City’s General Fund, actual revenues of \$19,735,885 were \$457,375 more than the final budgeted revenues of \$19,278,510. Sales Tax, Other Tax Revenues and Licenses and Permits exceeded final budget by \$909,684. The increase in assessed value of property was approximately 6.4%, which was better than the projected increase of 3%. With the COVID 19 Pandemic still of concern 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 \$445,824 or 15.9% more Sales Tax revenues than anticipated. Licenses and Permits exceeded final budget by \$215,513, due to higher than anticipated development activity and permit revenue. Use of Money and Property revenue was a negative \$817,797 due to unrealized market losses on investments created by rising interest rates, which reduced the market value of the investments. The City plans to hold most of its investments to maturity, rather than realize an actual loss on investments.

General Fund expenditures of \$12,179,396 were \$2,998,526 less than final budget of \$15,177,922. Savings were realized primarily in Law Enforcement (\$1,320,654) and Community Development (\$734,456). The savings in Law Enforcement resulted from vacant police positions, creating a savings of just over \$760,000 in Salaries and Benefits and roughly \$560,000 related to increased CalPERS pension costs. The savings in community development resulted primarily from lower than anticipated Salaries and Benefit costs, consulting, and contract services. The Community Development Director position remained vacant for most of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2021/22, the City had \$230,225,015 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, 2022 and 2021

Governmental Activities	<u>2022</u>	<u>2021</u>
Non Depreciable		
-Land	\$18,531,130	\$ 18,581,634
-Construction in Progress	7,234,020	2,457,845
Depreciable, net of Accumulated Depreciation:		
-Machinery, Equipment and Vehicles	987,248	614,714
-Buildings and Improvements	20,725,953	21,157,989
-Park Improvements	15,680,626	16,044,983
-Infrastructure	<u>167,066,038</u>	<u>164,885,261</u>
Total Capital Assets	<u>\$230,225,015</u>	<u>\$223,742,426</u>

Capital Assets increased by \$6,482,589 during Fiscal Year 2021/22, with the most significant increases being in construction in progress (\$4,776,175) and in infrastructure (\$2,180,777).

The City’s FY 2022/23 Capital Improvement Budget calls for the spending of \$28,878,000 on 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 \$8,245,000 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>2022</u>	<u>2021</u>
2016 Lease Revenue Bonds	\$8,245,000	\$8,560,000

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 Annual Comprehensive Financial Report (ACFR), as well as other financial documents, is posted in the Finance Department section of the City 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, 2022

	Governmental Activities
ASSETS	
Cash and investments available for operations (Note 3)	\$86,202,021
Cash and investments with fiscal agent (Note 3)	1,496,596
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	1,973,723
Interest receivable	100,831
Prepays and deposits	19,848
Loans receivable (Note 5)	12,131,028
Land held for resale (Note 6)	3,324,182
Capital assets (Note 7):	
Land and construction in progress	25,765,150
Depreciable, net	204,459,865
Leases receivable (Note 14)	1,141,182
Net pension asset (Note 11)	1,388,239
	338,002,665
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 11)	3,889,373
	3,889,373
LIABILITIES	
Accounts payable	2,966,959
Accrued liabilities	710,916
Deposits payable	1,883,952
Unearned revenue	8,196,060
Interest payable	56,128
Claims payable - due in one year (Note 15)	88,723
Compensated absences (Note 1H):	
Due within one year	341,436
Due in more than one year	1,365,744
Advance from Fire District, due in more than one year (Note 16D)	337,780
Long-term debt (Note 8):	
Due within one year	330,000
Due in more than one year	7,915,000
	24,192,698
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 11)	608,584
Related to leases (Note 14)	1,107,820
	1,716,404
NET POSITION (Note 10)	
Net investment in capital assets	221,980,015
Restricted for:	
Capital projects	45,409,925
Debt service	41,056
Low and moderate income housing	11,129,473
	56,580,454
Unrestricted net position	37,422,467
	\$315,982,936

See accompanying notes to financial statements

CITY OF OAKLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Activities
Governmental Activities:				
Legislative	\$620,315			(\$620,315)
Administrative Services	1,236,007	\$1,240,158	\$250,000	254,151
Community Development	3,781,533	3,832,021	849,379	3,265,899
Public Works	16,987,021	7,962,194	1,994,401	6,728,610
Housing Programs	2,902			(2,902)
Law Enforcement	10,004,447	6,479,735	252,881	(3,271,831)
Recreation	723,501	334,443	201,905	(187,153)
Interest and fiscal charges	349,039			(349,039)
Total Governmental Activities	\$33,704,765	\$19,848,551	\$3,548,566	\$16,125,068
General revenues:				
Taxes:				
Property taxes				8,820,565
Sales taxes				3,245,824
Business license taxes				189,699
Transient occupancy taxes				261,273
Franchise taxes				2,285,074
Intergovernmental, unrestricted:				
Motor vehicle in lieu				49,555
Use of money and property				(1,578,042)
Gain on sale of property				85,400
Miscellaneous				1,108,928
Total General Revenues				14,468,276
Change in Net Position				20,285,696
Net Position-Beginning				295,697,240
Net Position-Ending				\$315,982,936

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 2022. 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.

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.

ARPA SPECIAL REVENUE FUND

This fund accounts for American Rescue Plan Act funding. The City is allowed to claim \$10 million of the funds as an economic loss, which can be used to provide government services. The remaining \$177,190 is being claimed as a partial reimbursement for special COVID-19 sick leave that the City's General Fund has paid out during the pandemic.

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, 2022

	General	Lighting and Landscaping Districts	Public Protection
ASSETS			
Cash and investments available for operations (Note 3)	\$23,171,418	\$12,070,367	\$1,572
Cash and investments with fiscal agent (Note 3)	974,147		
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	1,438,074	250	
Interest receivable	31,303	15,600	298
Due from other funds (Note 4C)	1,175		
Prepays and deposits	1,368		
Loans receivable (Note 5)	99,277		
Advances to other funds (Note 4B)	78,532		
Leases receivable (Note 14)	1,141,182		
Land held for resale (Note 6)	3,324,182		
Total Assets	\$30,260,658	\$12,086,217	\$1,870
LIABILITIES			
Accounts payable	\$688,255	\$510,552	
Accrued liabilities	663,740		
Due to other funds (Note 4C)			
Deposits payable	6,136		
Unearned revenue	1,152,406		
Advances from other funds (Note 4B)		78,532	
Total Liabilities	2,510,537	589,084	
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - loans receivable			
Unavailable revenue - interest on advances to other funds Related to leases (Note 14)	1,107,820		
Total Deferred Inflows of Resources	1,107,820		
FUND BALANCES			
Fund balance (Note 10):			
Nonspendable	3,536,721		
Restricted	974,147	11,497,133	\$1,870
Assigned	11,750,000		
Unassigned	10,381,433		
Total Fund Balances (Deficits)	26,642,301	11,497,133	1,870
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$30,260,658	\$12,086,217	\$1,870

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	ARPA	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
\$235,966	\$4,476,300	\$14,054,064	\$30,676,641 522,449	\$84,686,328 1,496,596
51,375 4,078	5,512	16,537	484,024 25,762	1,973,723 99,090
12,012,462	18,480	19,289 593,523	580,885	1,175 19,848 12,131,028 1,252,940 1,141,182 3,324,182
<u>\$12,303,881</u>	<u>\$4,500,292</u>	<u>\$14,683,413</u>	<u>\$32,289,761</u>	<u>\$106,126,092</u>
	\$70,413	\$26,207	\$1,635,244 45,721 1,175 1,877,816	\$2,930,671 709,461 1,175 1,883,952
\$1,174,408	4,411,399	2,216,113	416,142	8,196,060 1,252,940
<u>1,174,408</u>	<u>4,481,812</u>	<u>2,242,320</u>	<u>3,976,098</u>	<u>14,974,259</u>
12,012,462		141,905	138,882	12,012,462 280,787 1,107,820
<u>12,012,462</u>		<u>141,905</u>	<u>138,882</u>	<u>13,401,069</u>
	18,480	12,299,188	21,353,523 6,869,420 (48,162)	3,555,201 46,125,861 18,619,420 9,450,282
(882,989)	18,480	12,299,188	28,174,781	77,750,764
<u>(882,989)</u>	<u>18,480</u>	<u>12,299,188</u>	<u>28,174,781</u>	<u>77,750,764</u>
<u>\$12,303,881</u>	<u>\$4,500,292</u>	<u>\$14,683,413</u>	<u>\$32,289,761</u>	<u>\$106,126,092</u>

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CITY OF OAKLEY
 Reconciliation of the
 GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 JUNE 30, 2022

Total fund balances reported on the governmental funds balance sheet: \$77,750,764

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. 230,225,015

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. 1,479,691

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. 12,293,249

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	(8,245,000)
Interest payable	(56,128)
Advance from Fire District	(337,780)
Compensated absences	(1,707,180)
Net pension liability and pension-related deferred outflows/inflows of resources	4,669,028
Claims Payable	(88,723)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$315,982,936

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, 2022

	General	Lighting and Landscaping Districts	Public Protection
REVENUES			
Property taxes	\$8,820,565		
Sales tax	3,245,824		
Other taxes	2,546,347	\$715,847	
Licenses and permits	3,816,013		
Charges for services	198,944		
Fines and forfeits	105,621		
Intergovernmental	576,842	125	\$161,285
Developer fees			
Special assessments		4,394,474	6,345,919
Loan repayments			
Use of money and property	(444,697)	(262,177)	(4,856)
Miscellaneous	870,426	3,125	
Total Revenues	<u>19,735,885</u>	<u>4,851,394</u>	<u>6,502,348</u>
EXPENDITURES			
Current:			
Legislative	875,487		
Administrative Services	2,291,014		
Community Development	2,345,632		
Public Works	1,772,350	4,629,227	
Housing programs			
Law Enforcement	4,095,855		6,502,348
Recreation	719,114		
Capital outlay	79,944		
Debt service:			
Principal			
Interest and fiscal charges		292	
Total Expenditures	<u>12,179,396</u>	<u>4,629,519</u>	<u>6,502,348</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,556,489</u>	<u>221,875</u>	
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 4A)	177,190	130,111	
Transfers (out) (Note 4A)	(5,546,000)		
Proceeds from sale of property	119,699		
Total Other Financing Sources (Uses)	<u>(5,249,111)</u>	<u>130,111</u>	
NET CHANGE IN FUND BALANCES	2,307,378	351,986	
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>24,334,923</u>	<u>11,145,147</u>	<u>1,870</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$26,642,301</u>	<u>\$11,497,133</u>	<u>\$1,870</u>

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	ARPA	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
			\$510,455	\$9,331,020
				3,245,824
			1,997,111	5,259,305
				3,816,013
				198,944
				105,621
	\$677,195		2,781,767	4,197,214
		\$4,538,726	6,392,876	10,931,602
			338,006	11,078,399
\$96,041				96,041
(49,265)	(92,596)	(278,378)	(415,400)	(1,547,369)
		69,060	449,693	1,392,304
<u>46,776</u>	<u>584,599</u>	<u>4,329,408</u>	<u>12,054,508</u>	<u>48,104,918</u>
				875,487
				2,291,014
	336,398		2,216,802	4,898,832
		242,601	3,038,611	9,682,789
2,902				2,902
			11,728	10,609,931
			206,166	925,280
	52,531	858,161	7,936,945	8,927,581
			315,000	315,000
4,341			356,670	361,303
<u>7,243</u>	<u>388,929</u>	<u>1,100,762</u>	<u>14,081,922</u>	<u>38,890,119</u>
<u>39,533</u>	<u>195,670</u>	<u>3,228,646</u>	<u>(2,027,414)</u>	<u>9,214,799</u>
			6,242,871	6,550,172
	(177,190)		(826,982)	(6,550,172)
				119,699
	<u>(177,190)</u>		<u>5,415,889</u>	<u>119,699</u>
39,533	18,480	3,228,646	3,388,475	9,334,498
<u>(922,522)</u>		<u>9,070,542</u>	<u>24,786,306</u>	<u>68,416,266</u>
<u>(\$882,989)</u>	<u>\$18,480</u>	<u>\$12,299,188</u>	<u>\$28,174,781</u>	<u>\$77,750,764</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, 2022

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	\$9,334,498
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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	8,985,928
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$574,254 which has already been allocated to serviced funds.)	(8,274,574)
Developer dedicated infrastructure is added to fund balance	5,695,410
Retirement of capital assets is deducted from fund balance	(50,504)
Capital expenditures contributed to internal service funds	(210,089)

LONG TERM DEBT PROCEEDS AND PAYMENTS

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	315,000

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	(252,454)
Interest payable	2,100
Unavailable revenue	144,260
Advance from Fire District	657,361
Net pension liability (asset) and deferred outflows/inflows related to pensions	3,533,447
Claims payable	(73,790)

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	479,103

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$20,285,696
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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, 2022

	Original Budget	Amended Budget	Actual Amounts	Variance Positive (Negative)
REVENUES				
Property taxes	\$7,890,000	\$8,660,000	\$8,820,565	\$160,565
Sales taxes	2,000,000	2,800,000	3,245,824	445,824
Other taxes	1,982,000	2,298,000	2,546,347	248,347
Licenses and permits	3,542,500	3,600,500	3,816,013	215,513
Charges for services	147,000	147,000	198,944	51,944
Fines and forfeits	107,100	107,100	105,621	(1,479)
Intergovernmental	512,600	512,600	576,842	64,242
Use of money and property	373,100	373,100	(444,697)	(817,797)
Miscellaneous	846,842	780,210	870,426	90,216
Total Revenues	<u>17,401,142</u>	<u>19,278,510</u>	<u>19,735,885</u>	<u>457,375</u>
EXPENDITURES				
Current:				
Legislative	1,009,179	1,020,505	875,487	145,018
Administrative Services	2,439,795	2,638,746	2,291,014	347,732
Community Development	2,983,081	3,080,088	2,345,632	734,456
Public Works	1,527,342	1,762,170	1,772,350	(10,180)
Law Enforcement	5,924,193	5,416,509	4,095,855	1,320,654
Recreation	852,904	852,904	719,114	133,790
Capital outlay	22,000	407,000	79,944	327,056
Total Expenditures	<u>14,758,494</u>	<u>15,177,922</u>	<u>12,179,396</u>	<u>2,998,526</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,642,648</u>	<u>4,100,588</u>	<u>7,556,489</u>	<u>3,455,901</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			177,190	177,190
Transfers (out)	(5,639,000)	(6,185,000)	(5,546,000)	639,000
Proceeds from sale of property		119,698	119,699	1
Total Other Financing Sources (Uses)	<u>(5,639,000)</u>	<u>(6,065,302)</u>	<u>(5,249,111)</u>	<u>816,191</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$2,996,352)</u></u>	<u><u>(\$1,964,714)</u></u>	<u>2,307,378</u>	<u><u>\$4,272,092</u></u>
Fund balance at beginning of year			<u>24,334,923</u>	
Fund balance at end of year			<u><u>\$26,642,301</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, 2022

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Other taxes	\$452,334	\$452,334	\$715,972	\$263,638
Special assessments	4,380,555	4,380,555	4,394,474	13,919
Use of money and property	71,550	71,550	(262,177)	(333,727)
Miscellaneous			3,125	3,125
Total Revenues	4,904,439	4,904,439	4,851,394	(53,045)
EXPENDITURES				
Current:				
Public Works	6,213,733	6,315,460	4,629,227	1,686,233
Debt service:				
Interest and fiscal charges			292	(292)
Total Expenditures	6,213,733	6,315,460	4,629,519	1,685,941
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,309,294)	(1,411,021)	221,875	1,632,896
OTHER FINANCING SOURCES (USES)				
Transfers in	190,000	190,000	130,111	(59,889)
Total Other Financing Sources (Uses)	190,000	190,000	130,111	(59,889)
NET CHANGE IN FUND BALANCES	(\$1,119,294)	(\$1,221,021)	351,986	\$1,573,007
Fund balance at beginning of year			11,145,147	
Fund balance at end of year			\$11,497,133	

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, 2022

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Intergovernmental	\$125,000	\$125,000	\$161,285	\$36,285
Special assessments	5,400,000	6,157,500	6,345,919	188,419
Use of money and property	2,950	2,950	(4,856)	(7,806)
Total Revenues	<u>5,527,950</u>	<u>6,285,450</u>	<u>6,502,348</u>	<u>216,898</u>
EXPENDITURES				
Current:				
Law Enforcement	<u>5,527,950</u>	<u>6,172,990</u>	<u>6,502,348</u>	<u>(329,358)</u>
Total Expenditures	<u>5,527,950</u>	<u>6,172,990</u>	<u>6,502,348</u>	<u>(329,358)</u>
NET CHANGE IN FUND BALANCES	<u><u> </u></u>	<u><u>\$112,460</u></u>	<u><u> </u></u>	<u><u>(\$112,460)</u></u>
Fund balance at beginning of year			<u>1,870</u>	
Fund balance at end of year			<u><u>\$1,870</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, 2022

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Loan repayment	\$10,000	\$10,000	\$96,041	\$86,041
Use of money and property	700	700	(49,265)	(49,965)
Total Revenues	<u>10,700</u>	<u>10,700</u>	<u>46,776</u>	<u>36,076</u>
EXPENDITURES				
Current:				
Housing programs			2,902	(2,902)
Debt service:				
Interest	<u>10,000</u>	<u>10,000</u>	<u>4,341</u>	<u>5,659</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,243</u>	<u>2,757</u>
NET CHANGE IN FUND BALANCES	<u><u>\$700</u></u>	<u><u>\$700</u></u>	39,533	<u><u>\$38,833</u></u>
Fund balance (deficit) at beginning of year			<u>(922,522)</u>	
Fund balance (deficit) at end of year			<u><u>(\$882,989)</u></u>	

See accompanying notes to financial statements

CITY OF OAKLEY
 AMERICAN RESCUE PLAN ACT (ARPA) SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$8,000,000	\$5,088,595	\$677,195	(\$4,411,400)
Use of money and property			(92,596)	(92,596)
Total Revenues	8,000,000	5,088,595	584,599	(4,503,996)
EXPENDITURES				
Current:				
Community Development	349,098	1,464,000	336,398	1,127,602
Capital Outlay	7,650,000	3,300,000	52,531	3,247,469
Total Expenditures	7,999,098	4,764,000	388,929	4,375,071
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	902	324,595	195,670	(128,925)
OTHER FINANCING SOURCES (USES)				
Transfers out		(250,000)	(177,190)	72,810
Total Other Financing Sources (Uses)		(250,000)	(177,190)	72,810
NET CHANGE IN FUND BALANCES	\$902	\$74,595	18,480	(\$56,115)
Fund balance at beginning of year			_____	
Fund balance at end of year			\$18,480	

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, 2022

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current:	
Cash and investments available for operations (Note 3)	\$1,515,693
Receivables:	
Interest	<u>1,741</u>
Total Current Assets	<u>1,517,434</u>
Noncurrent:	
Capital assets (Note 7):	
Depreciable, net	<u>6,259,866</u>
Total noncurrent Assets	<u>6,259,866</u>
Total Assets	<u>7,777,300</u>
LIABILITIES	
Current:	
Accounts payable	36,288
Accrued liabilities	<u>1,455</u>
Total Liabilities	<u>37,743</u>
NET POSITION (Note 10)	
Investment in capital assets	6,259,866
Unrestricted	<u>1,479,691</u>
Total Net Position	<u><u>\$7,739,557</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, 2022

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$981,081
Total Operating Revenues	981,081
OPERATING EXPENSES	
Supplies	124,655
Depreciation	574,254
Total Operating Expenses	698,909
Operating Income (Loss)	282,172
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	16,205
Interest income	(29,363)
Total Nonoperating Revenues	(13,158)
Income (Loss) Before Contributions and Transfers	269,014
Contributions	210,089
Transfers in	366,978
Transfers (out)	(366,978)
Change in net position	479,103
BEGINNING NET POSITION	7,260,454
ENDING NET POSITION	\$7,739,557

See accompanying notes to financial statements

CITY OF OAKLEY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$981,081
Payments to suppliers	<u>(89,979)</u>
Cash Flows from Operating Activities	<u>891,102</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	148,047
Transfers (out)	<u>(148,047)</u>
Cash Flows from Noncapital Financing Activities	<u> </u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from sale of capital assets	16,205
Acquisition of capital assets	<u>(700,583)</u>
Cash Flows from Capital Financing Activities	<u>(684,378)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>(30,157)</u>
Net Cash Flows	176,567
Cash and investments at beginning of period	<u>1,339,126</u>
Cash and investments at end of period	<u><u>\$1,515,693</u></u>
NONCASH TRANSACTIONS	
Transfer of capital assets	<u><u>\$210,089</u></u>
Reconciliation of Operating Income (Loss) to Cash Flows	
from Operating Activities:	
Operating income (loss)	\$282,172
Adjustments to reconcile operating income (loss) to cash flows	
from operating activities:	
Depreciation	574,254
Net change in liabilities:	
Accounts payable	33,221
Accrued liabilities	<u>1,455</u>
Cash Flows from Operating Activities	<u><u>\$891,102</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.

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, 2022

	Successor Agency to the Redevelopment Agency Private Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments (Note 3 and 17)	\$1,395,589	\$3,325,072
Cash and investments with fiscal agent (Note 3 and 17)	318	505,244
Accounts receivable	67,882	
Interest receivable	562	2,010
Loans receivable (Note 17B)	579,750	
Total Assets	2,044,101	3,832,326
LIABILITIES		
Accounts payable		\$564,329
Interest payable	261,923	
Due to other agencies		685,536
Due to bondholders		
Unearned revenue	18,692	
Long-term debt (Note 17C):		
Due within one year	880,000	
Due in more than one year	22,639,427	
Total Liabilities	23,800,042	1,249,865
NET POSITION (DEFICIT)		
Restricted for:		
Held in Trust for private purpose Bondholders	(21,755,941)	2,582,461
Total Net Position (Deficit)	(\$21,755,941)	\$2,582,461

See accompanying notes to financial statements

CITY OF OAKLEY
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property taxes	\$2,065,052	
Special assessments		\$1,948,963
Payment from bondholders		10,496,000
Use of money and property	8,439	(32,557)
	<u>2,073,491</u>	<u>12,412,406</u>
DEDUCTIONS		
Administrative expenses		245,539
Redevelopment and economic development	251,500	
Payments to bondholders and related fiscal charges		13,025,502
Debt service:		
Interest and fiscal charges	680,208	
	<u>931,708</u>	<u>13,271,041</u>
Total Deductions	<u>931,708</u>	<u>13,271,041</u>
Change in Net Position	1,141,783	(858,635)
NET POSITION (DEFICIT) HELD IN TRUST FOR SUCCESSOR AGENCY AND OTHER GOVERNMENTS		
Beginning of year	<u>(22,897,724)</u>	<u>3,441,096</u>
End of year	<u>(\$21,755,941)</u>	<u>\$2,582,461</u>

See accompanying notes to financial statements

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CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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, 2022

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.

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.

ARPA Special Revenue Fund – This fund accounts for American Rescue Plan Act funding. The City is allowed to claim \$10 million of the funds as an economic loss, which can be used to provide government services. The remaining \$177,190 is being claimed as a partial reimbursement for special COVID-19 sick leave that the City's General Fund has paid out during the pandemic.

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, 2022

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, including lease liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and financing through 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, 2022

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 assets 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 assets 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 four sources: accounts receivable, interest on interfund advances, loans receivable and leases 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, 2022 were comprised of the following:

Governmental Activities:	<u>Taxes</u>	<u>Accounts</u>	<u>Inter- Governmental</u>	<u>Total Receivables</u>
General Fund	\$1,257,949	\$18,292	\$161,833	\$1,438,074
Lighting and Landscaping Districts Special Revenue Fund		250		250
Low and Moderate Income Housing Asset Special Revenue Fund		51,375		51,375
Non-Major Governmental Funds	93,006	202,957	188,061	484,024
Total	<u>\$1,350,955</u>	<u>\$272,874</u>	<u>\$349,894</u>	<u>\$1,973,723</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, 2022

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	\$1,454,726
Additions	813,891
Payments	(561,437)
Ending Balance	\$1,707,180
Current Portion	\$341,436

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, 2022

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 Fund Balance and Net Position

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the year ended June 30, 2022. As a result, the City determined that beginning the balances of leases receivable and deferred inflows of resources related to leases were \$613,731 as of July 1, 2021 and restated and increased the balances in that amount, and the net effect on beginning fund balance and net position was zero. See the Leases disclosure in Note 14.

N. New, Closed and Renamed Funds

During fiscal year 2021-22, the City established the following funds:

- Creekside Park Restoration Grant Special Revenue Fund accounts for a grant from the Delta Conservancy with the purpose of developing plans to restore 775 linear feet of Marsh Creek to provide habitat for native fish and wildlife. Various partners will be participating in the analysis including American Rivers, Inc., Contra Costa Flood District and the adjacent property owner/developer.
- ARPA Special Revenue Fund accounts for American Rescue Plan Act funding. The City is allowed to claim \$10 million of the funds as an economic loss, which can be used to provide government services. The remaining \$177,190 is being claimed as a partial reimbursement for special COVID-19 sick leave that the City's General Fund has paid out during the pandemic.
- Information Technology Internal Service Fund to finance and account for the replacement of technology equipment used by City departments.

The Youth Development Special Revenue Fund was closed as of July 1, 2021.

During fiscal year 2021-22, the Street Maintenance Reserve Capital Projects Fund was renamed to the Street Maintenance Rehab Capital Projects Fund.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. *Budget Policy*

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

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

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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	\$329,358
Oakley Welcoming Special Revenue Fund	68,872
Citywide Community Facilities District Special Revenue Fund	31,806
OTS Police Grants Special Revenue Fund	11,728
Developer Deposits Special Revenue Fund	290,115
Public Facilities Impact Fee Capital Projects Fund	21,701
Fire Impact Fees Capital Projects Fund	419,536

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

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS

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

A. Policies

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

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	\$86,202,021
Cash and investments with fiscal agent	1,496,596
Total City Cash and Investments	87,698,617
Cash and investments in Fiduciary Funds (Separate Statement):	
Successor Agency to the Redevelopment	
Agency Private Purpose Trust Fund:	
Cash available for operations	1,395,589
Cash and investments with fiscal agent	318
Custodial Funds:	
Cash and investments available for operations	3,325,072
Cash and investments with fiscal agent	505,244
Total Cash and Investments	\$92,924,840

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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
Local Agency Bonds	5 years		No Limit	No Limit
U.S. Treasury Obligations	5 years		No Limit	No Limit
State Obligations-California and Others	5 years	A	No Limit	No Limit
California Local Agency Obligations	5 years	A	No Limit	No Limit
U.S. Agency/Government Sponsored Obligations	5 years		33%	No Limit
Bankers Acceptances	180 days		40%	30%
Commercial Paper – Non-Pooled Funds	270 days	A-1	25%	10% (A)
Commercial Paper – Pooled Funds	270 days	A-1	40%	10% (A)
Negotiable Certificates of Deposit	5 years	A	30%	No Limit
Placement Service Certificates of Deposit	5 years	FDIC or NCUA Coverage	50%	No Limit
Non-negotiable Certificates of Deposit	5 years		No Limit	No Limit
Medium-Term Corporate Notes	5 years	A	30%	10% (A)
Money Market Mutual Funds and Mutual Funds	N/A	AAA	20%/(10% per fund)	No Limit
Asset-Backed Securities	5 years	AAA	20%	No Limit
California Local Agency Investment Fund	N/A		No Limit	\$75 million per account
Shares of beneficial interest in a Joint Powers Authority (e.g. Investment Trust of California (CalTrust) or California Asset Management Program (CAMP))	N/A		No Limit	No Limit
Supranational Obligations	5 years	AA	30%	No Limit

(A) The City may purchase no more than 10% of the outstanding commercial paper and medium-term notes of any single issuer.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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, 2022

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 or earliest call date:

Investment Type	Less Than One Year	One to Five Years	Total
<i>Cash and Investments in City Treasury:</i>			
U.S. Treasury Notes	\$3,573,320	\$21,596,196	\$25,169,516
Medium Term Corporate Notes	285,199	3,335,931	3,621,130
Local Agency Investment Fund	56,144,262		56,144,262
Money Market Funds	1,814,758		1,814,758
Capital Asset Management Program	104,069		104,069
CalTRUST	272,149		272,149
<i>Held by Fiscal Agents:</i>			
Capital Asset Management Program			
PARS Balanced Index PLUS	974,147		974,147
Money Market Funds	1,028,011		1,028,011
Total Investments	<u>\$64,195,915</u>	<u>\$24,932,127</u>	89,128,042
<i>Cash deposits in banks</i>			<u>3,796,798</u>
Total Cash and Investments			<u><u>\$92,924,840</u></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. On June 30, 2022, these investments matured in an average of 311 days.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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. On June 30, 2022, these investments matured in an average of 328 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, 2022, 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, 2022, the fair value approximated the Successor Agency's cost. At June 30, 2022, these investments have an average maturity of 28 days.

The City and Successor Agency, as CAMP shareholders, may withdraw all or any portion of the funds in each 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 or City 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, 2022 matured in an average of 27 days.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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. Presented below is the actual rating as of June 30, 2020 for each investment type as provided by Standard and Poor’s investment rating system.

Investment Type	AAA/AAA _m	AA+/AA/AA-	A+/A/A-	Total
<i>Cash and Investments in City Treasury:</i>				
Medium Term Corporate Notes		\$1,548,522	\$2,072,608	\$3,621,130
Capital Asset Management Program	\$104,069			104,069
CalTRUST		272,149		272,149
Money Market Funds	1,814,758			1,814,758
<i>Held by Fiscal Agents:</i>				
Money Market Funds	1,028,011			1,028,011
Total Rated Investments	<u>\$2,946,838</u>	<u>\$1,820,671</u>	<u>\$2,072,608</u>	6,840,117
<i>Not Rated:</i>				
Local Agency Investment Fund				56,144,262
PARS Balanced Index PLUS				974,147
<i>Exempt:</i>				
U.S. Treasury Notes				25,169,516
Total Investments				<u>\$89,128,042</u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. Fair Value Hierarchy

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.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2020:

Investment Type	Level 1	Level 2	Measured at Net Asset Value	Measured at Amortized Cost	Total
<i>Cash and Investments in City Treasury:</i>					
U.S. Treasury Notes	\$25,169,516				\$25,169,516
Medium Term Corporate Notes		\$3,621,130			3,621,130
Capital Asset Management Program				\$104,069	104,069
CalTRUST			\$272,149		272,149
Money Market Funds				1,814,758	1,814,758
<i>Held by Fiscal Agents:</i>					
PARS Balanced Index PLUS			974,147		974,147
Money Market Funds				1,028,011	1,028,011
Total Investments	<u>\$25,169,516</u>	<u>\$3,621,130</u>	<u>\$1,246,296</u>	<u>\$2,946,838</u>	<u>32,983,780</u>
<i>Investments Exempt from Fair Value Hierarchy:</i>					
Local Agency Investment Fund					56,144,262
<i>Cash deposits in banks</i>					
Total Cash and Investments					<u>3,796,798</u> <u>\$92,924,840</u>

Investments classified in Level 1 of the fair value hierarchy were valued using quoted prices in active markets. All investments classified in Level 2 of the fair value hierarchy were valued using matrix pricing techniques maintained by various pricing vendors. These prices were obtained from various pricing sources from our custodian bank. The California Local Agency Investment Fund is exempt from classification in the fair value hierarchy. Fair value is defined as the quoted market value on the last trading day of the period.

I. Concentration of Credit Risk

At June 30, 2022, City had no significant investments in the securities of any individual issuers, other than U. S. Treasury securities, investment pools and money market funds.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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, 2022 and the purpose for each were as follows:

Fund Receiving Transfer	Fund Making Transfers	Transfer Amount
General Fund	ARPA Special Revenue Fund	\$177,190 (A)
Lighting and Landscaping Districts Special Revenue Fund	Non-Major Governmental Fund	130,111 (A)
Non-Major Governmental Funds	General Fund	5,546,000 (A)
	Non-Major Governmental Funds	696,871 (A),(B)
Internal Service Fund	Internal Service Fund	366,978 (C)
	Total Interfund Transfers	\$6,917,150

(A) To fund capital projects and administration.

(B) To fund debt service.

(C) To establish new fund.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Long-Term Interfund Advances

At June 30, 2022, 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	593,523
Non-Major Governmental Funds	Low and Moderate Income Housing Asset Special Revenue Fund	580,885
	Total Interfund Advances	\$1,252,940

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, 2022.

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 0.037% for fiscal year 2022. The balance outstanding at June 30, 2022 was \$1,174,408.

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 Fire Impact Fees Capital Projects Fund owed the General Fund \$1,175 as of June 30, 2022.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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 17, 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, on June 30, 2022 are set forth below:

Golden Oak Manor	\$1,244,148
Silver Oak Apartments	654,611
Oakley Senior Housing	611,347
Oakley Cypress Associates	3,743,750
Carol Lane	5,635,472
First Time Homebuyer	123,134
New Lifeline Ministries	19,289
Downtown Revitalization Loan Program	<u>99,277</u>
Total	<u><u>\$12,131,028</u></u>

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, 2022

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 17. In July 2022, the Successor Agency agreed to subordinate its loan to the primary lender on the project, which puts the Successor Agency’s loan in the second position.

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, 2022

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, 2022 was \$19,289.

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 \$99,277 as of June 30, 2022.

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, 2022 was \$3,324,182.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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, 2022

NOTE 7 – CAPITAL ASSETS (Continued)

A. Capital Assets Additions and Retirements

Capital asset balances comprise the following:

	Balance as of June 30, 2021	Additions	Retirements	Transfers	Balance as of June 30, 2022
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$18,581,634		(\$50,504)		\$18,531,130
Construction in Progress	2,457,845	\$8,726,267		(\$3,950,092)	7,234,020
Total capital assets not being depreciated	21,039,479	8,726,267	(50,504)	(3,950,092)	25,765,150
Capital assets being depreciated:					
Buildings and Improvements	28,260,200	292,492		101,184	28,653,876
Machinery and Equipment	2,481,630	364,865			2,846,495
Vehicles	1,995,608	302,887	(179,368)		2,119,127
Roadways:					
Pavement	219,898,911	1,356,095		3,018,352	224,273,358
Sidewalks	11,277,188	455,588			11,732,776
Storm Drains	5,043,978	2,511,735			7,555,713
Curbs and Gutters	12,253,943	693,989		113,202	13,061,134
Traffic Signals	7,802,726			202,457	8,005,183
Regulatory Signs and Street Trees	4,323,431	670,303		55,090	5,048,824
Street Lights	4,594,308	7,700			4,602,008
Bridges	4,422,722				4,422,722
Parks and Recreation Structures	23,752,184			459,807	24,211,991
Total capital assets being depreciated	326,106,829	6,655,654	(179,368)	3,950,092	336,533,207
Less accumulated depreciation for:					
Buildings and Improvements	(7,102,211)	(825,712)			(7,927,923)
Machinery and Equipment	(2,262,699)	(117,582)			(2,380,281)
Vehicles	(1,599,825)	(177,636)	179,368		(1,598,093)
Roadways:					
Pavement	(90,262,664)	(5,518,273)			(95,780,937)
Sidewalks	(3,604,505)	(173,337)			(3,777,842)
Storm Drains	(100,880)	(251,994)			(352,874)
Curbs and Gutters	(3,615,542)	(203,497)			(3,819,039)
Traffic Signals	(2,440,481)	(294,767)			(2,735,248)
Regulatory Signs and Street Trees	(1,964,417)	(302,689)			(2,267,106)
Street Lights	(1,496,820)	(114,951)			(1,611,771)
Bridges	(1,246,637)	(44,226)			(1,290,863)
Parks and Recreation Structures	(7,707,201)	(824,164)			(8,531,365)
Total accumulated depreciation	(123,403,882)	(8,848,828)	179,368		(132,073,342)
Net capital assets being depreciated	202,702,947	(2,193,174)		3,950,092	204,459,865
Governmental activities capital assets, net	\$223,742,426	\$6,533,093	(\$50,504)		\$230,225,015

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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	\$188,533
Public Works	8,086,041
Internal Service Funds	<u>574,254</u>
Total Depreciation	<u><u>\$8,848,828</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, 2021	Retirements	Balance June 30, 2022	Current Portion
2016 Lease Revenue Bonds					
2.00-5.00%, due 5/1/2041	<u>\$10,025,000</u>	<u>\$8,560,000</u>	<u>(\$315,000)</u>	<u>\$8,245,000</u>	<u>\$330,000</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, 2022

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
2023	\$330,000	\$336,769
2024	345,000	323,569
2025	360,000	309,769
2026	380,000	295,369
2027	395,000	280,169
2028 - 2032	2,195,000	1,172,671
2033 - 2037	2,170,000	697,270
2038 - 2041	2,070,000	218,008
	\$8,245,000	\$3,633,594

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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. On July 28, 2021, the Oakley Public Financing Authority issued Refunding Revenue Bonds, Series 2021, in the principal amount of \$10,496,000 to refund the 2012 Bonds. The 2021 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 2014 and 2021 Bonds were \$6,820,000 and \$9,807,000, respectively, at June 30, 2022.

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, 2022

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, 2022

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2022, are below:

Fund Balance Classifications	Major Special Revenue Funds					Major Capital	Other Governmental Funds	Total
	General Fund	Lighting and Landscaping District	Public Protection	Low and Mod Income Housing Asset	ARPA	Projects Fund Traffic Impact Fees		
Nonspendables:								
Items not in spendable form:								
Prepays and deposits	\$1,368				\$18,480			\$19,848
Loans receivable	99,277							99,277
Land held for resale	3,324,182							3,324,182
Advances	78,532							78,532
Leases receivable	33,362							33,362
Total Nonspendable Fund Balances	3,536,721				18,480			3,555,201
Restricted for:								
Pension benefits	974,147							974,147
Lighting and landscaping services		\$11,497,133						11,497,133
Traffic impact projects						\$12,299,188		12,299,188
Police services			\$1,870					1,870
Public facilities impact projects							\$3,485,873	3,485,873
Street maintenance and improvement							3,852,491	3,852,491
2006-1 Assessment District							649,428	649,428
NPDES projects							49,127	49,127
Community Facilities District #1							2,365,530	2,365,530
Community Facilities District 2015-1							2,169,765	2,169,765
Citywide Community Facilities							921,662	921,662
Agricultural conservation							7,159	7,159
Debt service							41,056	41,056
Park impact fees							5,906,364	5,906,364
Cypress Grove improvements							112,309	112,309
Regional Park							1,792,759	1,792,759
Government services								
Total Restricted Fund Balances	974,147	11,497,133	1,870			12,299,188	21,353,523	46,125,861
Assigned to:								
Termination payments	300,000							300,000
Uninsured claims payable	450,000							450,000
Outlay projects								
Capital projects	10,000,000							10,000,000
Unfunded pension liability	1,000,000							1,000,000
Main Street Projects							6,869,420	6,869,420
Total Assigned Fund Balances	11,750,000						6,869,420	18,619,420
Unassigned:								
General Fund:								
Unassigned - Emergency Reserve	8,894,792							8,894,792
Unassigned - Contingency Reserve	90,125							90,125
Other Unassigned	1,396,516							1,396,516
Other fund deficits					(\$882,989)		(48,162)	(931,151)
Total Unassigned Fund Balances	10,381,433				(882,989)		(48,162)	9,450,282
Total Fund Balances	\$26,642,301	\$11,497,133	\$1,870	(\$882,989)	\$18,480	\$12,299,188	\$28,174,781	\$77,750,764

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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) A minimum of 30% 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 \$90,125 as of June 30, 2022.
- 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 \$300,000 as of June 30, 2022.
- 4) 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, including Labor Code Section 4850 Salary Continuation payments. The balance of the reserve was \$450,000 as of June 30, 2022.
- 5) The City had previously 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. In Fiscal Year 2021/2022, the City split that fund out into the Equipment Replacement Internal Service Fund (Fund 501) and the Information Technology Internal Service Fund (Fund 503). Adequate funds will be set aside in both of these funds each year to ensure that funds are available for asset replacement at the end of the respective assets' life cycles. As of June 30, 2022, the balance of available resources was approximately \$855,000 in the Equipment Replacement Internal Service Fund and \$132,000 in the Information Technology Internal Services Fund.

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 vehicles is approximately \$158,000 per year and the cost to replace existing computer equipment is approximately \$142,000 on average, 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, 2022

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

- 6) 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 \$491,876 as of June 30, 2022 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.

- 7) 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 \$49,127 as of June 30, 2022.

- 8) 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, 2022, and therefore was not required to establish a Reserve for Qualifying Expenditures as of June 30, 2022.

D. Fund Balance Deficit

The Oakley Welcoming Special Revenue Fund had deficit fund balance of \$6,684 as of June 30, 2022, which is expected to be eliminated by future revenues or funding from the General Fund.

E. Net Investment in Capital Assets

The balances related to Net Investment in Capital Assets are comprised of the following as of June 30, 2022:

	Governmental Activities
Capital Assets, Net of Accumulated Depreciation	\$230,225,015
Less Capital Debt	<u>(8,245,000)</u>
Net Investment in Capital Assets	<u>\$221,980,015</u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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, 2022

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, 2022, are summarized as follows:

	Miscellaneous		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
Hire date	Prior to October 18, 2010	On or after October 18, 2010	On or after January 1, 2013
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	8.00%	7.00%	6.75%
Required employer contribution rates	12.20%	9.13%	7.59%
Required UAL contribution	\$82,542	\$9,447	\$6,043
Safety			
PEPRA			
Hire date	On or after 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	13.75%		
Required employer contribution rates	13.75%		
Required UAL contribution	\$22,117		

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 \$120,149 in fiscal year 2022, as shown in the table above.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2022, the City’s total contributions to the Plan were \$1,113,410.

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, 2022, 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 (Asset)
Miscellaneous	(\$1,058,664)
Safety	(329,575)
Total Net Pension Liability (Asset)	(\$1,388,239)

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.01526%
Proportion - June 30, 2021	0.02567%
Change - Increase (Decrease)	0.01041%

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 11 – PENSION PLAN (Continued)

For the year ended June 30, 2022, the City recognized pension expense of (\$2,420,036). As of June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$1,113,411	
Differences between actual and expected experience		(\$175,026)
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,655,644	(433,558)
Net differences between projected and actual earnings on plan investments	<u>1,120,318</u>	
Total	<u><u>\$3,889,373</u></u>	<u><u>(\$608,584)</u></u>

\$1,113,411 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2023	\$804,167
2024	629,072
2025	424,769
2026	<u>309,370</u>
Total	<u><u>\$2,167,378</u></u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 11 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

- (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, 2020 valuation were based on the results of a December 2017 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, 2022

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 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 rates of return by asset class.

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Public 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%	0.0%	-0.92%
Total	<u>100.0%</u>		

(a) In the CalPERS Annual Comprehensive 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 (Asset)	\$1,205,933
Current Discount Rate	7.15%
Net Pension Liability (Asset)	(\$1,388,239)
1% Increase	8.15%
Net Pension Liability (Asset)	(\$3,528,844)

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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. *Subsequent Event - Reduction of CalPERS Discount Rate*

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS

A. *PORAC Retiree Medical Trust Plan*

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 for qualified medical expenses. The benefit can only be used to purchase post-employment health insurance.

Contributions to the plan during fiscal year 2022 were \$158,550.

B. *Retirement Health Savings Plan*

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 \$50 per month per employee.

The administration of benefits for the plan rests with the plan administrator. The administrator for the plan is Mission Square Retirement (formerly ICMA RC). To be vested in the plan an employee must have 5 years of 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 2022 were \$11,016.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

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, different rules apply and amounts contributed may be either pre-tax or after-tax depending on applicable plan rules; under the 401a Plan participants are not taxed on the deferred portion of their compensation until distributed to them. Under both plans, distributions may be made only at termination, retirement, death or in an emergency as defined by each Plan.

The Plans are part of the public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC). Benefit provisions under the Plans are established by City resolution.

The City has no liability for any losses incurred by the Plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Mission Square to manage and invest the assets of each Plan. The administrator pools the assets of each Plan with those of other participants and does not make separate investments for the City. The assets in the Plans are the sole property of the participants or their beneficiaries. Since the assets held under the Plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plans require investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

The City contributes a 1% match of employee contributions to the 457 Plan for all employees, except those under the Oakley Police Officers Association. Police Department lieutenants receive an additional employer contribution of 2% of base pay, for a total contribution of 3%. The employer contributions vest 60% after one year, increasing 10% per year until they are 100% vested in year five.

The City contributes a 1% match of employee earnings, excluding overtime and bonuses, to the 401a Plan for employees that work an average of 30 hours per week. The employer contributions vest 60% after one year, increasing 10% per year until they are 100% vested in year five.

If an employee participates in both plans, the maximum employer matching contribution is 1%, except for Police Department lieutenants, which is a maximum of 3%.

The City's required contributions for the year ended June 30, 2022 totaled \$27,335.

NOTE 14 - LEASES

A. Policies

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of \$50,000 or more.

Lessee - The City does not have any noncancellable leases of nonfinancial assets as of June 30, 2022. If there were such leases outstanding, the City would recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 14 – LEASES (Continued)

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

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

Lessor - The City is a lessor for noncancellable leases of commercial space and communication sites. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 14 – LEASES (Continued)

B. Leases Receivable

The balances related to leases receivable and deferred inflows of resources as of June 30, 2022 were:

	<u>Lease Receivable</u>	<u>Deferred Inflow of Resources</u>
General Fund		
Leases Receivable (Lessor)		
Facilities rentals:		
Skipolini's Inc.	\$620,729	\$604,162
Mr. Pickles Sandwich Shop	63,742	61,847
Guanatos Ice Cream	96,070	92,696
Communication sites:		
American Tower	175,990	170,778
Sprint Nextel (T-Mobile)	<u>184,651</u>	<u>178,337</u>
Total Leases Receivable	<u><u>\$1,141,182</u></u>	<u><u>\$1,107,820</u></u>

Facilities Rentals – The City leases commercial space to third parties. During the year ended June 30, 2022, the City had three leases that were subject to being recorded as leases receivable under generally accepted accounting principles. The original lease terms were from five years to fifteen years and as of June 30, 2022, the three leases had 2.75 to 12.9 years remaining. Two of the leases can be renewed for one additional five year term and one lease can be renewed for up to three, five year terms upon written notice of the tenant. The City did not include the extension periods in the calculation of the lease receivable balances. The City recognized \$65,082 in lease revenue and \$10,525 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

Communication Site Leases – The City leases various locations to third parties for the provisions of mobile/wireless communications services. During the year ended June 30, 2022, the City had two leases, with original lease terms ranging from twenty to thirty years, including the optional extension periods, and as of June 30, 2022, the leases had 5.6 to 6.8 years remaining. The City recognized \$56,685 in lease revenue and \$11,831 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 15 – 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)	\$29,500,000
Vehicle - Physical Damage (\$3,000 for police vehicles, \$2,000 for all others)	250,000
Worker's Compensation (no deductible)	50,000,000
Property:	
All Risk (\$25,000), Fine Art and Copper Claims (\$5,000), Water Claims (\$150,000)	1,000,000,000
Flood*	25,000,000
Pollution Liability (\$250,000)	1,000,000
Boiler and Machinery (\$10,000)	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, 2022

NOTE 15 – 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	
	2022	2021
Balance at beginning of year	\$14,933	\$14,386
Liability for current fiscal year claims	76,956	155
Change in liability for prior fiscal year claims and claims incurred but not reported (IBNR)	32,999	140,388
Claims paid	(36,165)	(139,996)
Balance at end of year	\$88,723	\$14,933

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. Construction and Other Commitments

The City has the following outstanding construction commitments as of June 30, 2022 which are included in the balance of encumbrances in Note 16E:

East Cypress - Knightsen Avenue Intersection Signal	\$5,988,995
Oakley Regional Community Park	3,017,919
Downtown Gateway Plaza Roadway and Parking Lot	1,190,202
Cypress Grove SD Pump Station Building	802,600
Downtown Parking Lot Project	729,137
Sheriff Annex Building Demolition	400,000
O'Hara Avenue / Carpenter Road Intersection Improvements	247,730
Piper Lane Drainage Channel Trash Capture	204,135
Main Street/Delta Intersection Improvements	200,000
Main Street/Brownstone Intersection Improvements	200,000
West Cypress Road Bridge Reconstruction at Contra Costa Canal	151,854
Main Street Bridge Rehabilitation at Contra Costa Canal	101,821
Police Parking Lot Expansion	55,392
Other Projects	31,469

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 16 – 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. Title was transferred to the Fire District in May 2021 and the fire station opened in June 2022. The advance of funds does not bear interest and the balance of the advance was \$337,780 at June 30, 2022.

E. *Encumbrances*

Encumbrances outstanding as of June 30, 2022 by fund were as follows:

Major Governmental Funds:	
Traffic Impact Fees Capital Projects Fund	\$119,964
Non-Major Governmental Funds	2,781,794
Total Encumbrances	\$2,901,758

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 16 – COMMITMENTS AND CONTINGENCIES (Continued)

F. Developer Impact Fee Credits

In April 2022, the City entered into an agreement with a developer who is developing the Grand Cypress Preserve residential project. The City agreed to grant the developer impact fee credits and other reimbursements for its costs incurred, since the developer will construct certain improvements beyond what is needed to serve the specific project. The value of these credits and reimbursements do not increase for inflation, nor do they accrue interest.

Under the terms of the agreement, the developer is expected to install improvements with a total cost of \$64,384,181 (Developer's Cost), of which the City will provide fee credits or reimbursements totaling \$28,607,255 (City's Share), and if other future development of the property occurs, the City will reimburse the developer an additional amount which is the difference between the Developer's Share and \$45,282,801 (Full Fair-Share Amount).

Reimbursement of the City's Share is payable from three sources: traffic impact fees (TIF) of \$10,041,089, proceeds from the sale of property the City owns of \$11,755,637, and \$6,781,166 from other sources, which may include the issuance of bonds. The developer will receive fee credits for 100% of the TIF for the first 747 lots constructed. The final payment of the City's Share is due within four months of the date the developer obtains approval from Contra Costa Water District for the construction of levee improvements. Once the City has satisfied the City's Share, the City is to reimburse the developer for 50% of the future developers' share of TIF collected until the Full Fair-Share Amount is reimbursed.

As of June 30, 2022, no credits had been used and no reimbursements had been paid to the developer.

The accounting for the amounts due are not recorded as indebtedness since the payments (use of the credits or reimbursements) are contingent upon the developer's development of residential lots or the collection of development fees from future building growth which has not yet occurred.

NOTE 17 – 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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

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.

Cash and investments of the Successor Agency as of June 30, 2022 includes the following:

Cash available for operations:	
Cash available for operations	\$43,146
Cash held for September 1, 2022 debt service payment	1,352,443
Cash and investments with fiscal agent	318
Total Cash and Investments	\$1,395,907

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, 2022.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

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 was \$579,750 as of June 30, 2022.

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, 2021	Retirements	Balance June 30, 2022	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	1,915,000	(\$500,000)	1,415,000	\$510,000
2018 Tax Allocation Refunding Bonds					
3.25-6.00%, due 9/01/2038	18,655,000	18,255,000	(345,000)	17,910,000	370,000
Add: Unamortized Bond Premium		1,881,679	(282,252)	1,599,427	
Total		<u>\$24,646,679</u>	<u>(\$1,127,252)</u>	<u>\$23,519,427</u>	<u>\$880,000</u>

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

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 1, and semi-annual interest payments are due March 1 and September 1, through 2028.

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 \$30,557,308 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 2022 calculated by the County Auditor-Controller was \$4,656,502 and the total received by the Successor Agency for fiscal year 2022 debt service was \$2,065,052 which represented 114% of the \$1,807,305 of debt service.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

5. Debt Service Requirements

Annual debt service requirements for the Bonds are shown below:

For the Year Ending June 30	Principal	Interest
2023	\$880,000	\$925,498
2024	920,000	887,048
2025	955,000	846,489
2026	1,000,000	799,986
2027	1,050,000	748,736
2028 - 2032	6,020,000	2,966,508
2033 - 2037	7,620,000	1,344,822
2038 - 2039	3,475,000	118,221
	21,920,000	\$8,637,308
Add: Unamortized Premium	1,599,427	
Net Long Term Debt	\$23,519,427	

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 17A and made no further demands for the return of assets to the Successor Agency.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2022

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

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 is 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 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>	<u>6/30/2021</u>
0.02053%	0.02258%	0.01526%	-0.02567%
\$1,978,129	\$2,313,974	\$1,660,558	(\$1,388,239)
\$8,031,468	\$8,224,932	\$8,331,862	\$8,425,819
24.63%	28.13%	19.93%	-16.48%
75.26%	75.26%	75.10%	88.29%

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>	<u>2022</u>
\$1,038,446	\$2,174,321	\$1,595,273	\$1,113,411
<u>1,038,446</u>	<u>2,174,321</u>	<u>1,595,273</u>	<u>1,113,411</u>
<u>\$0</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>	<u>\$8,601,562</u>
12.63%	26.10%	18.93%	12.94%

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SUPPLEMENTAL INFORMATION

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

TRAFFIC IMPACT FEES CAPITAL PROJECTS FUND

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

CITY OF OAKLEY
 TRAFFIC IMPACT FEES
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Developer fees	\$3,900,000	\$4,538,726	\$638,726
Use of money and property	30,000	(278,378)	(308,378)
Miscellaneous		69,060	69,060
	<u>3,930,000</u>	<u>4,329,408</u>	<u>399,408</u>
EXPENDITURES			
Current:			
Community Development			
Public Works	278,257	242,601	35,656
Capital outlay	8,496,993	858,161	7,638,832
	<u>8,775,250</u>	<u>1,100,762</u>	<u>7,674,488</u>
NET CHANGE IN FUND BALANCES	<u>(\$4,845,250)</u>	<u>3,228,646</u>	<u>\$8,073,896</u>
Fund balance at beginning of year		<u>9,070,542</u>	
Fund balance at end of year		<u>\$12,299,188</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)

CREEKSIDE PARK RESTORATION GRANT

This fund accounts for a grant from the Delta Conservancy with the purpose of developing plans to restore 775 linear feet of Marsh Creek to provide habitat for native fish and wildlife. Various partners will be participating in the analysis including American Rivers, Inc., Contra Costa Flood District and the adjacent property owner/developer.

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.

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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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.

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Community Facilities District #1	Community Facilities District 2015-1
ASSETS				
Cash and investments available for operations	\$2,901,900	\$26,868	\$2,408,688	\$2,186,117
Cash with fiscal agent				
Accounts receivable, net	160,460	113,384		
Interest receivable	3,133	115	2,793	2,497
Advances to other funds				
Total Assets	\$3,065,493	\$140,367	\$2,411,481	\$2,188,614
LIABILITIES				
Accounts payable	\$929,892	\$53,664	\$45,951	\$18,849
Accrued liabilities				
Due to other funds				
Deposits payable				
Unearned revenue		37,576		
Total Liabilities	929,892	91,240	45,951	18,849
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Restricted	2,135,601	49,127	2,365,530	2,169,765
Assigned				
Unassigned				
Total Fund Balance	2,135,601	49,127	2,365,530	2,169,765
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,065,493	\$140,367	\$2,411,481	\$2,188,614

SPECIAL REVENUE FUNDS

Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park	OTS Police Grants	Creekside Park Restoration Grant	Developer Deposits
\$38,890	\$7,151	\$1,077,041	\$1,795,759		\$5,613	\$1,720,231
147	8	1,093				192,505
<u>\$39,037</u>	<u>\$7,159</u>	<u>\$1,078,134</u>	<u>\$1,795,759</u>		<u>\$5,613</u>	<u>\$1,912,736</u>
\$45,721		\$156,472			\$47,090	\$37,921
			\$3,000			1,874,816
<u>45,721</u>		<u>156,472</u>	<u>3,000</u>		<u>47,090</u>	<u>1,912,737</u>
	\$7,159	921,662	1,792,759			
(6,684)					(41,477)	(1)
(6,684)	7,159	921,662	1,792,759		(41,477)	(1)
<u>\$39,037</u>	<u>\$7,159</u>	<u>\$1,078,134</u>	<u>\$1,795,759</u>		<u>\$5,613</u>	<u>\$1,912,736</u>

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2022

	CAPITAL PROJECTS FUNDS			
	Measure J	General Capital Projects	Park Impact Fees	Public Facilities Impact Fee
ASSETS				
Cash and investments available for operations	\$1,715,291	\$2,615,236	\$5,565,105	\$3,374,737
Cash with fiscal agent				
Accounts receivable, net		16,500		
Interest receivable	1,599	3,482	6,428	3,964
Advances to other funds			440,038	140,847
Total Assets	\$1,716,890	\$2,635,218	\$6,011,571	\$3,519,548
LIABILITIES				
Accounts payable		\$219,671		
Accrued liabilities				
Due to other funds				
Deposits payable				
Unearned revenue		378,566		
Total Liabilities		598,237		
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - interest on advances to other funds			\$105,207	\$33,675
Total Deferred Inflows of Resources			105,207	33,675
FUND BALANCES				
Restricted	\$1,716,890		5,906,364	3,485,873
Assigned		2,036,981		
Unassigned				
Total Fund Balance	1,716,890	2,036,981	5,906,364	3,485,873
Total Liabilities, Deferred Inflows of Resources	\$1,716,890	\$2,635,218	\$6,011,571	\$3,519,548

CAPITAL PROJECTS FUNDS

<u>Fire Impact Fees</u>	<u>Main Street</u>	<u>Cypress Grove Capital Project</u>	<u>Street Maintenance Rehab</u>	<u>2006-1 Assessment District</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	\$1,343,878		\$3,611,651	\$241,992	\$40,493	\$30,676,641
\$1,175		\$114,953		407,171	325	522,449
				265	238	484,024
						25,762
						580,885
<u>\$1,175</u>	<u>\$1,343,878</u>	<u>\$114,953</u>	<u>\$3,611,651</u>	<u>\$649,428</u>	<u>\$41,056</u>	<u>\$32,289,761</u>
	\$104,228	\$2,644	\$18,862			\$1,635,244
\$1,175						45,721
						1,175
						1,877,816
						416,142
<u>1,175</u>	<u>104,228</u>	<u>2,644</u>	<u>18,862</u>			<u>3,976,098</u>
						138,882
						138,882
	1,239,650	112,309	3,592,789	\$649,428	\$41,056	21,353,523
						6,869,420
						(48,162)
	<u>1,239,650</u>	<u>112,309</u>	<u>3,592,789</u>	<u>649,428</u>	<u>41,056</u>	<u>28,174,781</u>
<u>\$1,175</u>	<u>\$1,343,878</u>	<u>\$114,953</u>	<u>\$3,611,651</u>	<u>\$649,428</u>	<u>\$41,056</u>	<u>\$32,289,761</u>

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Community Facilities District #1	Community Facilities District 2015-1
REVENUES				
Property taxes		\$510,455		
Other taxes				\$641,317
Intergovernmental	\$1,906,245			
Developer fees				
Special assessments			\$338,006	
Use of money and property	(52,652)	(1,912)	(47,059)	(41,811)
Miscellaneous	7,460	420	6,366	
	<u>1,861,053</u>	<u>508,963</u>	<u>297,313</u>	<u>599,506</u>
Total Revenues				
EXPENDITURES				
Current:				
Community Development				
Public Works	534,422	636,330	209,909	532,572
Law Enforcement				
Recreation				
Capital outlay	1,037,164	107,516	213,182	
Debt service:				
Principal				
Interest and fiscal charges				
	<u>1,571,586</u>	<u>743,846</u>	<u>423,091</u>	<u>532,572</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>289,467</u>	<u>(234,883)</u>	<u>(125,778)</u>	<u>66,934</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			25,501	
Transfers (out)	(130,111)			
	<u>(130,111)</u>		<u>25,501</u>	
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	159,356	(234,883)	(100,277)	66,934
Fund balance (deficit) at beginning of year	<u>1,976,245</u>	<u>284,010</u>	<u>2,465,807</u>	<u>2,102,831</u>
Fund balances (deficit) at end of year	<u>\$2,135,601</u>	<u>\$49,127</u>	<u>\$2,365,530</u>	<u>\$2,169,765</u>

SPECIAL REVENUE FUNDS

<u>Oakley Welcoming</u>	<u>Ag Conservation</u>	<u>Citywide Community Facilities District</u>	<u>Regional Park</u>	<u>OTS Police Grants</u>	<u>Creekside Park Restoration Grant</u>	<u>Developer Deposits</u>
		\$1,094,357	\$261,437			
				\$12,579	\$129,031	\$1,330,216
(\$2,423)	(\$140)	(18,361)	23,200			
<u>201,905</u>						
<u>199,482</u>	<u>(140)</u>	<u>1,075,996</u>	<u>284,637</u>	<u>12,579</u>	<u>129,031</u>	<u>1,330,216</u>
					170,508	1,330,217
206,166		914,558		11,728		
			54,199			
<u>206,166</u>		<u>914,558</u>	<u>54,199</u>	<u>11,728</u>	<u>170,508</u>	<u>1,330,217</u>
<u>(6,684)</u>	<u>(140)</u>	<u>161,438</u>	<u>230,438</u>	<u>851</u>	<u>(41,477)</u>	<u>(1)</u>
		(25,501)				
		(25,501)				
(6,684)	(140)	135,937	230,438	851	(41,477)	(1)
	7,299	785,725	1,562,321	(851)		
<u>(\$6,684)</u>	<u>\$7,159</u>	<u>\$921,662</u>	<u>\$1,792,759</u>	<u>(851)</u>	<u>(\$41,477)</u>	<u>(\$1)</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, 2022

	CAPITAL PROJECTS FUNDS			
	Measure J	General Capital Projects	Park Impact Fees	Public Facilities Impact Fee
REVENUES				
Property taxes				
Other taxes				
Intergovernmental	\$733,912			
Developer fees			\$2,696,628	\$1,708,671
Special assessments				
Use of money and property	(26,920)	(\$64,235)	(108,171)	(66,629)
Miscellaneous		16,500		
	<u>706,992</u>	<u>(47,735)</u>	<u>2,588,457</u>	<u>1,642,042</u>
Total Revenues				
EXPENDITURES				
Current:				
Community Development				57,541
Public Works	120,447		90,373	
Law Enforcement				
Recreation				
Capital outlay	1,750	2,421,616	69,439	
Debt service:				
Principal				
Interest and fiscal charges				
	<u>122,197</u>	<u>2,421,616</u>	<u>159,812</u>	<u>57,541</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>584,795</u>	<u>(2,469,351)</u>	<u>2,428,645</u>	<u>1,584,501</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		1,196,000		
Transfers (out)				(671,370)
	<u></u>	<u>1,196,000</u>	<u></u>	<u>(671,370)</u>
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	584,795	(1,273,351)	2,428,645	913,131
Fund balance (deficit) at beginning of year	<u>1,132,095</u>	<u>3,310,332</u>	<u>3,477,719</u>	<u>2,572,742</u>
Fund balances (deficit) at end of year	<u>\$1,716,890</u>	<u>\$2,036,981</u>	<u>\$5,906,364</u>	<u>\$3,485,873</u>

CAPITAL PROJECTS FUNDS

Fire Impact Fees	Main Street	Cypress Grove Capital Project	Street Maintenance Rehab	2006-1 Assessment District	Debt Service Fund	Total Nonmajor Governmental Funds
						\$510,455
						1,997,111
						2,781,767
\$657,361						6,392,876
		\$34		(\$4,341)	(\$3,980)	338,006
1,175		92,444		123,423		(415,400)
658,536		92,478		119,082	(3,980)	449,693
						12,054,508
						2,216,802
658,536						3,038,611
						11,728
						206,166
	\$1,418,838	55,090	\$2,558,151			7,936,945
					315,000	315,000
					356,670	356,670
658,536	1,418,838	55,090	2,558,151		671,670	14,081,922
	(1,418,838)	37,388	(2,558,151)	119,082	(675,650)	(2,027,414)
	350,000		4,000,000		671,370	6,242,871
						(826,982)
	350,000		4,000,000		671,370	5,415,889
	(1,068,838)	37,388	1,441,849	119,082	(4,280)	3,388,475
	2,308,488	74,921	2,150,940	530,346	45,336	24,786,306
	\$1,239,650	\$112,309	\$3,592,789	\$649,428	\$41,056	\$28,174,781

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, 2022

	SPECIAL REVENUE FUNDS					
	GAS TAX			N.P.D.E.S.		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes				\$500,000	\$510,455	\$10,455
Other taxes						
Intergovernmental:	\$1,887,615	\$1,906,245	\$18,630			
Developer fees						
Special assessments						
Use of money and property	1,500	(52,652)	(54,152)	1,000	(1,912)	(2,912)
Miscellaneous		7,460	7,460		420	420
Total Revenues	1,889,115	1,861,053	(28,062)	501,000	508,963	7,963
EXPENDITURES						
Current:						
Community Development						
Public Works	805,545	534,422	271,123	686,101	636,330	49,771
Law Enforcement						
Recreation						
Capital outlay	2,504,482	1,037,164	1,467,318	332,210	107,516	224,694
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	3,310,027	1,571,586	1,738,441	1,018,311	743,846	274,465
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,420,912)</u>	<u>289,467</u>	<u>1,710,379</u>	<u>(517,311)</u>	<u>(234,883)</u>	<u>282,428</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(190,000)	(130,111)	59,889			
Total Other Financing Sources (Uses)	<u>(190,000)</u>	<u>(130,111)</u>	<u>59,889</u>			
NET CHANGE IN FUND BALANCES	<u>(\$1,610,912)</u>	<u>159,356</u>	<u>\$1,770,268</u>	<u>(\$517,311)</u>	<u>(234,883)</u>	<u>\$282,428</u>
Fund balances (deficit) at beginning of year		<u>1,976,245</u>			<u>284,010</u>	
Fund balances (deficit) at end of year		<u>\$2,135,601</u>			<u>\$49,127</u>	

SPECIAL REVENUE FUNDS

COMMUNITY FACILITIES DISTRICT #1			COMMUNITY FACILITIES DISTRICT 2015-1			OAKLEY WELCOMING		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$641,315	\$641,317	\$2			
\$344,772	\$338,006	(\$6,766)						
5,000	(47,059)	(52,059)	5,700	(41,811)	(47,511)		(\$2,423)	(\$2,423)
	6,366	6,366				\$130,000	201,905	71,905
<u>349,772</u>	<u>297,313</u>	<u>(52,459)</u>	<u>647,015</u>	<u>599,506</u>	<u>(47,509)</u>	<u>130,000</u>	<u>199,482</u>	<u>69,482</u>
323,002	209,909	113,093	664,464	532,572	131,892			
						137,294	206,166	(68,872)
1,080,000	213,182	866,818						
<u>1,403,002</u>	<u>423,091</u>	<u>979,911</u>	<u>664,464</u>	<u>532,572</u>	<u>131,892</u>	<u>137,294</u>	<u>206,166</u>	<u>(68,872)</u>
<u>(1,053,230)</u>	<u>(125,778)</u>	<u>927,452</u>	<u>(17,449)</u>	<u>66,934</u>	<u>84,383</u>	<u>(7,294)</u>	<u>(6,684)</u>	<u>610</u>
25,501	25,501							
<u>25,501</u>	<u>25,501</u>							
<u>(\$1,027,729)</u>	(100,277)	<u>\$927,452</u>	<u>(\$17,449)</u>	66,934	<u>\$84,383</u>	<u>(\$7,294)</u>	(6,684)	<u>\$610</u>
	<u>2,465,807</u>			<u>2,102,831</u>				
	<u>\$2,365,530</u>			<u>\$2,169,765</u>			<u>(\$6,684)</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, 2022

	SPECIAL REVENUE FUNDS					
	AG CONSERVATION			CITYWIDE COMMUNITY FACILITIES DISTRICT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes				\$879,886	\$1,094,357	\$214,471
Intergovernmental:						
Developer fees						
Special assessments						
Use of money and property		(\$140)	(\$140)	1,100	(18,361)	(19,461)
Miscellaneous						
Total Revenues		<u>(140)</u>	<u>(140)</u>	<u>880,986</u>	<u>1,075,996</u>	<u>195,010</u>
EXPENDITURES						
Current:						
Community Development						
Public Works				882,752	914,558	(31,806)
Law Enforcement						
Recreation						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures				<u>882,752</u>	<u>914,558</u>	<u>(31,806)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>(140)</u>	<u>(140)</u>	<u>(1,766)</u>	<u>161,438</u>	<u>163,204</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(25,501)	(25,501)	
Total Other Financing Sources (Uses)				<u>(25,501)</u>	<u>(25,501)</u>	
NET CHANGE IN FUND BALANCES		<u>(140)</u>	<u>(\$140)</u>	<u>(\$27,267)</u>	<u>135,937</u>	<u>\$163,204</u>
Fund balances (deficit) at beginning of year		<u>7,299</u>			<u>785,725</u>	
Fund balances (deficit) at end of year		<u>\$7,159</u>			<u>\$921,662</u>	

SPECIAL REVENUE FUNDS

REGIONAL PARK			OTS POLICE GRANTS			CREEKSIDE PARK RESTORATION GRANT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$120,000	\$261,437	\$141,437		\$12,579	\$12,579	\$436,465	\$129,031	(\$307,434)
15,000	23,200	8,200						
<u>135,000</u>	<u>284,637</u>	<u>149,637</u>		<u>12,579</u>	<u>12,579</u>	<u>436,465</u>	<u>129,031</u>	<u>(307,434)</u>
						436,465	170,508	265,957
				11,728	(11,728)			
78,879	54,199	24,680						
<u>78,879</u>	<u>54,199</u>	<u>24,680</u>		<u>11,728</u>	<u>(11,728)</u>	<u>436,465</u>	<u>170,508</u>	<u>265,957</u>
56,121	230,438	174,317		851	851		(41,477)	(41,477)
<u>\$56,121</u>	<u>230,438</u>	<u>\$174,317</u>		<u>851</u>	<u>\$851</u>		<u>(41,477)</u>	<u>(\$41,477)</u>
	<u>1,562,321</u>			<u>(851)</u>				
	<u>\$1,792,759</u>						<u>(41,477)</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, 2022

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		
	DEVELOPER DEPOSITS			MEASURE J		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental				\$600,000	\$733,912	\$133,912
Developer fees	\$1,040,102	\$1,330,216	\$290,114			
Special assessments						
Use of money and property				5,000	(26,920)	(31,920)
Miscellaneous						
Total Revenues	<u>1,040,102</u>	<u>1,330,216</u>	<u>290,114</u>	<u>605,000</u>	<u>706,992</u>	<u>101,992</u>
EXPENDITURES						
Current:						
Community Development	1,040,102	1,330,217	(290,115)			
Public Works				214,178	120,447	93,731
Law Enforcement						
Recreation						
Capital outlay				1,158,540	1,750	1,156,790
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>1,040,102</u>	<u>1,330,217</u>	<u>(290,115)</u>	<u>1,372,718</u>	<u>122,197</u>	<u>1,250,521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1)	(1)	(767,718)	584,795	1,352,513
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES		<u>(1)</u>	<u>(\$1)</u>	<u>(\$767,718)</u>	<u>584,795</u>	<u>\$1,352,513</u>
Fund balances (deficit) at beginning of year					1,132,095	
Fund balances (deficit) at end of year		<u>(\$1)</u>			<u>\$1,716,890</u>	

CAPITAL PROJECTS FUNDS

GENERAL CAPITAL PROJECTS			PARK IMPACT FEES			PUBLIC FACILITIES IMPACT FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$2,800,000	\$2,696,628	(\$103,372)	\$1,100,000	\$1,708,671	\$608,671
\$15,000	(\$64,235)	(\$79,235)		(108,171)	(108,171)	5,000	(66,629)	(71,629)
200,000	16,500	(183,500)						
215,000	(47,735)	(262,735)	2,800,000	2,588,457	(211,543)	1,105,000	1,642,042	537,042
						35,840	57,541	(21,701)
			92,520	90,373	2,147			
4,806,580	2,421,616	2,384,964	3,336,715	69,439	3,267,276			
4,806,580	2,421,616	2,384,964	3,429,235	159,812	3,269,423	35,840	57,541	(21,701)
(4,591,580)	(2,469,351)	2,122,229	(629,235)	2,428,645	3,057,880	1,069,160	1,584,501	515,341
1,196,000	1,196,000					(671,370)	(671,370)	
1,196,000	1,196,000					(671,370)	(671,370)	
<u>(\$3,395,580)</u>	<u>(1,273,351)</u>	<u>\$2,122,229</u>	<u>(\$629,235)</u>	<u>2,428,645</u>	<u>\$3,057,880</u>	<u>\$397,790</u>	<u>913,131</u>	<u>\$515,341</u>
	<u>3,310,332</u>			<u>3,477,719</u>			<u>2,572,742</u>	
	<u>\$2,036,981</u>			<u>\$5,906,364</u>			<u>\$3,485,873</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, 2022

CAPITAL PROJECTS FUNDS

	FIRE IMPACT FEES			MAIN STREET		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental						
Developer fees	\$238,000	\$657,361	\$419,361			
Special assessments						
Use of money and property	1,000		(1,000)			
Miscellaneous		1,175	1,175			
Total Revenues	239,000	658,536	419,536			
EXPENDITURES						
Current:						
Community Development	239,000	658,536	(419,536)			
Public Works						
Law Enforcement						
Recreation						
Capital outlay				\$2,665,626	\$1,418,838	\$1,246,788
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	239,000	658,536	(419,536)	2,665,626	1,418,838	1,246,788
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				(2,665,626)	(1,418,838)	1,246,788
OTHER FINANCING SOURCES (USES)						
Transfers in				350,000	350,000	
Transfers (out)						
Total Other Financing Sources (Uses)				350,000	350,000	
NET CHANGE IN FUND BALANCES				(\$2,315,626)	(1,068,838)	\$1,246,788
Fund balances (deficit) at beginning of year					2,308,488	
Fund balances (deficit) at end of year					\$1,239,650	

CAPITAL PROJECTS FUNDS

CYPRESS GROVE CAPITAL PROJECT			STREET MAINTENANCE REHAB			2006-1 ASSESSMENT DISTRICT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$34	\$34				\$500	(\$4,341)	(\$4,841)
\$60,310	92,444	32,134					123,423	123,423
60,310	92,478	32,168				500	119,082	118,582
70,000	55,090	14,910	\$5,782,016	\$2,558,151	\$3,223,865			
70,000	55,090	14,910	5,782,016	2,558,151	3,223,865			
(9,690)	37,388	47,078	(5,782,016)	(2,558,151)	3,223,865	500	119,082	118,582
			4,000,000	4,000,000		123,423		(123,423)
			4,000,000	4,000,000		123,423		(123,423)
<u>(\$9,690)</u>	37,388	<u>\$47,078</u>	<u>(\$1,782,016)</u>	1,441,849	<u>\$3,223,865</u>	<u>\$123,923</u>	119,082	<u>(\$4,841)</u>
	74,921			2,150,940			530,346	
	<u>\$112,309</u>			<u>\$3,592,789</u>			<u>\$649,428</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, 2022

	DEBT SERVICE FUND		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes			
Other taxes			
Intergovernmental			
Developer fees			
Special assessments			
Use of money and property	\$500	(\$3,980)	(\$4,480)
Miscellaneous			
Total Revenues	500	(3,980)	(4,480)
EXPENDITURES			
Current:			
Community Development			
Public Works			
Law Enforcement			
Recreation			
Capital outlay			
Debt service:			
Principal	315,000	315,000	
Interest and fiscal charges	358,129	356,670	1,459
Total Expenditures	673,129	671,670	1,459
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(672,629)	(675,650)	(3,021)
OTHER FINANCING SOURCES (USES)			
Transfers in	671,370	671,370	
Transfers (out)			
Total Other Financing Sources (Uses)	671,370	671,370	
NET CHANGE IN FUND BALANCES	(\$1,259)	(4,280)	(\$3,021)
Fund balances (deficit) at beginning of year		45,336	
Fund balances (deficit) at end of year		\$41,056	

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.

INFORMATION TECHNOLOGY

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

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Equipment Replacement</u>	<u>Capital Facilities Maintenance and Replacement</u>	<u>Information Technology</u>	<u>Total</u>
ASSETS				
Current:				
Cash and investments available for operations	\$881,637	\$491,371	\$142,685	\$1,515,693
Receivables:				
Interest	911	505	325	1,741
Total Current Assets	<u>882,548</u>	<u>491,876</u>	<u>143,010</u>	<u>1,517,434</u>
Noncurrent:				
Capital assets:				
Depreciable, net	518,933	5,272,618	468,315	6,259,866
Total Noncurrent Assets	<u>518,933</u>	<u>5,272,618</u>	<u>468,315</u>	<u>6,259,866</u>
Total Assets	<u>1,401,481</u>	<u>5,764,494</u>	<u>611,325</u>	<u>7,777,300</u>
LIABILITIES				
Accounts payable	25,288		11,000	36,288
Accrued liabilities	1,455			1,455
Total Liabilities	<u>26,743</u>		<u>11,000</u>	<u>37,743</u>
NET POSITION				
Investment in capital assets	518,933	5,272,618	468,315	6,259,866
Unrestricted	855,805	491,876	132,010	1,479,691
Total Net Position	<u>\$1,374,738</u>	<u>\$5,764,494</u>	<u>\$600,325</u>	<u>\$7,739,557</u>

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Equipment Replacement</u>	<u>Capital Facilities Maintenance and Replacement</u>	<u>Information Technology</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$346,081	\$475,000	\$160,000	\$981,081
Total Operating Revenues	<u>346,081</u>	<u>475,000</u>	<u>160,000</u>	<u>981,081</u>
OPERATING EXPENSES				
Supplies	102,747	3,300	18,608	124,655
Depreciation	<u>179,737</u>	<u>279,036</u>	<u>115,481</u>	<u>574,254</u>
Total Operating Expenses	<u>282,484</u>	<u>282,336</u>	<u>134,089</u>	<u>698,909</u>
Operating Income (Loss)	<u>63,597</u>	<u>192,664</u>	<u>25,911</u>	<u>282,172</u>
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of assets	16,205			16,205
Interest income	<u>(18,180)</u>	<u>(8,530)</u>	<u>(2,653)</u>	<u>(29,363)</u>
Total Nonoperating Revenues	<u>(1,975)</u>	<u>(8,530)</u>	<u>(2,653)</u>	<u>(13,158)</u>
Income (Loss) Before Contributions and Transfers	<u>61,622</u>	<u>184,134</u>	<u>23,258</u>	<u>269,014</u>
Contributions			210,089	210,089
Transfers in			366,978	366,978
Transfers (out)	<u>(366,978)</u>			<u>(366,978)</u>
Change in net position	(305,356)	184,134	600,325	479,103
BEGINNING NET POSITION	<u>1,680,094</u>	<u>5,580,360</u>		<u>7,260,454</u>
ENDING NET POSITION	<u>\$1,374,738</u>	<u>\$5,764,494</u>	<u>\$600,325</u>	<u>\$7,739,557</u>

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$346,081	\$475,000	\$160,000	\$981,081
Payments to suppliers	(79,071)	(3,300)	(7,608)	(89,979)
Cash Flows from Operating Activities	<u>267,010</u>	<u>471,700</u>	<u>152,392</u>	<u>891,102</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in			148,047	148,047
Transfers (out)	(148,047)			(148,047)
Cash Flows from Noncapital Financing Activities	<u>(148,047)</u>		<u>148,047</u>	
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Proceeds from sale of capital assets	16,205			16,205
Acquisition of capital assets	(302,887)	(242,920)	(154,776)	(700,583)
Cash Flows from Capital Financing Activities	<u>(286,682)</u>	<u>(242,920)</u>	<u>(154,776)</u>	<u>(684,378)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	(18,324)	(8,855)	(2,978)	(30,157)
Net Cash Flows	(186,043)	219,925	142,685	176,567
Cash and investments at beginning of period	<u>1,067,680</u>	<u>271,446</u>		<u>1,339,126</u>
Cash and investments at end of period	<u>\$881,637</u>	<u>\$491,371</u>	<u>\$142,685</u>	<u>\$1,515,693</u>
NONCASH TRANSACTIONS				
Contributions of capital assets			\$210,089	\$210,089
Transfer of capital assets	(218,931)		\$218,931	
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	\$63,597	\$192,664	\$25,911	\$282,172
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	179,737	279,036	115,481	574,254
Net change in assets and liabilities:				
Accounts payable	22,221		11,000	33,221
Accrued liabilities	1,455			1,455
Cash Flows from Operating Activities	<u>\$267,010</u>	<u>\$471,700</u>	<u>\$152,392</u>	<u>\$891,102</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, 2022

	Assessment District 2004-1	General Agency Fund	Assessment District 2006-1	Total
ASSETS				
Cash and investments	\$1,307,968	\$1,249,865	\$767,239	\$3,325,072
Cash and investments with fiscal agent	141,715		363,529	505,244
Interest receivable	1,291		719	2,010
Total Assets	1,450,974	1,249,865	1,131,487	3,832,326
LIABILITIES				
Accounts payable		564,329		564,329
Due to other agencies		685,536		685,536
Total Liabilities		1,249,865		1,249,865
NET POSITION:				
Restricted for:				
Bondholders	1,450,974		1,131,487	2,582,461
Total Net Position	\$1,450,974		\$1,131,487	\$2,582,461

CITY OF OAKLEY
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Assessment District 2004-1	General Agency Fund	Assessment District 2006-1	Total
ADDITIONS				
Special assessments	\$1,189,803		\$759,160	\$1,948,963
Payment from bondholders	10,496,000			10,496,000
Use of money and properties	(20,594)		(11,963)	(32,557)
Total Additions	<u>11,665,209</u>		<u>747,197</u>	<u>12,412,406</u>
DEDUCTIONS				
Administrative expenses	112,196		133,343	245,539
Payments to bondholders and related fiscal charges	12,393,157		632,345	13,025,502
Total Deductions	<u>12,505,353</u>		<u>765,688</u>	<u>13,271,041</u>
Change in Net Position	(840,144)		(18,491)	(858,635)
Beginning Net Position	<u>2,291,118</u>		<u>1,149,978</u>	<u>3,441,096</u>
Ending Net Position	<u><u>\$1,450,974</u></u>		<u><u>\$1,131,487</u></u>	<u><u>\$2,582,461</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:

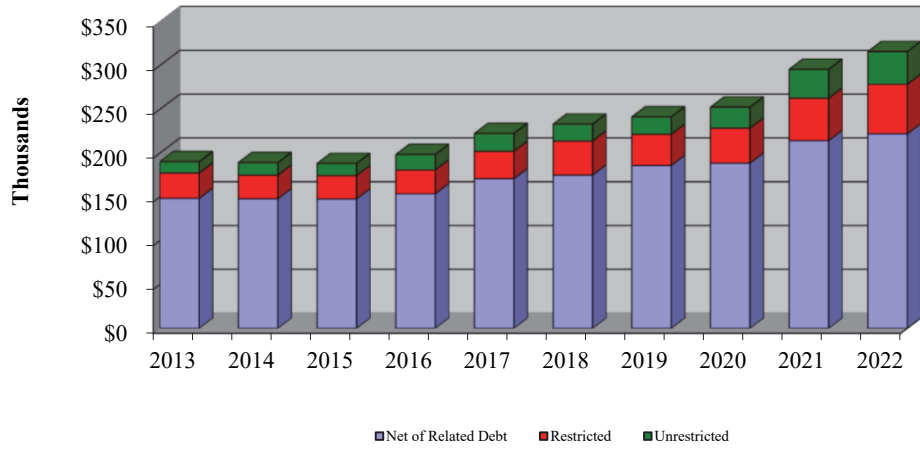
1. Budgeted Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary government										
Governmental activities										
Net investment in capital assets	\$148,296	\$147,874	\$147,685	\$153,509	\$170,799	\$174,868	\$185,805	\$188,555	\$214,187	\$221,980
Restricted	28,996	27,042	26,651	27,205	31,286	39,006	35,780	39,992	48,461	56,581
Unrestricted	12,975	14,338	13,898	17,784	20,395	19,286	19,877	24,020	33,049	37,422
Total governmental activities net position	<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>	<u>\$315,983</u>

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

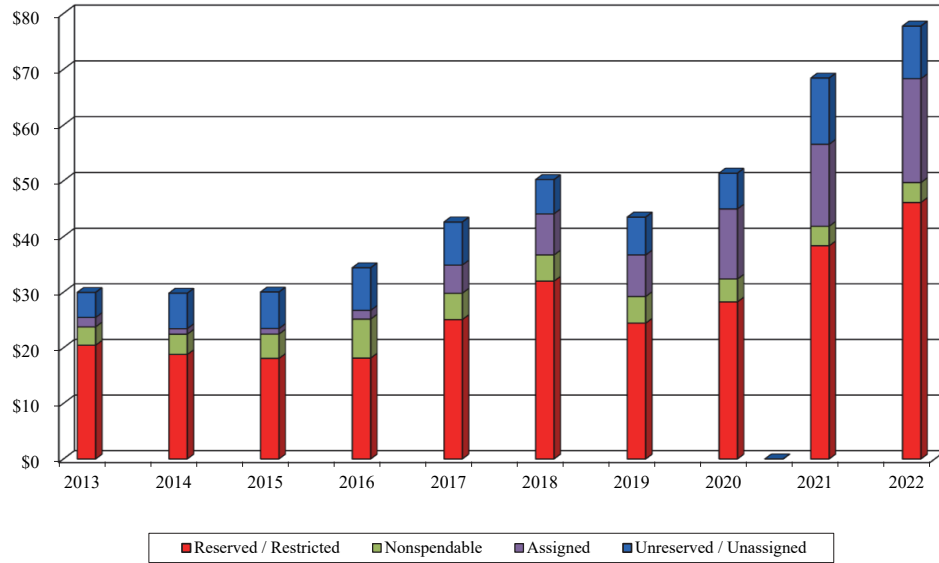
	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020 (a)	2021	2022
Expenses										
Governmental Activities:										
Legislative	\$492	\$446	\$466	\$481	\$604	\$641	\$754	\$661	\$722	\$620
Administrative Services	973	1,301	1,341	1,220	1,855	1,877	1,971	3,197	3,056	1,236
Community Development	1,802	1,819	1,843	2,152	2,088	3,160	4,019	4,572	3,437	3,782
Public Works	9,631	10,177	10,640	11,478	11,818	12,200	12,969	13,198	21,437 (b)	16,987
Housing Programs	9	8	45	85	3	3	4	4	3	3
Law Enforcement	7,338	7,694	8,314	8,230	8,066	9,097	9,567	10,257	10,139	10,005
Recreation	420	478	524	560	562	629	771	662	653	723
Interest and fiscal charges	324	317	301	292	476	400	390	378	373	349
Total Governmental Activities Expenses	<u>20,989</u>	<u>22,240</u>	<u>23,474</u>	<u>24,498</u>	<u>25,472</u>	<u>28,007</u>	<u>30,445</u>	<u>32,929</u>	<u>39,820</u>	<u>33,705</u>
Total Primary Government Expenses	<u>\$20,989</u>	<u>\$22,240</u>	<u>\$23,474</u>	<u>\$24,498</u>	<u>\$25,472</u>	<u>\$28,007</u>	<u>\$30,445</u>	<u>\$32,929</u>	<u>\$39,820</u>	<u>\$33,705</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Administrative Services	\$235	\$266	\$252	\$395	\$521	\$549	\$399	\$889	\$1,736	\$1,240
Community Development	1,461	1,154	1,375	2,133	2,151	3,137	2,759	3,312	4,785	3,832
Public Works	3,391	3,499	3,592	3,951	4,245	4,764	5,206	5,571	7,021	7,962
Law Enforcement	3,038	3,232	3,506	3,638	4,068	4,426	4,887	5,408	5,551	6,480
Recreation	54	69	73	98	126	166	189	583	281	334
Operating Grants and Contributions	1,371	1,503	1,714	1,356	1,309	1,619	2,090	2,246	2,895	3,549
Capital Grants and Contributions	3,360	2,625	2,715	5,040	10,324	10,562	8,430	10,090	45,155	16,125
Total Government Activities Program Revenues	<u>12,910</u>	<u>12,348</u>	<u>13,227</u>	<u>16,611</u>	<u>22,744</u>	<u>25,223</u>	<u>23,960</u>	<u>28,099</u>	<u>67,424</u>	<u>39,522</u>
Total Primary Government Program Revenues	<u>\$12,910</u>	<u>\$12,348</u>	<u>\$13,227</u>	<u>\$16,611</u>	<u>\$22,744</u>	<u>\$25,223</u>	<u>\$23,960</u>	<u>\$28,099</u>	<u>\$67,424</u>	<u>\$39,522</u>
Net (Expense)/Revenue										
Governmental Activities	<u>(\$8,079)</u>	<u>(\$9,892)</u>	<u>(\$10,247)</u>	<u>(\$7,887)</u>	<u>(\$2,728)</u>	<u>(\$2,784)</u>	<u>(\$6,485)</u>	<u>(\$4,830)</u>	<u>\$27,604</u>	<u>\$5,817</u>
Total Primary Government Net Expense	<u>(\$8,079)</u>	<u>(\$9,892)</u>	<u>(\$10,247)</u>	<u>(\$7,887)</u>	<u>(\$2,728)</u>	<u>(\$2,784)</u>	<u>(\$6,485)</u>	<u>(\$4,830)</u>	<u>\$27,604</u>	<u>\$5,817</u>
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$4,359	\$4,499	\$5,331	\$5,814	\$6,233	\$6,918	\$7,435	\$7,965	\$8,569	\$8,821
Sales Taxes	1,618	1,521	1,506	1,753	1,774	1,826	2,041	2,183	2,485	3,246
Transient Occupancy Tax	196	195	196	210	267	276	270	233	240	261
Nonregulatory Franchise and Business	1,222	1,341	1,418	1,584	1,686	1,877	1,934	2,042	2,234	2,475
Intergovernmental, unrestricted:										
Motor Vehicle In-Lieu	18	16	16	16	18	22	20	33	31	50
Other					186		2			
Interest Earnings and Use of Property	371	436	519	557	563	881	1,645	1,573	756	(1,578)
Other	1,058	871	1,056	1,890	1,340	1,665	1,440	1,907	1,210	1,194
Extraordinary / Special Item			362 (c)	6,327 (d)	14,642 (d)					
Total Government Activities	<u>8,842</u>	<u>8,879</u>	<u>10,404</u>	<u>18,151</u>	<u>26,709</u>	<u>13,465</u>	<u>14,787</u>	<u>15,936</u>	<u>15,525</u>	<u>14,469</u>
Total Primary Government	<u>\$8,842</u>	<u>\$8,879</u>	<u>\$10,404</u>	<u>\$18,151</u>	<u>\$26,709</u>	<u>\$13,465</u>	<u>\$14,787</u>	<u>\$15,936</u>	<u>\$15,525</u>	<u>\$14,469</u>
Change in Net Position										
Governmental Activities	<u>\$763</u>	<u>(\$1,013)</u>	<u>\$157</u>	<u>\$10,264</u>	<u>\$23,981</u>	<u>\$10,681</u>	<u>\$8,302</u>	<u>\$11,106</u>	<u>\$43,129</u>	<u>\$20,286</u>
Total Primary Government	<u>\$763</u>	<u>(\$1,013)</u>	<u>\$157</u>	<u>\$10,264</u>	<u>\$23,981</u>	<u>\$10,681</u>	<u>\$8,302</u>	<u>\$11,106</u>	<u>\$43,129</u>	<u>\$20,286</u>

NOTES:

- (a) Revenues were reclassified in fiscal year 2019-20. Prior years have not been revised.
- (b) 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.
- (c) 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.
- (d) Pursuant to the Long Range Property Management Plan, the Successor Agency transferred assets to the City.

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

Millions



	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$3,301	\$3,654	\$4,375	\$7,000	\$4,741	\$4,704	\$4,793	\$4,104	\$3,512	\$3,537
Restricted	559	560	559	559	559	202	429	644	1,110	974
Assigned	991	331	170	943	626	4,257	3,919	5,960	6,922	11,750
Unassigned	6,151	7,837	7,938	9,068	8,769	7,172	7,796	7,342	12,791	10,381
Total General Fund	<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>	<u>\$24,335</u>	<u>\$26,642</u> (a)
All Other Governmental Funds										
Nonspendable										\$18
Restricted	\$19,898	\$18,233	\$17,525	\$17,593	\$24,517	\$31,783	\$24,004	\$27,615	\$37,235	45,152
Assigned	698	668	829	622	4,434	3,132	3,543	6,625	7,770	6,869
Unassigned	(1,645)	(1,467)	(1,374)	(1,401)	(1,046)	(1,039)	(993)	(920)	(923)	(931)
Total all other governmental funds	<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>	<u>\$44,082</u>	<u>\$51,108</u> (a)

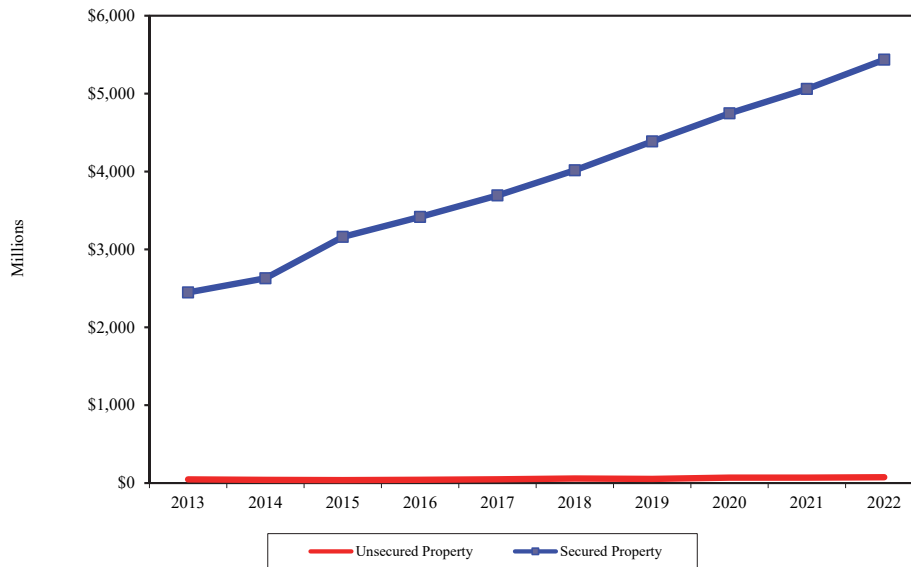
NOTES:

(a) 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$7,729	\$7,446	\$8,331	\$9,213	\$10,179	\$11,499	\$12,484	\$13,663	\$15,955	\$17,836
Licenses, permits and fees	1,178	1,345	1,285	2,024	2,348	2,562	1,772	2,331	4,740	3,816
Fines and forfeitures	181	159	135	138	133	133	129	105	77	106
Use of money and property	121	231	319	563	366	640	1,359	1,383	509	(1,451)
Intergovernmental revenues	3,306	2,471	2,651	3,030	3,015	3,757	5,092	2,961	3,171	4,197
Charges for services	8,648	8,941	9,259	11,578	14,635	16,131	12,490	18,283	24,184	22,209
Other	1,123	971	1,116	1,867	1,320	4,835	2,578	2,563	2,938	1,392
Total Revenues	22,286	21,564	23,096	28,413	31,996	39,557	35,904	41,289	51,574	48,105
Expenditures										
Current:										
Legislative	481	433	449	482	614	612	730	683	728	875
Administrative services	918	1,110	1,287	1,335	1,709	1,419	1,586	3,238	2,961	2,291
Community development	1,771	1,787	1,821	2,274	2,113	3,081	3,959	4,608	4,351	4,899
Public works	4,015	4,608	4,661	5,651	5,921	6,053	6,373	6,093	8,044	9,683
Housing programs	9	8	5	85	3	3	3	4	3	3
Law enforcement	7,186	7,458	7,975	8,098	8,038	9,202	9,779	9,807	9,772	10,610
Recreation	414	471	522	566	575	607	750	687	660	925
Estimated reduction in value of property held for resale			40							
Capital outlay	4,502	5,253	5,293	7,969	6,397	10,279	18,747	7,591	7,329	8,928
Debt service:										
Principal repayment	240	255	265	275	6,725	275	280	295	305	315
Interest and fiscal charges	329	318	306	299	621	417	417	403	375	361
Total Expenditures	19,865	21,701	22,624	27,034	32,716	31,948	42,624	33,409	34,528	38,890
Excess (deficiency) of revenues over (under) expenditures	2,421	(137)	472	1,379	(720)	7,609	(6,720)	7,880	17,046	9,215
Other Financing Sources (Uses)										
Transfers in	925	1,067	2,227	2,311	6,091	3,747	2,891	3,933	3,028	6,550
Transfers (out)	(925)	(1,067)	(2,227)	(2,311)	(6,091)	(3,747)	(2,891)	(3,933)	(3,028)	(6,550)
Proceeds (loss) from sale of property			10	79	50					120
Lease revenue bonds issued					10,025					
Bond issuance premium					157					
Total other financing sources (uses)			10	79	10,232					120
Special item			(274)	2,904	(1,294)					
Net Change in fund balances	\$2,421	(\$137)	\$208	\$4,362	\$8,218	\$7,609	(\$6,720)	\$7,880	\$17,046	\$9,335
Debt service as a percentage of noncapital expenditures	3.7%	3.5%	3.3%	3.0%	27.9%	3.2%	2.9%	2.7%	2.5%	2.3%

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



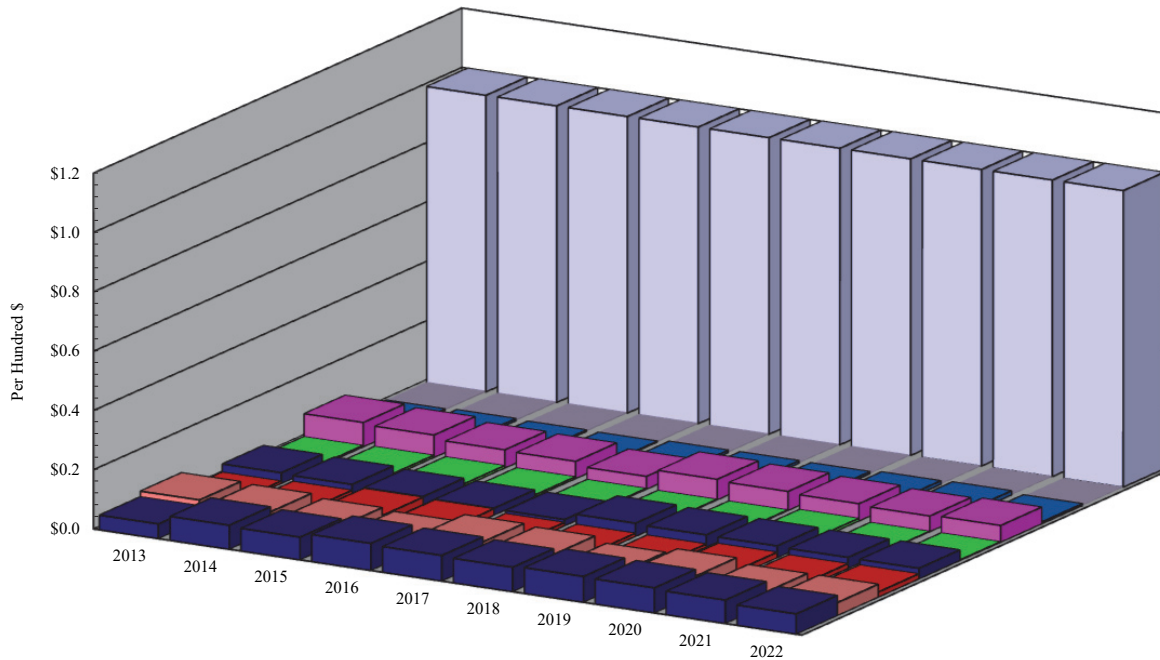
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2013	\$2,125	\$102	\$11	\$162	\$2,400	\$47	\$2,447	\$2,447	1%
2014	2,350	103	11	124	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	4,272	153	56	196	4,677	70	4,747	4,747	1%
2021	4,528	165	64	233	4,990	70	5,060	5,060	1%
2022	4,841	173	120	227	5,361	75	5,436	5,436	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
(Rate Per \$100 of Assessed Value)
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
■ 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	Antioch Unified School District	Total
2013	\$1.0000	\$0.0051	\$0.0823	\$0.0364	\$0.0685	\$0.0087	\$0.0043	\$0.0045	\$0.0495	\$1.2593
2014	1.0000	0.0078	0.0757	0.0328	0.0639	0.0133	0.0075	0.0042	0.0809	1.2861
2015	1.0000	0.0085	0.0614	0.0273	0.0522	0.0252	0.0045	0.0037	0.0764	1.2592
2016	1.0000	0.0067	0.0583	0.0237	0.0447	0.0220	0.0026	0.0035	0.0912	1.2527
2017	1.0000	0.0032	0.0433	0.0217	0.0698	0.0120	0.0080	0.0032	0.0864	1.2476
2018	1.0000	0.0021	0.0693	0.0450	0.0635	0.0114	0.0084	0.0030	0.0824	1.2851
2019	1.0000	0.0021	0.0641	0.0414	0.0445	0.0110	0.0070	0.0028	0.0870	1.2599
2020	1.0000	0.0094	0.0585	0.0399	0.0617	0.0188	0.0120	0.0026	0.0843	1.2872
2021	1.0000	0.0014	0.0527	0.0370	0.0445	0.0161	0.0139	0.0025	0.0789	1.2470
2022	1.0000	0.0020	0.0565	0.0360	0.0441	0.0176	0.0060	0.0023	0.0682	1.2327

Source: Contra Costa County Auditor-Controller

CITY OF OAKLEY
Principal Property Tax Payers
Current Year and Nine Years Ago

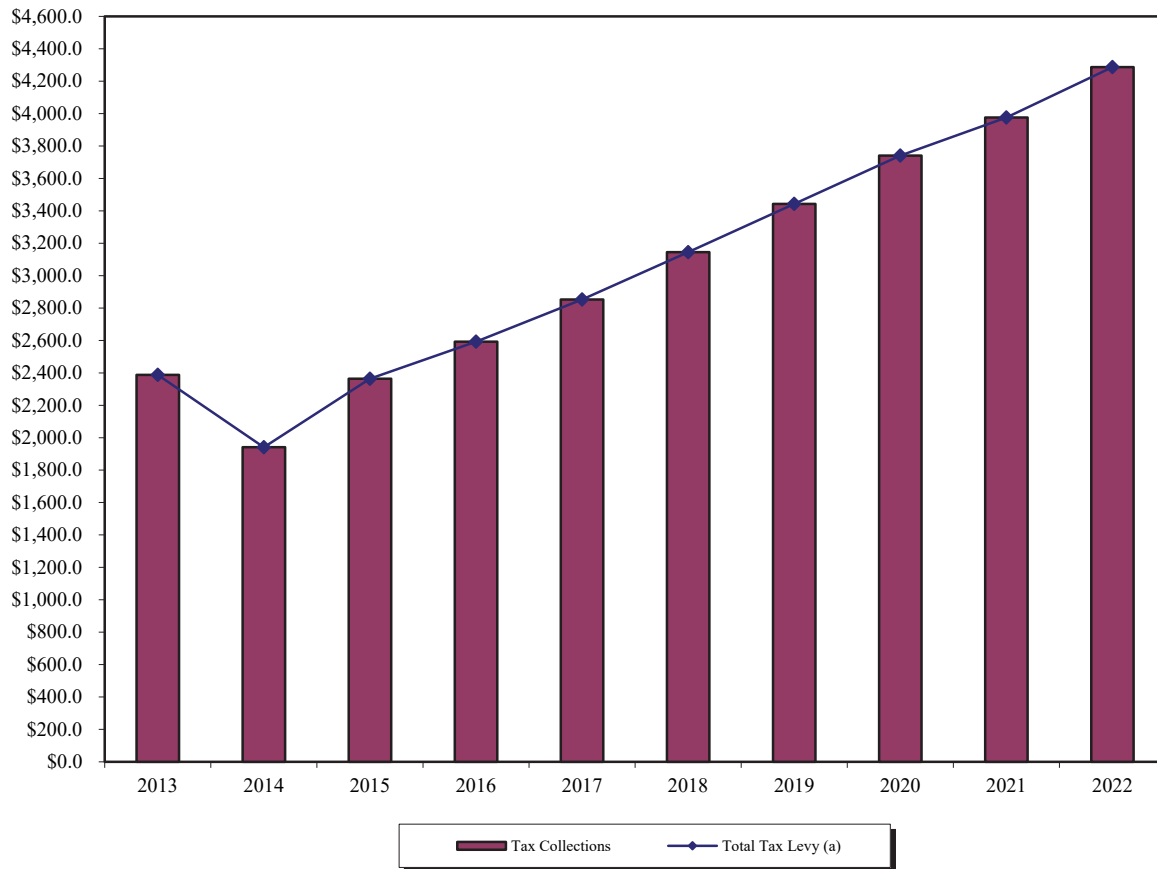
Taxpayer	2021-22			2012-13		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
ACD TI Oakley LLC	\$34,243,706	1	0.63%			
ET Oakley LLC	28,627,380	2	0.53%			
NPIF IV Oakley Building II LLC	26,400,613	3	0.49%			
Oakley Self Storage LP	23,300,078	4	0.43%			
Cypress Square Commercial LLC	20,499,372	5	0.38%			
Meritage Homes of California	16,422,012	6	0.30%	\$5,988,378	10	0.24%
Neroly Sports Club Investors	14,940,603	7	0.27%	11,638,862	2	0.48%
Foundation Constructors Inc.	13,903,791	8	0.26%			
Cypress Road Self Storage LLC	12,828,426	9	0.24%			
HPH Properties LP	11,882,333	10	0.22%	7,483,542	5	0.31%
Cypress Square S and R Associates				17,666,000	1	0.72%
Shea Homes LP				10,271,556	3	0.42%
Lucky No Cal Investor LLC				8,354,771	4	0.34%
Shurgard Storage Centers Inc.				7,016,223	6	0.29%
Brookfield Bay Area Holdings				6,400,000	7	0.26%
BMS Investments 3 LLC				6,236,212	8	0.25%
Western Oilfields Supply Company				6,060,916	9	0.25%
Subtotal	<u>\$203,048,314</u>		<u>3.74%</u>	<u>\$87,116,460</u>		<u>3.56%</u>

Total Net Assessed Valuation:

Fiscal Year 2021-2022	\$5,436,000,000
Fiscal Year 2012-2013	\$2,447,000,000

Source: HdL Companies (Contra Costa County Assessor 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
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%
2022	4,287	4,287	100.0%	(a)	4,287	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

<u>Governmental Activities (in thousands)</u>					
<u>Fiscal Year</u>	<u>Certificates of Participation</u>	<u>Lease Revenue Bonds</u>	<u>Total</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
2013	\$7,210	\$0	\$7,210	0.76%	\$194
2014	6,955	0	6,955	0.72%	183
2015	6,690	0	6,690	0.66%	175
2016	6,415	0	6,415	0.61%	160
2017	0	9,715	9,715	0.90%	236
2018	0	9,440	9,440	0.86%	226
2019	0	9,160	9,160	0.76%	219
2020	0	8,865	8,865	0.70%	209
2021	0	8,560	8,560	0.63%	200
2022	0	8,245	8,245	0.58%	185

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.

CITY OF OAKLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022

2021-22 Assessed Valuation, Excluding the Redevelopment Agency \$4,835,398,239

	Net Debt Outstanding	Percentage Applicable To City of Oakley	Amount Applicable To City of Oakley
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Contra Costa County Pension Obligation Bonds	\$44,925,000	2.321%	\$1,042,860
Contra Costa County PFA Lease Revenue Bonds	289,804,873	2.321%	6,727,343
Bay Area Rapid Transit District Bonds	660,703,057	2.321%	15,337,139
East Bay Regional Park District Bonds	77,146,356	2.321%	1,790,826
Liberty Union High School District Bonds	200,563,926	20.555%	41,226,673
Brentwood Union School District Bonds	88,059,704	0.139%	122,342
Oakley Union School District Bonds	52,485,000	88.147%	46,263,763
Antioch Unified School District School Facilities Improvement District No. 1	117,857,208	6.357%	7,491,729
Contra Costa Community College District Bonds	936,870,000	2.329%	21,820,021
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT	\$2,468,415,124		\$141,822,696
DIRECT DEBT:			
City of Oakley Lease Revenue Bonds	\$8,245,000	100.000%	\$8,245,000
TOTAL DIRECT AND OVERLAPPING DEBT			\$150,067,696 (1)

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

RATIOS TO 2021-22 ASSESSED VALUATION:

Direct Debt	0.17%
Overlapping Debt	2.93%
Total Debt	3.10%

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, 2022**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$5,436,000,000
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$203,850,000
---	---------------

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

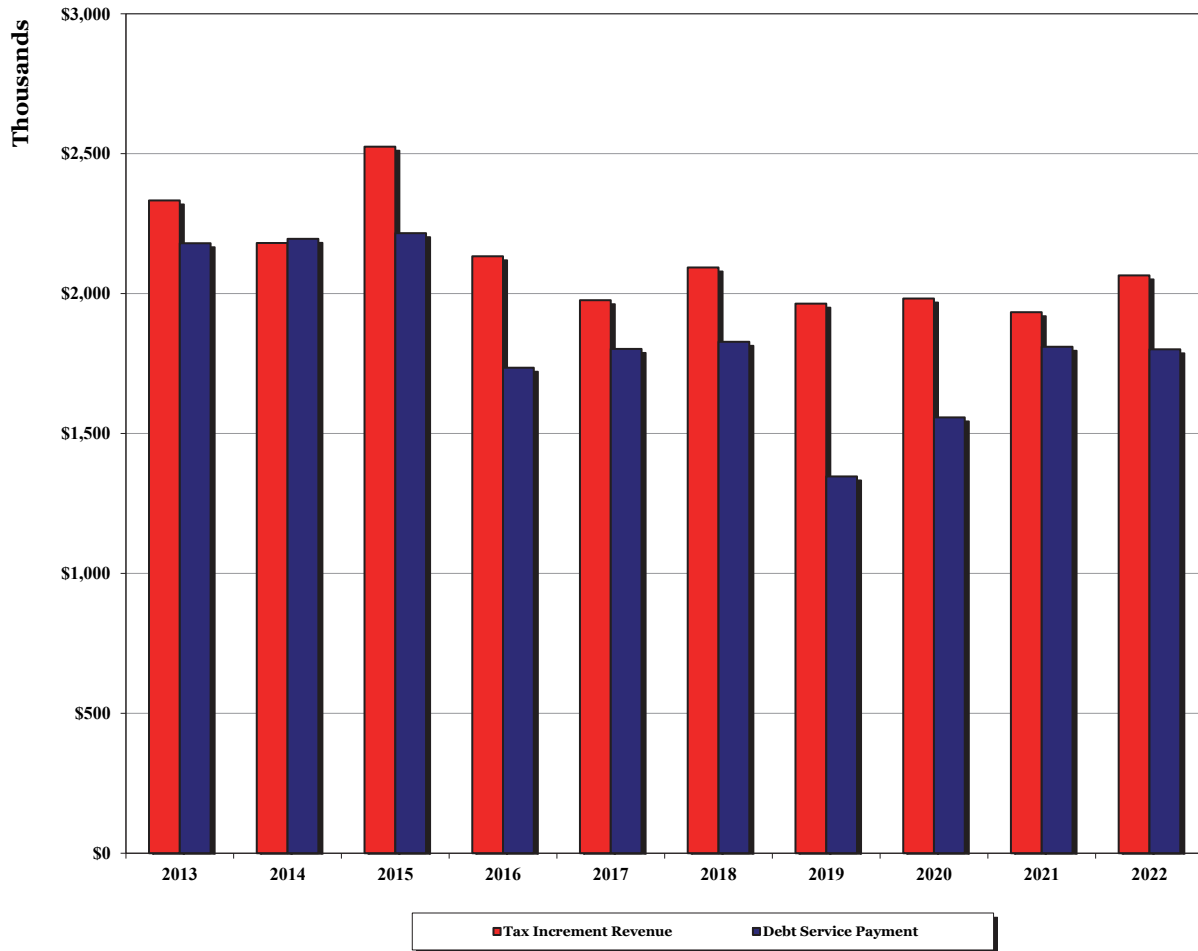
LEGAL BONDED DEBT MARGIN	\$203,850,000
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2013	\$91,762,500	\$0	\$91,762,500	0.00%
2014	98,587,500	0	98,587,500	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%
2022	203,850,000	0	203,850,000	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**

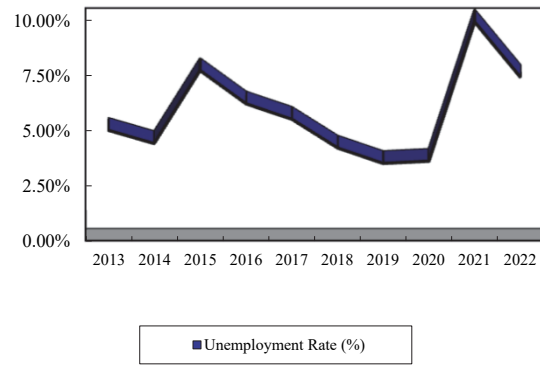
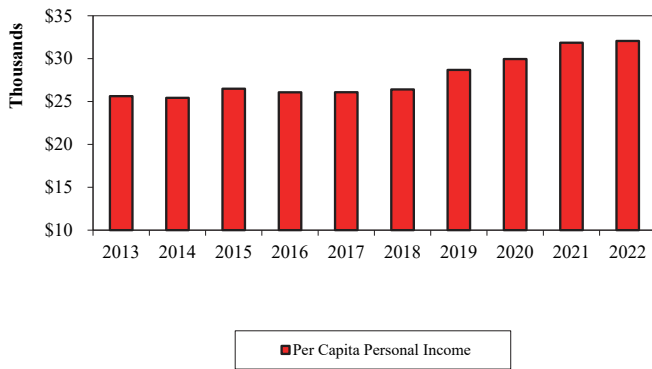
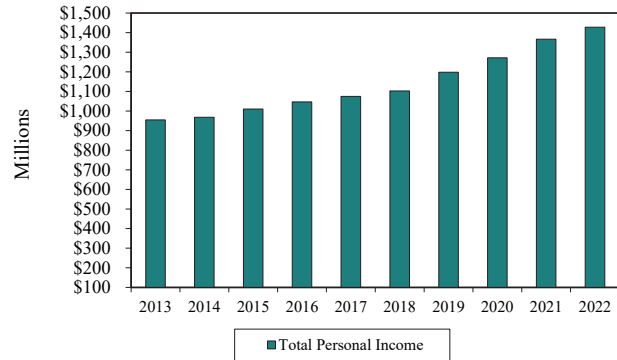
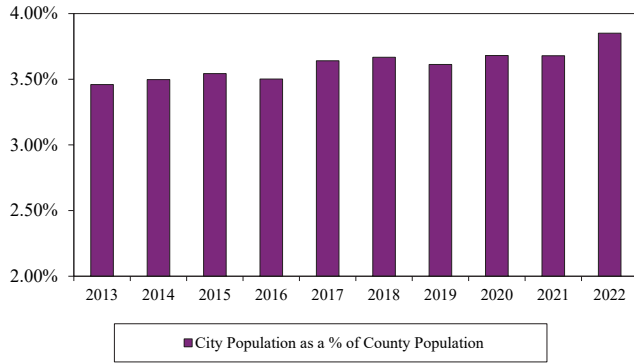


Fiscal Year	Tax Increment Revenue (a)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	\$2,332,827	\$560,000 (b)	\$1,619,876 (b)	\$2,179,876	1.07
2014	2,180,805	610,000 (b)	1,585,609 (b)	2,195,609	0.99
2015	2,525,004	660,000 (b)	1,555,802 (b)	2,215,802	1.14
2016	2,133,349	425,000 (b)	1,310,054 (b)	1,735,054	1.23
2017	1,976,225	465,000 (b)	1,337,150 (b)	1,802,150	1.10
2018	2,093,153	510,000 (b)	1,317,650 (b)	1,827,650	1.15
2019	1,963,996	245,000 (b) (c)	1,101,416 (b) (c)	1,346,416	1.46
2020	1,982,174	540,000 (b)	1,017,321 (b) (c)	1,557,321	1.27
2021	1,933,455	815,000 (b)	994,885 (b)	1,809,885	1.07
2022	2,065,052	845,000 (b)	955,694 (b)	1,800,694	1.15

- (a) 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.
- (b) Debt service is paid by the Successor Agency.
- (c) 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
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%
2022	44,533	1,427,927,000	32,064	7.4%	1,156,555	3.85%

(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

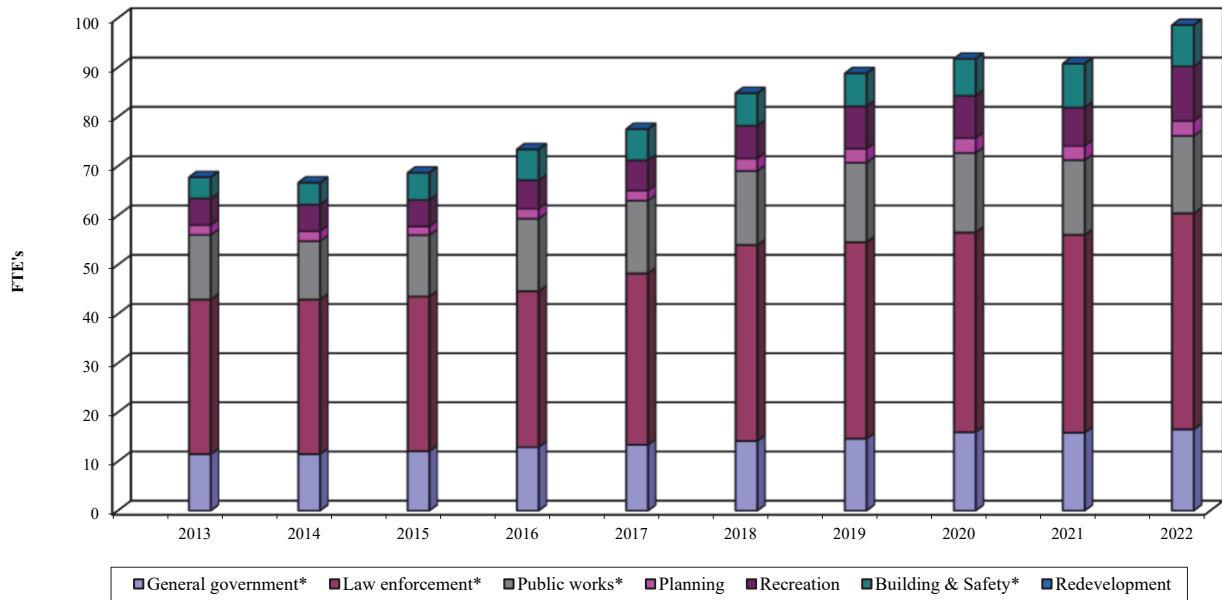
<u>Employer</u>	<u>2021-22</u>			<u>2012-13</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oakley Union Elementary School District	493	1	18.4%	487	1	28.7%
Amazon.com Services LLC	194	2	7.3%			
Lucky's	85	3	3.2%	54	3	3.2%
Pet Food Express	72	4	2.7%		2	0.0%
McDonalds	57	5	2.1%	36	6	2.1%
Raley's	52	6	1.9%	46	4	2.7%
Skipolini's	38	7	1.4%			
Dutch Bros Coffee	37	8	1.4%			
Starbucks Coffee Store# 22433	36	9	1.3%			
Starbucks Coffee Store# 9330	32	10	1.2%			
Diamond Hills Sports Club and Spa				55	2	3.2%
Continente Nut LLC				44	5	2.6%
Foundation Constructors Inc				32	7	1.9%
Ironhouse Sanitary District				32	7	1.9%
Rain 4 Rent				30	8	1.8%
Round Table Pizza				27	9	1.6%
Momijii Enterprises Inc., DBA Molly Maid of East CC & Solano County				26	10	1.5%
Subtotal	<u>1,096</u>		<u>41.0%</u>	<u>869</u>		<u>51.2%</u>
Total City Day Population (A)	<u>2,674</u>			<u>1,696</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,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
General government*	11.45	11.46	12.08	12.89	13.36	14.13	14.61	15.92	15.82	16.49
Community development:										
Public works*	13.13	11.88	12.46	14.74	14.78	15.03	16.13	16.13	15.13	15.71
Planning	2.00	2.00	1.75	2.00	2.00	2.50	2.80	3.00	2.90	3.00
Building & Safety*	4.30	4.45	5.50	6.25	6.33	6.60	6.68	7.46	8.90	8.35
Redevelopment	0.00	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	31.73	34.88	39.88	39.98	40.63	40.26	43.96
Recreation	5.37	5.37	5.37	5.78	6.16	6.64	8.60	8.60	7.77	11.08
Total	<u>67.73</u>	<u>66.64</u>	<u>68.64</u>	<u>73.39</u>	<u>77.51</u>	<u>84.78</u>	<u>88.80</u>	<u>91.74</u>	<u>90.78</u>	<u>98.59</u>

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Law enforcement:										
Police (a) (b):										
Violent crimes	85	54	46	52	54	51	59	33	29	127
Property crimes	477	468	429	615	491	511	465	537	554	580
Public Works:										
Street resurfacing (miles)	0.72	1.54	8.62	0.25	0.42	8.50	1.40	5.60	1.50	3.80
Leisure Services:										
Recreation:										
Recreation activities participants	16,486	22,663	29,630	32,386	36,430	35,417 (c)	33,996	36,832	8,341 (d)	32,309

Source: City of Oakley

Notes:

- (a) 2013 - 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Law enforcement:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	29	25	26	28	29	28	23	27	29	29
Public works:										
Miles of streets	129.12	131.00	131.00	133.00	136.00	136.00	139.00	141.00	142.00	142.00
Street lights	3,032	3,050	3,050	3,104	3,200	3,200	3,285	3,314	3,347	3,347
Traffic Signals	33	33	33	34	35	36	37	38	39	40
Recreation:										
Community services:										
City parks	29	30	31	32	33	34	36	37	37	37
City parks acreage	98.0	101.5	102.5	108.0	113.0	116.0	119.0	121.0	121.0	121.0
Community centers	2	2	2	1	1	0 (a)	1 (a)	1	1	1
Baseball/softball diamonds	8	8	8	8	9	9	10	10	10	10
Soccer/football fields	7	7	7	8	9	9	9	9	9	9
Skate features	3	3	3	3	3	3	3	1	1	1
BMX dirt track	1	1	0	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, 2022, and have issued our report thereon dated December 2, 2022. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control that we consider to be significant deficiencies as listed on the Schedule of Significant Deficiencies included as part of our separately issued Memorandum on Internal Control dated December 2, 2022, which is an integral part of our audit and should be read in conjunction with this report.

Report on 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 December 2, 2022 which is an integral part of our audit and should be read in conjunction with this report.

City's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in our separately issued Memorandum on Internal Control dated December 2, 2022, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Pleasant Hill, California
December 2, 2022