

OAKLEY



CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2023



**CITY OF OAKLEY, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

**PREPARED BY THE
FINANCE DEPARTMENT**

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INTRODUCTORY SECTION

CITY OF OAKLEY, CALIFORNIA

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Aaron Meadows
Mayor

December 12, 2023

Anissa Williams
Vice Mayor

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

Dr. George Fuller
Councilmember

We are pleased to submit to you the City of Oakley's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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.

Shannon Shaw
Councilmember

Hugh Henderson
Councilmember

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, three of which were elected by the voters, city-wide, serving in staggered four-year terms and two were elected to serve in their respective District from the 2022 election, also serving a staggered four-year term. The 2024 election will transition the three remaining at-large seats to District seats. 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 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 2023/24 Proposed Budget included a budget study session that was held at the May 9, 2023 Council meeting.

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 2023/24, management considered the following significant factors likely to affect the financial condition of the City:

With interest rates rising, home sales have dropped considerably from prior fiscal years therefore slowing the issuance of building permits. The FY 2023/2024 revenue projections were conservative at only anticipating 125 building permits for single family housing units remaining consistent with where FY 2022/2023 ended. Although conservative, it is still unknown if we will reach these numbers for FY 2023/2024. Property Tax revenue growth was budgeted at 6% for Fiscal Year 2023/2024, however, with the County Assessor subsequently reported an increase of over 8% in assessed valuations which is anticipated to increase revenue for property tax and property tax in lieu of vehicle license fee. To hedge against potentially further losses in revenue due to a possible recession, the City had assigned \$1 million in excess of the 30% minimum reserve policy to the General Fund Emergency Reserve for Fiscal Year 2022/23. The City did not assign the \$1 million in the FY 2023/2024 budget. Although it hasn't been determined when or even if a recession will happen, if it does, it is anticipated to be mild and quick.

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. The Center provides 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. The City has several large projects in the coming years and any one-time expenditures used will be weighed against the 10-year plan to ensure all expenditures can be managed not only now but into the future.



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. At the end of FY 2022/2023 the City has \$1,047,201 in the pension trust account that can be used to pay future pension costs. The City has also set aside reserves of \$1,000,000 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. The City of Oakley received \$10.2 million and to date has allocated all but \$2.8 million to projects. This unallocated amount has been suggested to be used to help fund the Library project that is becoming a priority in upcoming years.

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 being 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 continues to grow. 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 nearing completion 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 2023, with a 3% 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 of 4.5 % in September 2023, compared to 5.9% in 2022, 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, 2022. 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 annual comprehensive 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, 2023. The preparation of this report on a timely basis could not have been 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,



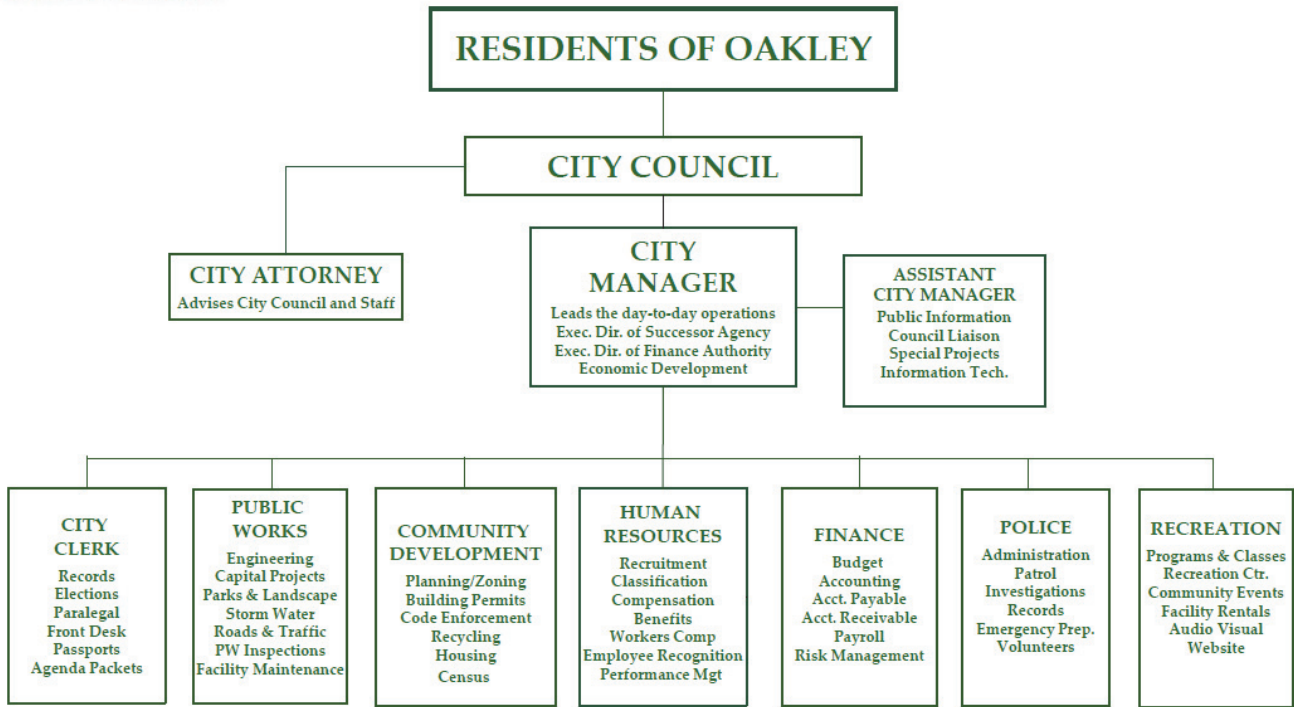
Joshua McMurray
City Manager



Jeri Tejada
Administrative Services Director



CITY'S ORGANIZATIONAL CHART



CITY OF OAKLEY
ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL

JUNE 30, 2023

ELECTED OFFICIALS

Mayor	Aaron Meadows
Vice-Mayor	Anissa Williams
Council Member	George Fuller
Council Member	Hugh Henderson
Council Member	Shannon Shaw

ADMINISTRATIVE PERSONNEL

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

Joshua McMurray
Derek Cole
Vacant
Paul Beard
Libby Vreonis
Jeri Tejada
Brent Smith
Kevin Rohani
Vacant



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, 2022

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 5, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 5, 2023

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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, 2023, 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 \$13,246,577 or 4.19 percent this year.
- Government-wide program expenditures exceeded program revenues by \$7,563,455.
- General Fund revenues were \$2,160,775 more than budgeted; expenditures were \$2,916,611 than budgeted.
- The General Fund Balance at the end of the year was \$25,741,766 of which \$16,585,152 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 2022/2023, the City's combined net position increased \$13,246,577 from \$315,982,936 to \$329,229,513. 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, 2023 and 2022

Governmental Activities	<u>2023</u>	<u>2022</u>
Assets		
Current and restricted assets	\$102,852,722	\$93,117,201
Other Long-Term Assets	12,736,548	14,660,449
Capital assets	<u>238,336,035</u>	<u>230,225,015</u>
Total Assets	<u>353,925,305</u>	<u>338,002,665</u>
Deferred Outflows of Resources		
Related to pensions (Note 11)	<u>4,135,020</u>	<u>3,889,373</u>
Liabilities		
Long-term debt outstanding	7,915,000	8,245,000
Other liabilities	<u>20,116,979</u>	<u>15,947,698</u>
Total Liabilities	<u>28,031,979</u>	<u>24,192,698</u>
Deferred Inflows of Resources		
Related to pensions (Note 11)	441,835	608,584
Related to leases (Note 14)	<u>356,998</u>	<u>1,107,820</u>
Total Deferred Inflows of Resources	<u>798,833</u>	<u>1,716,404</u>
Net Position		
Net Investment in Capital Assets	230,421,035	221,980,015
Restricted	59,525,708	56,580,454
Unrestricted	<u>39,282,770</u>	<u>37,422,467</u>
Total Net Position	<u>\$ 329,229,513</u>	<u>\$ 315,982,936</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 \$8,441,020 in Net Investment in Capital Assets resulted primarily from the contribution of subdivision infrastructure from developers including streets, improvements, traffic signals and landscaping. The largest dedicated infrastructure included Oakley Logistics Center and Stonewood Unit A. The City also has several large construction projects completed this year which includes Street Repair and Maintenance CIP # 246, the Police Parking Lot Expansion CIP #253 and the Holly Creek Restrooms CIP #288.

The increase of \$2,945,254 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 largest of these projects is E. Cypress-Knightsen Avenue CIP #247.

The increase of \$1,860,303 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 effect of inflation on the economy, property tax, and interest were all more than anticipated. Large capital projects, primarily related to street repairs, were carried over to Fiscal Year 2023/2024, bringing Fiscal Year 2022/2023 expenditures in under budget.

Table 2
Changes in Net Position
As of June 30, 2023 and 2022

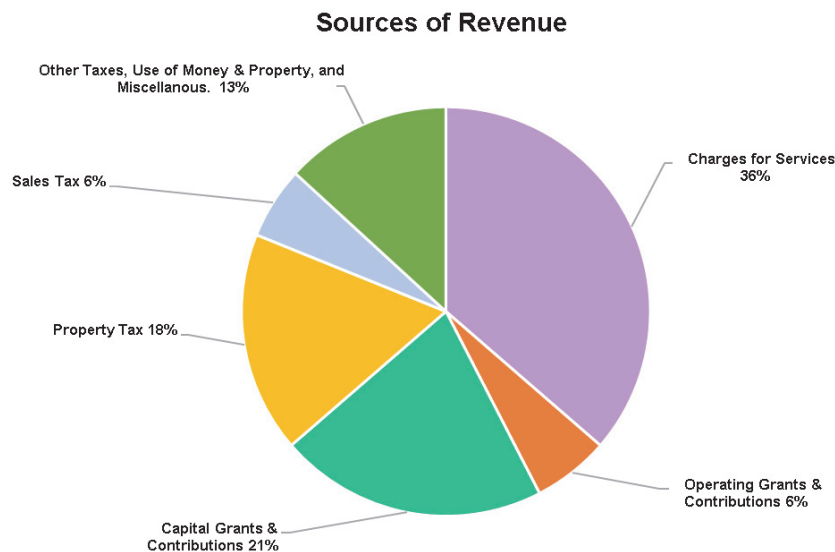
Governmental Activities	<u>2023</u>	<u>2022</u>
REVENUES		
<u>Program Revenues:</u>		
Charges for Services	\$20,818,777	\$19,848,551
Operating Grants & Contributions	3,475,268	3,548,566
Capital Grants & Contributions	12,071,631	16,125,068
<u>General Revenues:</u>		
Property tax	9,997,445	8,820,565
Sales tax	3,259,906	3,245,824
Other taxes	2,906,346	2,736,046
Use of money and property	3,231,632	(1,492,642)
Miscellaneous	<u>1,414,703</u>	<u>1,158,483</u>
Total Revenues	<u>57,175,708</u>	<u>53,990,461</u>
EXPENSES		
Legislative	1,107,304	620,315
Administrative Services	3,605,591	1,236,007
Law Enforcement	12,909,496	10,004,447
Community Development and Housing	4,822,090	3,784,435
Public Works	20,106,673	16,987,021
Recreation	1,033,851	723,501
Interest on long-term debt	<u>344,126</u>	<u>349,039</u>
Total Expenses	<u>43,929,131</u>	<u>33,704,765</u>
Change in Net Position	13,246,577	20,285,696
Net Position – Beginning	<u>315,982,936</u>	<u>295,697,240</u>
Net Position – Ending	<u><u>\$329,229,513</u></u>	<u><u>\$315,982,936</u></u>

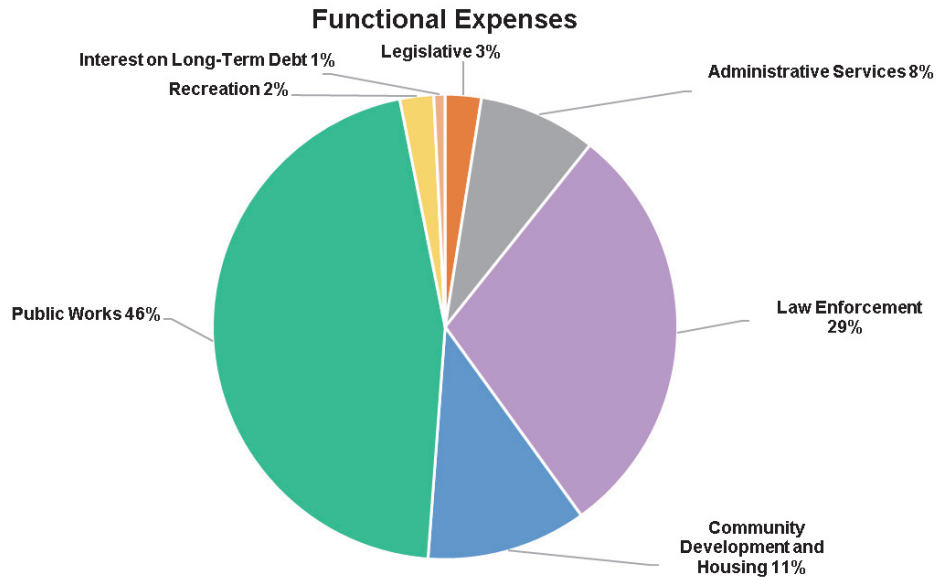
Governmental Activities

Total governmental revenue for Fiscal Year 2022/2023 was \$57,175,708. Capital Grants and Contributions, which account for 21% of revenue, saw a decrease of \$4,053,437, from \$16,125,068 in Fiscal Year 2022/2023 to \$12,071,631 in Fiscal Year 2022/2023. This decrease is due to significantly higher-than-usual capital projects that were completed in Fiscal Year 2022/2023. Charges for Services, which account for 36% of revenue increased by \$970,226, due to continuing development within the City of Oakley. Property Taxes increased \$1,176,880 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. The use of money and property increased \$4,724,274 due to the fluctuation of market rates and the increase in investment in money market accounts. The other categories experienced slight increases. The large increase in Use of Money and Property was the result of rising interest rates, which created exceptionally high market losses on existing investments in FY 2021/2022.

Total expenses were \$43,929,131. Public Works, with \$20,106,673 of expenses, represented the largest component of total governmental expenses. Administrative Services, Law Enforcement and Community Development also increased considerably; the increases were due to a large decrease in FY 2021/2022 from a combination of a one-time payment and an exceptionally large rate of return for CalPERS as well as salary increases due to moving from a merit-based system, to a step system. This change provided for at least a 5% salary increase for all staff with some staff receiving greater than 5%. In addition to the step system, all miscellaneous general staff received a 3% cost of living increase. Other categories remained comparable to the prior year with some seeing slight decreases.

Fiscal Year 2023 Government Activities





THE CITY'S FUNDS

On page 24, the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances is shown. The combined fund balance was \$85,004,805, an increase of \$7,254,041. The largest contributor was due to moving assigned reserves for Capital Projects of 7.2 million to unassigned fund balance to be used for the CIP project for Cypress Road.

The General Fund Balance decreased by \$900,535 from the prior year. This was anticipated to be much larger at the beginning of the year. With property tax revenue and interest revenue coming in above the budget, this decrease was less than budgeted. One time reserves were used to transfer for capital projects for Cypress Road.

The General Fund Unassigned Fund Balance increased by \$6,203,709, due primarily to the decrease of assigned reserves for capital projects of \$7.2 million for use on capital projects. In Fiscal Year 2023/2024, \$2.8 million of the Reserve for Capital Projects will remain available for future capital projects if needed.

General Fund revenues were \$8,224,038 more than expenditures. That excludes Net Transfers of \$9,577,974, which are categorized under Other Financing Sources (Uses).

General Fund Budgetary Highlights

For the City's General Fund, actual revenues of \$22,353,938 were \$2,160,775 more than the final budgeted revenues of \$20,193,163. Use of Money and Property, Property Tax, and Other Tax Revenues exceeded final budget by \$1,909,127. The increase in assessed value of property was approximately 16.4%, which was better than the projected increase of 4.5%. With the inflation concern and direct effect of the economy during budget preparations, the Use of Money was anticipated to stay the same or decrease, as the effects of the rate changes were unknown. However, the City received \$987,832 more revenues than anticipated.

General Fund expenditures of \$14,129,900 were \$2,916,611 less than final budget of \$17,046,511. Savings were realized primarily in Law Enforcement (\$997,743) and Administrative Services (\$697,121). The savings in Law Enforcement resulted from the timing on the hiring process for vacant police positions, creating a savings of just over \$854,203 in Salaries and Benefits. The savings in Administrative Services resulted primarily from lower than anticipated Salaries and Benefit costs, consulting services, repairs and maintenance and risk management.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2022/23, the City had \$238,336,035 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, 2023 and 2022

Governmental Activities	<u>2023</u>	<u>2022</u>
Non Depreciable		
-Land	\$18,535,225	\$ 18,531,130
-Construction in Progress	11,585,659	7,234,020
Depreciable, net of Accumulated Depreciation:		
-Machinery, Equipment and Vehicles	1,421,130	987,248
-Buildings and Improvements	24,334,114	20,725,953
-Park Improvements	14,738,950	15,680,626
-Infrastructure	<u>167,720,957</u>	<u>167,066,038</u>
Total Capital Assets	<u>\$238,336,035</u>	<u>\$230,225,015</u>

Capital Assets increased by \$8,111,020 during Fiscal Year 2022/23, with the most significant increases being in construction in progress (\$4,351,639) and in building and improvements (\$3,608,161). The City completed several large CIP projects including the Police Parking Lot, Streets Repair and Maintenance and the Holly Creek Restrooms. The increase in Building and Improvements consists mostly of developer dedicated improvements of the Oakley Logistic Center and Stonewood Unit 1.

The City's FY 2023/24 Capital Improvement Budget calls for the spending of \$16,290,939 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 \$7,915,000 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>2023</u>	<u>2022</u>
2016 Lease Revenue Bonds	\$7,915,000	\$8,245,000

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, 2023

	Governmental Activities
ASSETS	
Cash and investments available for operations (Note 3)	\$94,540,663
Cash and investments with fiscal agent (Note 3)	1,586,514
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	3,214,228
Interest receivable	185,767
Prepays and deposits	1,368
Loans receivable (Note 5)	12,357,708
Land held for resale (Note 6)	3,324,182
Capital assets (Note 7):	
Land and construction in progress	30,120,884
Depreciable, net	208,215,151
Leases receivable (Note 14)	378,840
	353,925,305
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 11)	4,135,020
	4,135,020
LIABILITIES	
Accounts payable	2,493,209
Accrued liabilities	128,053
Deposits payable	1,558,886
Unearned revenue	11,719,672
Interest payable	53,928
Claims payable - due in one year (Note 16)	75,850
Compensated absences (Note 1H):	
Due within one year	374,788
Due in more than one year	1,499,155
Advance from Fire District, due in more than one year (Note 17D)	136,023
Net Pension Liability - Due in more than one year (Note 11)	2,077,415
Long-term debt (Note 8):	
Due within one year	345,000
Due in more than one year	7,570,000
	28,031,979
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 11)	441,835
Related to leases (Note 14)	356,998
	798,833
NET POSITION (Note 10)	
Net investment in capital assets	230,421,035
Restricted for:	
Capital projects	48,059,852
Debt service	40,543
Low and moderate income housing	11,425,313
	59,525,708
Unrestricted net position	39,282,770
	\$329,229,513

See accompanying notes to financial statements

CITY OF OAKLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Activities
Governmental Activities:				
Legislative	\$1,107,304			(\$1,107,304)
Administrative Services	3,605,591	\$806,653	\$250,000	(2,548,938)
Community Development	4,818,856	3,463,582	767,388	170,223
Public Works	20,106,673	8,851,111	2,193,626	2,251,586
Housing Programs	3,234			(3,234)
Law Enforcement	12,909,496	7,381,365	264,254	(5,263,877)
Recreation	1,033,851	316,066		(717,785)
Interest and fiscal charges	344,126			(344,126)
Total Governmental Activities	\$43,929,131	\$20,818,777	\$3,475,268	(\$12,071,631)
General revenues:				
Taxes:				
Property taxes				9,997,445
Sales taxes				3,259,906
Business license taxes				100,566
Transient occupancy taxes				262,190
Franchise taxes				2,543,590
Intergovernmental, unrestricted:				
Motor vehicle in lieu				45,647
Use of money and property				2,776,211
Gain on sale of property				455,421
Miscellaneous				1,369,056
Total General Revenues				20,810,032
Change in Net Position				13,246,577
Net Position-Beginning				315,982,936
Net Position-Ending				\$329,229,513

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 2023. 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, 2023

	General	Lighting and Landscaping Districts	Public Protection
ASSETS			
Cash and investments available for operations (Note 3)	\$20,620,632	\$13,530,206	
Cash and investments with fiscal agent (Note 3)	1,047,201		
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	1,652,578		
Interest receivable	59,582	26,291	\$3,583
Due from other funds (Note 4C)	253,903		
Prepays and deposits	1,368		
Loans receivable (Note 5)	94,370		
Advances to other funds (Note 4B)	78,532		
Leases receivable (Note 14)	378,840		
Land held for resale (Note 6)	3,324,182		
Total Assets	\$27,511,188	\$13,556,497	\$3,583
LIABILITIES			
Accounts payable	\$668,697	\$519,039	
Accrued liabilities	127,613		
Due to other funds (Note 4C)			\$3,583
Deposits payable	6,673		
Unearned revenue	609,441		
Advances from other funds (Note 4B)		78,532	
Total Liabilities	1,412,424	597,571	3,583
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable			
Unavailable revenue - loans receivable			
Unavailable revenue - interest on advances to other funds Related to leases (Note 14)	356,998		
Total Deferred Inflows of Resources	356,998		
FUND BALANCES			
Fund balance (Note 10):			
Nonspendable	3,520,294		
Restricted	1,047,201	12,958,926	
Assigned	4,589,119		
Unassigned	16,585,152		
Total Fund Balances (Deficits)	25,741,766	12,958,926	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$27,511,188	\$13,556,497	\$3,583

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	ARPA	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
\$378,745	\$9,128,678	\$13,502,785	\$35,457,709 539,313	\$92,618,755 1,586,514
	275	50,223	1,624,565	3,327,641
	18,668	28,062	45,994	182,180
				253,903
				1,368
12,246,460		16,878		12,357,708
		606,402	593,490	1,278,424
				378,840
				3,324,182
<u>\$12,625,205</u>	<u>\$9,147,621</u>	<u>\$14,204,350</u>	<u>\$38,261,071</u>	<u>\$115,309,515</u>
	\$31,700	\$131,829	\$991,805	\$2,343,070
				127,613
			250,320	253,903
			1,552,213	1,558,886
\$1,199,892	8,951,564	1,662,221	496,446	11,719,672
				1,278,424
<u>1,199,892</u>	<u>8,983,264</u>	<u>1,794,050</u>	<u>3,290,784</u>	<u>17,281,568</u>
			113,413	113,413
12,246,460				12,246,460
		154,784	151,487	306,271
				356,998
<u>12,246,460</u>		<u>154,784</u>	<u>264,900</u>	<u>13,023,142</u>
				3,520,294
		12,255,516	22,579,682	48,841,325
	164,357		12,248,030	17,001,506
(821,147)			(122,325)	15,641,680
<u>(821,147)</u>	<u>164,357</u>	<u>12,255,516</u>	<u>34,705,387</u>	<u>85,004,805</u>
<u>\$12,625,205</u>	<u>\$9,147,621</u>	<u>\$14,204,350</u>	<u>\$38,261,071</u>	<u>\$115,309,515</u>

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CITY OF OAKLEY
 Reconciliation of the
 GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 JUNE 30, 2023

Total fund balances reported on the governmental funds balance sheet: \$85,004,805

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. 238,336,035

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. 1,774,916

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. 12,552,731

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	(7,915,000)
Interest payable	(53,928)
Advance from Fire District	(136,023)
Compensated absences	(1,873,943)
Net pension liability and pension-related deferred outflows/inflows of resources	1,615,770
Claims Payable	(75,850)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$329,229,513

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, 2023

	General	Lighting and Landscaping Districts	Public Protection
REVENUES			
Property taxes	\$9,997,445		
Sales tax	3,259,906		
Other taxes	2,805,780	\$850,354	
Licenses and permits	2,927,063		
Charges for services	261,605		
Fines and forfeits	69,578		
Intergovernmental	519,709		\$165,271
Developer fees			
Special assessments		4,669,248	7,271,116
Loan repayments			
Use of money and property	1,152,532	344,994	(6,549)
Miscellaneous	1,360,320	2,750	
Total Revenues	<u>22,353,938</u>	<u>5,867,346</u>	<u>7,429,838</u>
EXPENDITURES			
Current:			
Legislative	959,629		
Administrative Services	2,514,347		
Community Development	2,574,255		
Public Works	2,294,579	4,182,810	
Housing programs			
Law Enforcement	4,546,265		7,431,708
Recreation	912,610		
Capital outlay	328,215	228,861	
Debt service:			
Principal			
Interest and fiscal charges		1,704	
Total Expenditures	<u>14,129,900</u>	<u>4,413,375</u>	<u>7,431,708</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,224,038</u>	<u>1,453,971</u>	<u>(1,870)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 4A)		26,288	
Transfers (out) (Note 4A)	(9,577,974)	(18,466)	
Proceeds from sale of property	453,401		
Total Other Financing Sources (Uses)	<u>(9,124,573)</u>	<u>7,822</u>	
NET CHANGE IN FUND BALANCES	(900,535)	1,461,793	(1,870)
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>26,642,301</u>	<u>11,497,133</u>	<u>1,870</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$25,741,766</u>	<u>\$12,958,926</u>	

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	ARPA	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
			\$527,545	\$10,524,990
				3,259,906
			2,454,495	6,110,629
				2,927,063
				261,605
				69,578
	\$569,832		3,618,701	4,873,513
		\$1,795,783	2,958,034	4,753,817
			344,769	12,285,133
\$1,819				1,819
88,741	145,877	381,308	538,731	2,645,634
		22,400	17,416	1,402,886
<u>90,560</u>	<u>715,709</u>	<u>2,199,491</u>	<u>10,459,691</u>	<u>49,116,573</u>
				959,629
				2,514,347
	406,787		1,733,405	4,714,447
		123,855	3,613,905	10,215,149
3,234				3,234
				11,977,973
				912,610
	163,045	2,119,308	7,477,305	10,316,734
			330,000	330,000
25,484			344,622	371,810
<u>28,718</u>	<u>569,832</u>	<u>2,243,163</u>	<u>13,499,237</u>	<u>42,315,933</u>
<u>61,842</u>	<u>145,877</u>	<u>(43,672)</u>	<u>(3,039,546)</u>	<u>6,800,640</u>
			10,259,209	10,285,497
			(689,057)	(10,285,497)
				453,401
			9,570,152	453,401
61,842	145,877	(43,672)	6,530,606	7,254,041
(882,989)	18,480	12,299,188	28,174,781	77,750,764
<u>(\$821,147)</u>	<u>\$164,357</u>	<u>\$12,255,516</u>	<u>\$34,705,387</u>	<u>\$85,004,805</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, 2023

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$7,254,041

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	9,845,265
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$659,791 which has already been allocated to serviced funds.)	(9,127,462)
Developer dedicated infrastructure is added to fund balance	7,328,995
Capital expenditures contributed to internal service funds	(584,369)
Capital assets contributed from internal service funds	466,908

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	330,000
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NON-CURRENT ITEMS

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

Non-current portion of compensated absences	(166,763)
Interest payable	2,200
Unavailable revenue	259,482
Advance from Fire District	201,757
Net pension liability (asset) and deferred outflows/inflows related to pensions	(3,053,258)
Claims payable	12,873

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

Change in Net Position - Internal Service Fund	<u>476,908</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$13,246,577</u></u>
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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, 2023

	Original Budget	Amended Budget	Actual Amounts	Variance Positive (Negative)
REVENUES				
Property taxes	\$8,849,000	\$9,489,930	\$9,997,445	\$507,515
Sales taxes	2,800,000	3,200,000	3,259,906	59,906
Other taxes	2,392,000	2,392,000	2,805,780	413,780
Licenses and permits	3,654,300	3,009,300	2,927,063	(82,237)
Charges for services	147,000	147,000	261,605	114,605
Fines and forfeits	109,600	74,600	69,578	(5,022)
Intergovernmental	419,600	419,600	519,709	100,109
Use of money and property	464,700	164,700	1,152,532	987,832
Miscellaneous	1,131,897	1,296,033	1,360,320	64,287
Total Revenues	<u>19,968,097</u>	<u>20,193,163</u>	<u>22,353,938</u>	<u>2,160,775</u>
EXPENDITURES				
Current:				
Legislative	1,080,498	1,081,940	959,629	122,311
Administrative Services	3,430,046	3,211,468	2,514,347	697,121
Community Development	3,146,780	3,038,636	2,574,255	464,381
Public Works	2,654,586	2,784,630	2,294,579	490,051
Law Enforcement	6,318,269	5,544,008	4,546,265	997,743
Recreation	1,004,934	1,004,934	912,610	92,324
Capital outlay	64,000	380,895	328,215	52,680
Total Expenditures	<u>17,699,113</u>	<u>17,046,511</u>	<u>14,129,900</u>	<u>2,916,611</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,268,984</u>	<u>3,146,652</u>	<u>8,224,038</u>	<u>5,077,386</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)	(7,274,000)	(9,574,000)	(9,577,974)	(3,974)
Proceeds from sale of property			453,401	453,401
Total Other Financing Sources (Uses)	<u>(7,274,000)</u>	<u>(9,574,000)</u>	<u>(9,124,573)</u>	<u>449,427</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$5,005,016)</u></u>	<u><u>(\$6,427,348)</u></u>	<u><u>(900,535)</u></u>	<u><u>\$5,526,813</u></u>
Fund balance at beginning of year			<u>26,642,301</u>	
Fund balance at end of year			<u><u>\$25,741,766</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, 2023

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Other taxes			\$850,354	\$850,354
Special assessments	\$4,621,847	\$4,621,847	4,669,248	47,401
Use of money and property	31,700	31,700	344,994	313,294
Miscellaneous			2,750	2,750
Total Revenues	<u>4,653,547</u>	<u>4,653,547</u>	<u>5,867,346</u>	<u>1,213,799</u>
EXPENDITURES				
Current:				
Public Works	4,843,597	5,017,361	4,182,810	834,551
Capital outlay	250,000	250,000	228,861	21,139
Debt service:				
Interest and fiscal charges			1,704	(1,704)
Total Expenditures	<u>5,093,597</u>	<u>5,267,361</u>	<u>4,413,375</u>	<u>853,986</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(440,050)</u>	<u>(613,814)</u>	<u>1,453,971</u>	<u>2,067,785</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	194,000	194,000	26,288	(167,712)
Transfers (out)			(18,466)	(18,466)
Total Other Financing Sources (Uses)	<u>194,000</u>	<u>194,000</u>	<u>7,822</u>	<u>(186,178)</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$246,050)</u></u>	<u><u>(\$419,814)</u></u>	1,461,793	<u><u>\$1,881,607</u></u>
Fund balance at beginning of year			<u>11,497,133</u>	
Fund balance at end of year			<u><u>\$12,958,926</u></u>	

See accompanying notes to financial statements

CITY OF OAKLEY
PUBLIC PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$150,000	\$150,000	\$165,271	\$15,271
Special assessments	7,250,000	7,199,070	7,271,116	72,046
Use of money and property	500	500	(6,549)	(7,049)
Total Revenues	<u>7,400,500</u>	<u>7,349,570</u>	<u>7,429,838</u>	<u>80,268</u>
EXPENDITURES				
Current:				
Law Enforcement	<u>7,400,500</u>	<u>7,349,570</u>	<u>7,431,708</u>	<u>(82,138)</u>
Total Expenditures	<u>7,400,500</u>	<u>7,349,570</u>	<u>7,431,708</u>	<u>(82,138)</u>
NET CHANGE IN FUND BALANCES	=====	=====	(1,870)	<u><u>(\$1,870)</u></u>
Fund balance at beginning of year			<u>1,870</u>	
Fund balance at end of year			=====	

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, 2023

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Loan repayment	\$10,000	\$10,000	\$1,819	(\$8,181)
Use of money and property			88,741	88,741
Total Revenues	10,000	10,000	90,560	80,560
EXPENDITURES				
Current:				
Housing programs			3,234	(3,234)
Debt service:				
Interest	10,000	10,000	25,484	(15,484)
Total Expenditures	10,000	10,000	28,718	(18,718)
NET CHANGE IN FUND BALANCES			61,842	\$61,842
Fund balance (deficit) at beginning of year			(882,989)	
Fund balance (deficit) at end of year			(\$821,147)	

See accompanying notes to financial statements

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, 2023

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current:	
Cash and investments available for operations (Note 3)	\$1,921,908
Receivables:	
Interest	<u>3,587</u>
Total Current Assets	<u>1,925,495</u>
Noncurrent:	
Capital assets (Note 7):	
Depreciable, net	<u>6,441,549</u>
Total noncurrent Assets	<u>6,441,549</u>
Total Assets	<u>8,367,044</u>
LIABILITIES	
Current:	
Accounts payable	150,139
Accrued liabilities	<u>440</u>
Total Liabilities	<u>150,579</u>
NET POSITION (Note 10)	
Investment in capital assets	6,441,549
Unrestricted	<u>1,774,916</u>
Total Net Position	<u><u>\$8,216,465</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, 2023

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$1,167,779
Total Operating Revenues	1,167,779
OPERATING EXPENSES	
Supplies	191,282
Depreciation	659,791
Total Operating Expenses	851,073
Operating Income (Loss)	316,706
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	2,020
Interest income	40,721
Total Nonoperating Revenues	42,741
Income (Loss) Before Contributions and Transfers	359,447
Contributions	584,369
Capital assets contributed to governmental activities	(466,908)
Change in net position	476,908
BEGINNING NET POSITION	7,739,557
ENDING NET POSITION	\$8,216,465

See accompanying notes to financial statements

CITY OF OAKLEY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$1,167,779
Payments to suppliers	<u>(78,446)</u>
Cash Flows from Operating Activities	<u>1,089,333</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from sale of capital assets	2,020
Capital assets contributed to governmental activities	(466,908)
Acquisition of capital assets	<u>(257,105)</u>
Cash Flows from Capital Financing Activities	<u>(721,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>38,875</u>
Net Cash Flows	406,215
Cash and investments at beginning of period	<u>1,515,693</u>
Cash and investments at end of period	<u><u>\$1,921,908</u></u>
NONCASH TRANSACTIONS	
Contributions of capital assets	<u><u>\$584,369</u></u>
Reconciliation of Operating Income (Loss) to Cash Flows	
from Operating Activities:	
Operating income (loss)	\$316,706
Adjustments to reconcile operating income (loss) to cash flows	
from operating activities:	
Depreciation	659,791
Net change in liabilities:	
Accounts payable	113,851
Accrued liabilities	<u>(1,015)</u>
Cash Flows from Operating Activities	<u><u>\$1,089,333</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, 2023

	Successor Agency to the Redevelopment Agency Private Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments (Note 3 and 18)	\$1,501,477	\$3,517,367
Cash and investments with fiscal agent (Note 3 and 18)	1,988	519,081
Accounts receivable	2,000	
Interest receivable	1,619	4,189
Loans receivable (Note 18B)	597,142	
Total Assets	2,104,226	4,040,637
LIABILITIES		
Accounts payable	1,500	\$353,270
Interest payable	254,523	
Due to other agencies		672,499
Long-term debt (Note 18C):		
Due within one year	920,000	
Due in more than one year	21,625,343	
Total Liabilities	22,801,366	1,025,769
NET POSITION (DEFICIT)		
Restricted for:		
Held in Trust for private purpose Bondholders	(20,697,140)	3,014,868
Total Net Position (Deficit)	(\$20,697,140)	\$3,014,868

See accompanying notes to financial statements

CITY OF OAKLEY
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2023

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property taxes	\$2,086,738	
Special assessments		\$1,955,555
Use of money and property	57,265	58,025
	2,144,003	2,013,580
DEDUCTIONS		
Administrative expenses		39,322
Redevelopment and economic development	250,000	
Payments to bondholders and related fiscal charges		1,541,851
Debt service:		
Interest and fiscal charges	835,202	
	1,085,202	1,581,173
Total Deductions	1,085,202	1,581,173
Change in Net Position	1,058,801	432,407
NET POSITION (DEFICIT) HELD IN TRUST FOR SUCCESSOR AGENCY AND OTHER GOVERNMENTS		
Beginning of year	(21,755,941)	2,582,461
End of year	(\$20,697,140)	\$3,014,868

See accompanying notes to financial statements

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CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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 45,000 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, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

C. Major Funds

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

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

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

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

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

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

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

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, 2023

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 and right-to-use subscription 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, 2023

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, 2023 were comprised of the following:

Governmental Activities:	Taxes	Accounts	Inter-Governmental	Total Receivables	Less Allowance	Net Receivables
General Fund	\$1,348,521	\$47,575	\$256,482	\$1,652,578	(\$113,413)	\$1,539,165
ARPA Special Revenue Fund			275	275		275
Traffic Impact Fees Capital Projects Fund			50,223	50,223		50,223
Non-Major Governmental Funds		252,575	1,371,990	1,624,565		1,624,565
Total	<u>\$1,348,521</u>	<u>\$300,150</u>	<u>\$1,678,970</u>	<u>\$3,327,641</u>	<u>(\$113,413)</u>	<u>\$3,214,228</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, 2023

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	\$1,707,180
Additions	690,006
Payments	(523,243)
Ending Balance	\$1,873,943
Current Portion	\$374,788

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, 2023

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. New and Inactive Funds

During fiscal year 2022-23, the City established the following funds:

- Opioid Remediation Special Revenue Fund accounts for funds received from the State from the settlement agreement with Janssen and Distributors. The settlement funds are restricted to uses related to opioid abatement.
- Officer Wellness and Mental Health Grant Special Revenue Fund accounts for grant funds received from the Bureau California Board of State and Community Corrections (BSCC). The Officer Wellness and Mental Health (Officer Wellness) Grant Program, established in the 2022 Budget Act, provides funds for the purpose of improving officer wellness and expanding mental health sources.
- Community Facilities District 2020-1 accounts for the activities associated with the operations and maintenance associated with the City's Community parks and the public landscape, street lighting, and storm drain maintenance associated with the Contra Costa Logistics Center project. The activity was previously reported as a component of the Lighting and Landscaping

The OTS Police Grants Special Revenue Fund was closed as of July 1, 2022, but is expected to have activity in the future.

The Oakley Welcoming Special Revenue Fund and the Fire Impact Fees Capital Projects Fund were closed as of June 30, 2023.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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 Opioid Remediation Special Revenue Fund and the Officer Wellness and Mental Health Grant Special Revenue Fund, as well as the 2006-1 Assessment District Capital Projects Fund, which is governed by bond covenants. In addition, the ARPA Special Revenue Fund is budgeted on a project length basis and therefore is not comparable on an annual basis.
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, 2023

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	\$82,138
Low and Moderate Income Housing Asset Special Revenue Fund	18,718
Developer Deposits Special Revenue Fund	154,726
Fire Impact Fees Capital Projects Fund	202,374

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, 2023

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	\$94,540,695
Cash and investments with fiscal agent	1,586,514
Total City Cash and Investments	96,127,209
Cash and investments in Fiduciary Funds (Separate Statement):	
Successor Agency to the Redevelopment	
Agency Private Purpose Trust Fund:	
Cash available for operations	1,501,477
Cash and investments with fiscal agent	1,988
Custodial Funds:	
Cash and investments available for operations	3,517,367
Cash and investments with fiscal agent	519,081
Total Cash and Investments	\$101,667,122

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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, 2023

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, 2023

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	\$6,791,926	\$16,227,474	\$23,019,400
Medium Term Corporate Notes	287,229	3,763,829	4,051,058
Local Agency Investment Fund	11,894,307		11,894,307
Money Market Funds	1,846,120		1,846,120
Capital Asset Management Program	55,929,238		55,929,238
CalTRUST	281,105		281,105
<i>Held by Fiscal Agents:</i>			
Capital Asset Management Program			
PARS Balanced Index PLUS	1,047,201		1,047,201
Money Market Funds	1,060,382		1,060,382
Total Investments	<u>\$79,137,508</u>	<u>\$19,991,303</u>	99,128,811
<i>Cash deposits in banks</i>			<u>2,538,311</u>
Total Cash and Investments			<u>\$101,667,122</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, 2023, these investments matured in an average of 260 days.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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, 2023, these investments matured in an average of 321 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, 2023, the fair value approximated the City's cost.

The City, as a CAMP shareholder, 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 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. At June 30, 2023, the fair value approximated the City's cost. At June 30, 2023, these investments have an average maturity of 26 days.

Money market funds are available for withdrawal on demand and at June 30, 2023 matured in an average of 23 days.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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, 2023 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		\$1,524,857	\$2,526,201	\$4,051,058
Capital Asset Management Program	\$55,929,238			55,929,238
CalTRUST		281,105		281,105
Money Market Funds	1,846,120			1,846,120
<i>Held by Fiscal Agents:</i>				
Money Market Funds	1,060,382			1,060,382
Total Rated Investments	<u>\$58,835,740</u>	<u>\$1,805,962</u>	<u>\$2,526,201</u>	63,167,903
<i>Not Rated:</i>				
Local Agency Investment Fund				11,894,307
PARS Balanced Index PLUS				1,047,201
<i>Exempt:</i>				
U.S. Treasury Notes				<u>23,019,400</u>
Total Investments				<u>\$99,128,811</u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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	\$23,019,400				\$23,019,400
Medium Term Corporate Notes		\$4,051,058			4,051,058
Capital Asset Management Program				\$55,929,238	55,929,238
CalTRUST			\$281,105		281,105
Money Market Funds				1,846,120	1,846,120
<i>Held by Fiscal Agents:</i>					
PARS Balanced Index PLUS			1,047,201		1,047,201
Money Market Funds				1,060,382	1,060,382
Total Investments	<u>\$23,019,400</u>	<u>\$4,051,058</u>	<u>\$1,328,306</u>	<u>\$58,835,740</u>	<u>87,234,504</u>
<i>Investments Exempt from Fair Value Hierarchy:</i>					
Local Agency Investment Fund					11,894,307
<i>Cash deposits in banks</i>					<u>2,538,311</u>
Total Cash and Investments					<u>\$101,667,122</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, 2023, 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, 2023

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, 2023 and the purpose for each were as follows:

Fund Receiving Transfer	Fund Making Transfers	Transfer Amount
Lighting and Landscaping Districts Special Revenue Fund	General Fund	\$4,000 (A)
	Non-Major Governmental Fund	22,288 (A)
Non-Major Governmental Funds	General Fund	9,573,974 (A), (B)
	Lighting and Landscaping Districts Special Revenue Fund	18,466 (C)
	Non-Major Governmental Funds	666,769 (A),(D)
	Total Interfund Transfers	\$10,285,497

(A) To fund capital projects and administration.

(B) To close fund.

(C) To establish new fund.

(D) To fund debt service.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Long-Term Interfund Advances

At June 30, 2023, 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	606,402
Non-Major Governmental Funds	Low and Moderate Income Housing Asset Special Revenue Fund	593,490
	Total Interfund Advances	<u>\$1,278,424</u>

Since the City’s formation in 1999, the General Fund has, on occasion, made advances to the Lighting and Landscaping Districts Special Revenue Fund to cure operating deficits in two of the Landscaping Districts. The advances bear interest at the City’s investment pool rate. The balance of these advances totaled \$78,532 at June 30, 2023.

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 2.17% for fiscal year 2023. The balance outstanding at June 30, 2023 was \$1,199,892.

C. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after at the end of the fiscal year. The Public Protection and NPDES Special Revenue Funds and the Cypress Grove Capital Projects Fund owed the General Fund \$3,583, \$194,310, and \$56,010, respectively, as of June 30, 2023.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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 18, 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, 2023 are set forth below:

Golden Oak Manor	\$1,267,548
Silver Oak Apartments	655,862
Oakley Senior Housing	629,688
Oakley Cypress Associates	3,818,750
Carol Lane	5,751,235
First Time Homebuyer	123,377
New Lifeline Ministries	16,878
Downtown Revitalization Loan Program	94,370
Total	\$12,357,708

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, 2023

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 18. 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, 2023

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, 2023 was \$16,878.

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 \$94,370 as of June 30, 2023.

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, 2023 was \$3,324,182.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 7 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for intangible right to use subscription assets, the measurement of which is described in Note 15 below. 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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 7 – CAPITAL ASSETS (Continued)

A. Capital Assets Additions and Retirements

Capital asset balances comprise the following:

	Balance as of June 30, 2022	Additions	Retirements	Transfers	Balance as of June 30, 2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$18,531,130	\$4,095			\$18,535,225
Construction in Progress	7,234,020	9,728,799		(\$5,377,160)	11,585,659
Total capital assets not being depreciated	25,765,150	9,732,894		(5,377,160)	30,120,884
Capital assets being depreciated:					
Buildings and Improvements	28,653,876	2,735,010		1,896,469	33,285,355
Machinery and Equipment	2,846,495	417,714		62,947	3,327,156
Vehicles	2,119,127	423,760	(\$196,795)	(62,947)	2,283,145
Roadways:					
Pavement	224,273,358	1,635,741		2,839,343	228,748,442
Sidewalks	11,732,776	219,935			11,952,711
Storm Drains	7,555,713	1,024,640			8,580,353
Curbs and Gutters	13,061,134	151,600		212,289	13,425,023
Traffic Signals	8,005,183	589,000		200,198	8,794,381
Regulatory Signs and Street Trees	5,048,824	848,479		228,861	6,126,164
Street Lights	4,602,008	119,500			4,721,508
Bridges	4,422,722				4,422,722
Parks and Recreation Structures	24,211,991				24,211,991
Total capital assets being depreciated	336,533,207	8,165,379	(196,795)	5,377,160	349,878,951
Less accumulated depreciation for:					
Buildings and Improvements	(7,927,923)	(1,023,318)			(8,951,241)
Machinery and Equipment	(2,380,281)	(173,474)		(62,947)	(2,616,702)
Vehicles	(1,598,093)	(234,118)	196,795	62,947	(1,572,469)
Roadways:					
Pavement	(95,780,937)	(5,909,259)			(101,690,196)
Sidewalks	(3,777,842)	(172,210)			(3,950,052)
Storm Drains	(352,874)	(322,721)			(675,595)
Curbs and Gutters	(3,819,039)	(218,139)			(4,037,178)
Traffic Signals	(2,735,248)	(317,312)			(3,052,560)
Regulatory Signs and Street Trees	(2,267,106)	(314,446)			(2,581,552)
Street Lights	(1,611,771)	(116,354)			(1,728,125)
Bridges	(1,290,863)	(44,226)			(1,335,089)
Parks and Recreation Structures	(8,531,365)	(941,676)			(9,473,041)
Total accumulated depreciation	(132,073,342)	(9,787,253)	196,795		(141,663,800)
Net capital assets being depreciated	204,459,865	(1,621,874)		5,377,160	208,215,151
Governmental activities capital assets, net	\$230,225,015	\$8,111,020			\$238,336,035

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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	\$269,983
Public Works	8,857,479
Internal Service Funds	<u>659,791</u>
Total Depreciation	<u><u>\$9,787,253</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, 2022	Retirements	Balance June 30, 2023	Current Portion
2016 Lease Revenue Bonds					
2.00-5.00%, due 5/1/2041	<u>\$10,025,000</u>	<u>\$8,245,000</u>	<u>(\$330,000)</u>	<u>\$7,915,000</u>	<u>\$345,000</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, 2023

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
2024	\$345,000	\$323,569
2025	360,000	309,769
2026	380,000	295,369
2027	395,000	280,169
2028	405,000	267,825
2029 - 2033	2,190,000	1,077,620
2034 - 2038	2,255,000	609,884
2039 - 2041	1,585,000	132,620
	<u>\$7,915,000</u>	<u>\$3,296,825</u>

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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 \$6,475,000 and \$9,107,000, respectively, at June 30, 2023.

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, 2023

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, 2023

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. Should the balance in the reserve fall below the 30% threshold, a plan to restore the level over a period of no more than five years is to be included in each proposed annual budget reviewed with the City Council until the reserve has been returned to at least 30% of General Fund operating expenditures.
- 2) 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, 2023.
- 3) 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, 2023.
- 4) 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, 2023, the balance of available resources was approximately \$898,000 in the Equipment Replacement Internal Service Fund and \$239,000 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, 2023

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

- 5) 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 \$636,800 as of June 30, 2023 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.

- 6) 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 zero as of June 30, 2023. The reserve is expected to be reestablished from future revenues.

- 7) 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, 2023, and therefore was not required to establish a Reserve for Qualifying Expenditures as of June 30, 2023.

D. Fund Balance Deficit

The following funds had deficit fund balance as of June 30, 2023:

Special Revenue Funds:	
Low and Moderate Income Housing Asset	\$821,147
NPDES	115,260
Creekside Park Restoration Grant	6,996
Developer Deposits	69

The deficits are expected to be eliminated by future revenues or funding from the General Fund.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

E. Net Investment in Capital Assets

The balances related to Net Investment in Capital Assets are comprised of the following as of June 30, 2023:

	Governmental Activities
Capital Assets, Net of Accumulated Depreciation	\$238,336,035
Less Capital Debt	(7,915,000)
Net Investment in Capital Assets	\$230,421,035

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.

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
	Prior to October 18, 2010	On or after October 18, 2010	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0 % to 2.7%	1.092% - 2.418%	1.0% - 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	12.21%	9.12%	7.47%
Required UAL contribution	\$90,798	\$13,982	\$9,225
	<u>Safety</u>		
	<u>PEPRA</u>		
	On or after January 1, 2013		
Hire date			
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	13.44%		
Required UAL contribution	\$35,322		

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 \$149,327 in fiscal year 2023, as shown in the table above.

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, 2023, the City’s total contributions to the Plan were \$1,258,262.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

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, 2023, 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	\$679,302
Safety	1,398,113
Total Net Pension Liability (Asset)	\$2,077,415

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2021 and 2022 was as follows:

Proportion - June 30, 2021	0.02567%
Proportion - June 30, 2022	0.01800%
Change - Increase (Decrease)	-0.00767%

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

For the year ended June 30, 2023, the City recognized pension expense of \$4,311,520. As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$1,258,262	
Differences between actual and expected experience	56,191	(\$26,182)
Changes in assumptions	211,760	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	2,245,439	(415,653)
Net differences between projected and actual earnings on plan investments	363,368	
Total	\$4,135,020	(\$441,835)

\$1,258,262 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2024	\$1,043,098
2025	775,534
2026	394,217
2027	222,074
Total	\$2,434,923

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Investment Rate of Return	6.90% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% 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 generational mortality improvement using the Society of Actuaries Sale 80% of Scale MP-2020.

For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. 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 6.90%. 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.

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. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

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

Asset Class (1)	Assumed Asset Allocation	Real Return (1), (2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management Study.

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

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	5.90%
Net Pension Liability (Asset)	\$5,291,641
Current Discount Rate	6.90%
Net Pension Liability (Asset)	\$2,077,415
1% Increase	7.90%
Net Pension Liability (Asset)	(\$561,449)

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

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

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, 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 are reflected in the 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. Police Management (Chief and Lieutenants) also receive the same benefit.

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 2023 were \$192,600.

B. *Retirement Health Savings Plan*

In February 2020, the City established a retirement health savings (RHS) plan for all non-safety employees. Effective July 1, 2022, the City's funding obligation for the plan is \$1,300 per year 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 2023 were \$60,324.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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 Police Chief receives a 1% match of his contributions to the 457 Plan. The City Manager receives a contribution of \$500 per month, as well as a 1% match of his contributions to the 457 Plan. 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, 2023 totaled \$50,525.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

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, 2023. 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.

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.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 14 – LEASES (Continued)

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.

B. Leases Receivable

The balances related to leases receivable and deferred inflows of resources as of June 30, 2023 were:

	Lease Receivable	Deferred Inflows of Resources
General Fund		
Leases Receivable (Lessor)		
Facilities rentals:		
Guanatos Ice Cream	\$66,737	\$61,923
Communication sites:		
American Tower	148,923	141,948
Sprint Nextel (T-Mobile)	163,180	153,127
Total Leases Receivable	\$378,840	\$356,998

Facilities Rentals – The City leases commercial space to third parties. During the year ended June 30, 2023, 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, 2023, the one remaining lease had two years remaining. Two of the leases could 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. In July and September 2023, the underlying property of two of the leases was sold and the leases were cancelled. As a result, the City reduced the balances of leases receivable and deferred inflows of resources to zero for those leases as of June 30, 2023, since they are no longer long-term leases. The City recognized \$39,357 in lease revenue and \$23,568 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, 2023, 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, 2023, the leases had 4.6 to 5.8 years remaining. The City recognized \$56,685 in lease revenue and \$10,397 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, 2023

NOTE 15 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The City recognizes SBITA assets/liabilities with an initial, individual value of \$50,000 or more.

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

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

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the subscription.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported on the statement of net position. City did not have any SBITAs that met the criteria for capitalization as of June 30, 2023.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 16 – RISK MANAGEMENT

A. Municipal Pooling Authority of Northern California (MPA)

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

<u>Types of Coverage (Deductible)</u>	<u>Coverage Limits</u>
Liability (\$25,000)	\$29,000,000
Vehicle - Physical Damage (\$3,000 for police vehicles, \$2,000 for all others)	250,000
Worker's Compensation (no deductible)	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, 2023

NOTE 16 – 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	
	2023	2022
Balance at beginning of year	\$88,723	\$14,933
Liability for current fiscal year claims	2,927	76,956
Change in liability for prior fiscal year claims and claims incurred but not reported (IBNR)	15,295	32,999
Claims paid	(31,095)	(36,165)
Balance at end of year	\$75,850	\$88,723

NOTE 17 – COMMITMENTS AND CONTINGENCIES

A. Construction and Other Commitments

The City has the following outstanding construction commitments as of June 30, 2023 which are included in the balance of encumbrances in Note 17E:

East Cypress - Knightsen Avenue Intersection Signal	\$8,895,574
Downtown Gateway Plaza Roadway and Parking	3,379,527
Cypress Grove Subdivision Pump Station Building	1,293,664
City Hall Rooftop Solar Power	274,758
Downtown Parking Lot Project	268,514
Recreation Center Emergency Generator	262,848
Irrigation Well Installation at City's Freedom Basin Project	209,575
Sheriff Annex Building Demolition	113,000
Other Projects	66,046

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 17 – 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 \$136,023 at June 30, 2023.

E. *Encumbrances*

Encumbrances outstanding as of June 30, 2023 by fund were as follows:

Major Governmental Funds:	
General Fund	\$39,119
ARPA Special Revenue Fund	538,689
Traffic Impact Fees Capital Projects Fund	9,131,301
Non-Major Governmental Funds	5,949,374
Total Encumbrances	\$15,658,483

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 17 – 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, 2023, 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 18 – 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, 2023

NOTE 18 – 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, 2023 includes the following:

Cash available for operations:	
Cash available for operations	\$128,421
Cash held for September 1, 2023 debt service payment	1,373,056
Cash and investments with fiscal agent	1,988
Total Cash and Investments	\$1,503,465

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, 2023.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 18 – 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, 2023.

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, 2022	Retirements	Balance June 30, 2023	Current Portion
2015A Tax Allocation Bonds 3.75-5.00%, 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	1,415,000	(\$510,000)	905,000	\$525,000
2018 Tax Allocation Refunding Bonds 3.25-6.00%, due 9/01/2038	18,655,000	17,910,000	(370,000)	17,540,000	395,000
Add: Unamortized Bond Premium		1,599,427	(94,084)	1,505,343	
Total		<u>\$23,519,427</u>	<u>(\$974,084)</u>	<u>\$22,545,343</u>	<u>\$920,000</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, 2023

NOTE 18 – 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 \$28,751,810 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 2023 calculated by the County Auditor-Controller was \$8,366,419 and the total received by the Successor Agency for fiscal year 2023 debt service was \$2,086,738 which represented 116% of the \$1,798,100 of debt service.

CITY OF OAKLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For fiscal year ended June 30, 2023

NOTE 18 – 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
2024	\$920,000	\$887,048
2025	955,000	846,489
2026	1,000,000	799,986
2027	1,050,000	748,736
2028	1,105,000	699,939
2029 - 2033	6,300,000	2,673,262
2034 - 2038	7,945,000	1,026,554
2039 - 2039	1,765,000	29,796
	21,040,000	\$7,711,810
Add: Unamortized Premium	1,505,343	
Net Long Term Debt	\$22,545,343	

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 18A 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, 2023

NOTE 18 – 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.

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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>	<u>6/30/2022</u>
0.02053%	0.02258%	0.01526%	-0.02567%	0.01800%
\$1,978,129	\$2,313,974	\$1,660,558	(\$1,388,239)	\$2,077,415
\$8,031,468	\$8,224,932	\$8,331,862	\$8,425,819	\$8,601,562
24.63%	28.13%	19.93%	-16.48%	24.15%
75.26%	75.26%	75.10%	88.29%	76.68%

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)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 Covered payroll	 <u>\$2,494,839</u>	 <u>\$3,497,131</u>	 <u>\$6,800,698</u>	 <u>\$8,031,468</u>
 Contributions as a percentage of covered payroll	 11.89%	 10.95%	 10.98%	 12.29%

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

REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$1,038,446	\$2,174,321	\$1,595,273	\$1,113,411	\$1,258,262
<u>1,038,446</u>	<u>2,174,321</u>	<u>1,595,273</u>	<u>1,113,411</u>	<u>1,258,262</u>
<u>\$0</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>	<u>\$9,842,108</u>
12.63%	26.10%	18.93%	12.94%	12.78%

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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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Developer fees	\$3,553,132	\$1,795,783	(\$1,757,349)
Use of money and property	30,000	381,308	351,308
Miscellaneous		22,400	22,400
	<u>3,583,132</u>	<u>2,199,491</u>	<u>(1,383,641)</u>
Total Revenues			
EXPENDITURES			
Current:			
Community Development			
Public Works	258,695	123,855	134,840
Capital outlay	<u>13,392,952</u>	<u>2,119,308</u>	<u>11,273,644</u>
	<u>13,651,647</u>	<u>2,243,163</u>	<u>11,408,484</u>
Total Expenditures			
NET CHANGE IN FUND BALANCES	<u><u>(\$10,068,515)</u></u>	<u>(43,672)</u>	<u><u>\$10,024,843</u></u>
Fund balance at beginning of year		<u>12,299,188</u>	
Fund balance at end of year		<u><u>\$12,255,516</u></u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

GAS TAX

This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Sections 2105, 2106, 2107 and 2107.5. This fund also accounts for the revenues and expenditures related to Senate Bill 1 (SB 1) Road Maintenance and Rehabilitation Program received from the State of California under Street and Highways Code Sections 2032. All allocations must be spent for street maintenance and construction.

NPDES

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

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.

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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

DEVELOPER DEPOSITS

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.

OPIOID REMEDIATION

This fund accounts for funds received from the State from the settlement agreement with Janssen and Distributors. The settlement funds are restricted to uses related to opioid abatement.

OFFICER WELLNESS AND MENTAL HEALTH GRANT

This fund accounts for grant funds received from the Bureau California Board of State and Community Corrections (BSCC). The Officer Wellness and Mental Health (Officer Wellness) Grant Program, established in the 2022 Budget Act, provides funds for the purpose of improving officer wellness and expanding mental health sources.

COMMUNITY FACILITIES DISTRICT 2020-1

This fund accounts for the activities associated with the operations and maintenance associated with the City's Community parks and the public landscape, street lighting, and storm drain maintenance associated with the Contra Costa Logistics Center project. The activity was previously reported as a component of the Lighting and Landscaping

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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CYPRESS GROVE CAPITAL PROJECT

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

STREET MAINTENANCE REHAB

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

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	\$2,023,664		\$2,414,609	\$2,492,560
Cash with fiscal agent				
Accounts receivable, net	187,701	\$147,805		
Interest receivable	3,765		4,908	4,878
Advances to other funds				
Total Assets	\$2,215,130	\$147,805	\$2,419,517	\$2,497,438
LIABILITIES				
Accounts payable	\$45,662	\$31,179	\$42,670	\$144,413
Due to other funds		194,310		
Deposits payable				
Unearned revenue		37,576		
Total Liabilities	45,662	263,065	42,670	144,413
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Restricted	2,169,468		2,376,847	2,353,025
Assigned				
Unassigned		(115,260)		
Total Fund Balance	2,169,468	(115,260)	2,376,847	2,353,025
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$2,215,130	\$147,805	\$2,419,517	\$2,497,438

SPECIAL REVENUE FUNDS

Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park	Creekside Park Restoration Grant	Developer Deposits	Opioid Remediation
	\$7,335	\$1,291,826	\$2,118,665	\$12,822	\$1,438,778	\$17,988
	15	2,269			139,162	113,413 36
	<u>\$7,350</u>	<u>\$1,294,095</u>	<u>\$2,118,665</u>	<u>\$12,822</u>	<u>\$1,577,940</u>	<u>\$131,437</u>
		\$208,735		\$19,818	\$28,796	
			\$3,000		1,549,213	\$18,024
		<u>208,735</u>	<u>3,000</u>	<u>19,818</u>	<u>1,578,009</u>	<u>18,024</u>
						113,413
						<u>113,413</u>
	\$7,350	1,085,360	2,115,665			
				(6,996)	(69)	
	<u>7,350</u>	<u>1,085,360</u>	<u>2,115,665</u>	<u>(6,996)</u>	<u>(69)</u>	
	<u>\$7,350</u>	<u>\$1,294,095</u>	<u>\$2,118,665</u>	<u>\$12,822</u>	<u>\$1,577,940</u>	<u>\$131,437</u>

(Continued)

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

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS	
	Officer Wellness and Mental Health Grant	Community Facilities District 2020-1	Measure J	General Capital Projects
ASSETS				
Cash and investments available for operations	\$27,847	\$49,775	\$1,328,076	\$6,999,342
Cash with fiscal agent				
Accounts receivable, net			833,010	
Interest receivable	57	85	2,784	8,724
Advances to other funds				
Total Assets	\$27,904	\$49,860	\$2,163,870	\$7,008,066
LIABILITIES				
Accounts payable			\$19,996	\$253,148
Due to other funds				
Deposits payable				
Unearned revenue	\$27,904			412,942
Total Liabilities	27,904		19,996	666,090
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Restricted		\$49,860	2,143,874	
Assigned				6,341,976
Unassigned				
Total Fund Balance		49,860	2,143,874	6,341,976
Total Liabilities, Deferred Inflows of Resources	\$27,904	\$49,860	\$2,163,870	\$7,008,066

CAPITAL PROJECTS FUNDS

Park Impact Fees	Public Facilities Impact Fee	Fire Impact Fees	Main Street	Cypress Grove Capital Project	Street Maintenance Rehab	2006-1 Assessment District
\$5,937,253	\$2,951,211		\$624,959	\$118,394	\$5,434,393	\$247,871 419,359
203,474				(21)		502
11,582	6,162					
449,587	143,903					
<u>\$6,601,896</u>	<u>\$3,101,276</u>		<u>\$624,959</u>	<u>\$118,373</u>	<u>\$5,434,393</u>	<u>\$667,732</u>
\$13,991	\$27,476		\$149,301	\$2,623 56,010	\$3,997	
<u>13,991</u>	<u>27,476</u>		<u>149,301</u>	<u>58,633</u>	<u>3,997</u>	
114,756	36,731					
<u>114,756</u>	<u>36,731</u>					
6,473,149	3,037,069		475,658	59,740	5,430,396	\$667,732
<u>6,473,149</u>	<u>3,037,069</u>		<u>475,658</u>	<u>59,740</u>	<u>5,430,396</u>	<u>667,732</u>
<u>\$6,601,896</u>	<u>\$3,101,276</u>		<u>\$624,959</u>	<u>\$118,373</u>	<u>\$5,434,393</u>	<u>\$667,732</u>

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2023

	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS		
Cash and investments available for operations	\$38,735	\$35,457,709
Cash with fiscal agent	1,560	539,313
Accounts receivable, net		1,624,565
Interest receivable	248	45,994
Advances to other funds		593,490
	<u> </u>	<u> </u>
Total Assets	<u>\$40,543</u>	<u>\$38,261,071</u>
LIABILITIES		
Accounts payable		\$991,805
Due to other funds		250,320
Deposits payable		1,552,213
Unearned revenue		496,446
	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u>3,290,784</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - accounts receivable		113,413
Unavailable revenue - interest on advances to other funds		151,487
	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u> </u>	<u>264,900</u>
FUND BALANCES		
Restricted	\$40,543	22,579,682
Assigned		12,248,030
Unassigned		(122,325)
	<u> </u>	<u> </u>
Total Fund Balance	<u>40,543</u>	<u>34,705,387</u>
	<u>\$40,543</u>	<u>\$38,261,071</u>

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CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Community Facilities District #1	Community Facilities District 2015-1
REVENUES				
Property taxes		\$527,545		
Other taxes				\$755,327
Intergovernmental	\$2,107,700			
Developer fees				
Special assessments			\$344,769	
Use of money and property	65,544	2,133	63,885	56,836
Miscellaneous	15,359	1,440		
	<u>2,188,603</u>	<u>531,118</u>	<u>408,654</u>	<u>812,163</u>
Total Revenues				
EXPENDITURES				
Current:				
Community Development				
Public Works	726,030	695,032	207,178	588,618
Capital outlay	1,406,418	473	190,159	40,285
Debt service:				
Principal				
Interest and fiscal charges				
	<u>2,132,448</u>	<u>695,505</u>	<u>397,337</u>	<u>628,903</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>56,155</u>	<u>(164,387)</u>	<u>11,317</u>	<u>183,260</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)	(22,288)			
	<u>(22,288)</u>			
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	33,867	(164,387)	11,317	183,260
Fund balance (deficit) at beginning of year	2,135,601	49,127	2,365,530	2,169,765
Fund balances (deficit) at end of year	<u>\$2,169,468</u>	<u>(\$115,260)</u>	<u>\$2,376,847</u>	<u>\$2,353,025</u>

SPECIAL REVENUE FUNDS

<u>Oakley Welcoming</u>	<u>Ag Conservation</u>	<u>Citywide Community Facilities District</u>	<u>Regional Park</u>	<u>Creekside Park Restoration Grant</u>	<u>Developer Deposits</u>	<u>Opioid Remediation</u>
		\$1,348,175	\$312,564	\$175,107	\$1,369,475	
\$2,710	\$191	24,837	22,651			
<u>2,710</u>	<u>191</u>	<u>1,373,012</u>	<u>335,215</u>	<u>175,107</u>	<u>1,369,475</u>	
		1,209,314	12,309	140,626	1,369,543	
		<u>1,209,314</u>	<u>12,309</u>	<u>140,626</u>	<u>1,369,543</u>	
2,710	191	163,698	322,906	34,481	(68)	
<u>3,974</u>						
<u>3,974</u>						
6,684	191	163,698	322,906	34,481	(68)	
<u>(6,684)</u>	<u>7,159</u>	<u>921,662</u>	<u>1,792,759</u>	<u>(41,477)</u>	<u>(1)</u>	
	<u>\$7,350</u>	<u>\$1,085,360</u>	<u>\$2,115,665</u>	<u>(\$6,996)</u>	<u>(\$69)</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, 2023

	SPECIAL REVENUE FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS	
	Officer Wellness and Mental Health Grant	Community Facilities District 2020-1	Measure J	General Capital Projects
REVENUES				
Property taxes				
Other taxes		\$38,429		
Intergovernmental			\$833,010	\$81,228
Developer fees				
Special assessments				
Use of money and property		465	37,418	(5,416)
Miscellaneous				
Total Revenues		38,894	870,428	75,812
EXPENDITURES				
Current:				
Community Development				
Public Works		7,500	143,947	
Capital outlay			299,497	3,330,817
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures		7,500	443,444	3,330,817
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		31,394	426,984	(3,255,005)
OTHER FINANCING SOURCES (USES)				
Transfers in		18,466		7,560,000
Transfers (out)				
Total Other Financing Sources (Uses)		18,466		7,560,000
NET CHANGE IN FUND BALANCES		49,860	426,984	4,304,995
Fund balance (deficit) at beginning of year			1,716,890	2,036,981
Fund balances (deficit) at end of year		\$49,860	\$2,143,874	\$6,341,976

CAPITAL PROJECTS FUNDS

Park Impact Fees	Public Facilities Impact Fee	Fire Impact Fees	Main Street	Cypress Grove Capital Project	Street Maintenance Rehab	2006-1 Assessment District
\$353,474	\$68,182					
898,632	488,170	\$201,757				
147,486	90,906			\$3,441		\$18,304
		617				
<u>1,399,592</u>	<u>647,258</u>	<u>202,374</u>		<u>3,441</u>		<u>18,304</u>
	20,862	202,374				
36,286	408,431		\$773,992	56,010	\$162,393	
796,521						
<u>832,807</u>	<u>429,293</u>	<u>202,374</u>	<u>773,992</u>	<u>56,010</u>	<u>162,393</u>	
<u>566,785</u>	<u>217,965</u>		<u>(773,992)</u>	<u>(52,569)</u>	<u>(162,393)</u>	<u>18,304</u>
			10,000		2,000,000	
	<u>(666,769)</u>					
	<u>(666,769)</u>		<u>10,000</u>		<u>2,000,000</u>	
566,785	(448,804)		(763,992)	(52,569)	1,837,607	18,304
<u>5,906,364</u>	<u>3,485,873</u>		<u>1,239,650</u>	<u>112,309</u>	<u>3,592,789</u>	<u>649,428</u>
<u>\$6,473,149</u>	<u>\$3,037,069</u>		<u>\$475,658</u>	<u>\$59,740</u>	<u>\$5,430,396</u>	<u>\$667,732</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, 2023

	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES		
Property taxes		\$527,545
Other taxes		2,454,495
Intergovernmental		3,618,701
Developer fees		2,958,034
Special assessments		344,769
Use of money and property	\$7,340	538,731
Miscellaneous		17,416
Total Revenues	7,340	10,459,691
EXPENDITURES		
Current:		
Community Development		1,733,405
Public Works		3,613,905
Capital outlay		7,477,305
Debt service:		
Principal	330,000	330,000
Interest and fiscal charges	344,622	344,622
Total Expenditures	674,622	13,499,237
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(667,282)	(3,039,546)
OTHER FINANCING SOURCES (USES)		
Transfers in	666,769	10,259,209
Transfers (out)		(689,057)
Total Other Financing Sources (Uses)	666,769	9,570,152
NET CHANGE IN FUND BALANCES	(513)	6,530,606
Fund balance (deficit) at beginning of year	41,056	28,174,781
Fund balances (deficit) at end of year	\$40,543	\$34,705,387

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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, 2023

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	\$527,545	\$27,545
Other taxes						
Intergovernmental:	\$2,230,547	\$2,107,700	(\$122,847)			
Developer fees						
Special assessments						
Use of money and property	1,500	65,544	64,044	500	2,133	1,633
Miscellaneous		15,359	15,359		1,440	1,440
Total Revenues	<u>2,232,047</u>	<u>2,188,603</u>	<u>(43,444)</u>	<u>500,500</u>	<u>531,118</u>	<u>30,618</u>
EXPENDITURES						
Current:						
Community Development						
Public Works	1,073,725	726,030	347,695	619,321	695,032	(75,711)
Capital outlay	2,826,381	1,406,418	1,419,963	240,340	473	239,867
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>3,900,106</u>	<u>2,132,448</u>	<u>1,767,658</u>	<u>859,661</u>	<u>695,505</u>	<u>164,156</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,668,059)</u>	<u>56,155</u>	<u>1,724,214</u>	<u>(359,161)</u>	<u>(164,387)</u>	<u>194,774</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	<u>(190,000)</u>	<u>(22,288)</u>	<u>167,712</u>			
Total Other Financing Sources (Uses)	<u>(190,000)</u>	<u>(22,288)</u>	<u>167,712</u>			
NET CHANGE IN FUND BALANCES	<u><u>(\$1,858,059)</u></u>	<u>33,867</u>	<u><u>\$1,891,926</u></u>	<u><u>(\$359,161)</u></u>	<u>(164,387)</u>	<u><u>\$194,774</u></u>
Fund balances (deficit) at beginning of year		<u>2,135,601</u>			<u>49,127</u>	
Fund balances (deficit) at end of year		<u><u>\$2,169,468</u></u>			<u><u>(\$115,260)</u></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)
			\$673,381	\$755,327	\$81,946			
\$351,667	\$344,769	(\$6,898)						
2,500	63,885	61,385	2,000	56,836	54,836		\$2,710	\$2,710
<u>354,167</u>	<u>408,654</u>	<u>54,487</u>	<u>675,381</u>	<u>812,163</u>	<u>136,782</u>		<u>2,710</u>	<u>2,710</u>
351,579	207,178	144,401	675,381	588,618	86,763			
1,505,123	190,159	1,314,964	40,285	40,285				
<u>1,856,702</u>	<u>397,337</u>	<u>1,459,365</u>	<u>715,666</u>	<u>628,903</u>	<u>86,763</u>			
<u>(1,502,535)</u>	<u>11,317</u>	<u>1,513,852</u>	<u>(40,285)</u>	<u>183,260</u>	<u>223,545</u>		<u>2,710</u>	<u>2,710</u>
							3,974	3,974
							3,974	3,974
<u>(\$1,502,535)</u>	<u>11,317</u>	<u>\$1,513,852</u>	<u>(\$40,285)</u>	<u>183,260</u>	<u>\$223,545</u>		<u>6,684</u>	<u>\$6,684</u>
	<u>2,365,530</u>			<u>2,169,765</u>			<u>(6,684)</u>	
	<u>\$2,376,847</u>			<u>\$2,353,025</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, 2023

	SPECIAL REVENUE FUNDS					
	AG CONSERVATION			CITYWIDE COMMUNITY FACILITIES DISTRICT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes				\$1,301,163	\$1,348,175	\$47,012
Intergovernmental:						
Developer fees						
Special assessments						
Use of money and property		\$191	\$191	800	24,837	24,037
Miscellaneous						
Total Revenues		191	191	1,301,963	1,373,012	71,049
EXPENDITURES						
Current:						
Community Development						
Public Works				1,409,754	1,209,314	200,440
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures				1,409,754	1,209,314	200,440
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		191	191	(107,791)	163,698	271,489
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(10,829)		10,829
Total Other Financing Sources (Uses)				(10,829)		10,829
NET CHANGE IN FUND BALANCES		191	\$191	(\$118,620)	163,698	\$282,318
Fund balances (deficit) at beginning of year		7,159			921,662	
Fund balances (deficit) at end of year		\$7,350			\$1,085,360	

SPECIAL REVENUE FUNDS

REGIONAL PARK			CREEKSIDE PARK RESTORATION GRANT			DEVELOPER DEPOSITS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$150,000	\$312,564	\$162,564						
			\$224,554	\$175,107	(\$49,447)		\$1,369,475	\$1,369,475
15,000	22,651	7,651						
<u>165,000</u>	<u>335,215</u>	<u>170,215</u>	<u>224,554</u>	<u>175,107</u>	<u>(49,447)</u>		<u>1,369,475</u>	<u>1,369,475</u>
			224,554	140,626	83,928	\$1,214,817	1,369,543	(154,726)
31,679	12,309	19,370						
<u>31,679</u>	<u>12,309</u>	<u>19,370</u>	<u>224,554</u>	<u>140,626</u>	<u>83,928</u>	<u>1,214,817</u>	<u>1,369,543</u>	<u>(154,726)</u>
133,321	322,906	189,585		34,481	34,481	(1,214,817)	(68)	1,214,749
<u>\$133,321</u>	<u>322,906</u>	<u>\$189,585</u>		<u>34,481</u>	<u>\$34,481</u>	<u>(\$1,214,817)</u>	<u>(68)</u>	<u>\$1,214,749</u>
	<u>1,792,759</u>			<u>(41,477)</u>				
	<u>\$2,115,665</u>			<u>(\$6,996)</u>			<u>(\$68)</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, 2023

	SPECIAL REVENUE FUND			CAPITAL PROJECTS FUND		
	COMMUNITY FACILITIES DISTRICT 2020-1			MEASURE J		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes	\$39,176	\$38,429	(\$747)			
Intergovernmental				\$748,590	\$833,010	\$84,420
Developer fees						
Special assessments						
Use of money and property		465	465	2,500	37,418	34,918
Miscellaneous						
Total Revenues	<u>39,176</u>	<u>38,894</u>	<u>(282)</u>	<u>751,090</u>	<u>870,428</u>	<u>119,338</u>
EXPENDITURES						
Current:						
Community Development						
Public Works	34,662	7,500	27,162	218,319	143,947	74,372
Capital outlay				1,455,456	299,497	1,155,959
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>34,662</u>	<u>7,500</u>	<u>27,162</u>	<u>1,673,775</u>	<u>443,444</u>	<u>1,230,331</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,514</u>	<u>31,394</u>	<u>26,880</u>	<u>(922,685)</u>	<u>426,984</u>	<u>1,349,669</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		18,466	18,466			
Transfers (out)						
Total Other Financing Sources (Uses)		<u>18,466</u>	<u>18,466</u>			
NET CHANGE IN FUND BALANCES	<u><u>\$4,514</u></u>	<u>49,860</u>	<u><u>\$45,346</u></u>	<u><u>(\$922,685)</u></u>	<u>426,984</u>	<u><u>\$1,349,669</u></u>
Fund balances (deficit) at beginning of year					<u>1,716,890</u>	
Fund balances (deficit) at end of year		<u><u>\$49,860</u></u>			<u><u>\$2,143,874</u></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)
	\$81,228	\$81,228	\$203,000	\$353,474	\$150,474	\$80,000	\$68,182	(\$11,818)
			2,552,740	898,632	(1,654,108)	989,471	488,170	(501,301)
	(5,416)	(5,416)		147,486	147,486	5,000	90,906	85,906
	75,812	75,812	2,755,740	1,399,592	(1,356,148)	1,074,471	647,258	(427,213)
						31,140	20,862	10,278
\$7,650,969	3,330,817	4,320,152	81,420	36,286	45,134	692,180	408,431	283,749
			7,631,009	796,521	6,834,488			
7,650,969	3,330,817	4,320,152	7,712,429	832,807	6,879,622	723,320	429,293	294,027
(7,650,969)	(3,255,005)	4,395,964	(4,956,689)	566,785	5,523,474	351,151	217,965	(133,186)
2,560,000	7,560,000	5,000,000				(666,769)	(666,769)	
2,560,000	7,560,000	5,000,000				(666,769)	(666,769)	
<u>(\$5,090,969)</u>	4,304,995	<u>\$9,395,964</u>	<u>(\$4,956,689)</u>	566,785	<u>\$5,523,474</u>	<u>(\$315,618)</u>	(448,804)	<u>(\$133,186)</u>
	2,036,981			5,906,364			3,485,873	
	<u>\$6,341,976</u>			<u>\$6,473,149</u>			<u>\$3,037,069</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, 2023

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		\$201,757	\$201,757			
Special assessments						
Use of money and property						
Miscellaneous		617	617			
Total Revenues		202,374	202,374			
EXPENDITURES						
Current:						
Community Development		202,374	(202,374)			
Public Works						
Capital outlay				\$1,257,049	\$773,992	\$483,057
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures		202,374	(202,374)	1,257,049	773,992	483,057
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				(1,257,049)	(773,992)	483,057
OTHER FINANCING SOURCES (USES)						
Transfers in				10,000	10,000	
Transfers (out)						
Total Other Financing Sources (Uses)				10,000	10,000	
NET CHANGE IN FUND BALANCES				(1,247,049)	(763,992)	\$483,057
Fund balances (deficit) at beginning of year					1,239,650	
Fund balances (deficit) at end of year					\$475,658	

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)
	\$3,441	\$3,441					\$18,304	\$18,304
	<u>3,441</u>	<u>3,441</u>					<u>18,304</u>	<u>18,304</u>
\$62,377	56,010	6,367	\$2,100,000	\$162,393	\$1,937,607			
<u>62,377</u>	<u>56,010</u>	<u>6,367</u>	<u>2,100,000</u>	<u>162,393</u>	<u>1,937,607</u>			
<u>(62,377)</u>	<u>(52,569)</u>	<u>9,808</u>	<u>(2,100,000)</u>	<u>(162,393)</u>	<u>1,937,607</u>		<u>18,304</u>	<u>18,304</u>
			2,000,000	2,000,000				
			<u>2,000,000</u>	<u>2,000,000</u>				
<u>(62,377)</u>	<u>(52,569)</u>	<u>\$9,808</u>	<u>(\$100,000)</u>	<u>1,837,607</u>	<u>\$1,937,607</u>		<u>18,304</u>	<u>\$18,304</u>
	<u>112,309</u>			<u>3,592,789</u>			<u>649,428</u>	
	<u>\$59,740</u>			<u>\$5,430,396</u>			<u>\$667,732</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, 2023

DEBT SERVICE FUND			
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes			
Other taxes			
Intergovernmental			
Developer fees			
Special assessments			
Use of money and property		\$7,340	\$7,340
Miscellaneous			
Total Revenues		7,340	7,340
EXPENDITURES			
Current:			
Community Development			
Public Works			
Capital outlay	\$35,000		35,000
Debt service:			
Principal	330,000	330,000	
Interest and fiscal charges	344,479	344,622	(143)
Total Expenditures	709,479	674,622	34,857
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(709,479)	(667,282)	42,197
OTHER FINANCING SOURCES (USES)			
Transfers in	666,769	666,769	
Transfers (out)			
Total Other Financing Sources (Uses)	666,769	666,769	
NET CHANGE IN FUND BALANCES	(\$42,710)	(513)	\$42,197
Fund balances (deficit) at beginning of year		41,056	
Fund balances (deficit) at end of year		\$40,543	

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, 2023

	<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	\$918,593	\$749,345	\$253,970	\$1,921,908
Receivables:				
Interest	1,607	1,373	607	3,587
Total Current Assets	<u>920,200</u>	<u>750,718</u>	<u>254,577</u>	<u>1,925,495</u>
Noncurrent:				
Capital assets:				
Depreciable, net	710,676	5,020,419	710,454	6,441,549
Total Noncurrent Assets	<u>710,676</u>	<u>5,020,419</u>	<u>710,454</u>	<u>6,441,549</u>
Total Assets	<u>1,630,876</u>	<u>5,771,137</u>	<u>965,031</u>	<u>8,367,044</u>
LIABILITIES				
Accounts payable	21,221	113,918	15,000	150,139
Accrued liabilities	440			440
Total Liabilities	<u>21,661</u>	<u>113,918</u>	<u>15,000</u>	<u>150,579</u>
NET POSITION				
Investment in capital assets	710,676	5,020,419	710,454	6,441,549
Unrestricted	898,539	636,800	239,577	1,774,916
Total Net Position	<u>\$1,609,215</u>	<u>\$5,657,219</u>	<u>\$950,031</u>	<u>\$8,216,465</u>

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Equipment Replacement</u>	<u>Capital Facilities Maintenance and Replacement</u>	<u>Information Technology</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$361,779	\$600,000	\$206,000	\$1,167,779
Total Operating Revenues	<u>361,779</u>	<u>600,000</u>	<u>206,000</u>	<u>1,167,779</u>
OPERATING EXPENSES				
Supplies	153,838	776	36,668	191,282
Depreciation	232,017	252,199	175,575	659,791
Total Operating Expenses	<u>385,855</u>	<u>252,975</u>	<u>212,243</u>	<u>851,073</u>
Operating Income (Loss)	<u>(24,076)</u>	<u>347,025</u>	<u>(6,243)</u>	<u>316,706</u>
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of assets	2,020			2,020
Interest income	24,611	12,608	3,502	40,721
Total Nonoperating Revenues	<u>26,631</u>	<u>12,608</u>	<u>3,502</u>	<u>42,741</u>
Income (Loss) Before Contributions and Transfers	<u>2,555</u>	<u>359,633</u>	<u>(2,741)</u>	<u>359,447</u>
Contributions	231,922		352,447	584,369
Capital assets contributed to governmental activities		(466,908)		(466,908)
Change in net position	234,477	(107,275)	349,706	476,908
BEGINNING NET POSITION	<u>1,374,738</u>	<u>5,764,494</u>	<u>600,325</u>	<u>7,739,557</u>
ENDING NET POSITION	<u>\$1,609,215</u>	<u>\$5,657,219</u>	<u>\$950,031</u>	<u>\$8,216,465</u>

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$361,779	\$600,000	\$206,000	\$1,167,779
Payments to suppliers	<u>(158,920)</u>	<u>113,142</u>	<u>(32,668)</u>	<u>(78,446)</u>
Cash Flows from Operating Activities	<u>202,859</u>	<u>713,142</u>	<u>173,332</u>	<u>1,089,333</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Proceeds from sale of capital assets	2,020			2,020
Capital assets contributed to governmental activities		(466,908)		(466,908)
Acquisition of capital assets	<u>(191,838)</u>		<u>(65,267)</u>	<u>(257,105)</u>
Cash Flows from Capital Financing Activities	<u>(189,818)</u>	<u>(466,908)</u>	<u>(65,267)</u>	<u>(721,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	<u>23,915</u>	<u>11,740</u>	<u>3,220</u>	<u>38,875</u>
Net Cash Flows	36,956	257,974	111,285	406,215
Cash and investments at beginning of period	<u>881,637</u>	<u>491,371</u>	<u>142,685</u>	<u>1,515,693</u>
Cash and investments at end of period	<u><u>\$918,593</u></u>	<u><u>\$749,345</u></u>	<u><u>\$253,970</u></u>	<u><u>\$1,921,908</u></u>
NONCASH TRANSACTIONS				
Contributions of capital assets	<u>\$231,922</u>		<u>\$352,447</u>	<u>\$584,369</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	(\$24,076)	\$347,025	(\$6,243)	\$316,706
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	232,017	252,199	175,575	659,791
Net change in assets and liabilities:				
Accounts payable	(4,067)	113,918	4,000	113,851
Accrued liabilities	<u>(1,015)</u>			<u>(1,015)</u>
Cash Flows from Operating Activities	<u><u>\$202,859</u></u>	<u><u>\$713,142</u></u>	<u><u>\$173,332</u></u>	<u><u>\$1,089,333</u></u>

CUSTODIAL FUNDS

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

ASSESSMENT DISTRICT 2004-1

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

GENERAL AGENCY FUND

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

ASSESSMENT DISTRICT 2006-1

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

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

	Assessment District 2004-1	General Agency Fund	Assessment District 2006-1	Total
ASSETS				
Cash and investments	\$1,594,285	\$1,025,769	\$897,313	\$3,517,367
Cash and investments with fiscal agent	146,864		372,217	519,081
Interest receivable	2,714		1,475	4,189
Total Assets	1,743,863	1,025,769	1,271,005	4,040,637
LIABILITIES				
Accounts payable		353,270		353,270
Due to other agencies		672,499		672,499
Total Liabilities		1,025,769		1,025,769
NET POSITION:				
Restricted for:				
Bondholders	1,743,863		1,271,005	3,014,868
Total Net Position	\$1,743,863		\$1,271,005	\$3,014,868

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	\$1,194,391		\$761,164	\$1,955,555
Use of money and properties	31,422		26,603	58,025
Total Additions	<u>1,225,813</u>		<u>787,767</u>	<u>2,013,580</u>
DEDUCTIONS				
Administrative expenses	27,003		12,319	39,322
Payments to bondholders and related fiscal charges	905,921		635,930	1,541,851
Total Deductions	<u>932,924</u>		<u>648,249</u>	<u>1,581,173</u>
Change in Net Position	292,889		139,518	432,407
Beginning Net Position	<u>1,450,974</u>		<u>1,131,487</u>	<u>2,582,461</u>
Ending Net Position	<u><u>\$1,743,863</u></u>		<u><u>\$1,271,005</u></u>	<u><u>\$3,014,868</u></u>

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's Annual Comprehensive 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:

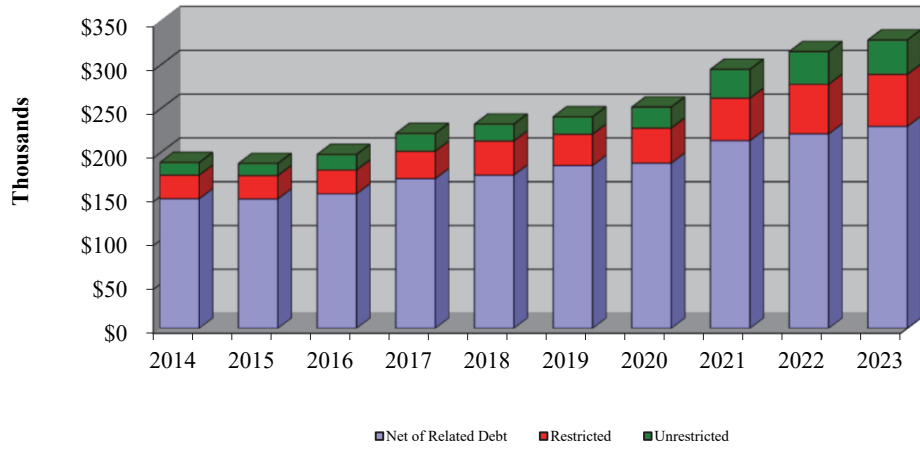
1. Budgeted Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government										
Governmental activities										
Net investment in capital assets	\$147,874	\$147,685	\$153,509	\$170,799	\$174,868	\$185,805	\$188,555	\$214,187	\$221,980	\$230,421
Restricted	27,042	26,651	27,205	31,286	39,006	35,780	39,992	48,461	56,581	59,526
Unrestricted	14,338	13,898	17,784	20,395	19,286	19,877	24,020	33,049	37,422	39,283
Total governmental activities net position	<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>	<u>\$329,230</u>

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

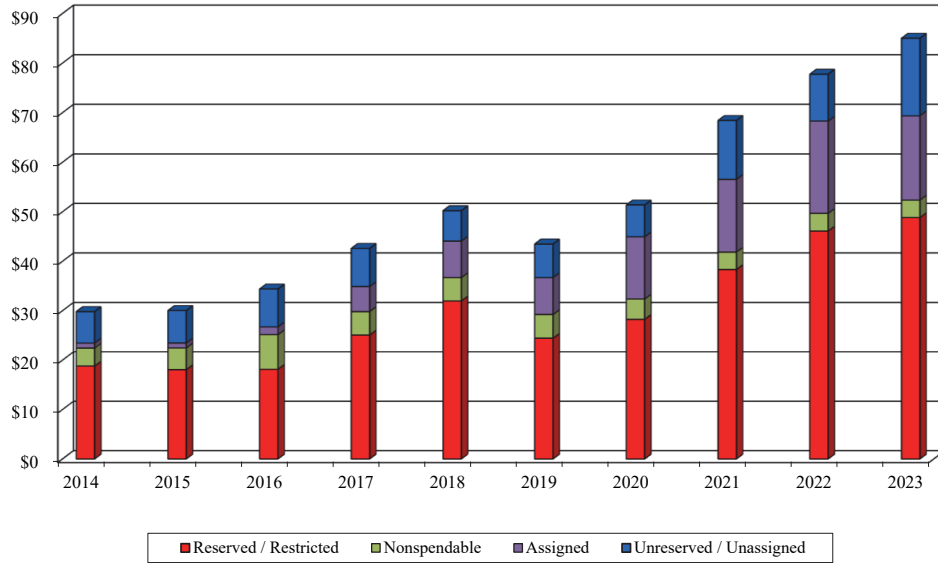
	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020 (a)	2021	2022	2023
Expenses										
Governmental Activities:										
Legislative	\$446	\$466	\$481	\$604	\$641	\$754	\$661	\$722	\$620	\$1,107
Administrative Services	1,301	1,341	1,220	1,855	1,877	1,971	3,197	3,056	1,236	3,606
Community Development	1,819	1,843	2,152	2,088	3,160	4,019	4,572	3,437	3,782	4,819
Public Works	10,177	10,640	11,478	11,818	12,200	12,969	13,198	21,437 (b)	16,987	20,107
Housing Programs	8	45	85	3	3	4	4	3	3	3
Law Enforcement	7,694	8,314	8,230	8,066	9,097	9,567	10,257	10,139	10,005	12,909
Recreation	478	524	560	562	629	771	662	653	723	1,034
Interest and fiscal charges	317	301	292	476	400	390	378	373	349	344
Total Governmental Activities Expenses	<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>	<u>43,929</u>
Total Primary Government Expenses	<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>	<u>\$43,929</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Administrative Services	\$266	\$252	\$395	\$521	\$549	\$399	\$889	\$1,736	\$1,240	\$807
Community Development	1,154	1,375	2,133	2,151	3,137	2,759	3,312	4,785	3,832	3,464
Public Works	3,499	3,592	3,951	4,245	4,764	5,206	5,571	7,021	7,962	8,851
Law Enforcement	3,232	3,506	3,638	4,068	4,426	4,887	5,408	5,551	6,480	7,381
Recreation	69	73	98	126	166	189	583	281	334	316
Operating Grants and Contributions	1,503	1,714	1,356	1,309	1,619	2,090	2,246	2,895	3,549	3,475
Capital Grants and Contributions	2,625	2,715	5,040	10,324	10,562	8,430	10,090	45,155	16,125	12,072
Total Government Activities	<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>	<u>36,366</u>
Program Revenues	<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>	<u>36,366</u>
Total Primary Government	<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>	<u>\$36,366</u>
Program Revenues	<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>	<u>\$36,366</u>
Net (Expense)/Revenue										
Governmental Activities	<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>	<u>(\$7,563)</u>
Total Primary Government Net Expense	<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>	<u>(\$7,563)</u>
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$4,499	\$5,331	\$5,814	\$6,233	\$6,918	\$7,435	\$7,965	\$8,569	\$8,821	\$9,997
Sales Taxes	1,521	1,506	1,753	1,774	1,826	2,041	2,183	2,485	3,246	3,260
Transient Occupancy Tax	195	196	210	267	276	270	233	240	261	262
Nonregulatory Franchise and Business	1,341	1,418	1,584	1,686	1,877	1,934	2,042	2,234	2,475	2,645
Intergovernmental, unrestricted:										
Motor Vehicle In-Lieu	16	16	16	18	22	20	33	31	50	46
Other				186		2				
Interest Earnings and Use of Property	436	519	557	563	881	1,645	1,573	756	(1,578)	2,776
Gain on Sale of Property										455
Other	871	1,056	1,890	1,340	1,665	1,440	1,907	1,210	1,194	1,369
Extraordinary / Special Item		362 (c)	6,327 (d)	14,642 (d)						
Total Government Activities	<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>	<u>20,810</u>
Total Primary Government	<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>	<u>\$20,810</u>
Change in Net Position										
Governmental Activities	<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>	<u>\$13,247</u>
Total Primary Government	<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>	<u>\$13,247</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$3,654	\$4,375	\$7,000	\$4,741	\$4,704	\$4,793	\$4,104	\$3,512	\$3,537	\$3,520
Restricted	560	559	559	559	202	429	644	1,110	974	1,047
Assigned	331	170	943	626	4,257	3,919	5,960	6,922	11,750	4,589
Unassigned	7,837	7,938	9,068	8,769	7,172	7,796	7,342	12,791	10,381	16,585
Total General Fund	\$12,382	\$13,042	\$17,570	\$14,695	\$16,335	\$16,937	\$18,050	\$24,335	\$26,642	\$25,741 (a)
All Other Governmental Funds										
Nonspendable									\$18	
Restricted	\$18,233	\$17,525	\$17,593	\$24,517	\$31,783	\$24,004	\$27,615	\$37,235	45,152	\$47,795
Assigned	668	829	622	4,434	3,132	3,543	6,625	7,770	6,869	12,412
Unassigned	(1,467)	(1,374)	(1,401)	(1,046)	(1,039)	(993)	(920)	(923)	(931)	(943)
Total all other governmental funds	\$17,434	\$16,980	\$16,814	\$27,905	\$33,876	\$26,554	\$33,320	\$44,082	\$51,108	\$59,264 (a)

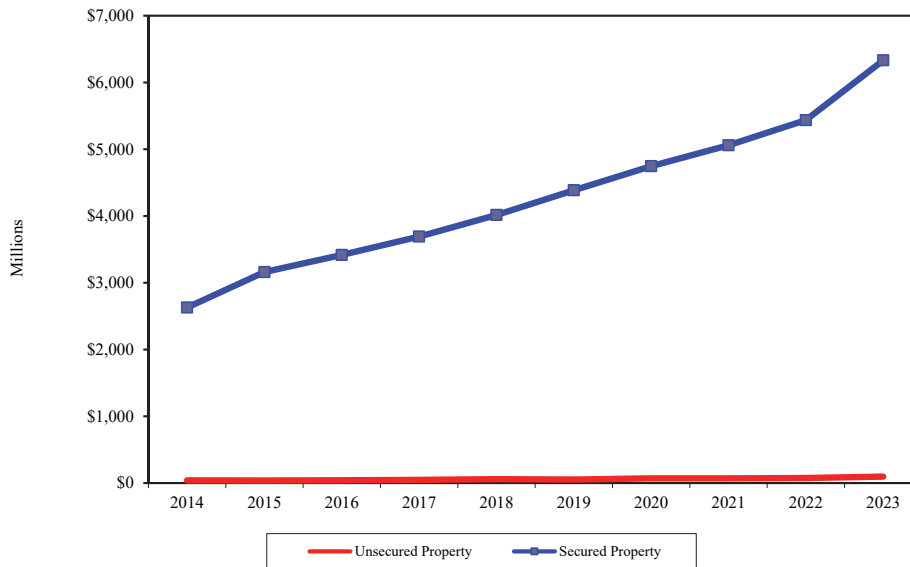
NOTES:

(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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$7,446	\$8,331	\$9,213	\$10,179	\$11,499	\$12,484	\$13,663	\$15,955	\$17,836	\$19,895
Licenses, permits and fees	1,345	1,285	2,024	2,348	2,562	1,772	2,331	4,740	3,816	2,927
Fines and forfeitures	159	135	138	133	133	129	105	77	106	70
Use of money and property	231	319	563	366	640	1,359	1,383	509	(1,451)	2,647
Intergovernmental revenues	2,471	2,651	3,030	3,015	3,757	5,092	2,961	3,171	4,197	4,874
Charges for services	8,941	9,259	11,578	14,635	16,131	12,490	18,283	24,184	22,209	17,301
Other	971	1,116	1,867	1,320	4,835	2,578	2,563	2,938	1,392	1,403
Total Revenues	21,564	23,096	28,413	31,996	39,557	35,904	41,289	51,574	48,105	49,117
Expenditures										
Current:										
Legislative	433	449	482	614	612	730	683	728	875	960
Administrative services	1,110	1,287	1,335	1,709	1,419	1,586	3,238	2,961	2,291	2,514
Community development	1,787	1,821	2,274	2,113	3,081	3,959	4,608	4,351	4,899	4,715
Public works	4,608	4,661	5,651	5,921	6,053	6,373	6,093	8,044	9,683	10,215
Housing programs	8	5	85	3	3	3	4	3	3	3
Law enforcement	7,458	7,975	8,098	8,038	9,202	9,779	9,807	9,772	10,610	11,978
Recreation	471	522	566	575	607	750	687	660	925	912
Estimated reduction in value of property held for resale		40								
Capital outlay	5,253	5,293	7,969	6,397	10,279	18,747	7,591	7,329	8,928	10,317
Debt service:										
Principal repayment	255	265	275	6,725	275	280	295	305	315	330
Interest and fiscal charges	318	306	299	621	417	417	403	375	361	372
Total Expenditures	21,701	22,624	27,034	32,716	31,948	42,624	33,409	34,528	38,890	42,316
Excess (deficiency) of revenues over (under) expenditures	(137)	472	1,379	(720)	7,609	(6,720)	7,880	17,046	9,215	6,801
Other Financing Sources (Uses)										
Transfers in	1,067	2,227	2,311	6,091	3,747	2,891	3,933	3,028	6,550	10,285
Transfers (out)	(1,067)	(2,227)	(2,311)	(6,091)	(3,747)	(2,891)	(3,933)	(3,028)	(6,550)	(10,285)
Proceeds (loss) from sale of property		10	79	50					120	453
Lease revenue bonds issued				10,025						
Bond issuance premium				157						
Total other financing sources (uses)		10	79	10,232					120	453
Special item		(274)	2,904	(1,294)						
Net Change in fund balances	(\$137)	\$208	\$4,362	\$8,218	\$7,609	(\$6,720)	\$7,880	\$17,046	\$9,335	\$7,254
Debt service as a percentage of noncapital expenditures	3.5%	3.3%	3.0%	27.9%	3.2%	2.9%	2.7%	2.5%	2.3%	2.2%

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



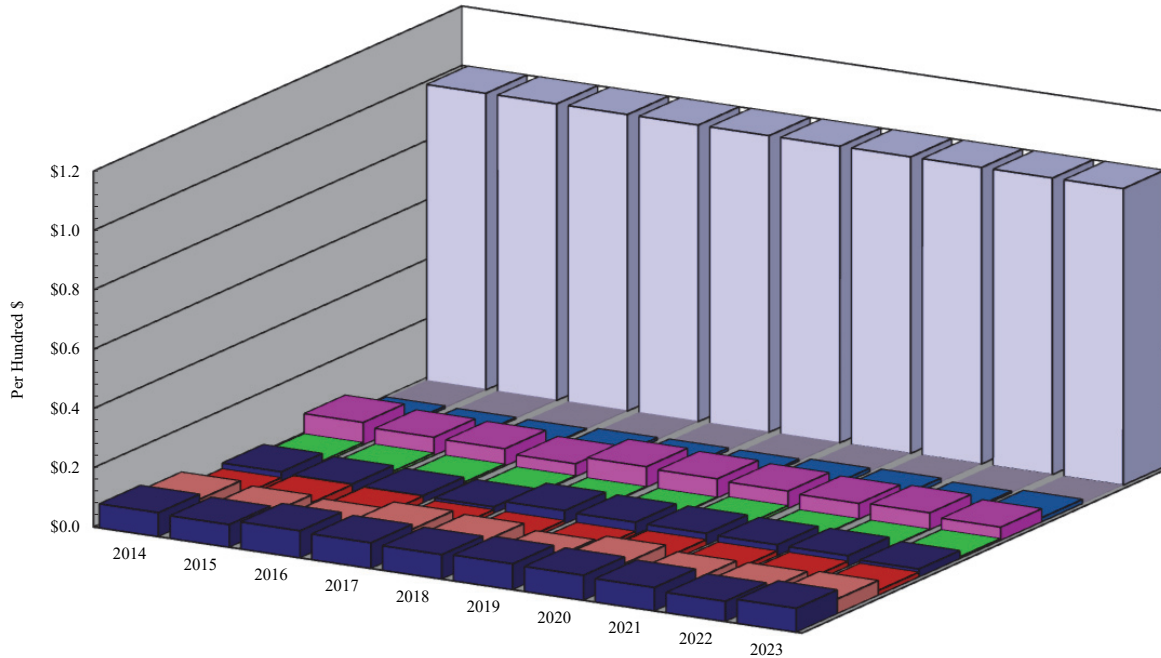
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2014	\$2,350	\$103	\$11	\$124	\$2,588	\$41	\$2,629	\$2,629	1%
2015	2,869	112	11	131	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%
2023	5,589	185	244	217	6,235	97	6,332	6,332	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
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
2023	1.0000	0.0058	0.0441	0.0269	0.0498	0.0162	0.0140	0.0021	0.0804	1.2393

Source: Contra Costa County Auditor-Controller

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

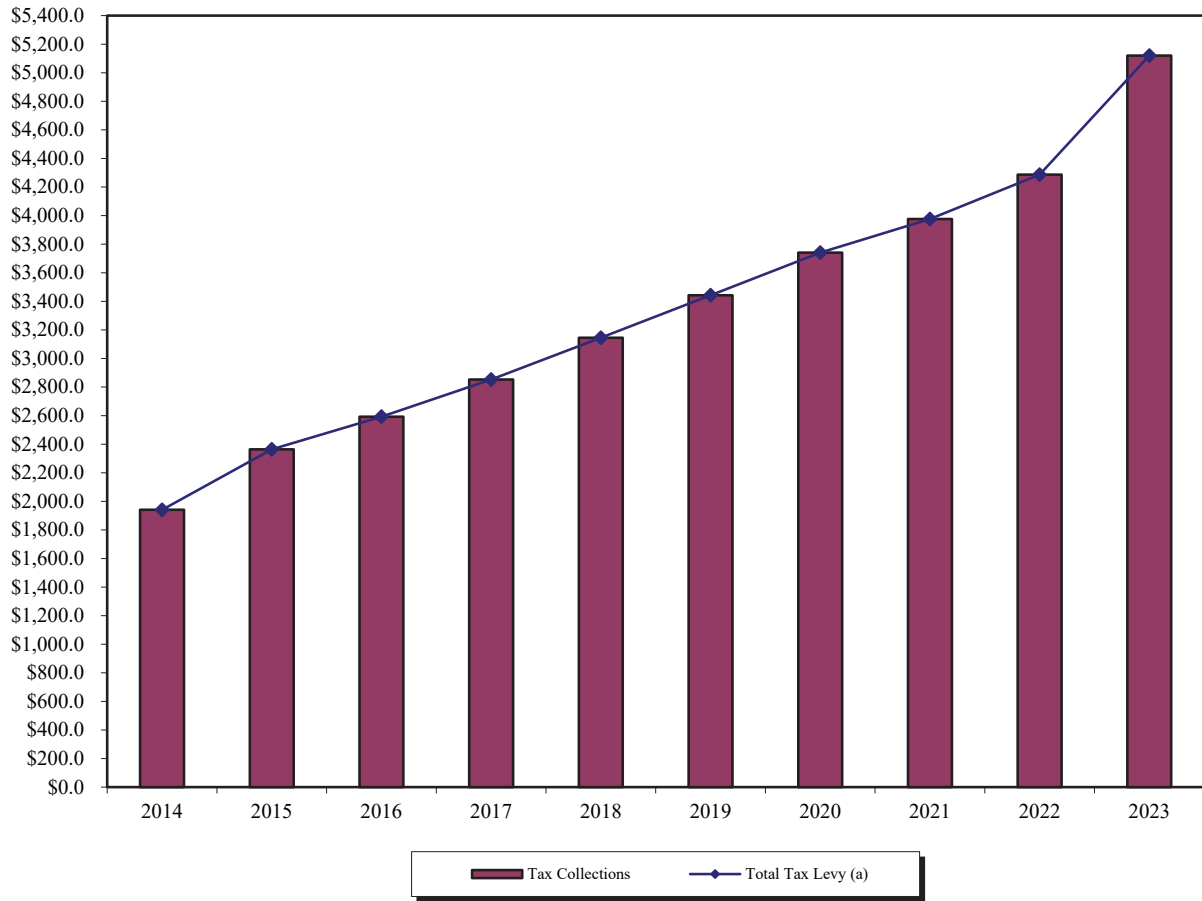
Taxpayer	2022-23			2013-14		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
ET Oakley LLC (Pending Appeals On Parcels)	\$84,366,000	1	1.33%			
NP Oakley LLC	65,773,947	2	1.04%			
ACD TI Oakley LLC	34,928,578	3	0.55%			
NPIF IV Oakley Building II LLC	29,587,140	4	0.47%			
Civic Summer Lake North LLC	24,720,800	5	0.39%			
Oakley Self Storage LP	23,759,583	6	0.38%			
Stonewood Oakley LLC	22,330,116	7	0.35%			
Cypress Square Commercial LLC	20,909,664	8	0.33%			
Oakley Senior Housing LP	19,909,500	9	0.31%			
Amazon Com Services LLC	17,006,335	10	0.27%			
Cypress Square-S and R Associates				\$18,019,319	1	0.69%
Neroly Sports Club Investors				11,269,958	2	0.43%
Shea Homes LP				10,094,014	3	0.38%
Lucky No Cal Investor LLP				8,386,863	4	0.32%
Shurgard Storage Centers Inc.				7,909,118	5	0.30%
Brookfield Emerson Land LLC				6,400,000	6	0.24%
BMS Investments 3 LLC				6,309,969	7	0.24%
Simon-Oakley Town Center LLC				6,119,300	8	0.23%
HPH Properties LLP				5,823,891	9	0.22%
WEC 98D-30 LLC				5,557,605	10	0.21%
Subtotal	<u>\$343,291,663</u>		<u>5.42%</u>	<u>\$85,890,037</u>		<u>3.27%</u>

Total Net Assessed Valuation:

Fiscal Year 2022-2023	\$6,332,000,000
Fiscal Year 2013-2014	\$2,629,000,000

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
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%
2023	5,120	5,120	100.0%	(a)	5,120	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.

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>
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
2023	0	7,915	7,915	0.51%	176

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, 2023**

2022-23 Assessed Valuation, Excluding the Redevelopment Agency: \$6,331,685,460

	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 6/30/23
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Bay Area Rapid Transit District	\$2,484,285,000	0.665%	\$16,520,495
Contra Costa Community College District	649,015,000	2.518%	16,342,198
Antioch Unified School District School Facilities Improvement District	97,781,533	8.641%	8,449,302
Liberty Union High School District	135,890,000	21.130%	28,713,557
Brentwood Union School District	105,685,076	0.128%	135,277
Oakley Union School District	37,520,000	87.411%	32,796,607
East Bay Regional Park District	175,955,000	1.052%	1,851,047
California Statewide Community Development Authority Assessment Districts	38,666,000	100.000%	38,666,000
City of Oakley 1915 Act Bonds	15,582,000	100.000%	<u>15,582,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$159,056,483
 <u>DIRECT AND OVERLAPPING GENERAL FUND:</u>			
Contra Costa County General Fund Obligations	\$193,515,000	2.510%	4,857,227
Antioch Unified School District Certificates of Participation	21,937,207	7.280%	1,597,029
Liberty Union High School District General Fund Obligations	2,853,488	21.130%	602,942
City of Oakley Certificates of Participation	7,915,000	100.000%	<u>7,915,000</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			14,972,198
Less: Contra Costa County supported obligations			<u>1,278,327</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$13,693,871
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>			
	\$21,040,000	100.000%	\$21,040,000
TOTAL DIRECT DEBT			\$7,915,000
TOTAL GROSS OVERLAPPING DEBT			\$187,153,681
TOTAL NET OVERLAPPING DEBT			\$185,875,354
 GROSS COMBINED TOTAL DEBT			 \$195,068,681 (2)
NET COMBINED TOTAL DEBT			\$193,790,354

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

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

Ratios to 2022-23 Assessed Valuation:

Direct Debt (\$7,915,000)	0.13%
Overlapping Tax and Assessment Debt.....	2.51%
Gross Combined Total Debt.....	3.08%
Net Combined Total Debt.....	3.06%

Ratio to Successor Agency Redevelopment Incremental Valuation (\$849,115,449):

Overlapping Tax Increment Debt.....	2.48%
-------------------------------------	-------

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, 2023**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$6,332,000,000
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$237,450,000
---	---------------

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

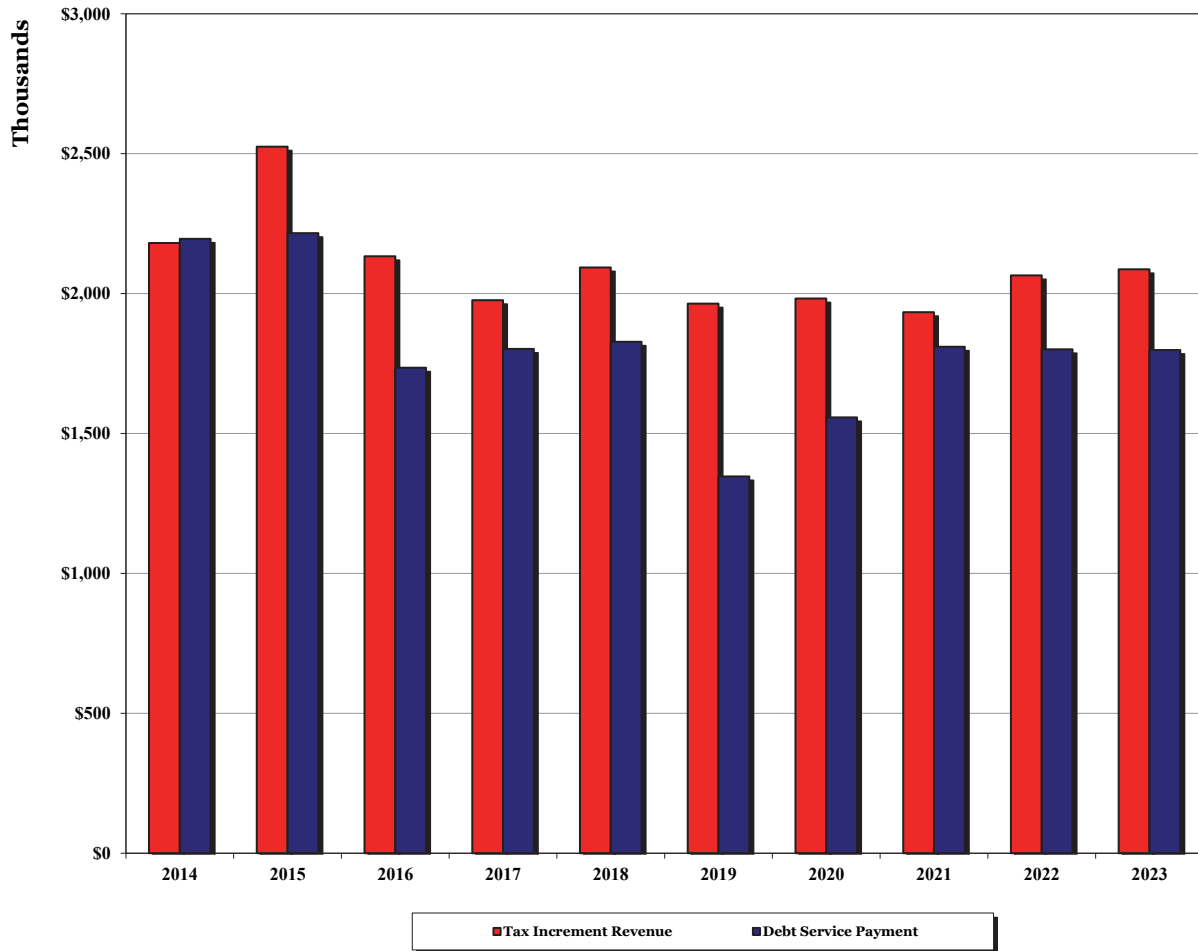
LEGAL BONDED DEBT MARGIN	\$237,450,000
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2014	\$98,587,500	\$0	\$98,587,500	0.00%
2015	118,537,500	0	118,537,500	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%
2023	237,450,000	0	237,450,000	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**

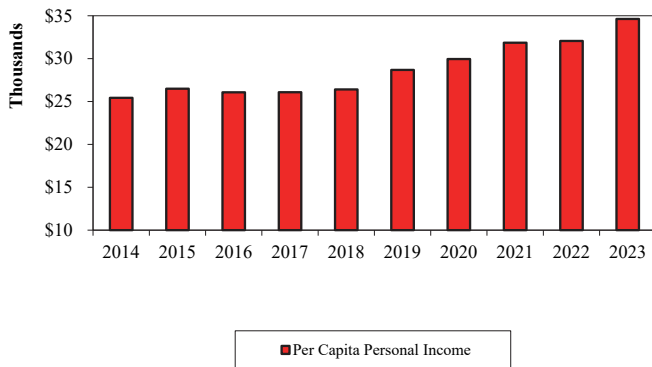
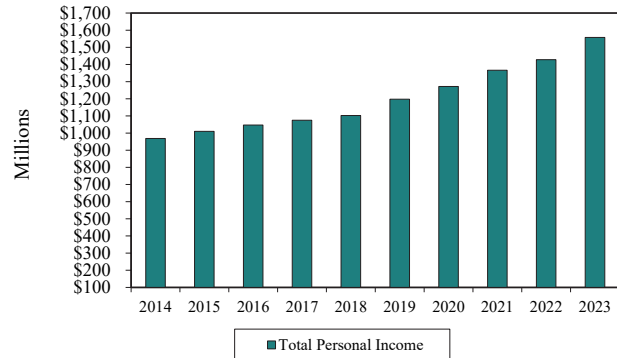
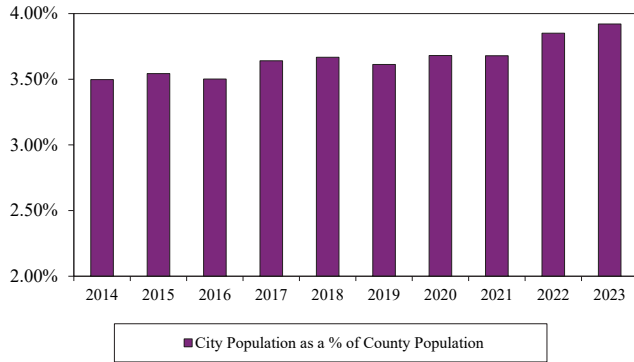


Fiscal Year	Tax Increment Revenue (a)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	\$2,180,805	\$610,000 (b)	\$1,585,609 (b)	\$2,195,609	0.99
2015	2,525,004	660,000 (b)	1,555,802 (b)	2,215,802	1.14
2016	2,133,349	425,000 (b)	1,310,054 (b)	1,735,054	1.23
2017	1,976,225	465,000 (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
2023	2,086,738	880,000 (b)	918,100 (b)	1,798,100	1.16

- (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
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%
2023	44,995	1,558,005,000	34,626	4.3%	1,147,653	3.92%

(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

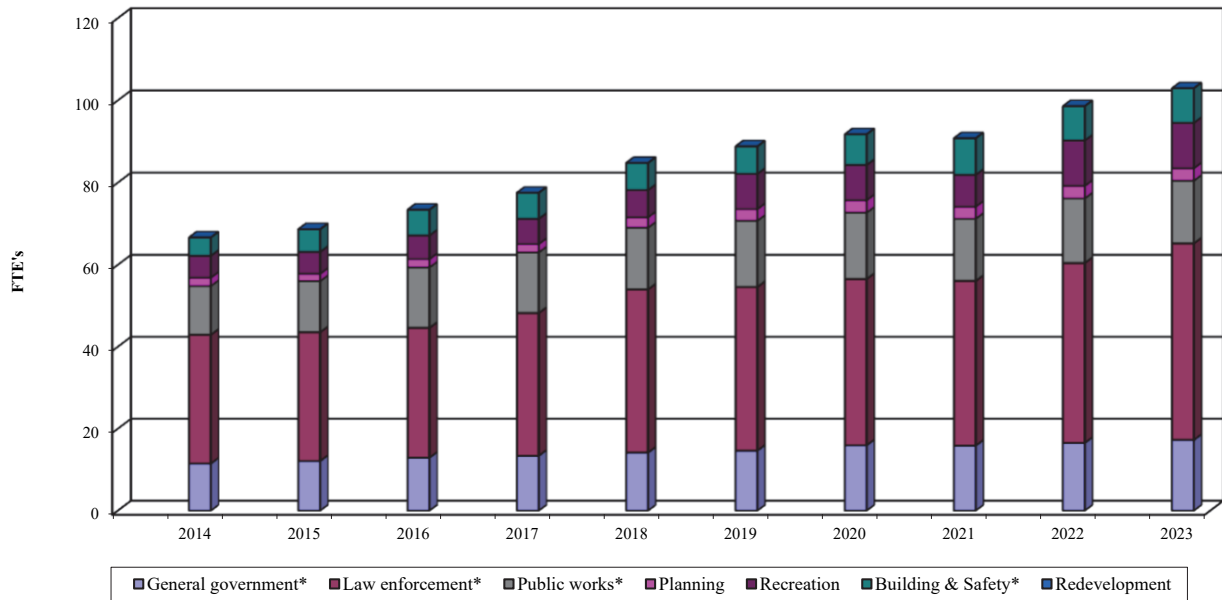
<u>Employer</u>	<u>2022-23</u>			<u>2013-14</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Amazon.com Services LLC	705	1	20.5%			
Oakley Union Elementary School District	399	2	11.6%	420	1	24.8%
Lucky's	74	3	2.1%	54	3	3.2%
Pet Food Express	72	4	2.1%		2	0.0%
McDonalds	45	5	1.3%	38	6	2.2%
Raley's	41	6	1.2%	48	5	2.8%
Dutch Bros Coffee	37	7	1.1%			
Skipolini's	36	8	1.0%			
Starbucks Coffee Store# 22433	36	8	1.0%			
Starbucks Coffee Store# 9330	32	9	0.9%			
Taco Bell	32	9	0.9%			
Foundation Constructors Inc	30	10	0.9%	32	7	1.9%
Diamond Hills Sports Club and Spa				55	2	3.2%
Continente Nut LLC				49	4	2.9%
Round Table Pizza				29	8	1.7%
Delta Black Bear Diner				27	9	1.6%
Burger King				26	10	1.5%
BMS Investments, LLC, DBA Comfort Suites				26	10	
Temples Auto Body & Towing, Inc				26	10	1.5%
Subtotal	<u>1,539</u>		<u>44.7%</u>	<u>830</u>		<u>48.9%</u>
Total City Day Population (A)	<u>3,442</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,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General government*	11.46	12.08	12.89	13.36	14.13	14.61	15.92	15.82	16.49	17.23
Community development:										
Public works*	11.88	12.46	14.74	14.78	15.03	16.13	16.13	15.13	15.71	15.23
Planning	2.00	1.75	2.00	2.00	2.50	2.80	3.00	2.90	3.00	3.00
Building & Safety*	4.45	5.50	6.25	6.33	6.60	6.68	7.46	8.90	8.35	8.40
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	31.73	34.88	39.88	39.98	40.63	40.26	43.96	48.00
Recreation	5.37	5.37	5.78	6.16	6.64	8.60	8.60	7.77	11.08	11.08
Total	<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>	<u>102.94</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Law enforcement:										
Police (a) (b):										
Violent crimes	54	46	52	54	51	59	33	29	127	133
Property crimes	468	429	615	491	511	465	537	554	580	553
Public Works:										
Street resurfacing (miles)	1.54	8.62	0.25	0.42	8.50	1.40	5.60	1.50	3.80	4.50
Leisure Services:										
Recreation:										
Recreation activities participants	22,663	29,630	32,386	36,430	35,417 (c)	33,996	36,832	8,341 (d)	32,309	44,773

Source: City of Oakley

Notes:

- (a) 2014 - 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Law enforcement:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	25	26	28	29	28	23	27	29	29	31
Public works:										
Miles of streets	131.00	131.00	133.00	136.00	136.00	139.00	141.00	142.00	142.00	143.00
Street lights	3,050	3,050	3,104	3,200	3,200	3,285	3,314	3,347	3,347	3,362
Traffic Signals	33	33	34	35	36	37	38	39	40	40
Recreation:										
Community services:										
City parks	30	31	32	33	34	36	37	37	37	37
City parks acreage	101.5	102.5	108.0	113.0	116.0	119.0	121.0	121.0	121.0	121.0
Community centers	2	2	1	1	0 (a)	1 (a)	1	1	1	1
Baseball/softball diamonds	8	8	8	9	9	10	10	10	10	10
Soccer/football fields	7	7	8	9	9	9	9	9	9	9
Skate features	3	3	3	3	3	3	1	1	1	1
BMX dirt track	1	0	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, 2023, and have issued our report thereon dated December 5, 2023.

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 5, 2023, 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 5, 2023 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 5, 2023, 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 5, 2023