NEW ISSUE, BOOK-ENTRY ONLY

RATINGS: Moody's: Aa1
Standard & Poor's: AA+
(See "RATINGS" herein.)

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Bonds (as defined below) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Tax-Exempt Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Tax-Exempt Bonds is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS – TAX-EXEMPT BONDS" herein.

In the opinion of Bond Counsel to the City, interest and original issue discount on the U Series 2023A-2 Bonds (i) is not excludable from gross income for United States federal income tax purposes and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of California. See "TAX MATTERS – U SERIES 2023A-2 BONDS" herein.

$52,475,000
City of Oakland
General Obligation Bonds
(Measure KK)
Series 2023D
(Tax-Exempt)

$32,760,000
City of Oakland
General Obligation Bonds
(Measure U)
Series 2023A-1
(Tax-Exempt)

$68,370,000
City of Oakland
General Obligation Bonds
(Measure U)
Series 2023A-2
(Taxable) (Social Bonds)

Dated: Date of Delivery **Due: July 15, as shown on the inside cover hereof**

The City of Oakland (the "**City**") is issuing its $52,475,000 aggregate principal amount of City of Oakland General Obligation Bonds (Measure KK) Series 2023D (Tax-Exempt) (the "**KK Series 2023 Bonds**"), $32,760,000 aggregate principal amount of City of Oakland General Obligation Bonds (Measure U) Series 2023A-1 (Tax-Exempt) (the "**U Series 2023A-1 Bonds**" and, collectively, with the KK Series 2023 Bonds, the "**Tax-Exempt Bonds**"), and $68,370,000 aggregate principal amount of City of Oakland General Obligation Bonds (Measure U) Series 2023A-2 (Taxable) (the "**U Series 2023A-2 Bonds**" and, together with the U Series 2023A-1 Bonds, the "**U Series 2023 Bonds**" and, collectively, with KK Series 2023 Bonds, the "**Bonds**"), under the Constitution of the State of California (the "**State**"), the Charter of the City, Measure U or Measure KK (each as defined herein), as applicable, and the City's Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54. The specific terms and conditions for issuance of the Bonds are contained in a resolution adopted by the City Council of the City on September 19, 2023. See "THE BONDS – Authority for Issuances."

The proceeds of the Bonds will be used to finance the Projects (as defined herein), to fund a debt service fund and to pay for certain costs related to the issuance of the Bonds. See "THE BONDS – Purpose of the Bonds."

The Bonds will be issued only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). Individual purchases of the Bonds will be made in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Payments of principal of and interest on the Bonds will be made to DTC by U.S. Bank Trust Company, National Association, as fiscal agent. DTC in turn is required to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See APPENDIX D – "DTC AND THE BOOK-ENTRY ONLY SYSTEM." The Bonds will be dated and bear interest from the date of original issuance. Interest on the Bonds will be payable semiannually on January 15 and July 15 of each year, commencing January 15, 2024. The Bonds will be subject to optional redemption prior to their respective stated maturities (as described herein). See "THE BONDS – Redemption."

The Bonds are payable from *ad valorem* taxes levied upon all taxable property in the City. The City Council of the City has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City without limitation as to rate or amount (except certain property which is taxable at limited rates).

The Bonds will be offered when, as and if issued by the City, subject to the delivery of the legal opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, in the form attached hereto as Appendix E. Certain legal matters will be passed upon for the City by Husch Blackwell LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, San Francisco, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about October 18, 2023.

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

Citigroup **Siebert Williams Shank & Co., LLC**

Dated: October 3, 2023

MATURITY SCHEDULES

$52,475,000
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE KK)
SERIES 2023D
(TAX-EXEMPT)

$4,395,000 Serial Bonds
CUSIP† Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price*	CUSIP† Suffix
2042	$ 805,000	5.00%	4.32%	105.353%	YK8
2043	3,590,000	5.00	4.35	105.110	YL6

$20,920,000 5.25% Term Bonds due on July 15, 2048, Yield: 4.57%; Price: 105.290%*; CUSIP†: YM4

$27,160,000 5.50% Term Bonds due on July 15, 2053, Yield: 4.60%; Price: 106.994%*; CUSIP†: YN2

* Priced to par call date of July 15, 2033.

†CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc.. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriters and are included solely for the convenience of the holders of the Bonds. Neither the City nor the Underwriters is responsible for the selection or use of these CUSIP numbers and no representation is made as to their accuracy or correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

$32,760,000
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE U)
SERIES 2023A-1
(TAX-EXEMPT)

$2,735,000 Serial Bonds
CUSIP† Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price*	CUSIP† Suffix
2042	$ 495,000	5.00%	4.32%	105.353%	YP7
2043	2,240,000	5.00	4.35	105.110	YQ5

$13,065,000 5.25% Term Bonds due on July 15, 2048, Yield: 4.57%; Price: 105.290%*; CUSIP†: YR3

$16,960,000 5.50% Term Bonds due on July 15, 2053, Yield: 4.60%; Price: 106.994%*; CUSIP†: YS1

* Priced to par call date of July 15, 2033.

†CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc.. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriters and are included solely for the convenience of the holders of the Bonds. Neither the City nor the Underwriters is responsible for the selection or use of these CUSIP numbers and no representation is made as to their accuracy or correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

$68,370,000
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE U)
SERIES 2023A-2
(TAXABLE) (SOCIAL BONDS)

$49,155,000 Serial Bonds
CUSIP† Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix
2024	$9,230,000	5.45%	5.45%	100.000%	YT9
2027	2,435,000	5.25	5.25	100.000	YU6
2028	2,560,000	5.35	5.35	100.000	YV4
2029	2,700,000	5.40	5.40	100.000	YW2
2030	2,845,000	5.45	5.45	100.000	YX0
2031	3,000,000	5.50	5.50	100.000	YY8
2032	3,165,000	5.60	5.60	100.000	YZ5
2033	7,315,000	5.65	5.65	100.000	ZA9
2034	7,730,000	5.75	5.75	100.000	ZB7
2035	8,175,000	5.85	5.85	100.000	ZC5

$19,215,000 6.25% Term Bonds due on July 15, 2042, Yield: 6.25%; Price: 100.000%; CUSIP†: ZD3

†CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc.. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriters and are included solely for the convenience of the holders of the Bonds. Neither the City nor the Underwriters is responsible for the selection or use of these CUSIP numbers and no representation is made as to their accuracy or correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

CITY OF OAKLAND
County of Alameda, California

CITY COUNCIL

Rebecca Kaplan (At-Large)
Councilmember and Vice Mayor

Janani Ramachandran (District 4)
Councilmember

Dan Kalb (District 1)
Councilmember and President Pro Tempore

Noel Gallo (District 5)
Councilmember

Nikki Fortunato Bas (District 2)
City Council President and Councilmember

Kevin Jenkins (District 6)
Councilmember

Carroll Fife (District 3)
Councilmember

Treva Reid (District 7)
Councilmember

CITY OFFICIALS

Sheng Thao, *Mayor*
Jestin D. Johnson, *City Administrator*
Courtney Ruby, *City Auditor*
Barbara Parker, *City Attorney*
Asha Reed, *City Clerk*
Erin Roseman, *Director of Finance*

SPECIAL SERVICES

Bond Counsel
Hawkins Delafield & Wood LLP
San Francisco, California

Disclosure Counsel
Husch Blackwell LLP
Oakland, California

Fiscal Agent
U.S. Bank Trust Company, National Association
San Francisco, California

Municipal Advisor
PFM Financial Advisors LLC
San Francisco, California

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the City. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the City.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. This Official Statement is not to be construed as a contract with the purchasers or owners of any of the Bonds.

Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information set forth herein other than that furnished by the City, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. All summaries of the documents and laws herein are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions. The Underwriters have provided the following sentence for inclusion in this Official Statement:

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur, or if actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements.

In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

The Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds have not been registered or qualified under the securities laws of any state. The Bonds have not been recommended by any Federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this Official Statement.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) website. The City maintains a website and social media accounts. The information presented on such website and social media accounts is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. Various other websites referred to in this Official Statement also are not incorporated herein by such references.

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APPENDICES

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OFFICIAL STATEMENT

INTRODUCTION

General

The purpose of this Official Statement (including the cover page and appendices attached hereto) is to provide certain information concerning the initial issuance, sale and delivery by the City of Oakland, California (the "**City**"), of its $52,475,000 aggregate principal amount of City of Oakland General Obligation Bonds (Measure KK) Series 2023D (Tax-Exempt) (the "**KK Series 2023 Bonds**"), $32,760,000 aggregate principal amount of City of Oakland General Obligation Bonds (Measure U) Series 2023A-1 (Tax-Exempt) (the "**U Series 2023A-1 Bonds**" and, collectively, with the KK Series 2023 Bonds, the "**Tax-Exempt Bonds**"), and $68,370,000 aggregate principal amount of City of Oakland General Obligation Bonds (Measure U) Series 2023A-2 (Taxable) (Social Bonds) (the "**U Series 2023A-2 Bonds**" and, together with the U Series 2023A-1 Bonds, the "**U Series 2023 Bonds**" and, collectively, with the KK Series 2023 Bonds, the "**Bonds**").

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as in the Authorizing Resolution and Fiscal Agent Agreement (each defined below).

The Bonds will be payable from *ad valorem* taxes levied upon all taxable property in the City. The City Council of the City (the "**City Council**") has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation without limitation as to the rate or the amount (except with respect to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS." For information on the City's tax base, tax collection system and property tax revenues, see also "PROPERTY TAXATION" herein and "CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS" in APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND."

The City

The City is located in the County of Alameda (the "**County**") on the eastern shore of the San Francisco Bay (the "**Bay**"), approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 55.9 square miles, the City is the largest and most populous of the "**East Bay**" cities. Its geography ranges from industrialized areas in the west, which border the Bay, to suburban foothills in the east. Formerly the industrial heart of the San Francisco Bay Area, the City has developed into a diverse financial, commercial, cultural and governmental center. The City is the seat of government for the County and is the eighth most populous city in the State of California (the "**State**").

For additional information regarding the City's demographics, budget and operations, including its tax base, property tax revenues and collection, see generally APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND" and APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2022."

THE BONDS

Authority for Issuances

The Bonds will be issued (a) under provisions of the (i) Constitution of the State, (ii) the Charter of the City, (iii) Measure KK or Measure U (each as defined herein), as applicable, and (iv) the City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54 (the "**Bond Act**"), and (b) pursuant to Ordinance No. 13755 C.M.S. adopted by the City Council on September 19, 2023 (the "**Ordinance**"). The specific terms and conditions for issuance of the Bonds are contained in Resolution No. 89895 C.M.S. adopted by the City Council on September 19, 2023 (the "**Authorizing Resolution**"), and a Fiscal Agent Agreement, dated as of October 1, 2023 (the "**Fiscal Agent Agreement**"), between the City and U.S. Bank Trust Company, National Association, as fiscal agent (together with any successors, the "**Fiscal Agent**").

The KK Series 2023 Bonds constitute the seventh series of bonds to be issued from an aggregate authorized amount of $600,000,000 of general obligation bonds duly approved by at least two-thirds of the qualified voters voting at an election held in the City on November 8, 2016, to provide funds to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure, renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings, and acquisition, improvement, rehabilitation, preservation, construction and repair of affordable housing ("**Measure KK**"). After the issuance of the KK Series 2023 Bonds, authorization for the issuance of approximately $32.2 million of general obligation bonds under Measure KK will remain.

The U Series 2023 Bonds constitute the first and second series of bonds to be issued from an aggregate authorized amount of $850,000,000 of general obligation bonds duly approved by at least two-thirds of the qualified voters voting at an election held in the City on November 8, 2022, to provide funds to acquire and make improvements to real property including, but not limited to, the acquisition, improvement, rehabilitation, preservation, construction, and repair of affordable housing, the improvement and rehabilitation of streets, sidewalks, and related transit infrastructure, the renovation and rehabilitation of City facilities including libraries, public safety facilities, recreation and senior centers, cultural and civic facilities, and other City administrative buildings, the development of technological infrastructure, and the preservation and enhancement of parks and open spaces ("**Measure U**"). After the issuance of the U Series 2023 Bonds, authorization for the issuance of approximately $748.9 million of general obligation bonds under Measure U will remain.

Measure KK and Measure U require the creation of a citizens' oversight committee to review financial and operational reports related to the expenditure of bond proceeds to confirm that such proceeds are used in a manner permitted under Measure KK or Measure U, as applicable, and to evaluate the impacts and outcomes of the bond expenditures on the stated goals of Measure KK or Measure U, as applicable, including social equity, anti-displacement and affordable housing. Pursuant to Ordinance No. 13742, the Affordable Housing and Infrastructure Public Oversight Committee, established in 2016 to oversee the proceeds of all Measure KK bond expenditures, has been expanded to include oversight of all Measure U expenditures (the "**Oversight Committee**"). The Oversight Committee reports to the City Council.

Purpose of the Bonds

The KK Series 2023 Bonds are being issued by the City to: (a) provide funds for certain street and road projects including street repaving, resurfacing and other improvements, curb ramps and sidewalk repair, and Safe Routes to Schools projects, and for the construction, improvement or rehabilitation of City facilities including fire, library, parks and recreation, head start and senior facilities, consistent with the

City's Fiscal Year 2023-25 Capital Improvement Program (the "**KK 2023 Projects**"), all as set forth in Resolution No. 89894 C.M.S. adopted by the City Council on September 19, 2023 (the "**KK/U 2023 Projects Resolution**"); (b) fund a debt service account related to the KK Series 2023 Bonds; and (c) pay costs associated with the issuance of the KK Series 2023 Bonds. See "SOURCES AND USES OF FUNDS."

The U Series 2023 Bonds are being issued by the City to: (a) provide funds for the construction of certain affordable housing and for the improvement or renovation of City recreation, fire, library, and infrastructure facilities (the "**U 2023 Projects**" and, together with the KK 2023 Projects, the "**Projects**"), all as set forth in the KK/U 2023 Projects Resolution, Resolution No. 89645 adopted by the City Council on March 21, 2023, and Resolution No. 89646 adopted by the City Council on March 17, 2023 (collectively, with the Authorizing Resolution, the "**Resolutions**"); (b) fund a debt service account related to the U Series 2023 Bonds; and (c) pay costs associated with the issuance of the U Series 2023 Bonds. See "SOURCES AND USES OF FUNDS."

Designation of the U Series 2023A-2 Bonds as Social Bonds

The City is designating the U Series 2023A-2 Bonds as "Social Bonds" as it has determined that the U 2023 Projects to be financed with the proceeds of the U Series 2023A-2 Bonds are "Social Projects" based on the social benefits of addressing affordable housing in the City. Since 1988, the City has funded the development of over 6,000 units of housing and has multiple funding programs that work with non-profit developers to increase the number of affordable housing units in the City. In November 2022, over 75% of voters approved Measure U, which authorized the issuance of $850,000,000 in general obligation bonds for affordable housing and other public infrastructure improvements. At the time of passage, Measure U was expected to fund the construction, acquisition and rehabilitation of more than 2,200 affordable housing units over an anticipated four-to-six-year time span. According to the City's Department of Housing and Community Development ("**HCD**"), through Fiscal Year 2027, over $110,000,000 is projected to fund new permanent supportive units (0-30% of Area Median Income), nearly $150,000,000 is projected to fund new low-income units (30-80% of Area Median Income), and over $70,000,000 is projected to fund preservation of both existing City portfolio properties and preservation via acquisition or conversion.

The designation of the U Series 2023A-2 Bonds as "Social Bonds" is intended to generally comport with The Social Bond Principles, updated as of June 2020, promulgated by the International Capital Market Association ("**ICMA**"), a European-based entity with some members from the United States. The Social Bond Principles have four core components (i.e., Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting), each of which are further described below.

The term "Social Bonds" is neither defined in nor related to provisions in the Fiscal Agent Agreement. The U Series 2023A-2 Bonds are payable from and secured solely from *ad valorem* taxes levied on all property in the City subject to taxation. See "SECURITY FOR THE BONDS – General." Owners of the U Series 2023A-2 Bonds do not assume any specific project risk related to any of the projects funded thereby. The City assumes no obligation to ensure that the projects financed with proceeds of the U Series 2023A-2 Bonds comply with any legal or other standards or principles that may relate to "Social Bonds." The designation of the U Series 2023A-2 Bonds as Social Bonds does not entitle the owners thereof to any special treatment under the Internal Revenue Code of 1986, as amended.

ICMA Mapping of Social Bond Principles to United Nations Sustainable Development Goals. By reference to the *ICMA Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals* (June 2021), the City has determined that its Social Bonds designation reflects the use of proceeds in a manner that is consistent with "Goal 1: No Poverty," "Goal 10: Reduce Inequalities" and "Goal 11: Sustainable Cities and Communities" of the United Nations 17 Sustainable Development Goals (referred to as "**UNSDGs**" generally and "**SDG 1**", "**SDG 10**" and "**SDG 11**," specifically). According to the United Nations, the UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 10 is focused on reducing inequality and SDG 11 is focused on making cities and communities inclusive, safe, resilient and sustainable. ICMA maps SDG 1.4 to ICMA Social Bond Principles "Affordable Housing," "Access to Essential Services," and "Socioeconomic Advancement and Empowerment"; and maps SDG 11.1 to ICMA Social Bond Principles "Affordable Housing" and "Affordable Basic Infrastructure." The City has a long-standing commitment to such environmental, social and governance principles. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – OVERVIEW - Commitment to Environmental, Social and Governance (ESG) Principles."

Use of Proceeds. The projects planned to be financed with proceeds of the U Series 2023A-2 Bonds will address the need to preserve or increase affordable housing stock within the City. HCD's Strategic Action plan for 2023-2027, developed after an extensive community outreach process and rooted in data driven goals for equitable investment, focuses on providing deeply affordable units, including units that address the City's homeless crisis. This work in turn guided the City's 2023 New Construction Notice of Funding Availability process, which awarded Measure U and other affordable housing initiatives funding to support 643 affordable units, including 284 Permanent Supportive Housing ("**PSH**") units. A total of $68 million in Measure U funding has been committed to these projects and another project that will include another 240 affordable units and 60 PSH units. See "THE BONDS – Purpose of the Bonds."

The City demonstrates leadership in the affordable housing sector through implementation of a comprehensive strategy to prioritize the housing needs of its most vulnerable populations. The U Series 2023A-2 Bonds align with three (3) eligible project categories under the Social Bond Principles: Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment.

Process for Project Evaluation and Selection. Use of the U Series 2023A-2 Bonds proceeds will be pursuant to the parameters set forth in Measure U and the process described in the KK/U 2023 Projects Resolution. HCD staff, along with elected City leaders, community members and stakeholders collaborated to address the need for more affordable housing and, in doing so, developed HCD's Strategic Action Plan for 2023-2027. City staff also works closely with local communities, the Oversight Committee and City Council to report on use of program funds and provide details regarding project status. The City Council approved usage of the proceeds of Measure U for affordable housing projects and programs.

Management of Proceeds. Proceeds of the U Series 2023A-2 Bonds net of costs of issuance will be deposited into funds and invested in accordance with the KK/U 2023 Projects Resolution requirements until drawn and disbursed for the approved projects. The City's Treasury Bureau monitors the disbursement of funds, as needed. The City anticipates the proceeds of the U Series 2023A-2 Bonds will be fully spent within 18-36 months following the issuance thereof and thereafter no updates regarding expenditures will be made.

Reporting. The City maintains the Oversight Committee, which reviews relevant financial and operational reports related to the expenditure of bond proceeds for both Measure U and Measure KK, and provides reports to the City Council when necessary. The Oversight Committee meets at least four times per year, and its agendas can be found at https://www.oaklandca.gov/boards-commissions/affordable-housing-infrastructure-bond-public-oversight-committee. The City may also provide updates through other publications. The information available on such websites is not incorporated by reference into this Official Statement and should not be relied upon in making an investment in the U Series 2023A-2 Bonds.

Description of the Bonds

The Bonds are being offered in denominations of $5,000 or integral multiples thereof, will be dated their date of issuance and delivery, and will mature on the dates and bear interest at the respective rates of interest per annum set forth on the inside cover page hereof. Interest on the Bonds will accrue from the date of initial issuance calculated on the basis of a 360-day year composed of twelve (12) 30-day months and will be payable on January 15, 2024, and on each January 15 and July 15 thereafter (each, an "**Interest Payment Date**").

Form and Registration

The Bonds will be issued in fully registered book-entry form only. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the "owners" or "registered owners" will mean Cede & Co. and will not mean the ultimate purchasers of the Bonds. Principal of and redemption premium, if any, and interest on, the Bonds will be paid directly to DTC or Cede & Co. so long as DTC or Cede & Co. is the registered owner of the Bonds. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See APPENDIX D – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. The City and the Fiscal Agent will have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, its nominee or any participant with respect to any beneficial ownership interest in the Bonds; (ii) the delivery to any participant, beneficial owner or other person, other than DTC, of any notice with respect to the Bonds; (iii) the payment to any participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal of, or premium, if any, or interest on, the Bonds; (iv) any consent given by DTC or its nominee as owner; or (v) if applicable, the selection by DTC or any participant of any beneficial owners to receive payment if the Bonds are redeemed in part. See APPENDIX D – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

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Debt Service

The scheduled debt service for the Bonds (assuming no optional redemption prior to the stated maturity date) is as follows:

CITY OF OAKLAND
General Obligation Bonds
(Measure KK)
Series 2023D
Debt Service

Period Ending	Principal	Interest	Total Debt Service
7/15/2024	-	$2,085,455.42	$2,085,455.42
7/15/2025	-	2,811,850.00	2,811,850.00
7/15/2026	-	2,811,850.00	2,811,850.00
7/15/2027	-	2,811,850.00	2,811,850.00
7/15/2028	-	2,811,850.00	2,811,850.00
7/15/2029	-	2,811,850.00	2,811,850.00
7/15/2030	-	2,811,850.00	2,811,850.00
7/15/2031	-	2,811,850.00	2,811,850.00
7/15/2032	-	2,811,850.00	2,811,850.00
7/15/2033	-	2,811,850.00	2,811,850.00
7/15/2034	-	2,811,850.00	2,811,850.00
7/15/2035	-	2,811,850.00	2,811,850.00
7/15/2036	-	2,811,850.00	2,811,850.00
7/15/2037	-	2,811,850.00	2,811,850.00
7/15/2038	-	2,811,850.00	2,811,850.00
7/15/2039	-	2,811,850.00	2,811,850.00
7/15/2040	-	2,811,850.00	2,811,850.00
7/15/2041	-	2,811,850.00	2,811,850.00
7/15/2042	$805,000	2,811,850.00	3,616,850.00
7/15/2043	3,590,000	2,771,600.00	6,361,600.00
7/15/2044	3,765,000	2,592,100.00	6,357,100.00
7/15/2045	3,965,000	2,394,437.50	6,359,437.50
7/15/2046	4,175,000	2,186,275.00	6,361,275.00
7/15/2047	4,390,000	1,967,087.50	6,357,087.50
7/15/2048	4,625,000	1,736,612.50	6,361,612.50
7/15/2049	4,865,000	1,493,800.00	6,358,800.00
7/15/2050	5,135,000	1,226,225.00	6,361,225.00
7/15/2051	5,420,000	943,800.00	6,363,800.00
7/15/2052	5,710,000	645,700.00	6,355,700.00
7/15/2053	6,030,000	331,650.00	6,361,650.00
TOTAL	$52,475,000	$70,988,042.92	$123,463,042.92

CITY OF OAKLAND
General Obligation Bonds
(Measure U)
Series 2023A
Debt Service

Period Ending	2023A-1 Principal	2023A-1 Interest	2023A-2 Principal	2023A-2 Interest	Total Debt Service
7/15/2024	-	$1,301,968.02	$9,230,000	$2,928,005.44	$13,459,973.46
7/15/2025	-	1,755,462.50	-	3,444,837.50	5,200,300.00
7/15/2026	-	1,755,462.50	-	3,444,837.50	5,200,300.00
7/15/2027	-	1,755,462.50	2,435,000	3,444,837.50	7,635,300.00
7/15/2028	-	1,755,462.50	2,560,000	3,317,000.00	7,632,462.50
7/15/2029	-	1,755,462.50	2,700,000	3,180,040.00	7,635,502.50
7/15/2030	-	1,755,462.50	2,845,000	3,034,240.00	7,634,702.50
7/15/2031	-	1,755,462.50	3,000,000	2,879,187.50	7,634,650.00
7/15/2032	-	1,755,462.50	3,165,000	2,714,187.50	7,634,650.00
7/15/2033	-	1,755,462.50	7,315,000	2,536,947.50	11,607,410.00
7/15/2034	-	1,755,462.50	7,730,000	2,123,650.00	11,609,112.50
7/15/2035	-	1,755,462.50	8,175,000	1,679,175.00	11,609,637.50
7/15/2036	-	1,755,462.50	-	1,200,937.50	2,956,400.00
7/15/2037	-	1,755,462.50	-	1,200,937.50	2,956,400.00
7/15/2038	-	1,755,462.50	-	1,200,937.50	2,956,400.00
7/15/2039	-	1,755,462.50	4,680,000	1,200,937.50	7,636,400.00
7/15/2040	-	1,755,462.50	4,965,000	908,437.50	7,628,900.00
7/15/2041	-	1,755,462.50	5,265,000	598,125.00	7,618,587.50
7/15/2042	$495,000	1,755,462.50	4,305,000	269,062.50	6,824,525.00
7/15/2043	2,240,000	1,730,712.50	-	-	3,970,712.50
7/15/2044	2,355,000	1,618,712.50	-	-	3,973,712.50
7/15/2045	2,475,000	1,495,075.00	-	-	3,970,075.00
7/15/2046	2,605,000	1,365,137.50	-	-	3,970,137.50
7/15/2047	2,745,000	1,228,375.00	-	-	3,973,375.00
7/15/2048	2,885,000	1,084,262.50	-	-	3,969,262.50
7/15/2049	3,040,000	932,800.00	-	-	3,972,800.00
7/15/2050	3,205,000	765,600.00	-	-	3,970,600.00
7/15/2051	3,380,000	589,325.00	-	-	3,969,325.00
7/15/2052	3,570,000	403,425.00	-	-	3,973,425.00
7/15/2053	3,765,000	207,075.00	-	-	3,972,075.00
TOTAL	$32,760,000	$44,320,793.02	$68,370,000	$41,306,320.44	$186,757,113.46

Redemption

KK Series 2023 Bonds.

Optional Redemption of the KK Series 2023 Bonds. The KK Series 2023 Bonds are subject to optional redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part on any date (with the maturities within the KK Series 2023 Bonds to be redeemed to be determined by the City and by lot within a maturity), on or after July 15, 2033, at redemption prices equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption of the KK Series 2023 Bonds. The KK Series 2023 Term Bond maturing on July 15, 2048 (the "**KK Series 2023 2048 Term Bond**"), is subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount
2044	$3,765,000
2045	3,965,000
2046	4,175,000
2047	4,390,000
2048*	4,625,000

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any KK Series 2023 2048 Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date set forth above unless otherwise directed by the City.

The KK Series 2023 Term Bond maturing on July 15, 2053 (the "**KK Series 2023 2053 Term Bond**"), is subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount
2049	$4,865,000
2050	5,135,000
2051	5,420,000
2052	5,710,000
2053*	6,030,000

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any KK Series 2023 2053 Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date set forth above unless otherwise directed by the City.

U Series 2023A-1 Bonds.

Optional Redemption of the U Series 2023A-1 Bonds. The U Series 2023A-1 Bonds are subject to optional redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part on any date (with the maturities within the U Series 2023A-1 Bonds to be redeemed to be determined by the City and by lot within a maturity), on or after July 15, 2033, at redemption prices equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption of the U Series 2023A-1 Bonds. The U Series 2023A-1 Term Bond maturing on July 15, 2048 (the "**U Series 2023A-1 2048 Term Bond**"), is subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount
2044	$2,355,000
2045	2,475,000
2046	2,605,000
2047	2,745,000
2048*	2,885,000

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any U Series 2023A-1 2048 Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date set forth above unless otherwise directed by the City.

The U Series 2023A-1 Term Bond maturing on July 15, 2053 (the "**U Series 2023A-1 2053 Term Bond**"), is subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount
2049	$3,040,000
2050	3,205,000
2051	3,380,000
2052	3,570,000
2053*	3,765,000

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any U Series 2023A-1 2053 Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date set forth above unless otherwise directed by the City.

U Series 2023A-2 Bonds.

Optional Redemption of the U Series 2023A-2 Bonds. The U Series 2023A-2 Bonds maturing on and after July 15, 2034, are subject to optional redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part on any date (with the maturities within the U Series 2023A-2 Bonds to be redeemed to be determined by the City and by lot within a maturity), on or after July 15, 2033, at redemption prices equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.

Make-Whole Optional Redemption. The U Series 2023 A-2 Bonds are subject to optional redemption by the City prior to their stated maturity dates, as a whole or in part, on any Business Day, prior to July 15, 2033, at the "Make-Whole Redemption Price" defined below, plus accrued and unpaid interest on the U Series 2023 A-2 Bonds to be redeemed on the date fixed for redemption. For the purposes of this paragraph, the following terms shall have the following meanings:

The "**Make-Whole Redemption Price**" is the greater of (i) 100 percent of the principal amount of the U Series 2023 A-2 Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the U Series 2023 A-2 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such U Series 2023 A-2 Bonds are to be redeemed, discounted to the date on which the U Series 2023 A-2 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the "Treasury Rate" defined below, plus the "Applicable Spread" defined below.

"**Applicable Spread**" means (i) with respect to the U Series 2023 A-2 Bonds maturing July 15, 2024 and July 15, 2027 through July 15, 2031, 10 basis points; (ii) with respect to the U Series 2023 A-2 Bonds maturing July 15, 2032 through July 15, 2035, 15 basis points; and (iii) with respect to the U Series 2023 A-2 Bonds maturing July 15, 2042, 20 basis points.

"**Treasury Rate**" means, with respect to any redemption date for particular U Series 2023 A-2 Bonds, the yield to maturity as of such Valuation Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available on the Valuation Date selected by the City (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the U Series 2023 A-2 Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actual traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"**Valuation Date**" means a Business Day not later than the third Business Day preceding the redemption date but no more than 45 calendar days prior to the redemption date.

At the request of the City or the Fiscal Agent, the Make-Whole Redemption Price of the U Series 2023 A-2 Bonds, with respect to (ii) above, will be calculated by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense. The City and the Fiscal Agent may conclusively rely on the determination of the Treasury Rate by the investment banking firm or financial advisory firm and on any Make-Whole Redemption Price calculated by an independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Mandatory Sinking Fund Redemption of the U Series 2023A-2 Bonds. The U Series 2023A-2 Term Bond maturing on July 15, 2042 (the "**U Series 2023A-2 2042 Term Bond**"), is subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount
2039	$4,680,000
2040	4,965,000
2041	5,265,000
2042*	4,305,000

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any U Series 2023A-2 2042 Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date set forth above unless otherwise directed by the City.

Selection of Bonds for Redemption. Whenever less than all of the Outstanding Bonds of a series are called for optional redemption, the City shall select the maturities to be redeemed. Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption on any one date, the Fiscal Agent shall select the Bonds or portions thereof (in denominations of $5,000 or any integral multiple thereof) to be redeemed from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot, in any manner which the Fiscal Agent deems fair.

Notice of Redemption. Notice of any redemption of Bonds shall be mailed, postage prepaid, to the respective registered owners thereof at the addresses appearing on the bond registration books not less than 30 and no more than 60 days prior to the redemption date. The notice of redemption shall: (a) state the redemption date; (b) state the redemption price; (c) state the dates of maturity of the Bonds and, if less than all of any such maturity is called for redemption, the distinctive numbers of the Bonds of such maturity to be redeemed, and in the case of Bonds redeemed in part only, the respective portions of the principal amount thereof, to be redeemed; (d) state the series and the CUSIP number, if any, of each Bond to be redeemed; (e) require that such Bonds be surrendered by the owners at the office of the Fiscal Agent; and (f) give notice that further interest on such Bonds will not accrue after the designated redemption date.

The actual receipt by the owner of any Bond to be redeemed of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice or any defect in such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Conditional Notice; Right to Rescind Notice. The City shall have the right to provide a conditional notice of redemption and to rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if, for any reason, on the date fixed for redemption funds are not available in the respective Redemption Account in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Defeasance

The Bonds, or any portions thereof, may be defeased prior to maturity by irrevocably depositing with the Fiscal Agent or other fiduciary: (i) an amount of cash which together with amounts then on deposit in the appropriate debt service account, is sufficient, without reinvestment, to pay and discharge all (or such portions) of the Outstanding Bonds (including all principal, interest, and premium, if any) at or before their stated maturity date; or (ii) United States Treasury Obligations not subject to call, together with cash, if required, in such amount as will, without reinvestment, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the appropriate debt service account together with the interest to accrue thereon, be fully sufficient to pay and discharge all (or such portions) of the Bonds (including all principal, interest, and premium, if any) at or before their stated maturity date.

Notwithstanding that any of the Bonds will not have been surrendered for payment, all obligations of the City with respect to all said Outstanding Bonds to the owners thereof will cease and terminate, except only the obligation of the City: (a) to pay or cause to be paid from funds deposited pursuant to paragraphs (i) or (ii) of the paragraph above to the owners of said Bonds not so surrendered and paid all sums due with respect thereto; and (b) to indemnify the Fiscal Agent, if and as applicable, under the Fiscal Agent Agreement; provided, however, that the City and the Fiscal Agent will have received a verification report from an independent certified public accountant stating that the escrow is sufficient to satisfy the standards of the Fiscal Agent Agreement and an opinion of bond counsel of said Bonds that the Bonds have been defeased.

If the Bonds to be defeased pursuant to the Fiscal Agent Agreement are to be redeemed prior to the maturity thereof, notice of such redemption shall have been mailed pursuant to the Fiscal Agent Agreement, or an irrevocable direction to give such notice shall have been made by the City.

SOURCES AND USES OF FUNDS

The following are the estimated sources and uses of funds in connection with the Bonds:

	KK Series 2023 Bonds	U Series 2023A-1 Bonds	U Series 2023A-2 Bonds	Total
Sources				
Principal Amount of Bonds	$52,475,000.00	$32,760,000.00	$68,370,000.00	$153,605,000.00
Original Issue Premium	3,232,779.05	2,018,282.25	-	5,251,061.30
Total Sources	**$55,707,779.05**	**$34,778,282.25**	**$68,370,000.00**	**$158,856,061.30**
Uses				
Proceeds Account:				
KK Series 2023D	$52,179,375.00	-	-	$52,179,375.00
U Series 2023A-1	-	$32,575,625.00	-	32,575,625.00
U Series 2023A-2	-	-	$68,000,000.00	68,000,000.00
Total	$52,179,375.00	$32,575,625.00	$68,000,000.00	$152,755,000.00
Debt Service Account:				
KK Series 2023D	$3,232,779.05	-	-	$3,232,779.05
U Series 2023A-1	-	$2,018,282.25	-	2,018,282.25
Total	$3,232,779.05	$2,018,282.25	-	$5,251,061.30
Costs of Issuance Account:[(1)]				
KK Series 2023D	$295,625.00	-	-	$295,625.00
U Series 2023A-1	-	$184,375.00	-	184,375.00
U Series 2023A-2	-	-	$370,000.00	370,000.00
Total	$295,625.00	$184,375.00	$370,000.00	$850,000.00
Total Uses	**$55,707,779.05**	**$34,778,282.25**	**$68,370,000.00**	**$158,856,061.30**

[(1)] Includes certain legal fees, financing and consulting fees, underwriters' discount, fees of Bond Counsel, Disclosure Counsel, Underwriters' Counsel and the Municipal Advisor, printing costs, rating agency fees, and other miscellaneous expenses.

SECURITY FOR THE BONDS

General

Pursuant to the Authorizing Resolution, for the purpose of paying the principal of and interest on the Bonds, the City Council will, at the time of making the general tax levy after incurring the bonded indebtedness, and annually thereafter until the Bonds are paid, or until there is a sum set apart for that purpose in the Treasury of the City sufficient to meet all sums as they become due for payment of principal of and interest on the Bonds, levy and have collected by the County, a tax sufficient to pay the interest on the Bonds and such part of the principal as the same become due. Said tax will be in addition to all other taxes levied for City purposes and will be used only for the payment of the Bonds and the interest thereon.

The Bonds are payable from *ad valorem* taxes, and the City Council has the power and the City is obligated and has covenanted in the Fiscal Agent Agreement to levy *ad valorem* taxes upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates), for the payment of the Bonds and the interest thereon. Provisions will be made for the levy and collection of such taxes in a manner provided by law. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS."

Said taxes as collected by the County shall be forthwith deposited by the City for each series of the Bonds into designated accounts for which the same were levied and collected, (each a "**debt service account**" and together, the "**debt service accounts**"), as appropriate. Pursuant to the Fiscal Agent Agreement, the City will transfer to the Fiscal Agent all sums as they become due for the principal of and interest on the Bonds from each such debt service account. The Fiscal Agent will deposit all such funds, as applicable, into the related debt service account created by the Fiscal Agent, for the benefit of the City pursuant to the Fiscal Agent Agreement, which account the Fiscal Agent shall keep separate and apart from all other of the funds of the Fiscal Agent and other accounts thereunder. Under the Fiscal Agent Agreement, the debt service accounts and amounts on deposit therein are pledged by the City for the payment of the principal and interest on the related series of Bonds when and as the same become due, including the principal of any Term Bonds required to be paid upon the mandatory sinking fund redemption thereof. Under the framework of the constitutional provisions and statutes applicable to California general obligation bonds, including the Bonds, taxes levied to pay debt service on the Bonds may not be used for any other purpose and are not available to support general City operations.

Under the Authorizing Resolution, the City is <u>not</u> obligated to pay the debt service from any sources other than as described herein. This Official Statement, including Appendix A hereto, provides certain information regarding the City's overall finances with an emphasis on its General Purpose Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds and that should not be considered available to pay debt service on the Bonds.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. Section 53515 of the California Government Code provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board and will be valid and binding from the time such bonds are executed and delivered. Section 53515 of the California Government Code further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act. See also "CERTAIN RISK FACTORS – Possible Limitation on Remedies; Bankruptcy."

PROPERTY TAXATION

Ad Valorem Property Taxes

Property taxes are assessed and collected by the County. Taxes arising from the general 1% levy are apportioned among local taxing agencies on the basis of a formula established by State law, which reflects the average tax rate levied by the taxing agency for the three years before Proposition 13 was adopted. The City receives about 27% of these collections for its General Purpose Fund. Taxes relating to voter-approved indebtedness are allocated to the relevant taxing agency. The City levies taxes for two forms of voter-approved indebtedness: pension obligations, collected as Pension Tax Override and reported in the General Fund and general obligation bonds, reported in various debt service funds. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Program – *Police and Fire Retirement System*" and "- BONDS AND OTHER INDEBTEDNESS – General Obligation Debt."

The County is permitted under State law to pass on costs for certain services provided to local government agencies, including the collection of property taxes. The County imposes a fee on the City of approximately 0.7% of the taxes collected for tax collection services it provides.

In prior years, the State budget has resulted in various reallocations affecting property tax revenues, including the "triple flip" involving property tax and sales tax, the replacement of Vehicle License Fee revenues, and the temporary Education Revenue Augmentation Fund ("**ERAF**") transfers. See APPENDIX A - "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - OTHER TAXES AND REVENUES." However, Proposition 1A, ratified by voters in 2004, protects City revenues from future shifts to the State and passage of Proposition 22 in 2010 further strengthened these protections by eliminating the provision which allowed the State to borrow a limited amount of property tax revenue under certain conditions.

Assessed Valuations

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, nonprofit hospitals, and charitable institutions. State law also allows exemptions from *ad valorem* property taxation at $7,000 of full value of owner-occupied dwellings and 100% of business inventories. Revenue losses to the City from the homeowner's exemption are replaced by the State.

Property taxes associated with future assessed valuation growth allowed under Article XIIIA for new construction, certain changes of ownership, and annual increases in value, if any, subject to a maximum of 2% each year will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability to such entities of revenue from growth in the tax base were affected by the establishment of redevelopment project areas, which under certain circumstances, were entitled to revenues resulting from the increase in certain property values, as provided in Article XVI of the State Constitution. Beginning with Fiscal Year 2012-13, following the dissolution of redevelopment agencies, tax revenues resulting from the increase in such property values were deposited by the County Auditor-Controller into the City's Redevelopment Property Tax Trust Fund ("**RPTTF**"). See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - BONDS AND OTHER INDEBTEDNESS – Limited Obligations – *Redevelopment Agency of the City of Oakland*."

The following Table 1 sets forth a twelve-year history of assessed valuations in the City for Fiscal Years 2012-13 through 2023-24:

Table 1
City of Oakland
Assessed Valuations[1]
Fiscal Years 2012-13 through 2023-24
($ In Thousands)

Fiscal Year Ending June 30	Local Secured	Utility	Unsecured	Gross	Less Tax Increment [2]	Total Net Assessed Valuation
2013	$36,395,895	$16,985	$3,481,349	$39,894,229	($9,496,227)	$30,398,002
2014	$37,629,227	$16,320	$3,528,280	$41,173,827	($9,625,116)	$31,548,711
2015	$40,225,963	$15,071	$3,522,706	$43,763,740	($10,353,808)	$33,409,932
2016	$44,304,801	$20,517	$3,475,263	$47,800,581	($11,932,782)	$35,867,799
2017	$47,401,607	$24,318	$3,932,788	$51,358,713	($13,171,622)	$38,187,091
2018	$51,334,369	$19,326	$3,671,801	$55,025,497	$0	$55,025,497
2019	$54,928,874	$16,660	$3,930,486	$58,876,019	$0	$58,876,019
2020	$59,428,014	$16,679	$4,069,713	$63,514,406	$0	$63,514,406
2021	$65,632,263	$16,367	$4,305,836	$69,954,466	$0	$69,954,466
2022	$69,693,144	$48,671	$4,357,537	$74,099,351	$0	$74,099,351
2023	$75,745,526	$20,284	$4,360,004	$80,125,813	$0	$80,125,813
2024	$80,750,118	$20,193	$4,641,992	$85,412,303	$0	$85,412,303

(1) Net of exemptions other than homeowners' exemptions. Valuations are determined as of January 1 preceding the respective fiscal year.
(2) Tax increments were allocations made to the Redevelopment Agency under authority of the State of California Constitution, Article XVI. Beginning in Fiscal Year 2017-18, this figure is no longer provided by the County since only a portion of the Countywide 1% Tax will be remitted to the RPTTF for enforceable obligations. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – BONDS AND OTHER INDEBTEDNESS - Limited Obligations." No portion of the Police and Fire Retirement System pension tax override revenue will be remitted to the RPTTF.

Source: Alameda County Auditor-Controller's annual certificates of fiscal year assessed value. California Municipal Statistics Inc.

The following Table 2 indicates various land uses within the City based on assessed valuation and number of parcels for Fiscal Year 2023-24:

Table 2
City of Oakland
Assessed Valuation and Parcels by Land Use

Non-Residential:	2023-24 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Commercial/Office	$15,436,983,871	19.12%	6,060	5.38%
Vacant Commercial	216,078,972	0.27	372	0.33
Industrial	6,156,595,922	7.62	2,201	1.95
Vacant Industrial	318,516,675	0.39	405	0.36
Recreational	121,369,458	0.15	269	0.24
Government/Social/Institutional	343,541,040	0.43	3,339	2.96
Subtotal Non-Residential	$22,593,085,938	27.98%	12,646	11.22%
Residential:				
Single Family Residence	$39,112,879,837	48.44%	68,085	60.43%
Condominium/Townhouse	6,473,765,798	8.02	12,807	11.37
Mobile Home	33,696,541	0.04	173	0.15
2-4 Residential Units	3,686,015,477	4.56	12,974	11.52
5+ Residential Units/Apartments	8,395,320,197	10.40	3,146	2.79
Residential-Miscellaneous Uses	85,963,125	0.11	89	0.08
Vacant Residential	369,127,019	0.46	2,745	2.44
Subtotal Residential	$58,156,767,994	72.02%	100,019	88.78%
Total	$80,749,853,932	100.00%	112,665	100.00%

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics Inc.

The following Table 3 indicates the array of assessed valuation for single family homes in the City for Fiscal Year 2023-24:

Table 3
City of Oakland
Per Parcel 2023-24 Assessed Valuation of Single-Family Homes

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	68,085	$39,112,879,837	$574,471	$432,826

2023-24 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	2,411	3.541%	3.541%	$ 94,763,697	0.242%	0.242%
$50,000 - $99,999	5,538	8.134	11.675	412,448,738	1.055	1.297
$100,000 - $149,999	5,371	7.889	19.564	673,614,389	1.722	3.019
$150,000 - $199,999	4,893	7.187	26.750	853,352,480	2.182	5.201
$200,000 - $249,999	3,999	5.874	32.624	897,801,544	2.295	7.496
$250,000 - $299,999	3,531	5.186	37.810	967,409,921	2.473	9.970
$300,000 - $349,999	3,231	4.746	42.556	1,049,779,505	2.684	12.654
$350,000 - $399,999	3,129	4.596	47.151	1,172,746,832	2.998	15.652
$400,000 - $449,999	2,964	4.353	51.505	1,258,835,683	3.218	18.870
$450,000 - $499,999	2,962	4.350	55.855	1,405,710,931	3.594	22.464
$500,000 - $549,999	2,767	4.064	59.919	1,450,569,511	3.709	26.173
$550,000 - $599,999	2,424	3.560	63.479	1,390,159,217	3.554	29.727
$600,000 - $649,999	2,179	3.200	66.680	1,360,568,022	3.479	33.206
$650,000 - $699,999	1,948	2.861	69.541	1,313,048,369	3.357	36.563
$700,000 - $749,999	1,826	2.682	72.223	1,322,416,685	3.381	39.944
$750,000 - $799,999	1,743	2.560	74.783	1,349,761,672	3.451	43.395
$800,000 - $849,999	1,664	2.444	77.227	1,373,245,311	3.511	46.906
$850,000 - $899,999	1,533	2.252	79.479	1,340,006,143	3.426	50.332
$900,000 - $949,999	1,529	2.246	81.724	1,413,701,452	3.614	53.946
$950,000 - $999,999	1,212	1.780	83.504	1,181,620,856	3.021	56.967
$1,000,000 and greater	11,231	16.496	100.000	16,831,314,994	43.033	100.000
	68,085	100.000%		$39,112,879,837	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics Inc.

Tax Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property situated in the City as of the preceding January 1. A supplemental roll is developed when property is transferred or sold or new construction is completed that produces additional revenue.

All taxable real and personal property is classified as either "secured" or "unsecured." The "secured roll" contains real property (land and improvements), certain taxable personal property (such as business equipment on business-owned property), and possessory interests (a leasehold on otherwise exempt government property). The "unsecured roll" contains all other taxable property, the majority of which is business equipment on leased or rented premises, and other taxable personal property such as boats and aircraft, as well as delinquent possessory interests. The process of assessing commercial aircraft at Oakland International Airport takes into account the location of the aircraft during a representative period of time which is established for each tax year. The balance of personal property has been exempted by State law from property taxes.

Secured property taxes are due on November 1 and March 1 and become delinquent if not paid by December 10 and April 10, respectively. A 10% penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus interest at 1.5% per month from the July 1 first following the default. If taxes remain unpaid for a period of five years or more, the property is subject to auction sale by the County Tax Collector.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year; a lien is also recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) pursuing a civil action against the taxpayer; (2) filing a certificate in the office of the clerk of the court specifying certain facts in order to obtain a judgment lien on specific property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's Office in order to obtain a lien on specified property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Certain counties within the State, including the County, have adopted an "Alternative Method of Distribution of Tax Levies and Collections and Tax Sale Proceeds" authorized under the State Revenue and Taxation Code (the "**Teeter Plan**"). Under the Teeter Plan, local taxing agencies receive 100% of the tax levy for each fiscal year rather than on the basis of actual collections. The City does not participate in the Teeter Plan and thus absorbs current delinquencies and receives the payment of past delinquencies, penalties and interest.

The following Table 4 represents the City's tax levy and uncollected amounts for Fiscal Years 2017-18 through 2021-22. Included in these collections are the City's share of the 1% tax rate and levies for voter-approved indebtedness.

Table 4
City of Oakland
Property Tax Levies and Collections
Fiscal Years 2017-18 through 2021-22
($ In Thousands)

Fiscal Year	City's Share of 1%	Levied Voter-Approved Debt[1]	Total	Total Collected[2]	Percent Collected
2017-18	$116,778	$127,411	$244,189	$240,596	98.53%
2018-19	122,790	129,504	252,294	248,664	98.56
2019-20	130,998	140,258	271,256	266,497	98.25
2020-21	139,467	157,364	296,831	291,954	98.35
2021-22	146,646	171,901	318,547	313,023	98.27

(1) Includes levy for the City's general obligation bonds and the Pension Tax Override (as defined herein), which is used to pay the City's Pension Obligation Bonds. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Program – *Police and Fire Retirement System*" and "BONDS AND OTHER OBLIGATIONS – General Obligation Debt" and "-Pension Obligations Bonds."
(2) As of June 30 of the related Fiscal Year.
Source: County of Alameda, as shown in the City's Annual Comprehensive Financial Report for Year Ended June 30, 2022.

Assessment Appeals

The following Table 5 sets forth resolved and unresolved pending assessment appeals in the City as of July 10, 2023.

Table 5
City of Oakland
Pending Appeals of Assessed Valuations
as of July 10, 2023*

Pending Appeals (2017-18 through 2022-23)	
Number of Pending Appeals	654
Total Assessed Value Under Appeal	$ 10,625,724,211
Owner's Opinion of Value	$ 5,576,998,150
Maximum Potential Loss[(1)]	$ 5,048,726,061
Maximum Potential Loss as Percent of Value under Appeal	52.49%
Resolved Appeals (Fiscal Year 2022-23)	
Number of Resolved Appeals	39
Total Appealed Value of Resolved Appeals	$ 129,803,755
Appeals Denied	10
Assessed Value of Denied Appeals	$ 107,491,811
Appeals Allowed with Change of Value	29
Original Assessed Value of Allowed Appeals	$ 22,311,944
Value Determined by Appeals Board	$ 18,536,647
Board Approved Reduction in Value	$ 3,775,297
Percent of Original Assessed Value of Allowed Appeals Reduced	16.92%
City of Oakland 2022-23 Taxable Value[(2)]	$ 84,568,067,314
Maximum Appeals Loss[(1)]	$ 5,048,726,061
Percent of Taxable Value	5.97%

*Most current data available.
(1)Assumes all pending assessment appeals are resolved fully in favor of property owner.
(2) This amount represents the full taxable value for the City including secured, unsecured and utility, as reported in the Alameda County Auditor-Controller Report of Fiscal Year 2022-23 Assessed Values. It does not include homeowners' exemption, Aircraft or State Board of Equalization non-unitary values.
Source: Alameda County Assessment Appeals Board.

Tax Rates

The City consists of 47 tax rate areas. The following Table 6 sets forth a five-year history of the property tax rates levied by the City and other local government agencies on properties in the City for Fiscal Years 2018-19 through 2022-23.

Table 6
City of Oakland
Property Tax Rates[(1)]
Fiscal Years 2018-19 through 2022-23

Fiscal Year	Countywide Tax[(2)]	City of Oakland[(3)]	Others[(4)]	Total
2018-19	1.0112%	0.1982%	0.1896%	1.3999%
2019-20	1.0108	0.1975	0.2252	1.4335
2020-21	1.0036	0.2012	0.2137	1.4185
2021-22	1.0041	0.2011	0.2270	1.4322
2022-23	1.0103	0.2035	0.2287	1.4425

(1) The Tax Rates shown are the highest tax rates among the City's tax rate areas. The City's other tax rate areas have lower tax rates, the lowest total tax rate in Fiscal Year 2022-2023 being 1.3584%, resulting from different school districts and community college districts.
(2) Includes County-wide general 1% tax levy and County general obligation bonds tax rates.
(3) Tax rates for tax override collected for obligations relating to PFRS and revenues collected to fund debt service on general obligation bonds.
(4) "Others" will include bonded indebtedness for local school and community college districts and special districts such as the Bay Area Rapid Transit District, East Bay Regional Park District and East Bay Municipal Utility District Special District No. 1.

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

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Principal Secured Property Taxpayers

The following Table 7 sets forth the 20 largest secured taxpayers in terms of secured property in the City in Fiscal Year 2023-24.

Table 7
City of Oakland
Largest Fiscal Year 2023-24 Local Secured Taxpayers

Property Owner		Primary Land Use	2023-24 Assessed Valuation	% of Total[1]
1.	BA2 300 Lakeside LLC	Office Building	$467,811,767	0.58%
2.	Uptown Broadway LLC	Office Building	438,146,100	0.54
3.	CP VI Franklin LLC	Apartments	435,090,813	0.54
4.	SOFXI WFO Center 21 Owner LLC	Office Building	378,508,784	0.47
5.	SFIII FOS 1111 Broadway Holding LLC	Office Building	334,331,885	0.41
6.	Nash Holland 24th & Harrison Investors	Apartments	292,522,129	0.36
7.	KRE 1221 Broadway Owner LLC	Office Building	269,939,421	0.33
8.	601 City Center LLC	Office Building	264,813,252	0.33
9.	CSHV 1999 Harrison LLC	Office Building	250,837,633	0.31
10.	3093 Broadway Holdings LLC	Apartments	248,294,219	0.31
11.	USPA City Center LLC	Office Building	236,664,480	0.29
12.	Kaiser Foundation Health Plan Inc.	Office Building	233,510,887	0.29
13.	LMV 1640 Broadway Holdings LP	Apartments	206,405,857	0.26
14.	CP V JLS LLC	Apartments	201,899,460	0.25
15.	MPI Macarthur Tower LLC	Apartments	194,376,689	0.24
16.	Jack London Square Development Oakland	Apartments	192,223,088	0.24
17.	KRE 1330 Broadway Owner LLC	Office Building	188,705,438	0.23
18.	BSREP II Station on 12th LLC	Apartments	186,198,078	0.23
19.	BIT Macarthur Commons Investors LLC	Apartments	184,048,502	0.23
20.	Oakland Grand Owner LLC	Office Building	183,954,750	0.23
			$5,388,283,232	6.67%

(1) 2023-24 Local Secured Assessed Valuation: $80,749,853,932.
Source: California Municipal Statistics, Inc.

CERTAIN RISK FACTORS

Factors Affecting Property Tax Security for the Bonds

The annual property tax rate for payment of the Bonds will be based on the total assessed value of taxable property in the City and the scheduled debt service on the Bonds in each year. Fluctuations in the annual debt service on the Bonds and/or in the assessed value of taxable property in the City may cause the annual property tax rate applicable to the Bonds to fluctuate. In addition, issuance by the City of additional authorized bonds payable from *ad valorem* property taxes may cause the overall property tax rate to increase. Discussed below are certain factors that may affect the City's ability to levy and collect sufficient *ad valorem* taxes to pay scheduled debt service on the Bonds each year.

Total Assessed Value of Taxable Property in the City. The greater the assessed value of taxable property in the City, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the City's general obligation bonds. The total assessed valuation of taxable property in the City for Fiscal Year 2023-24, as indicated by the Alameda County Auditor-Controller, was approximately $85.4 billion, compared to $80.1 billion in Fiscal Year 2022-23. See Tables 1, 2, 3, and 6 above for information regarding the City's tax rate and fiscal year assessed valuation.

Natural and economic forces can affect the assessed value of taxable property in the City. See also Tables 1, 2 and 3 above." The City is located in a seismically active region, and damage from an earthquake in or near the City could cause moderate to extensive or total damage to taxable property. See "*Seismic Risks*" below. Other natural or man-made disasters, such as wildfires and sea level rise as well as acts of terrorism or public health emergencies, such as the COVID-19 pandemic, could also cause a reduction in the assessed value of taxable property within the City. See also "*Natural Hazards*" and "Public Health Emergency – COVID-19." Economic and market forces, such as a downturn in the Bay Area's economy, or legislative changes impacting tax deductions, for example, can also affect assessed values, particularly as these forces might trigger an increase in foreclosures or in delinquent tax payments or in the number of requests submitted to the assessment appeals board for a reduction in assessed value of taxable property in the City.

Additionally, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). See "PROPERTY TAXATION" for a discussion of the City's assessed valuation, tax rates and delinquencies and assessment appeals. For a discussion of the City's other taxes, See APPENDIX A - "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - OTHER TAXES AND REVENUES."

Concentration of Taxable Property Ownership. The more property (by assessed value) owned by any single taxpayer, the more exposure of tax collections to weakness in that taxpayer's financial situation and ability or willingness to pay property taxes. For Fiscal Year 2023-24, no single taxpayer owned more than 0.58% of the total taxable property in the City. See Table 7 titled "City of Oakland, Largest Fiscal Year 2023-24 Local Secured Taxpayers" above.

Property Tax Rates. Another factor impacting the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The total tax rate per $100 of assessed value (including the basic countywide 1% rate required by statute) is shown for each of the last five years in Table 6 titled "City of Oakland, Property Tax Rates" above.

Debt Burden on Owners of Taxable Property in the City. Another measure of the debt burden on local taxpayers is total debt as a percentage of taxable property value. As of September 1, 2023, the City had outstanding approximately $597.5 million in aggregate principal amount of general obligation bonds, which equals approximately 0.70% of the total taxable assessed valuation of the City reported by Alameda County Auditor-Controller for Fiscal Year 2023-24, as shown in Table 23 titled "City of Oakland, General Obligation Bonds" in APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – BONDS AND OTHER INDEBTEDNESS – General Obligation Debt."

Additional Debt; Authorized but Unissued Bonds. Issuances of additional authorized bonds can cause the overall property tax rate to increase. As of January 1, 2023, the City had voter approval for $970.7 million in aggregate principal amount of bonds payable from *ad valorem* property taxes which have not yet been issued, including the Bonds, as shown in Table 24 titled "City of Oakland, General Obligation Bond Remaining Authorization as of September 1, 2023" in APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – BONDS AND OTHER INDEBTEDNESS – General Obligation Debt." The City expects that, from time to time, it will propose further bond measures to the voters to help meet its capital needs.

Natural Hazards

Property values in the City could be reduced by natural hazards and/or the occurrence of natural disasters beyond the City's control, including, but not limited to some of the events listed below. It is not possible for the City to make any representation regarding the extent to which the occurrence of any of these hazards could cause reduced economic activity within the boundaries of the City or may impact the taxable property within the City.

Seismic Risks. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area. Three major earthquake faults that comprise the San Andreas fault system extend through the Bay Area, including the San Andreas fault, the Hayward fault, and the Calaveras fault. Portions of the City have been identified as liquefaction and earthquake-induced landslide zones pursuant to Section 2696 of the California Public Resources Code. The effects of strong ground shaking, liquefaction, landslides, or other ground failure account for approximately 95 percent of economic losses caused by an earthquake.

During the past 155 years, the Bay Area has experienced several major, and numerous minor, earthquakes. The largest was the 1906 San Francisco earthquake along the San Andreas fault, which passed thru the San Francisco Peninsula, west of the City, with an estimated magnitude of 8.3 on the Richter scale of earthquake intensity. More recently, on August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The City did not suffer any material damage as a result of this earthquake. The Napa earthquake was the largest earthquake in the Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which registered 6.9 on the Richter scale. The Loma Prieta earthquake caused fires and collapses of, and structural damage to, buildings, highways and bridges in the Bay Area, including in the City.

In March 2015, the 2014 Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey ("**USGS**"), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of magnitude 6.7 (the magnitude of the 1994 Northridge earthquake) or larger will occur in the San Francisco Bay Area before the year 2043. In addition, the USGS released a report in April 2017 entitled "The HayWired Earthquake Scenario," which estimates that property damage and direct business disruption losses from a magnitude 7.0 earthquake on the Hayward Fault would be more than $82 billion (in 2016 dollars). Most of the losses are expected to be attributable to shaking damage, liquefaction, and landslides (in that order). Such earthquakes may be very destructive. Property within the City could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the area's economic activity.

Wildfire. In recent years, portions of California, including several areas in Northern California, have experienced multiple significant wildfires that have burned thousands of acres and destroyed thousands of homes and structures, such as the Camp Fire in Butte County in November 2018, which burned over 150,000 acres, destroyed over 18,000 structures, and caused approximately $16.5 billion in damage. Property damage due to a wildfire could result in a significant decrease in the assessed value of property in the City. In October 1991, a firestorm on the hillsides of the northern section of the City and southeastern Berkeley burned 1,520 acres and destroyed over two thousand single-family homes and hundreds of apartment and condominium units. The economic loss from that fire was estimated at $1.5 billion.

In 2020 and 2021, parts of the City experienced several blackout days as a result of PG&E's wildfire prevention strategy, the Public Safety Power Shutoff ("**PSPS**"). Additional PSPS events may occur in the future and it is uncertain what effects these future PSPS events could have on the local economy.

In addition, the smoke from wildfires impacts the quality of life in the Bay Area and the City, and, if the frequency of wildfires increases, it could impact the desirability of the City and the Bay Area as places to live, potentially impacting real estate market trends and values.

It is not possible for the City to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the City or the extent to which wildfires may impact the value of taxable property within the City.

The City's Vegetation Management Unit ("**VMU**") serves to inspect properties in the City's Oakland Hills, much of which is designated as a Very High Fire Hazard Severity Zone ("**VHFHSZ**"). The VMU works under the City's Fire Prevention Bureau and is responsible for the inspection of homes and vacant parcels in the VHFHSZ. The purpose of these inspections is to identify and mitigate hazards and reduce the amount of fuel (combustible, flammable vegetation) that could contribute to the spread, growth, and intensity of wildfire. Inspections are done annually, and property owners are required to actively maintain their parcels in a fire-safe condition year-round. The City's Fire Prevention Bureau launched a pilot program in 2020 that generated a proactive approach for property owners to participate in the re-inspection process for non-compliance violations found in an initial inspection. In Fiscal Year 2021-22, 27,133 total inspections (including re-inspections) were completed and 13,765 parcels were found to be compliant.

Drought. In recent years California has experienced severe drought conditions. In January 2014, the Governor declared a state-wide "Drought State of Emergency" due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the "**State Water Board**") subsequently issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In a series of proclamations in 2021 (April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021 (the "**2021 Drought Proclamations**")), the Governor encouraged Californians to materially reduce their water usage and empowered the State Water Board to adopt regulations to prohibit certain wasteful water use practices. On March 28, 2022, the Governor signed Executive Order N-7-22, escalating prior water conservation efforts noting that a majority of California remains under "extreme and expanding drought" conditions. Executive Order N-7-22 effected significant policies, including, suspending any ordinance, policy or requirement of any kind that prohibits the hauling of water if the water is for human consumption, cooking or sanitization, and prohibiting the City and other public agencies from approving or issuing permits for certain groundwater wells or the alteration of certain existing wells. However, due to increased rainfall in late 2022 and early 2023, some of these restrictions were rescinded. See "- *2022-23 Winter Storms*." Specifically, in March 2023, following one of the wettest winters on record, the Governor rolled back certain drought restrictions, but material restrictions and prohibitions remain in effect. It is not possible for the City to make any representation regarding the extent to which drought conditions or proclamations could cause reduced economic activity within the boundaries of the City or the extent to which the drought has had or may have in the future an impact on the value of taxable property within the City.

2022-23 Winter Storms. California experienced an unseasonably wet winter in late 2022 and early 2023 marked by an unexpected increase in rain and snowfall (the "**2022-23 Winter Storms**"), which impacted communities throughout the State, including the City. The increased rainfall brought by the 2022-23 Winter Storms eased drought conditions considerably, resulting in the Governor rescinding some of the drought restrictions as described above.

Flooding. The City has approximately 560 properties where the purchase of flood insurance is required due to such properties being located within a flood-prone area as outlined in the National Flood

Insurance Program ("**NFIP**") managed by Federal Emergency Management Agency ("**FEMA**"). Full compliance and good standing under the NFIP are application prerequisites for most FEMA grant programs. The City is in compliance with all NFIP requirements and in good-standing. Flooding can take many forms - river floods, storm-related flash floods, and coastal floods, for example - and can be caused by a variety of reasons, including heavy rains, such as the 2022-23 Winter Storms, melting snow, and inadequate drainage systems. Urbanization also increases the risk of flooding by increasing stormwater runoff and, to a lesser extent, erosion. A UC Berkeley study, *"Toxic Tides and Environmental Injustice: Social Vulnerability to Sea Level Rise and Flooding of Hazardous Sites in Coastal California,"* published in May 2023, documented the rising groundwater levels across the Bay Area, including the City, relating to sea level rise and the potential for it to increase the intensity and impact of flooding in coastal areas. See also "- *Climate Change; Risk of Sea Level Rise*."

Landslides. More than half of the City's area, including most of its vacant land, consists of gently sloping or hilly land. Most sloping land has some landslide potential. The risks tend to be greatest where a number of contributing factors are present, including slopes over 15 percent, weak, unconsolidated or shallow soils, water saturation, a history of landslides, active earthquake faults, extensive grading and vegetation removal (from fires or development activity). The slide itself is usually triggered by an earthquake, heavy rain or misdirected runoff. Landslides are a relatively common hazard in the East Bay hills, especially during and soon after heavy rainstorms, when the ground is saturated. Mudslides - fast, shallow movements of water-saturated earth that flow as muddy slurries, typically following water courses - are the most common type of landslides in the City; they are also known as debris flows or soil slumps.

Approximately one-quarter of the City, including all of the Oakland Hills, contains slopes greater than 15 percent. Slopes of 15-30 percent are considered developable but are likely to require site modification or special grading or foundation design to reduce the potential for slope instability. Slopes of that degree are found in the City throughout the southern Oakland Hills, in the roughly triangular area formed by I-580 and State Highways 13 and 24, in the vicinity of Northeastern University's Mills College campus and Eastmont, and on some of the hills around Lake Merritt. Development on slopes exceeding 30 percent is considered difficult and potentially hazardous. Such slopes are concentrated throughout the Oakland Hills (especially in the northern hills) and within two miles south of Highway 13. The landslide hazard in the Oakland Hills is exacerbated by the fact that the area is crossed by the Hayward fault. During a major earthquake on that fault, landslides, widespread failure of steep slopes and the collapse of natural stream banks are anticipated in the Oakland Hills in response to the strong ground movements anticipated with such a quake. Landslides could block roads, which would hamper evacuation, firefighting and relief operations within the area.

Nevertheless, landslides are not expected to produce a large-scale disaster; rather, they present a persistent risk of damage to buildings and infrastructure in areas of potentially unstable slopes and potential bodily injury or loss of life, from the collapse of structures and tumbling earth, rocks, and debris. Although the landslide hazard cannot be completely eliminated, damage can be minimized by following proper development practices or by steering development away from areas of unstable slopes. While efforts have been taken by the City through the development process to minimize landslide potential, most hillside development predates the imposition of grading and related requirements. For this reason, older hillside homes and subdivisions are the most susceptible to damage from landslides.

Climate Change; Risk of Sea Level Rise. Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

In 2018, the State of California Ocean Protection Council published its State of California Sea-Level Rise Guidance (Update), which provides projections for increases in sea levels and associated risk factors. This report indicates that ocean levels along the California coast are likely to increase between 2.4 and 3.4 feet by 2100, with the potential for increases of 5.7 to 6.9 feet in Medium-High Risk Aversion scenarios and 10.2 feet in the Extreme Risk Aversion Scenario. The Bay Conservation and Development Commission, which is the State agency tasked with leading the San Francisco Bay Area's preparedness for, and resilience to, rising sea level, tides, and storm surge due to climate change, has done additional analysis of the impacts of local tidal influences and storm surges under these sea level rise scenarios, and projects that storm surges and king tides can result in temporary flooding conditions equivalent to an additional 14 to 41 inches above the sea level rise projections. Projected possible impacts of climate change in the City include rising Bay and delta waters, increased vulnerability to flood events, and exposure to soil toxins resulting from flooding and rising groundwater due to sea level rise, decreased potable water supply due to saltwater intrusion into groundwater reservoirs and shrinking Sierra snowpack, increased fire danger, more extreme heat events and public health impacts, and added stress on infrastructure associated with sea level rise due to development on its coastline.

On December 4, 2012, the City Council adopted an Energy and Climate Action Plan (the "**2012 ECAP**") for the purpose of identifying and prioritizing actions that the City can take to reduce energy consumption and greenhouse gas emissions in the City through 2020, including a 36% reduction in Citywide greenhouse gas emissions from those recorded in 2005. On October 20, 2018, the City Council adopted a Climate Emergency and Just Transition Resolution endorsing the declaration of a climate emergency and requesting regional collaboration on an immediate just transition and emergency mobilization effort to restart a safe climate. In connection with that effort, the City began a robust process to expand the 2012 ECAP to meet or exceed greenhouse emission targets, with a new target of 56% reduction by the year 2030, in addition to continued implementation of other priority actions set forth in the plan. The resulting Oakland 2030 Equitable Climate Action Plan adopted by the City Council on July 28, 2020, (the "**2030 ECAP**") reflects the City's strategy for an equitable transition to a low-carbon economy. The goal of the 2030 ECAP is to identify an equitable path towards cost-effectively reducing the City's local climate emissions by a minimum of 56%, transitioning away from fossil fuel dependence, and ensuring that all of the City's communities are resilient to the foreseeable impacts of climate change (especially those communities hit hardest by social and economic injustices), by 2030. See also APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – OVERVIEW - Commitment to Environmental, Social and Governance (ESG) Principles."

The City is unable to predict whether sea level rise or any other impacts of climate change will occur, the extent to which they will occur, when they may occur, and, if any such events occur, whether they will have a material adverse effect on the financial condition of the City and the local economy.

Hazard Mitigation. The City has developed, and the City Council has adopted, a hazard mitigation plan (updated as of July, 2021 and referred to as the "**Hazard Mitigation Plan 2021-2026**"). The Hazard Mitigation Plan 2021-2026 has as its objective to reduce risks from disasters (including, but not limited to those discussed above) to the people, property, economy, and environment within the City and seeks, among other things, to:

- Enable the City to apply for federal grant funding to reduce hazard risk through mitigation.
- Fulfill state and federal requirements for hazard mitigation planning.
- Create a risk assessment that focuses on the hazards of concern in the City.

- Coordinate existing plans and programs so that high-priority projects to mitigate potential disaster impacts are funded and implemented.

- Establish eligibility for funding under FEMA grant programs.

Additionally, in 2017, the City filed a lawsuit against the five largest investor-owned fossil fuel companies in Alameda County Superior Court, entitled *The People of the State of California, acting by and through the Oakland City Attorney, Barbara J. Parker, v. BP P.L.C., et al*. This case is a public nuisance action (filed together with other local governments on behalf of the people of the State) responding to alleged efforts by such fossil fuel/oil companies to hide the impacts of climate change hazards like sea level rise. After it was filed in State court, the defendants removed the case to federal court. In this action, the City Attorney, on behalf of the People of the State, is seeking to have the defendant oil companies found liable for creating, participating in, and/or perpetuating a public nuisance and to have them ordered to abate the nuisance, including via an equitable abatement fund of multi-millions of dollars to address, among other things, the hazards of sea level rise for the City's property, infrastructure, and residents.

The United States District Court Northern District of California entered judgment in favor of the defendants on July 27, 2018. The City Attorney, on behalf of the People of the State, filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit. On May 26, 2020, the Ninth Circuit reversed and found in favor of the People of the State and remanded the case to the District Court. Defendants sought certiorari to the United States Supreme Court, which was denied on June 14, 2021. The District Court has ordered that the case be remanded to State court, but that decision has been stayed pending appeal in the Ninth Circuit. The City Attorney is now awaiting action by the Ninth Circuit before the case can be remanded to State court and litigated on the merits.

While the City believes that its claim is meritorious, there can be no assurance as to whether the case will be successful nor whether the City will obtain the requested relief from the courts or desired contributions to an abatement fund from the defendants.

Public Health Emergency – COVID-19

The outbreak of the novel strain of coronavirus called COVID-19, which was declared a global pandemic by the World Health Organization in February 2020, materially and adversely impacted local and global economies, as governments, including the City, businesses, and citizens reacted to, planned for, and tried to prevent or slow further transmission of the virus. The City experienced significant and material economic and tax revenue losses associated with the COVID-19 pandemic and increased expenses due to public health responses. With the significant decline of COVID-19 case rates and increase in vaccination rates, emergency orders have been lifted, the national and local economy has begun improving, and scientists predict that COVID-19 will become endemic over time. However, the resulting and long-term impacts of COVID-19 on the City's economy, finances and operations are not fully known. Uncertain too are the actions that may be taken by federal and State governmental authorities to contain or mitigate the effects of COVID-19. See also APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – BUDGET AND FINANCIAL OPERATIONS – City's General Financial Condition and Impact of COVID-19 Pandemic."

Notwithstanding the impacts that COVID-19 may have on the global, national or local economy, or on the City's revenues, the Bonds are voter-approved general obligations of the City payable solely from the levy and collection of *ad valorem* property taxes and are not payable from the general fund of the City. The City's assessed valuation and property-related revenues have continued to grow at a steady rate. See "PROPERTY TAXATION" above. However, there can be no assurances that such growth will continue in the future.

Possible Limitation on Remedies; Bankruptcy

General. Enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Bankruptcy. Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the City were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the City (including *ad valorem* tax revenues) or to enforce any obligation of the City, without the bankruptcy court's permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the City may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, in such a proceeding, as part of such a plan, the City may be able to eliminate the obligation of the City to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any City bankruptcy proceeding, the fact of a City bankruptcy proceeding, could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if the City were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. State law provides that the *ad valorem* taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the City's general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* taxes is respected in a bankruptcy case, then the *ad valorem* tax revenue could not be used by the City for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the City, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such taxes, so payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed (unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code).

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The City has specifically pledged the taxes for payment of the Bonds. Additionally, the *ad valorem* taxes levied for payment of the Bonds are permitted under the State Constitution only where the applicable bond proposition is approved by at least two-thirds of the votes cast. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the applicable Bond proposition so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

In addition, even if the *ad valorem* tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the City is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of the City or the Projects before the remaining revenues are paid to the owners of the Bonds.

Accordingly, bondholders may experience delays or reductions in payment on the Bonds, the Bonds may decline in value or bondholders may experience other adverse effects should the City file for bankruptcy.

Possession of Revenues; Remedies. If the City goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the City does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Cybersecurity and Threats

As a large public sector organization, the City manages a complex technical environment. Through its normal operations, the City collects, processes, and maintains potentially sensitive information about residents, businesses, employees, contractors, and elected officials, making it a target for sophisticated, professional criminal organizations. As such, cybersecurity is of the utmost importance to the successful ongoing operations of the City. The City's Information Technology Department ("**ITD**") continually initiates projects aimed at strengthening the City's overall technology infrastructure and automating processes, monitoring systems, and analyzing operational and security issues in real-time. The City believes these measures improve its ability to effectively respond to incidents once detected. Regarding specific security measures, the City has invested significant resources to establish a new Information Security Office ("**ISO**") as part of ITD, reporting directly to the City's Chief Information Officer.

The ISO is responsible for the active monitoring of the City's technology systems, as well as analysis, discussion and development of information security policy. The City is finalizing the implementation of citywide policies and procedures aligned to the National Institute of Standards and Technology, Special Publication 800-53, Security and Privacy Controls for Information Systems and Organizations ("**NIST SP800-53 Rev 5**"). In addition to frameworks and policies, the ISO also recognizes the need for dedicated security personnel and ongoing training. Frameworks and policies are only effective if they are enforced and tools are only effective if they remain current. Combating cybersecurity threats from both inside and outside the organization is an ongoing active endeavor, as the threats are continually evolving. While the City maintains its technology systems and continuously implements new information security controls, no assurances can be given that the City's will be successful in guarding against all cyber threats and attacks. To help mitigate the impacts of any such impacts, the City carries a cyber insurance policy.

In February 2023, the City experienced a security incident that resulted in several IT systems being taken offline, as well as the exfiltration of certain City records and data. From the start of the incident through present day, the City has regularly and diligently kept its residents and impacted parties notified, working with industry experts to identify and resolve issues, and has instituted and maintained a state of emergency to facilitate rapid contracting in support of its investigative and remediation efforts. Specifically, on the morning of February 9, 2023, the ITD became aware of activity on the City's network. The City immediately engaged with a forensics firm and by midafternoon, the threat had been fully contained. The City further determined its 911, Office 365, and financial enterprise resource planning systems (Oracle) were not impacted.

On February 10, 2023, the City engaged outside legal counsel and technical assistance through its cyber liability insurance service. The City also notified the public that it had recently been subject to a ransomware attack. On February 14, 2023, the City Council enacted a local state of emergency to enable rapid responses and contracting and activated its Emergency Operations Center ("**EOC**") to mobilize all City departments, agencies, and resources to respond to the incident (the "**Local State of Emergency**"). On February 15, 2023, the City posted a voluntary EMMA Notice disclosing the occurrence of the security incident. Twelve days after the initial attack, the City announced that its core network, access to public computers and services at libraries and Wi-Fi at City facilities were restored and that critical (i.e., non-emergency) public safety services were also restored, including the City's network. By February 22, 2023, more public safety systems, and access to the City's financial system were restored along with permitting services. By February 28, 2023, the City's contracting and funding opportunities system were restored.

On March 3, 2023, the City learned the threat actor had published approximately 10GB of exfiltrated data acquired from the breach of the City's network on the "dark web." *i.e.*, a website not searchable via the traditional Internet. The City subsequently determined that the personal information of employees employed between July 2010 - January 2022 was published and began notifying impacted employees and mailing notification letters to impacted residents to provide them with further details and resources to help protect their personal information. The City posted fraud protection best practices to its website and created a dedicated email line for affected parties.

In April 2023, the City completed an extensive manual review of the data and determined that the personal information of certain current and former employees and a limited subset of residents (such as some individuals who filed a claim against the City or applied for certain federal programs with the City) was exposed in the confirmed incident. On April 5, 2023, the City became aware that the same unauthorized third-party had posted additional data allegedly taken from City systems during the incident in February to the dark web. The second data leak totaled approximately 590GB. By May 4, 2023, nearly all City IT systems that were impacted as a result of this incident had been restored; GIS, work order systems, business licenses, and more were fully operational. As part of its remediation effort, the City also significantly improved its security operations, including the deployment of multifactor authentication, and implementation of 24/7 monitoring and remediation services, and began development of formal incident response plans to guide the activities of the EOC should such an event happen again.

On June 23, 2023, despite service restoration, the Local State of Emergency was renewed and continued to allow for procurement of emergency technical services and to assess and provide for new safeguards leading into budget season. On August 24, 2023, the City announced the results of its analysis of the second, larger data leak and began notifying impacted individuals and providing free credit monitoring services. Although the City incurred costs and expenses related to the considerable staff time involved, engaging outside consulting services to respond to and address the incident, and ongoing budget impacts for enhanced IT (as described below), the City's finances were not materially impacted by the incident.

The City's 2023-2025 biennial budget allocates $10 million over two years to further improve and enhance security and technology throughout the City, including upgrading IT infrastructure; hiring new operations and security staff; migrating to Cloud services; and investing in new security tools and technologies such as business continuity and disaster recovery systems, and procedures. Alongside these efforts, the City's ERP financial system is being migrated to Oracle Cloud Infrastructure (OCI) with an expected completion date of mid-2024.

No assurances can be made that the security and other measures taken by the City will be successful in guarding against another cyber threat or attack. The City cannot predict the outcome of any future attack nor its effect on the City's operations and finances. The results of any attack on the City's computer and information technology systems could have a material adverse impact on the operations of the City and damage its digital networks and systems.

TAX MATTERS – TAX-EXEMPT BONDS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code*,* however for tax years beginning after December 31, 2022, interest on the Tax-Exempt Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with the Tax-Exempt Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Tax-Exempt Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Bonds in order that interest on the Tax-Exempt Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Tax-Exempt Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Tax-Exempt Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Tax-Exempt Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Tax-Exempt Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Tax-Exempt Bonds.

Prospective owners of the Tax-Exempt Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Tax-Exempt Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("**OID**") is the excess of the sum of all amounts payable at the stated maturity of a Tax-Exempt Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Tax-Exempt Bonds. In general, the issue price for each maturity of Tax-Exempt Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Tax-Exempt Bonds having OID (a "**Tax-Exempt Discount Bond**"), OID that has accrued and is properly allocable to the owners of the Tax-Exempt Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Tax-Exempt Bonds.

In general, under Section 1288 of the Code, OID on a Tax-Exempt Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Tax-Exempt Discount Bond. An owner's adjusted basis in a Tax-Exempt Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Tax-Exempt Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Tax-Exempt Discount Bond even though there will not be a corresponding cash payment.

Owners of Tax-Exempt Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Tax-Exempt Discount Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "**Tax-Exempt Premium Bond**"). In general, under Section 171 of the Code, an owner of a Tax-Exempt Premium Bond must amortize the bond premium over the remaining term of the Tax-Exempt Premium Bond, based on the owner's yield over the remaining term of the Tax-Exempt Premium Bond determined based on constant yield principles (in certain cases involving a Tax-Exempt Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Tax-Exempt Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a Tax-Exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Tax-Exempt Premium Bond may realize a taxable gain upon disposition of the Tax-Exempt Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Tax-Exempt Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Tax-Exempt Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Tax-Exempt Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Tax-Exempt Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds under federal or state law or otherwise prevent beneficial owners of the Tax-Exempt Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Tax-Exempt Bonds.

Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS – U SERIES 2023A-2 BONDS

In the opinion of Bond Counsel to the City, (i) interest and original issue discount (as described herein) on the U Series 2023A-2 Bonds is included in gross income for federal income tax purposes and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of California.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of U Series 2023A-2 Bonds by original purchasers of the U Series 2023A-2 Bonds who are "U.S. Holders," as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the U Series 2023A-2 Bonds will be held as "capital assets"; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the U Series 2023A-2 Bonds as a position in a "hedge" or "straddle," U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire U Series 2023A-2 Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements and file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the U Series 2023A-2 Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of U Series 2023A-2 Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the U Series 2023A-2 Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if OID is greater than a statutorily defined *de minimis* amount, a U.S. Holder of a U Series 2023A-2 Bond must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such U Series 2023A-2 Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder's method of accounting. "OID" is the excess of (i) the "stated redemption price at maturity" over (ii) the "issue price." For purposes of the foregoing: "issue price" means the first price at which a substantial amount of the U Series 2023A-2 Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); "stated redemption price at maturity" means the sum of all payments, other than "qualified stated interest," provided by such U Series 2023A-2 Bond; "qualified stated interest" is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and "*de minimis* amount" is an amount equal to 0.25 percent of the U Series 2023A-2 Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a U Series 2023A-2 Bond using the constant-yield method, subject to certain modifications.

Bond Premium

In general, if a U Series 2023A-2 Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the U Series 2023A-2 Bond other than "qualified stated interest" (a "**Taxable Premium Bond**"), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as "amortizable bond premium" over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder's basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a U Series 2023A-2 Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the U Series 2023A-2 Bond.

The City may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the U Series 2023A-2 Bonds to be deemed to be no longer outstanding under the Fiscal Agent Agreement. For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the U Series 2023A-2 Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. Holders of the U Series 2023A-2 Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a U Series 2023A-2 Bond and the proceeds of the sale of a U Series 2023A-2 Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of U Series 2023A-2 Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "**U.S. Holder**" means a beneficial owner of a U Series 2023A-2 Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the U Series 2023A-2 Bonds under state law and could affect the market price or marketability of the U Series 2023A-2 Bonds.

Prospective purchasers of the U Series 2023A-2 Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Hawkins Delafield & Wood LLP, San Francisco, California, Bond Counsel to the City. Certain matters will be passed upon for the City by Husch Blackwell LLP, Oakland, California, as Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP in connection with the Bonds. Bond Counsel, Disclosure Counsel, Counsel to the Underwriters, and the City Attorney undertake no responsibility for the accuracy, completeness or fairness of this Official Statement. Payment of fees of Bond Counsel and Disclosure Counsel is contingent upon the issuance of the Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC is acting as a municipal advisor to the City ("**Municipal Advisor**") with respect to the Bonds. The Municipal Advisor has assisted the City in the review and preparation of this Official Statement and in other matters relating to the planning, structuring, execution and delivery of the Bonds. The Municipal Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement and assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Municipal Advisor will receive compensation from the City contingent upon the sale and delivery of the Bonds.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending, or to the knowledge of the City, threatened, concerning the validity of the Bonds, or the City's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the City's ability to issue the Bonds. The City is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the title to their offices of City officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. See also APPENDIX A - "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – LEGAL MATTERS AND RISK MANAGEMENT - Litigation."

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate, the City will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the City by not later than nine months after the end of the City's Fiscal Year (currently June 30) (the "**Annual Report**"), commencing with the report for the Fiscal Year ending June 30, 2023, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the City (or its dissemination agent, if any) with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("**EMMA**") system. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events and the text of the Continuing Disclosure Certificate are set forth under the caption APPENDIX C – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants will be made in order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.

On limited occasions during the last five years, certain event notices of ratings changes were not made in a timely manner. The City has adopted additional practices to enhance timely filing and to review and monitor compliance with all of its continuing disclosure undertakings.

RATINGS

The Bonds have received the ratings of "Aa1" by Moody's Investors Service, Inc. ("**Moody's**") and "AA+" by Standard & Poor's Global Ratings ("**S&P**"). Each rating agency generally bases its rating on its own investigations, studies and assumptions. All such ratings reflect only the views of the respective rating agencies, and any explanation of the significance of any rating may be obtained from the rating agency furnishing such rating. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency furnishing the rating, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The City undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

UNDERWRITING

The Bonds are being purchased through negotiation by, Citigroup Global Markets Inc., on its own behalf and as representative of Siebert Williams Shank & Co., LLC (collectively, the "**Underwriters**"). The Underwriters have agreed to purchase the Bonds at a purchase price of $158,572,972.41 (representing the aggregate par amount of the Bonds, plus an original issue premium thereon ($5,251,061.30), less an Underwriters' discount of $283,088.89). The Underwriters are obligated to purchase all of the Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the bond purchase agreement relating to the Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the City and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriters may also offer and sell the Bonds to certain dealers and others at prices lower than the respective public offering prices stated or derived from information stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "**Fidelity**"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

FINANCIAL STATEMENTS

The audited annual financial report of the City for its Fiscal Year ended June 30, 2022, is included in APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2022." Said annual financial report has been audited by Macias Gini & O'Connell LLP, independent accountants (the "**Auditor**"), as stated in the Auditor's report appearing in APPENDIX B. The City has not requested, nor has the Auditor given, the Auditor's consent to the inclusion in APPENDIX B of its report. The Auditor has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such annual financial report.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to purchasers of the Bonds. Quotations from and summaries and explanations of the Resolutions, Ordinance, Bonds and the Fiscal Agent Agreement authorizing the Bonds and of statutes and other documents contained herein do not purport to be complete, and reference is hereby made to said Resolutions, Ordinance, Fiscal Agent Agreement, statutes and documents for full and complete statements of their provisions. Additional information can be obtained from the City's Director of Finance. Any statement in this Official Statement involving matters of opinion, whether or not expressly stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners or beneficial owners of any of the Bonds.

The preparation and distribution of this Official Statement have been duly authorized and approved by the City Council of the City of Oakland.

CITY OF OAKLAND, CALIFORNIA

By: /s/ Jestin D. Johnson
City Administrator

APPENDIX A

CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND

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The information in this appendix concerning the City's finances and operations is provided as supplementary information only, and it should <u>not</u> be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund or any other funds of the City. The Bonds are payable from the proceeds of an unlimited ad valorem tax approved by the voters of the City pursuant to all applicable laws and State Constitutional requirements and required to be levied by the City Council on property within the City in an amount sufficient for the timely payment of principal of and interest on each series of the Bonds. See "SECURITY FOR THE BONDS" in the front portion of this Official Statement.

Certain statements included or incorporated by reference in this APPENDIX A constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

OVERVIEW

General

The City of Oakland (the "**City**" or "**Oakland**") is located in the County of Alameda (the "**County**") on the eastern shore of the San Francisco Bay (the "**Bay**"), approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 55.9 square miles, the City is the most populous of the "**East Bay**" cities. The City is the seat of government for the County and is the eighth most populous city in the State of California (the "**State**"). Its geography ranges from industrialized areas in the west, which border the Bay, to suburban foothills in the east.

The City is the hub of an extensive transportation network, which includes several interstate freeways, which are key regional corridors for mobility and goods movement, the western terminus of major railroad and trucking operations, and one of the largest container-ship ports in the Unites States in the Port of Oakland. The City is also served by an active international airport and the Bay Area Rapid Transit system ("**BART**"), which connects the City by commuter rail to most of the San Francisco Bay area (the "**Bay Area**").

Formerly the industrial heart of the Bay Area, the City has developed into a vibrant metropolitan center, home to a diverse mix of residential neighborhoods and financial, governmental and commercial activities. The City's mix of traditional employers as well as companies from emerging industries are attracted to the City's quality of life, central Bay Area location close to where the workforce lives, comparatively low business costs, proximity to research institutions and vast intermodal transportation network. Leading industries include business services, healthcare services, transportation, food processing, light manufacturing, government, arts, culture, entertainment, and tech-startups.

Culturally, the City is home to a nationally-recognized symphony, many up-and-coming artistic and cultural institutions, an award-winning zoo, the Paramount Theatre and the Fox Theater, the recently remodeled Oakland Museum of California, and a celebrated restaurant scene. Oakland's diverse population is reflected in a variety of attractions, including a Chinatown, the Latin-infused Fruitvale area and the African American Museum and Library downtown.

Oakland boasts a wide array of parks and open space. In addition to its waterfront, the City maintains over 100 city parks, mini parks and open spaces, including Lake Merritt and Lakeside Park, home of the nation's oldest wildlife refuge and Fairyland, a popular children's theme park. The City counts lush green hills, redwood and other forests, creeks, an estuary and two lakes among its natural amenities. The extensive East Bay Regional Park District borders Oakland and is easily accessible from the City.

Population

The Demographic Research Unit of the California Department of Finance estimated the City's population as of January 1, 2023, at 419,556. This figure represents approximately 25.6% of the corresponding County figure and 1.1% of the corresponding State figure. The following Table 1 sets forth the estimated population of the City, the County, and the State for calendar years 2019 through 2023 with 2010 included as a benchmark reference.

Table 1
City of Oakland, County of Alameda and State of California
Population

Calendar Year	City	County	State
2010	390,724	1,510,271	37,253,956
2019	429,932	1,659,608	39,605,361
2020	432,327	1,663,114	39,648,938
2021	430,901	1,663,371	39,286,510
2022	421,806	1,644,248	39,078,674
2023	419,556	1,636,194	38,940,231

Note: Data reflect population estimates as of January 1 of each year except for 2010 data which is as of April 1, 2010.
Source: State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties, and the State, 2021-2023, with 2020 Census Benchmark*. Sacramento, California, Released May 1, 2023; State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties, and the State, 2011-2020, with 2010 Census Benchmark*. Sacramento, California, Release May 7, 2021.

Income

The following Table 2 summarizes personal income for the County (which is larger than, but encompasses, the City) for the calendar years 2017 through 2021, the most current year for which data is available. Personal income increased by 40.8% from 2017 to 2021. Per capita personal income in the area grew by 39.3% in that same time period.

Table 2
Personal Income and Per Capita Income
County of Alameda
2017 – 2021[(1)]

Year	Personal Income (in Thousands)	Annual Percent Change[(2)]	Per Capita Income	Annual Percent Change[(2)]
2017	$116,790,960	6.6%	$70,982	5.7%
2018	125,572,560	7.5	76,023	7.1
2019	135,758,980	8.1	81,802	7.6
2020	149,239,559	9.9	89,735	9.7
2021	164,437,681	10.2	98,858	10.2

(1) Most current data available as of the date of this Official Statement.
(2) Rounded numbers.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, *CAINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income, by County*, 2018-2022, last updated November 16, 2022 — new statistics for 2021; revised statistics for 2010-2020, data pulled on June 6, 2023. While the source data estimated per capita income based on the 2010 census, the estimates in this table were calculated using the population estimates shown above in Table 1.

Industry and Employment

The following Table 3 sets forth estimates of the civilian labor force, employment, and unemployment for County residents, State residents and United States residents from calendar years 2018 through 2022. The California Employment Development Department has reported preliminary unemployment figures for July 2023, at 4.6% for the State, 4.1% for the County and 4.1% for the Oakland-Hayward-Berkeley metropolitan division (seasonally adjusted).

Table 3
County of Alameda, State of California and United States[ǂ]
Civilian Labor Force, Employment and Unemployment
Annual Average[(1)] for Years 2018 through 2022[(2)]

Year and Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
2018				
County of Alameda	841,600	815,800	25,700	3.1%
California	19,289,500	18,469,900	819,600	4.2
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
County of Alameda	843,000	818,000	25,100	3.0%
California	19,413,200	18,617,900	795,300	4.1
United States	163,539,000	157,538,000	6,001,000	3.7
2020				
County of Alameda	819,700	746,500	73,200	8.9%
California	18,971,600	17,047,600	1,924,000	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
2021				
County of Alameda	813,000	763,500	49,500	6.1%
California	18,973,400	17,586,300	1,387,100	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
County of Alameda	825,600	798,400	27,200	3.3%
California	19,252,000	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6

(1) Data presented as annual averages, except where otherwise indicated. Data may not add due to rounding.
(2) Source: For 2018-2022 data for County and State, State of California Employment Development Department, Labor Market Information Division, *Unemployment Rates (Labor Force),* Labor Force Data Search Tool, Annual historical data from 2018-2022, Data Not Seasonally Adjusted, data pulled on June 6, 2023.
(ǂ) Source: U.S. Department of Labor, Bureau of Labor Statistics. Access to Historical Data. Household Data. Annual Averages Table 1, Employment status of the civilian noninstitutional population, 1952 to 2022.

The following Table 4 sets forth the largest industries in the County in terms of employment in each respective industry, as estimated by the State of California Employment Development Department, for calendar years 2018 through 2022.

Table 4
County of Alameda
Employment by Industry Group
Annual Averages
2018 – 2022[(1)]

Industry	2018	2019	2020	2021	2022
Trade, Transportation and Utilities	139,700	138,800	129,400	134,000	137,800
Professional and Business Services	134,000	136,600	128,900	134,400	139,100
Educational and Health Services	123,600	126,000	121,800	125,100	129,900
Government	123,900	124,100	118,400	114,500	113,000
Manufacturing	84,700	85,000	83,700	91,800	97,900
Leisure and Hospitality	76,400	78,000	53,000	57,900	68,100
Mining, Natural Resources and Construction [(2)]	49,000	49,600	46,700	48,700	48,400
Financial Activities	28,000	28,400	27,000	27,100	27,400
Other Services	27,500	27,500	22,500	23,800	26,700
Information	20,000	20,500	19,900	18,800	19,000
Farm	600	700	700	1,000	800
TOTAL:	807,400	815,200	752,000	777,100	808,100

(1) Employment is reported by place of work. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.
(2) Includes logging.
Source: California Employment Development Department, as of July, 2023.

"Prominent" private employers or businesses headquartered in the City include Kaiser Permanente, Clorox Company, Pacific Gas & Electric Company (PG&E), and Blue Shield of California. The following Table 5 sets forth major employers in the City as of June 30, 2022.

Table 5
City of Oakland
Major Employers
as of June 30, 2022

Rank	Employer Name	Employee Count	Percent of Total Employment[6]
1	Kaiser[1]	12,000+	6.23%
2	City Of Oakland[2]	9,000+	4.68%
3	State Of California[3]	5,000+	2.60%
4	San Francisco Bay Area Rapid Transit (BART)	3,500+	1.82%
5	Alameda County[4]	3,500+	1.82%
6	Federal Governnment[5]	3,500+	1.82%
7	Southwest Airlines Co	2,500+	1.30%
8	Children's Hospital & Research Center	2,000+	1.04%
9	Federal Express Corp	2,000+	1.04%
10	United Parcel Service	2,000+	1.04%
11	East Bay Municipal Utility District	1,500+	0.78%
12	Sutter Bay Hospitals	1,500+	0.78%
13	Metro Maintenance Inc.	1,000+	0.52%
14	Blue Shield of California	1,000+	0.52%
15	Manos Home Care	1,000+	0.52%
16	Universal Security Solutions	1,000+	0.52%
17	Alameda Contra Costa Transit District	1,000+	0.52%
18	Robert Half International, Inc.	1,000+	0.52%
19	East Bay Regional Park District	500+	0.26%
20	10x Genomics, Inc.	500+	0.26%
21	Kipp Bay Area Schools	500+	0.26%
22	Peralta Community College District	500+	0.26%
23	La Clinica De La Raza	500+	0.26%
	Total	**56,500+**	**29.37%**

[1] The Permanente Medical Group Inc, Kaiser Foundation Health Plan Inc and Kaiser Foundation Hospitals.
[2] The City Of Oakland, Oakland Unified School District, Port Of Oakland And Housing Authority Of The City Of Oakland.
[3] The University Of California.
[4] Superior Court Of California, Alameda County, Office Of Education, Transportation Commission, Waste Management And Alameda Health System.
[5] Administrative Office Of US Courts, Consumer Product Safety Commission, Department of Agriculture, Department of Justice, Department of The Interior, Department Of Transportation, Department of Treasury, Department of Veterans Affairs, Equal Employment Opportunity Commission, General Services Administration, Homeland Security, National Labor Relations Board, Social Security Administration, US Postal Service, United States Judges.
[6] Percentage of total employment is based on June 2022 employment of 192,500. Percentages and totals for 2022 data are based on the upper end of indicated ranges.
Source: City of Oakland - Q2 2022 CA EDD Payroll & Employee Counts

Commercial Activity

The following Table 6 sets forth a history of taxable sales for the City for Fiscal Years 2017-18 through 2021-22.

Table 6
City of Oakland
Taxable Sales by Category
for Fiscal Years 2017-18 through 2021-22
($ in Thousands)

	2018	2019	2020 [1]	2021 [1]	2022
Auto and Transportation	$888,309	$901,894	$789,318	$811,315	$899,802
Building and Construction	566,605	602,144	559,064	570,001	597,871
Business and Industry	662,062	690,536	598,930	587,305	619,110
Food and Drugs	542,632	539,733	585,993	599,354	556,796
Fuel and Service Stations	647,796	741,754	551,574	421,823	747,706
General Consumer Goods	564,182	566,006	522,262	559,069	573,500
Restaurants and Hotels	1,050,032	1,109,458	889,842	686,546	981,563
County and State Pools [2]	833,449	930,151	1,074,516	1,239,452	1,222,682
TOTAL	$5,755,067	$6,081,676	$5,571,499	$5,474,865	$6,199,030
City Direct Sales Tax Rate [3]	2.0%	2.0%	2.0%	2.0%	3.0%

(1) Declines in 2020 and 2021 reflect the impacts of the COVID-19 global pandemic.
(2) County and State Pool amounts primarily result from allocations for internet sales.
(3) The reported City direct sales tax rates include the 1% Bradley-Burns rate due to the City as well as countywide voter-approved half-cent sales taxes for health care and transportation.

Source: The HdL Companies.

Economic Development and Construction Activity

The following Table 7 sets forth a summary of residential and commercial building permit valuations in the City for Fiscal Years 2017-18 through 2021-22.

Table 7
City of Oakland
Building Permit Valuation
2017-18 through 2021-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Building Permits Issued	14,331	13,013	11,812	12,784	14,356
Authorized New Dwelling Units	4,272	2,512	1,656	1,159	1,469
Commercial Value (in thousands)	$359,016	$260,822	$301,304	$322,408	$367,304
Residential Value (in thousands)	$1,180,188	$827,832	$853,155	$380,814(1)	$473,718

(1) Decreased values for residential permits in Fiscal Year 2020-21 reflect delays in permit issuance for multi-unit dwellings, which were offset by growth in permits issued for lower-value residential projects, such as remodels and accessory dwelling units.
Source: City of Oakland Annual Comprehensive Financial Reports for Fiscal Years Ended June 30, 2018 through June 30, 2022.

The City continues to experience new commercial real estate investment and development activity in its downtown, as well as other areas of the City. Several large mixed-use projects are underway, including: (i) the Brooklyn Basin, a $1.5 billion project creating a new mixed-use waterfront neighborhood with approximately 3,100 housing units, associated retail and more than 30 acres of publicly accessible parks; (ii) the construction of a mixed-use residential community at the site of the former Oak Knoll Naval Medical Center; (iii) new transit-oriented developments adjacent to the City's BART stations including the Fruitvale, Lake Merritt and West Oakland stations; and (iv) construction of a new campus for Samuel Merritt University in downtown Oakland, which broke ground in May 2023. Other major developments in progress or recently completed include several high-rise towers and other large in-fill residential developments and new hotels in the downtown Oakland area, port-side development at the former Oakland Army Base and the $70 million rehabilitation and adaptive reuse of the Henry J. Kaiser Convention Center into a new performing arts center at the south end of Lake Merritt. Pacific Gas & Electric Company recently relocated its headquarters to the City from San Francisco, and just announced plans to exercise an option to purchase the 910,000 square-foot Class A office building that it has been leasing at 300 Lakeside Drive.

The City has created a series of plans for creating sustainable and vibrant neighborhoods, including a Downtown Oakland Specific Plan (the "**DOSP**"), which is expected to be presented to the Planning Commission and City Council in Fall 2023 for approval and adoption. The DOSP has been under development for several years and provides a vision together with goals and strategies to continue growing the City's downtown as a major regional employment, cultural and residential center while meeting the needs of its most vulnerable stakeholders. It encourages dense development by increasing development capacity and also addresses community priorities for a sense of place, shelter, economic opportunity, cultural belonging, and mobility. Development proposed under the DOSP could add approximately 18.3 million square feet of new commercial space, 1.3 million square feet of new institutional space, and 500,000 square feet of new industrial space resulting in approximately 57,000 jobs and $41 million in impact fees to fund affordable housing and transportation improvements. The DOSP also targets to develop 29,000 housing units, including approximately 4,000-7,000 income-restricted affordable units, projected to result in $480-544 million in impact fees to fund additional affordable housing.

Commitment to Environmental, Social and Governance (ESG) Principles

The City, including its leaders and residents have a long history of activism around issues of equity and social justice. The City's environmental and social equity goals are rooted in the knowledge that all City residents have the right to pursue safe, happy, healthy, and fulfilling lives. The effects associated with climate change, including long-term issues like sea level rise and immediate concerns like poor air quality, present opportunities to address these complex economic and environmental issues through equitable climate action. The City regularly reports on its efforts to become a more sustainable city that seeks to tackle the interconnected issues of climate change and social equity openly.

City leaders have committed to promoting equity measures to address decades of discrimination. The City established a Department of Race and Equity ("**DRE**") to analyze and approve all policies and practices conducted by the City to ensure that race and social equity measures are considered prior to policy adoption and implementation. These efforts can be seen in the City's Biannual Capital Improvement Program Community Engagement Process, which has yielded significant solicitation and input from communities of color in the recent budget cycles. The DRE also publishes an annual equity indicators report, trains City staff internally on several key social justice measures and takes an active policy to encourage local small businesses to be included in the City's contracting processes.

The City also has a long and storied history of environmental activism and sustainability efforts. For instance, the Sustainable Oakland program is an outgrowth of the Sustainable Community Development Initiative, established by the City Council in 1998. Housed in the Environmental Services Division of Oakland Public Works, it supports the City's progress in becoming a more sustainable city. The Sustainable Oakland Report is produced periodically to report on success and further define the scope of the City's sustainable vision. Highlights of the most recent report include:

- In May 2018, the City Council approved a new Property Assessed Clean Energy ("**PACE**") financing administrator with seven new providers to operate in the City, creating more competition within the local PACE market. PACE enables homeowners and commercial property owners to finance clean energy and water efficiency projects, seismic retrofits, and much more on their property taxes. Eligibility is based on property equity, rather than credit. The City Council approved five financing providers in 2015. Since then, there have been 1,028 projects, which over the course of their lifetimes will prevent 31,533 metric tons of carbon emissions, save 68,407,213 gallons of water, and save 100,033,446.8 kWh of energy.

- In 2018, the City was awarded a SolSmart Gold designation for efforts to make it faster, easier, and more affordable for homes and businesses to go solar. SolSmart is led by the Solar Foundation and the International City/County Management Association, and is funded by the U.S. Department of Energy's Solar Energies Technologies Office. Since its founding in 2016, over 200 municipalities have achieved SolSmart designation. Oakland qualified by creating a streamlined permitting process for small solar systems, installing solar capacity on local facilities, offering PACE financing, and providing solar charging for City employees. With the Gold designation, the City is being recognized as a national leader in advancing solar energy and helping to attract solar industry investment that generates economic development and employment opportunities.

- Between 2005 and 2015, the City decreased greenhouse gas emissions by 16%. During this same timeframe, the City's population grew by 5.8% and commercial activity in the Bay Area flourished. This demonstrates that the community is finding ways to reduce its emissions even as more people live and work in the City. In addition, per capita emissions are very low by national standards. The City averages 5.90 metric tons of carbon dioxide per person, 46% lower than the state average and 71% lower than the national average.

Most recently, the City's efforts to be a leader in the area of sustainability can be seen, and is exemplified in the City's 2030 Equitable Climate Action Plan (the "**2030 ECAP**"). The 2030 ECAP is the City's roadmap for climate mitigation and adaptation and affirms that reducing disparities is a cornerstone of climate goals. In the 2030 ECAP, the City has committed to substantially cut greenhouse gas emissions and implement green building codes, standards and environmental practices and a long-term plan to maintain clean air supported by green jobs.

The 2030 ECAP includes a Racial Equity Impact Assessment & Implementation Guide to be used for guidance on effective implementation and community oversight. The implementation guide describes the disparities that disproportionately impact the City's frontline communities and details a process for utilizing City-specific data to identify the frontline communities related to each 2030 ECAP action item, flexible to the constraints and objectives of each City department. It further provides in-depth recommendations and best practices for an equitable community engagement structure for the 2030 ECAP implementation that is inclusive of underrepresented frontline communities across the City. Finally, it identifies the equity gaps related to each 2030 ECAP action item and provides guidance on addressing these gaps to best maximize equity outcomes.

Both Measure KK and Measure U (the "**Measures**") authorize the use of bond proceeds for water, energy, environmental and seismic improvements to City facilities and systems consistent with the 2030 ECAP, and Measure U also authorizes the use of bond proceeds for the acquisition and construction of, and improvements to, affordable housing.

Additionally, the Measures provide that, prior to issuance of bonds pursuant to the Measures, the City Council must identify how the projects and programs authorized for funding with such bond proceeds: (i) address improvements to the City's existing core capital assets; (ii) maintain or decrease the City's existing operations and maintenance costs; and (iii) address improvements to energy consumption, resiliency and mobility. Measure KK additionally requires the City Council to identify how the projects and programs authorized for funding with Measure KK bond proceeds address social and geographic equity, provide greater benefit to under-served populations and in geographic areas of greatest need.

Many of the improvements financed with proceeds of the Bonds are anticipated or designed to improve the City's aging building stock to align City buildings with the State's current Building Energy Efficiency Standards (California Code of Regulations, Title 24), incorporate energy conservation, natural resource reduction, water efficiencies, and stormwater treatment. These infrastructure improvements will reduce resource consumption, reduce litter, and will be compliant with accessibility laws.

CITY GOVERNMENT

The City was incorporated as a town in 1852 and as a city in 1854. In 1889, the City became a charter city. The Charter of the City (the "**Charter**") provides for: the election, organization, powers and duties of the legislative branch, known as the City Council (the "**City Council**"); the powers and duties of the executive and administrative branches; fiscal and budgetary matters, personnel administration, franchises, licenses, permits, leases and sales; employee pension funds; and the creation and organization of the Port of Oakland. An eight-member City Council, seven of whom are elected by district and one of whom is elected on an at-large citywide basis, governs the City. City Council members serve four-year terms, staggered at two-year intervals. The Mayor of the City (the "**Mayor**") is not a member of the City Council but is the City's chief executive officer. The current Mayor, Sheng Thao, is serving her first term, which expires on January 31, 2027. The City Attorney is elected to a four-year term, two years following the election of the Mayor. The current City Attorney, Barbara Parker, is serving her second term, which will expire on January 31, 2025. The City Auditor is elected to a four-year term at the same election as the Mayor. The current City Auditor, Courtney Ruby, is serving her second term, which will expire on January 31, 2027. No person can be elected Mayor for more than two consecutive terms. City Councilmembers are limited to three four-year terms, though district councilmembers may choose to run for the at-large seat for an additional three terms.

The Mayor appoints a City Administrator who is subject to confirmation by the City Council. The City Administrator is responsible for daily administration of City affairs and preparation of the biennial budget for the Mayor to submit to the City Council. Subject to civil service regulations, the City Administrator appoints all City employees who are not elected officers of the City. The City Administrator is appointed for an indefinite term and serves at the pleasure of the Mayor. The current City Administrator, Jestin D. Johnson, was confirmed on May 16, 2023.

The City provides a full range of services required by State law and the Charter, including those functions delegated to cities under State law. These services include public safety (police and fire), sanitation, recreational and cultural activities, human services, economic development, public improvements, planning, zoning and general administrative services.

The Port of Oakland (the "**Port**"), designated by the Charter as an independent department of the City, operates the airport, maritime operations, and certain land along the waterfront. The Port is governed by a separate board of directors appointed by the Mayor and ratified by the City Council. Funds of the Port are accounted for in a separate enterprise fund held by the City Treasurer.

BUDGET AND FINANCIAL OPERATIONS

Overview

The City's finances are organized into several fund groups. The General Fund Group includes a number of funds intended for general use or citywide functions, the largest of which is the General Purpose Fund. The General Purpose Fund accounts for revenues from most of the City's taxes, fees and service charges and is unrestricted in its use. In the Fiscal Year 2023-24 Budget, the General Purpose Fund included $834.1 million of estimated appropriations and revenues and represented approximately 75.7% of the General Fund Group. The second largest component of the General Fund Group is the Pension Tax Override Fund representing $93.1 million (8.4% of the Fiscal Year 2023-24 General Fund). See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*" regarding the Pension Tax Override (defined herein). Other funds reported as part of the General Fund Group include the City's Self-Insurance Liability Fund; the Kids First Fund (which receives 2.2% of General Purpose Revenues); Comprehensive Clean-Up Fund, the Affordable Housing Trust Fund, a special surcharge on refuse collection bills to cover costs associated with illegal dumping enforcement, street sweeping, and other clean-up activities; and funds to account for the proceeds of several voter-approved general taxes relating to Sugar Sweetened Beverages, Violence Prevention and Public Safety. Various reserves are also accounted for separately in the General Fund Group. See "- Financial Policies – *Consolidated Fiscal Policy; Reserves*."

The City also maintains more than 150 special revenue funds, enterprise funds for sewer and golf operations, and various capital, debt service, internal service and fiduciary funds.

Financial Reporting and Fiscal Year 2021-22 Results

The City prepares its financial statements in accordance with Generally Accepted Accounting Principles ("**GAAP**") and specific guidance from the Government Accounting Standards Board ("**GASB**"). Since 1999, GASB has required that basic financial statements include government-wide financial statements, which are designed to provide readers with a broad overview of the City's finances. These statements are prepared using accounting methods similar to those used by private-sector businesses. The government-wide statement of net position presents information on all the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. Various GASB rules have required the inclusion of both pension and other post-employment benefits ("**OPEB**"), such as and retiree health liabilities in the government-wide financial statements. The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

The City's most recent audited financial statements are presented in the City's Annual Comprehensive Financial Report[1] for the Fiscal Year Ended June 30, 2022, which reported a net position for the governmental and business-type activities of $551 million, an improvement of $455 million over the prior fiscal year that primarily resulted from changes in actuarial valuations of net pension and OPEB liabilities. Unrestricted net position remained negative despite these gains at $1.6 billion, which was mainly due to historical underfunding of the pension and OPEB liabilities, as well as long-term debt. The net pension and OPEB liability deficits were the biggest contributing factors at $1.2 billion and $0.6 billion, respectively.

The government-wide statements focus on the measurement of economic resources and account for long-term liabilities. The fund financial statements in the City's audited annual comprehensive financial report utilize an alternate measurement focus that considers current financial resources and excludes most long-term liabilities. Information presented in the tables below relating to the General Fund Group relies on the fund financial statements as reported in the City's audited annual comprehensive financial reports ("**Annual Financial Reports**") for Fiscal Years 2017-18 through 2021-22.

[1] For earlier years the City's audited financial statements were presented in its "Comprehensive Annual Financial Report." The change in nomenclature to "Annual Comprehensive Financial Report" was made pursuant to GASB Statement No. 98.

Table 8
City of Oakland
Revenues and Expenditures
General Fund Group
2017-18 through 2021-22
($ in Thousands)

Revenues	2017-18	2018-19	2019-20	2020-21	2021-22
Taxes					
Property[1]	$295,216	$312,255	$342,052	$377,175	$410,089
State-collected[2]	57,689	62,260	55,860	58,143	64,669
Local[3]	280,939	319,708	296,996	314,100	351,400
Licenses and Permits	2,384	1,783	1,606	1,243	1,413
Fines and Penalties	18,267	21,081	18,702	17,591	19,741
Interest Income (loss)[4]	(3,069)	7,263	6,865	(7,860)	(16,531)
Charges for Services[5]	97,371	102,826	97,848	83,173	84,948
Grant Revenue	3,813	3,568	3,586	4,983	3,189
Other Revenue, Including Transfers	6,320	3,399	3,057	33,553	2,663
Annuity Income	6,952	6,291	6,107	5,120	5,015
TOTAL REVENUES	$765,882	$840,434	$832,679	$887,221	$926,596
Expenditures					
General Government[6]	$143,136	$156,754	$163,102	$184,053	$152,326
Public Safety[7]	398,105	438,500	488,474	446,722	402,364
Public Works and Transportation	34,107	42,662	42,600	36,172	48,229
Community and Human Services[8]	47,448	44,656	54,344	46,613	64,812
Community and Economic Development[9]	7,607	10,966	10,040	15,678	18,494
Other [10]	7,679	4,598	4,995	4,752	4,429
TOTAL EXPENDITURES	$638,082	$698,136	$763,555	$733,990	$690,654
Other Financing Sources and Uses[11]	$(88,359)	$(100,370)	$(91,951)	$(93,533)	$(85,997)
Net Change in Fund Balance	$39,441	$41,928	$(22,827)	$59,698	$149,945
Fund Balance (deficit) – Ending	$385,167	$427,095	$404,268	$463,966	$613,911

(1) Includes General Purpose Fund property tax revenue, as well as property tax override collections for obligations relating to PFRS.
(2) Primarily Sales and Use Tax, as well as Motor Vehicle in-lieu.
(3) Includes Business License, Utility Consumption, Real Estate Transfer, Transient Occupancy, Parking, Voter Approved Special Tax, Sugar Sweetened Beverage Tax and Franchise Tax.
(4) Losses reflect marked-to-market valuation of investments and an annuity.
(5) Includes revenues arising from charges for goods and services, such as fees for building inspections, parking, or parks and recreation programs.
(6) Includes elected and appointed officials, general governmental agencies, and administrative services. The decline in 2021-22 primarily results from a reorganization that shifted several City departments from General Government to Community and Human Services.
(7) Includes police and fire services and the police commission.
(8) Includes Parks and Recreation, Library, Human Services, and Department of Violence Prevention. Formerly, Planning, Building and Neighborhood Preservation, Aging & Health and Human Services, Cultural and Community Services and Cultural Arts and Museums.
(9) Includes Planning and Building, Economic and Workforce Development and Housing & Community Development.
(10) Includes capital outlays and certain debt service charges not paid from a general obligation bond tax levy.
(11) Includes operating transfers between the General Fund and other major funds, primarily to account for debt service payments made from revenues collected in the General Fund.

Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2018, through June 30, 2022.

Table 9
City of Oakland
Balance Sheet
General Fund Group as of June 30
($ in Thousands)

ASSETS	2018	2019	2020	2021	2022
Cash and investments[1]	$400,305	$459,435	$509,238	$598,755	$745,592
Receivables[2]					
Accrued interest	1,553	2,231	1,494	313	1,842
Property taxes	7,487	7,873	10,153	6,293	7,373
Accounts receivable	47,145	47,326	36,762	58,931	52,404
Grants Receivable	305	-	-	-	312
Lease Receivable	-	-	-	-	13,884
Due from component unit[3]	8,675	9,487	10,571	11,974	7,849
Due from other funds[4]	22,592	27,697	8,234	8,104	6,142
Due from other governments	10,891	10,790	11,472	12,475	12,573
Notes and loans receivable [5]	6,855	7,006	7,186	11,415	17,601
Restricted cash and investments	57,390	57,437	58,164	50,164	40,565
Property held for resale	-	-	-	17,964	17,964
Other/Prepaid items	50	50	311	723	1,271
TOTAL ASSETS	$563,248	$629,332	$653,585	$777,111	$925,372
LIABILITIES					
Accounts payable and other accrued liabilities	$140,892	$167,176	$212,504	$275,559	$252,614
Due to other funds[4]	2,312	-	-	-	-
Due to other governments	1,356	1,494	1,446	1,354	116
Unearned revenue	5,546	5,541	5,084	4,388	4,562
Other	3,796	3,116	7,347	2,777	4,306
TOTAL LIABILITIES	$153,902	$177,327	$226,381	$284,078	$261,598
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property tax	$ 3,520	$3,896	$1,750	$6,612	$7,405
Unavailable revenue – notes and loans	6,855	7,006	7,186	11,415	17,599
Unavailable revenue – mandated claims (State)	10,891	-[6]	-	-	-
Unavailable revenue – grants and others	2,913	14,008	14,000	11,040	11,376
Leases	-	-	-	-	13,482
TOTAL DEFERRED INFLOWS	$24,179	$24,910	$22,936	$29,067	$49,863
FUND BALANCES					
Nonspendable[7]	$ -	$ -	$ -	$ 18,687	$19,235
Restricted[8]	235,084	240,247	254,309	267,811	286,994
Committed[9]	14,323	14,648	47,441	38,739	52,195
Assigned[10]	41,959	53,958	40,145	41,786	49,251
Unassigned[11]	93,801	118,242	62,373	96,943	206,236
TOTAL FUND BALANCES	$385,167	$427,095	$404,268	$463,966	$613,911
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$563,248	$629,332	$653,585	$777,111	$925,372

(1) Increases in cash and investments reflect borrowing in advance of expenditures as well as underspending relative to appropriations in recent years.
(2) Net of allowance for uncollectibles of $5,978 as of June 30, 2022.
(3) Includes payments due from Port.
(4) "Due to" and "due from" balances have primarily been recorded when funds overdraw their share of pooled cash and interfund loans. These include amounts due from the Oakland Redevelopment Successor Agency ("**ORSA**") related to advances and interfund loans made by the City for projects, loans, and services. Receivable amounts for ORSA relate to project advances made by ORSA for the City
(5) Net of allowance for uncollectibles of $638 as of June 30, 2022.
(6) The mandated claims are included in the "grants and others" line item for Fiscal Years 2018-19, 2019-20, 2020-21 and 2021-22.
(7) Includes prepaid items and property held for resale with no restrictions on the use of proceeds.
(8) Restricted for pension obligations annuity and PFRS pension liabilities.
(9) Reserved for Vital Services and, in Fiscal Years 2019-20 and 2020-21, Affordable Housing.

(footnotes continue on next page)

(10) Includes capital reserves and various operating department designations.
(11) Includes General Purpose Fund Emergency Reserve.
Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2018, through June 30, 2022.

City Budget Process

The City's budget cycle is a two-year process that is intended to promote long-term decision making, increase funding stability and allow for greater performance evaluation. The City's budget is adopted for a two-year period, with appropriations divided into two one-year spending plans, referred to as the "policy budget." During the second year of the two-year cycle, a review is conducted to amend the budget and address variances in estimated revenues and revised mandates due to Federal, State, and/or court actions, and the City adopts a "midcycle budget." The City is currently operating under the Fiscal Year 2023-24 Policy Budget.

Under the Charter, the City Administrator prepares budget recommendations that the Mayor presents to the City Council in accordance with the following procedure. First, the City Administrator and Department Directors conduct internal budget hearings to develop budget recommendations. The proposed budget is based on the Mayor's budget priorities and includes estimates of receipts from the City's various revenue sources. The Mayor then submits the proposed two-year budget to the City Council and formal public budget hearings are held. The City Council may make adjustments and/or revisions to the proposed budget. Following public budget hearings, the City Council adopts by resolution the City's budget. In practice, the City Council adopts the City's budget on or before June 30 and has never failed to achieve this deadline.

The final adopted policy throughout its two fiscal years, and midcycle budgets, are subject to review and revision to reflect any changes in revenue and expenditure projections. Among those updates are quarterly reports to the City Council prepared by the City Administrator. Included in these quarterly reports are summary-level overviews of the City's finances, a review of revenues by major category, information on variances in departmental budgetary performance and projected changes in fund balance.

In support of the biennial budget process, the City prepares a Five-Year Financial Forecast ("**Forecast**") to help the City make better informed financial and operational decisions by projecting future revenues, expenditures, and financial risks. The Forecast often projects a gap between estimated expenditures and revenues, as is the case in every year of the Forecast for Fiscal Year 2023-24 to Fiscal Year 2027-28. Although General Purpose Fund shortfalls are expected to decrease during the Forecast period, the cumulative gap over this period, assuming no corrective actions, is forecast to exceed $750 million. The Charter and Consolidated Fiscal Policy requires adoption of a balanced budget each fiscal year, and the City will therefore need to develop strategies to address the shortfalls projected in the Forecast.

The City also prepares a five-year Capital Improvement Program ("**CIP**") to guide decisions regarding the construction, repair and replacement of the City's assets including libraries, public safety facilities, sewers, recreation centers and parks, and transportation and street improvements. Funding sources for the CIP include the proceeds of general obligation bonds and a number of special fund revenues. The City develops a new CIP Budget every two years for inclusion in the overall City budget.

City's General Financial Condition and Impact of the COVID-19 Pandemic

The City's financial condition has strengthened materially in the wake of the COVID-19 global pandemic. Cash balances remain strong and have increased from pre-pandemic levels, most revenue categories have resumed growth following the dramatic economic contraction that accompanied pandemic shutdowns, and reserve levels have risen substantially following the City's election to utilize federal COVID-19 subsidies to strengthen its financial position in preparation for future fiscal shocks.

Prior to the pandemic, the City was experiencing strong growth in its General Fund tax revenues, including revenues from its property tax, real estate transfer tax, sales and use tax, business license tax, transient occupancy tax, and voter-approved special taxes. In particular, the City's property-related revenues were growing at a healthy rate based on a strong real estate market and steady increases in assessed valuations. Growth in assessed valuations continued through the pandemic and exceeded 8% in Fiscal Year 2022-23. See also "PROPERTY TAXATION - Assessed Valuations" in the forepart of this Official Statement. Although both property values and sales have experienced declines in Fiscal Year 2022-23 following broad increases in borrowing rates, property taxes may continue to increase even without an increase in aggregate market values of property due to Proposition 13's limitations on increases in assessed value. This dynamic constrains property tax growth in the short-term but also insulates local governments from tax declines due to decreases in assessed values, which typically lag behind market values.

Other local revenues, such as sales and use tax and transient occupancy tax, were more severely impacted than property tax by the COVID-19 pandemic but have shown strong signs of recovery. Sales and use tax revenues increased by 11.0% in Fiscal Year 2021-22 while local tax revenues improved by a collective 13.1%. Among local taxes, parking taxes and transient occupancy taxes rebounded especially strongly in Fiscal Year 2021-22 with year-over-year increases of 52.3% and 57%, respectively.

Federal funding played a critical role in supporting the City's finances during the pandemic. The City used its entire $188 million allocation under the American Rescue Plan Act's ("**ARPA**") State and Local Fiscal Recovery Fund to replace pandemic revenue losses and subsidize general governmental services. Of this total, $33 million in revenue was recognized in Fiscal Year 2020-21, $87 million was recognized in Fiscal Year 2021-22, and $68 million was recognized in Fiscal Year 2022-23. In accordance with federal accounting requirements, these federal subsidies enabled the City to reduce expenditures recorded in the General Fund for those periods. The reduction in General Fund expenditures, in turn, allowed the City to replenish and increase General Fund reserves. See also "-Financial Policies - *Consolidated Fiscal Policy; Reserves*."

The City's economy has experienced steady recovery from pandemic impacts with the resumption of local business activity, declines in unemployment, and a rebound in travel. Business license tax and sales and use tax revenue now exceed pre-pandemic levels, with additional growth projected over the next two years. See also "OTHER TAXES AND REVENUES." Local unemployment rates have also returned to historical lows following sharp increases during the pandemic, while personal income and per capita incomes continued to rise throughout this period. See also "OVERVIEW." In addition, during the first six months of Fiscal Year 2022-23, passenger volume at Oakland International Airport rose by 8.35% compared to the same period in the prior year, as travel activity began to return to pre-pandemic levels.

In Fiscal Year 2022-23 the City's economy faces numerous headwinds that may challenge this recovery. Historically high inflation rates, increased borrowing rates, and decreased consumer confidence pose ongoing risks to City revenues. The City's robust property market, a key factor in the strength of its General Fund, has shown signs of weakness as a result of commercial vacancies, declines in median prices for residential properties, and lower sales volumes. The impact of these larger economic trends on City tax revenues remains uncertain.

Equally uncertain is whether the lingering effects of the COVID-19 pandemic will lead to long-term or even permanent shifts in behavior. To the extent business travelers choose video conferences over in- person meetings, consumers continue to prefer online shopping to in-person shopping, and employees relocate or telecommute rather than return to in-person work, the City's economy will suffer, and with it the City's revenue receipts. While current indications suggest that all of these effects will persist, at least to some extent, the City nonetheless remains well-positioned to take advantage of ongoing regional economic growth. The City remains a desirable location to live and work, and commercial and residential construction have continued throughout the pandemic, as the City draws new residents and businesses. Population growth also appears likely to resume, consistent with projections by the California Department of Finance, as the substantial uptick in residential construction which began in prior years makes more housing available in a region with continued strong housing demand and a longstanding shortfall of supply.

Notwithstanding any such growth in the regional or local economy, the City's expenditures continue to grow, driven primarily by personnel costs as described above, as well as ongoing pressures to provide affordable housing, address homelessness and balance the desire for public safety and violence with concerns regarding social equity. Managing these demands for increased services amidst ongoing revenue constraints will remain a challenge for the City going forward, as it has been for many years, which the City will continue to address in its biennial budget process.

Financial Policies

The City has adopted a number of policies to guide its financial management, as described below.

Consolidated Fiscal Policy; Reserves. The City has consolidated many of its fiscal policies by ordinance into the City's Consolidated Fiscal Policy. The Consolidated Fiscal Policy includes policies on budgeting practices, reserve funds, use of one-time revenues, the budget process, fiscal planning and public participation. The following highlights some key components of that policy.

The Consolidated Fiscal Policy establishes a number of reserves to address unanticipated adverse financial conditions, including a General Purpose Fund Emergency Reserve equal to 7.5% of the General Purpose Fund appropriations as adopted in the biennial or midcycle budget. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the City Administrator shall present to the City Council a strategy to meet the General Purpose Fund Emergency Reserve. This Emergency Reserve may be appropriated by Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency.

The City has also established a Vital Services Stabilization Fund with a target funding level of 15% of General Purpose Fund revenues. The Vital Services Stabilization Fund is funded by transfers from the real estate transfer tax when revenues exceed 15% of General Purpose tax revenues. Such additional revenue is deemed to be one-time and is applied as follows: one-half of excess real estate transfer tax may be spent on one-time expenditures, 25% is to be allocated to the Vital Services Stabilization Fund and 25% is allocated to repayment of long-term obligations such as unfunded retirement obligations. See also "OTHER TAXES AND GENERAL FUND REVENUES – Real Estate Transfer Tax." In those years when the City forecasts that total General Purpose Fund revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of the Vital Services Stabilization Fund may be considered to maintain existing services. During the Fiscal Year 2021-23 cycle, the City was able to increase the fund balance to $10.5 million, but a significant deficit projection for the Fiscal Year 2023-25 budget cycle led the existing balance to be appropriated in Fiscal Year 2023-24 for service stabilization.

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The following Table 10 is a summary of the City's key General Fund reserves available for City general purposes since Fiscal Year 2018-19:

Table 10
City of Oakland
Certain General Fund Reserves
(as of June 30)
($ in Thousands)

Reserve Fund	2018-19	2019-20	2020-21	2021-22
General Purpose Fund Emergency Reserve[(1)]	-	-	-	$90,610
Additional General Purpose Fund Reserve (unassigned fund balance)	$48,800	$40,100	$52,700	53,971
Vital Services Stabilization Fund	14,648	14,923	251	2,800
TOTAL	**$63,448**	**$55,023**	**$52,951**	**$147,381**
General Purpose Fund (GPF) Appropriations	$650,667	$684,000	$644,000	$728,000
% of GPF Appropriations	9.75%	8.04%	8.22%	20.24%

(1) Prior to Fiscal Year 2021-22, the City calculated the General Purpose Fund Emergency Reserve as the sum of all unassigned fund balance in the General Purpose Fund. Beginning in Fiscal Year 2021-22, the City established a separate subfund within the General Fund as the General Purpose Fund Emergency Reserve, and appropriated an amount equal to 7.5% of total General Purpose Fund appropriations to this new fund. The table above includes amounts in this new subfund as well as additional General Purpose fund unassigned fund balance to provide a consistent measure of reserves across fiscal years.
Source: City of Oakland

OPEB Funding Policy. In Fiscal Year 2018-19, the City adopted an OPEB Funding Policy providing for ongoing prefunding contributions of 2.5% of payroll, equal to approximately $10 million per year, in addition to the City's pay-as-you-go requirements. These additional contributions are intended to support the sustainability of the City's retiree medical program. Due to the impact of the COVID-19 pandemic on City revenues, this funding policy was suspended for Fiscal Years 2019-20 and 2020-21. The adopted budget for Fiscal Years 2021-23 resumed these contributions, and the adopted budget for Fiscal Year 2023-25 continues these contributions. The City contributed $15 million in Fiscal Year 2021-22 and contributed an additional $15 million in Fiscal Year 2022-23. The City anticipates contributing $16 million in Fiscal Year 2023-24 and $16 million in Fiscal Year 2024-25. See also "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Other Post-Employment Benefits." Additional contributions may be made pursuant to policies regarding the application of "excess" real estate transfer tax revenues.

Debt Policy. The City has adopted and amended a debt management policy, which sets forth the City's goals and objectives, its approach to debt management and standards for use of debt financing (including financing criteria such as structure and terms), refinancing goals and methods of issuance; as well as the City's policy of charging an administrative fee equal to its costs.

Investment Policy. The City invests funds of the City in accordance with the City's Investment Policy adopted by the City Council. See "INVESTMENT OF CITY FUNDS."

Fiscal Years 2023-25 Adopted Biennial Policy Budget

The Fiscal Year 2023-2025 budget was based on the Fiscal Year 2022-23 Midcycle Budget using strategic spending reductions and targeted operational efficiencies. The Fiscal Year 2023-25 Budget began with a substantial funding gap in the General Purpose Fund, as well as projected shortfalls in several special revenue funds. This Fiscal Year 2023-25 Budget is balanced without any significant fiscally driven service impacts or changes, although substantial changes were made for policy reasons to the City's strategy and means for delivery of public safety services.

The City's most recent policy budgets are summarized below:

Category	FY 2020-21	Midcycle FY 2020-21	FY 2021-22	Midcycle FY 2022-23	FY 2023-24
General Purpose Fund (unrestricted)	$ 684,546,119	$ 644,092,166	$ 784,393,266	$872,069,302	$834,121,344
Other Funds (restricted)[(1)]	967,505,981	1,069,051,241	1,249,069,773	1,398,512,553	1,302,818,516
TOTAL - All Funds	**$1,652,052,100**	**$1,713,143,407**	**$2,033,463,039**	**$2,270,581,855**	**$2,136,939,860**

(1) Includes other funds reported in the General Fund Group other than the General Purpose Fund, Special Funds, and other funds of the City. Does not include the Port of Oakland.
Source: City of Oakland

GENERAL PURPOSE FUND REVENUES

The City's General Fund receives revenues from a variety of sources, including property and local taxes, taxes imposed by the State, intergovernmental transfers and fees and charges for services. The General Fund has seen 65% growth over the past ten years with surpluses every year in the same period (except for Fiscal Year 2019-20). The General Fund includes the General Purpose Fund, into which general unrestricted revenues that can be used for any governmental purpose are deposited. See "BUDGET AND FINANCIAL OPERATIONS – Overview."

The following Table 11 presents information regarding the City's Fiscal Year 2021-22, Fiscal Year 2022-23 and Fiscal Year 2023-24 Budgets for the General Purpose Fund and Fiscal Year 2021-22 year-end General Purpose Fund revenues and expenditures.

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Table 11
City of Oakland
General Purpose Fund Revenues and Expenditures
(in Millions)

	FY 2021-22 Adopted Budget[1]	FY 2021-22 Year End	FY 2022-23 Adopted Budget[5]	FY 2023-24 Adopted Budget[6]
REVENUES				
Property Tax[2]	$247.15	$258.97	$265.49	$294.17
Sales Tax[3]	58.97	64.17	62.60	67.70
Business License Tax	97.75	101.29	111.88	125.25
Utility Consumption Tax	49.14	57.93	54.40	61.90
Real Estate Transfer Tax	96.43	138.40	112.20	110.41
Transient Occupancy Tax	16.73	16.66	23.97	22.48
Parking Tax	7.84	9.54	12.39	11.26
Licenses & Permits	4.05	1.41	6.08	1.39
Fines & Penalties	15.74	20.37	19.00	23.07
Interest Income	0.48	0.91	0.48	0.48
Service Charges	50.27	51.81	55.55	51.60
Grants & Subsidies	0.00	1.84	0.00	0.00
Miscellaneous	1.60	(3.42)	0.80	21.22
Interfund Transfers	89.93	3.26	70.91	13.08
Subtotal Revenues	**$736.08**	**$723.14**	**$795.77**	**$804.00**
Transfers from Fund Balance[4]	48.31	48.31	76.30	30.12
Total Revenues	**$784.39**	**$771.45**	**$872.07**	**$834.12**
EXPENDITURES				
Mayor	$4.26	$3.42	$4.54	$4.60
City Council	6.28	6.31	7.32	7.12
City Administrator	8.01	-0.81	9.90	9.70
City Attorney	15.00	15.29	21.04	21.75
City Auditor	2.41	2.43	3.12	3.31
City Clerk	3.56	1.97	10.37	7.85
Finance Department	21.57	19.61	28.92	30.00
Human Resource Management	6.48	6.46	8.72	9.50
Information Technology	13.31	13.67	19.40	16.97
Police Department	313.92	223.39	329.67	325.39
Police Commission	4.49	3.47	8.19	7.96
Fire Department	171.96	166.83	179.82	199.87
Human Services	15.26	21.28	51.54	44.76
Oakland Animal Services	5.41	4.94	6.16	6.49
Oakland Public Library	14.11	12.41	14.44	12.31
Oakland Parks, Recreation & Youth Development	16.68	14.73	21.98	18.30
Oakland Public Works	1.86	1.77	2.26	1.06
Department of Transportation	15.95	18.04	22.69	20.54
Economic & Workforce Development	10.96	11.03	16.46	11.19
Housing & Community Development	0.10	0.10	2.18	0.24
Planning & Building	0.00	0.00	0.00	0.00
Department of Violence Prevention	11.36	8.18	13.57	10.79
Race & Equity	0.92	0.84	1.46	1.29
Public Ethics Commission	1.49	1.37	1.81	2.25
Workplace and Employment Standards	4.36	3.59	5.96	4.31
Non-Departmental & CIP	114.69	111.91	80.57	56.57
Total Expenditures	**$784.39**	**$672.25**	**$872.07**	**$834.12**

(1) Budget as adopted by the City Council on June 24, 2021.
(2) Excludes the tax override (defined herein) collected for obligations relating to PFRS (defined herein) and revenues collected to fund general obligation bond debt service. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*," herein.
(3) Refers to sales and use tax.
(4) Transfers from Fund Balance and any unspent carryforward funds.
(5) Budget as amended by the City Council on July 11, 2022.
(6) Budget as adopted by the City Council on June 26, 2023.

Source: City of Oakland.

The following Table 12 summarizes the major General Purpose Fund revenues as of June 30 for Fiscal Years ended June 30, 2020 through June 30, 2022 and sets forth the major General Purpose Fund revenues budgeted for Fiscal Year 2022-23 and Fiscal Year 2023-24 and a percentage of total General Purpose Fund revenues for Fiscal Year 2023-24.

Table 12
City of Oakland
General Purpose Fund Revenues [(1)]
(as of June 30)

Revenue Types	2020	2021	2022	2023 (Budgeted)	2024 (Budgeted)	% of 2024 Budgeted Total General Purpose Revenues
Property Tax	$218,658,259	$238,928,903	$258,968,959	$265,493,946	$294,168,232	35.27%
Sales Tax	55,516,844	57,824,365	64,165,884	62,600,000	67,689,746	8.12
Vehicle License Fee	342,618	318,089	503,129	0	0	0
Business License Tax	98,039,982	104,232,387	101,289,622	111,880,000	125,248,004	15.02
Utility Consumption Tax	49,830,535	51,801,434	57,929,743	54,400,000	61,898,792	7.42
Real Estate Transfer Tax	91,533,921	113,359,327	138,395,515	112,200,000	110,412,094	13.24
Transient Occupancy Tax	19,578,414	10,609,759	16,661,833	23,968,951	22,482,510	2.70
Parking Tax	9,067,238	6,264,372	9,538,678	12,390,000	11,262,935	1.35
Licenses & Permits	1,606,012	1,243,171	1,412,791	6,081,473	1,388,483	0.17
Fines & Penalties	19,038,476	17,792,898	20,366,959	18,999,999	23,071,854	2.77
Interest Income	902,700	1,268,914	911,741	484,097	484,097	0.06
Service Charges	58,172,750	52,717,457	51,806,788	55,548,458	51,602,846	6.19
Grants & Subsidies	2,217,850	3,508,677	1,839,562	0	0	0
Miscellaneous	3,243,629	29,651,146	(3,423,012)	800,000	21,216,000	2.54
Interfund Transfers[(2)]	4,006,233	17,552,618	3,256,618	70,907,407	13,075,123	1.57
Transfers from Fund Balance [(2)]	-	-	48,310,000	76,296,971	30,120,628	3.61
TOTAL:	$631,755,460	$707,104,467	$771,934,810	$872,069,302	$834,121,344	100%

(1) Totals may not be precise due to rounding.
(2) Interfund transfers in Fiscal Year 2018 through Fiscal Year 2024 represent the appropriation of revenues from the City's parking garage operations. In addition, interfund transfers for Fiscal Year 2021 include the appropriation of the City's Vital Services Stabilization Fund, in response to COVID-19 related revenue shortfalls. For Fiscal Year 2023 increased interfund transfers reflect the utilization of Local Fiscal Recovery Funds received pursuant to the ARPA.
Source: City of Oakland.

OTHER TAXES AND REVENUES

In addition to property taxes, the City's General Fund receives revenues from other sources, including the City's sales and use tax, utility consumption tax, business license tax, real estate transfer tax, transient occupancy tax, and parking tax. See Tables 10 and 11, above, for historic General Fund revenues and Table 12 for projected General Purpose Fund revenues.

Sales & Use Tax

Sales and use tax ("**Sales Tax**") applies to the retail sale or use of "tangible personal property." The total Sales Tax percentage in the City is 10.25%, meaning that a $1 taxable purchase results in Sales Tax of 10.25 cents. The City receives 1% of the total sale as a distribution to its General Fund, meaning the City receives 1 cent on a $1 purchase. Oakland's diverse Sales Tax base consists of six major business groups: auto and transportation; fuel and service stations; business and industry; general consumer goods; building and construction; and food and drugs.

In Fiscal Year 2021-22, higher fuel prices for gasoline and jet fuel, along with a general rise in prices for consumer goods, resulted in Sales Tax revenue coming in higher than expected. This followed a dramatic drop in Sales Tax revenue in the prior year that was caused by the pandemic. Fiscal Year 2021-22 year end totals show that Sales Tax revenues came in at $64.17 million compared to the Adopted Budget of $58.97 million. The 2022-23 Midcycle Budget projects Sales Tax revenue to come in at approximately $62.60 million and the Fiscal Year 2023-24 Adopted Budget projects Sales Tax revenue to come in at $67.69 million, continuing the upward trend.

Utility Consumption Tax

The City's utility consumption tax ("**UCT**") is a surcharge to all users of a given utility (i.e., on the use of electricity, gas, telephone, water and cable television). The current UCT rate is 7.5%, however, certain persons qualify for a low-income rate assistance program (LIRA) offered by the Pacific Gas & Electric Company. In Fiscal Year 2021-22, UCT revenues increased slightly relative to the prior Fiscal Year, coming in at $57.93 million compared to $51.80 million in Fiscal Year 2020-21. Fiscal Year 2022-23 and the Fiscal Year 2023-24 Adopted Budgets project UCT to come in at $54.4 million and $61.90, respectively, anticipating a continued trend of increasing use of heat and electricity in homes and apartments as many workers continue to stay at home on weekdays even as office buildings' utilities consumption continues. Going forward, increases in energy usage are expected to be partially offset by energy efficiency gains and a higher rate of employees returning to work at the office, but overall, UCT is projected to continue its gradual year over year increase.

Business License Tax

The City's business license tax ("**BLT**") is charged annually to businesses based in the City and calculated either by gross receipts (which accounts for approximately 60% of BLT revenue) or rental income (which accounts for 40% of BLT revenue). The BLT rate on gross receipts varies by type of business, ranging currently from a low of $0.60 per $1,000 of receipts for grocers (0.06%) up to (2.40%) for firearm dealers when applied to gross receipts, and 0.12% when applied to gross payroll. The BLT rate on rental income is $13.95 per $1,000.

The passage of Measure T in the November 2022 General Election changed the BLT rate structure into a progressive, tiered rate system, which became effective in the second half of Fiscal Year 2022-23. The projected revenue attributable to Measure T is an increase of approximately $19.12 million in Fiscal Year 2022-23.

As a result of the COVID-19 pandemic, BLT revenue from several classes of businesses declined, including retail and wholesale sales, personal services, recreation/entertainment, and residential and commercial rentals, although such revenue is rebounding. The most significant ongoing effects of the pandemic are likely to be in the commercial sector due to changes brought about by telecommuting/hybrid work schedules and increased vacancies.

Real Estate Transfer Tax

Real Estate Transfer Tax ("**RETT**") revenues are generated by the transfer of ownership of existing properties. The RETT is applied to the sale price of the property, and the cost is typically split between the buyer and seller. The RETT rate is composed of a City portion and a County portion: 0.11% is allocated to the County and the remaining tax is allocated to the City.

On November 6, 2018, Oakland voters approved Measure X, establishing a progressive RETT rate for the City (previously, the City RETT rate was 1.50%). The new RETT rates became effective on January 1, 2019, and are as follows:

Amount of Transfer	RETT Rate
Up to $300,000	1.00%
$300,001 to $2,000,000	1.50%
$2,000,001 to $5,000,000	1.75%
$5,000,001 and above	2.50%

Historically, this revenue has been the City's most volatile as it is directly dependent on the number and value of real estate sales, often impacted by a handful of high value transfers in a given year. Due to this revenue source's volatility, the City enacted Ordinance No. 13487 C.M.S. creating policies for the use of excess RETT. The Ordinance defines "excess" RETT as any amounts of RETT revenues whose value exceeds 15% of the corresponding General Purpose Fund tax revenues (inclusive of RETT). The excess RETT is to be used in the following manner:

- At least 25% shall be allocated to the Vital Services Stabilization Fund until the value in such fund is projected to equal to 15% of General Purpose Fund revenues over the coming fiscal year.
- At least 25% shall be used to fund accelerated debt retirement and unfunded long-term obligations, including negative fund balances, the PFRS liability, other unfunded retirement and pension liabilities, unfunded paid leave liabilities, and OPEB liabilities.
- The remainder shall be used to fund one-time expenses, to augment the General Purpose Fund Emergency Reserve, and to augment the Capital Improvements Reserve Fund.

See also "BUDGET AND FINANCIAL OPERATIONS—Financial Policies."

Despite the economic impacts of COVID-19, real estate transfer activity has performed well throughout the pandemic. In Fiscal Year 2021-22, RETT revenues were approximately $138.40 million compared to the Fiscal Year 2021-22 Adopted Budget of $96.43 million. During Fiscal Year 2021-22, the median price for single family residences rose above $1 million for the first time in the City. This increase as well as large property transactions contributed to the increase in RETT revenue. The City had 30 large transactions with a sales price greater than $10 million in Fiscal Year 2021-22, as compared to only 21 in the prior year. The increasing trend compared to the Fiscal Year 2021-22 Adopted Budget is expected to be more moderate in Fiscal Year 2022-23 and Fiscal Year 2023-24, as the Adopted Budgets estimate RETT to come in at $112.20 million and $110.41 million for those years respectively.

Transient Occupancy Tax

The transient occupancy tax ("**TOT**") represents a surcharge on room rates imposed on transient or temporary accommodations within the City. The tax is levied on persons staying 30 days or less in a hotel, motel, inn or other lodging facility and is collected by the lodging facility operator, who then remits the collected tax to the City. In July 2009, the voters approved Measure C, which increased the TOT rate from 11% to 14%. Measure C allocates 3% of total TOT revenue to support various community-based institutions, which amount is reported as a special fund revenue and not as part of the General Purpose Fund. The outbreak of COVID-19 in March 2020 significantly reduced TOT revenues, which fell from a high of $25.9 million in Fiscal Year 2018-19 to $10.6 million in Fiscal Year 2020-21. TOT revenue for Fiscal Year 2021-22 came in at $16.66 million, improving from the historic low of $10.6 million in Fiscal Year 2020-21, but it has yet to recover to pre-pandemic level. The Fiscal Year 2022-23 and Fiscal Year 2023-24 Adopted Budgets estimate TOT revenues of $23.97 million and $22.48 million respectively, closer to pre-pandemic levels.

Parking Tax

The City's parking tax ("**PT**") is imposed on the occupant of an off-street parking space for the privilege of renting the space within the City. The tax is collected by private parking facility operators who then remit the collected tax to the City. The current PT rate, which is applied to the gross receipts of parking facility operators, is 18.5%, with 8.5% restricted to funding the Violence Prevention and Public Safety Act of 2014 (Measure Z). Approximately half of PT revenue is generated from parking at the Oakland International Airport. PT revenue declined sharply following the onset of the COVID-19 pandemic, which left downtown offices empty and triggered large reductions in commuting and both business and personal travel.

Fines and Penalties

Fines and penalties consist primarily of parking enforcement fines (about 88% of the total) and penalties and interest for late tax payments. These revenues have also declined as a result of reduced driving and the suspension of street sweeping, parking meter, and residential parking permit enforcement during the pandemic.

Licenses and Permits

These revenues primarily include special police and fire permits, traffic, bingo permits, residential parking permits, and animal licenses.

Service Charges

These revenues include franchise fees imposed on utilities for use of City rights of way, City-operated parking meter and other parking revenues, reimbursements for services provided to the Port, and various other fees and charges. These parking revenues were significantly reduced due to the pandemic.

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VOTER-APPROVED SPECIAL TAX REVENUES

The City has sought voter approval for a number of special taxes and assessments to supplement its revenues in order to provide the level of services expected by residents of the City. The following table summarizes some of these revenues which provide funds for services that otherwise might be funded by the General Purpose Fund. Several of these taxes have maintenance-of-service requirements for their collection.

Table 13
City of Oakland
Certain Special Tax Revenues

Tax	Basis	FY 2023-24 Revenues (Budgeted)[1]	Expiration
Public Safety and Services Violence Prevention (Measure Z)	Parcel tax and 8.5% parking tax	$30.83	2024
Transient Occupancy Tax for Tourism and Cultural Facilities (Measure C)	3% special transient occupancy tax	6.13	None
Library Services Retention and Enhancement (Measure Q/C)	Parcel Tax	20.32	2054
Library Services (Measure D)	Parcel Tax	15.35	2038
Parks & Recreation Preservation, Litter Reduction, and Homelessness Support (Measure Q)	Parcel Tax	30.78	2040
Paramedic Services on Fire Trucks (Measure N)	Parcel Tax	2.05	None
Vacant Property, Housing and Illegal Dumping (Measure W)	Parcel tax	5.35	2040
Emergency Medical Services (Measure M)	Parcel Tax	2.58	None
Landscaping & Lighting Assessment District	Parcel Tax	19.08	None
The Oakland Children's Initiative (Measure AA)	Parcel Tax	40.21	2048

[1] In millions.
Source: City of Oakland.

At the November 2018 election, 62.47% of Oakland voters voted in favor of a special parcel tax, "The Children's Initiative of 2018" (Measure AA), that would authorize the City to collect a 30-year annual parcel tax of $198 per year on single-family parcels, $135 per year on each multi-unit parcel, and an amount calculated based on parcel type and size for nonresidential parcels. The tax is estimated to raise $25 million annually to fund education for young children and boost college preparedness among high schoolers. Measure AA was challenged and the City delayed its implementation. A trial court entered judgment declaring the tax invalid. On December 30, 2021, the Court of Appeal issued its decision reversing the trial court's ruling that Measure AA was invalid and directing the trial court to enter judgment in favor of the City.

INVESTMENT OF CITY FUNDS

The City Treasurer invests City funds within the guidelines of State law (specifically Section 53600 *et seq*. of the Government Code). The City Council adopts an investment policy, copies of which can be found on its website: https://www.oaklandca.gov/documents/investment-policies. The current investment policy (Investment Policy for Fiscal Year 2023-24) was adopted by the City Council on July 18, 2023, and is in effect until such time as it its subsequently revised and such revision is adopted by the City Council.

The objectives of the Investment Policy are to preserve capital, liquidity, diversity, and yield. The Investment Policy addresses the soundness of financial institutions in which the City may deposit funds, types of investment instruments permitted by the City and the Government Code, investment duration, and the amounts that may be invested in certain instruments. The Investment Policy also reflects certain ordinances and resolutions of the City further restricting investments, including the Nuclear Free Zone Ordinance, the Tobacco Divestiture Resolution, Linked Banking Ordinance, the Fossil Fuel Divestiture Resolution, and the Firearm or Gun Manufacturer Divestiture Resolution.

The City's Operating Pool Portfolio is composed of different types of investment securities and is invested in accordance with the Investment Policy. The following Table 14 summarizes the composition of the Operating Pool Portfolio as of July 31, 2023.

Table 14
City of Oakland
Operating Pool Portfolio
as of July 31, 2023

Investments	Market Value	Book Value	Percent of Portfolio	Days to Maturity	YTM 360 Equivalent	YTM 365 Equivalent
Federal Agency Issues – Coupon	$531,055,681.83	$556,076,968.54	26.88%	520	2.511	2.546
Federal Agency Issues – Discount	836,433,060.08	823,657,549.44	39.82	97	5.037	5.107
Money Market	385,000,000.00	385,000,000.00	18.61	1	5.124	5.195
Local Agency Investment Funds	49,209,117.68	49,967,195.03	2.42	1	3.260	3.305
Corporate Bonds	3,825,452.16	3,998,601.53	0.19	322	0.533	0.540
Negotiable CDs	9,995,530.00	10,000,000.00	0.48	237	5.690	5.769
Federal Agency Issues - Coupon/Bullet	235,856,306.45	239,875,062.61	11.60	249	2.756	2.794
TOTAL/AVERAGE	$2,051,375,148.20	$2,068,575,377.15	100%	209	4.061	4.118

Source: City of Oakland.

EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS

Labor Relations

As of July 1, 2023, the City employees are represented by seven labor unions and associations (identified in the following Table 15). The largest employee organization is the Service Employees International Union, Local 1021, which represents approximately 50% of City employees. Approximately 96% of City employees are covered by negotiated agreements, as detailed below.

Table 15
City of Oakland
Labor Relations
as of July 1, 2023

Employee Organization / Representation Unit	Number of Represented Employees	Contract Expiration
Confidential Management Employees' Association, Unit U31	37	June 30, 2025
International Association of Fire Fighters Local 55, Unit FQ1	440	June 30, 2026
International Brotherhood of Electrical Workers Local 1245, Units IE1, TV1	16	June 30, 2025
International Federation of Professional and Technical Engineers (IFPTE) (Includes TA1, TF1, TL1, TM2, TW1, UH1, U41, UM1 and UM2)	987	June 30, 2025
Service Employees International Union (SEIU) Local 1021	2,242	June 30, 2025
Oakland Police Officers' Association, Unit PP1, PT1	733	June 30, 2026
Oakland Police Management Association, Unit UN2	14	June 30, 2026
TOTAL	**4,469**	

Source: City of Oakland, Department of Human Resources Management, Employee Relations Unit.

As part of labor negotiations with its public safety unions in Fiscal Year 2018-19, the City reduced the growth of long-term liabilities for retiree health benefits by capping its contributions for active employees and current retirees effective January 1, 2020, implementing new, lower costs tiers for employees hired after January 1, 2019, and aligning benefits for new public safety employees with that of the City's civilian employees. While these reforms are anticipated to provide significant long-term relief to the City's retiree medical costs, even with these measures, rising costs for employees and retirees continue to pressure the City's finances and will require careful management in future years.

Retirement Programs

The City currently maintains one closed pension system, the Police and Fire Retirement System ("**PFRS**"). In addition, the City is a member of the California Public Employees' Retirement System ("**CalPERS**"), a multiple-employer pension system that provides a contributory defined-benefit pension for most current employees. Additional information concerning the City's retirement program can be found in "APPENDIX B –ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR YEAR ENDED JUNE 30, 2022 – Notes to the Basic Financial Statements" and - "Required Supplementary Information (unaudited)."

Police and Fire Retirement System. PFRS is a defined benefit plan administered by a seven-member Board of Trustees (the "**Retirement Board**"). PFRS is a closed plan and covers uniformed employees hired prior to July 1, 1976. On December 12, 2000, the voters of the City amended the Charter to give active members of PFRS the option to terminate their membership and transfer to CalPERS upon certain conditions. As a result, 126 former members transferred to CalPERS. See "-*California Public Employees' Retirement System*" below. As of July 1, 2022, PFRS covered no active employees and 686 retired employees and beneficiaries.

In accordance with voter-approved measures adopting the Charter provisions that govern PFRS, the City annually levies an *ad valorem* tax (the "**Pension Tax Override**") on all property within the City subject to taxation by the City to help fund its pension obligations to PFRS. State law limits the City's tax rate for this purpose at the rate of 0.1575%, the level at which the City has levied the tax since 1983. The City is allowed to levy the Pension Tax Override through 2026. The City is required to fund all liabilities for future benefits for all PFRS members by June 30, 2026, at which time the UAL is expected to be fully amortized. In order to do so, the City makes contributions at rates established by consulting actuaries based upon plan valuations. The contribution for Fiscal Year 2022-23 was $32.7 million, all of which was funded out of Pension Tax Override proceeds. Any unfunded liabilities that may remain after the expiration of the Pension Tax Override, as well as administrative expenses, would be an obligation of the City's General Fund.

As of June 30, 2022, the PFRS total pension liability of $553.3 million less the fiduciary net position of $401.5 million results in a net pension liability of approximately $151.8 million. The fiduciary net position as a percentage of the total pension liability is 72.6%.

As a result of the 2012 Pension Obligation Bonds, which funds were used to refund a $210 million debenture, the City was not required to make any periodic contributions to PFRS through June 30, 2017, pursuant to the Funding Agreement dated July 1, 2012 (the "**2012 Funding Agreement**"), between the City and PFRS. The City resumed contributions to PFRS in Fiscal Year 2017-18, in accordance with the 2012 Funding Agreement.

A schedule of funding progress for the PFRS is set forth below in Table 16. The funding status reflects a number of assumptions (such as future interest earnings, inflation, and the demographics of beneficiaries) and certain facts (including changes to labor agreements, to which benefits are tied, and actual mortality and earnings on assets).

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Table 16
City of Oakland
Police and Fire Retirement System
Schedule of Funding Progress[(1)]
as of July 1, 2022
($ In Millions)

Valuation Date (July 1)	Actuarial Liability	Actuarial Value of Assets	Market Value of Assets	Unfunded Actuarial Liability	Funded Ratio Based on Actuarial Value	Funded Ratio Based on Market Value	Number of Active Employees[(2)]
2018	$647.3	$347.5	$376.0	$299.8	53.7	58.1	0
2019	622.8	361.0	384.7	261.8	58.0	61.8	0
2020	597.0	371.5	379.0	225.5	62.2	63.5	0
2021	571.9	412.7	458.5	159.3	72.2	80.2	0
2022	553.0	422.8	401.5	130.2	76.5	72.6	0

(1) Does not include outstanding pension obligation bond principal and accreted interest; see “BONDS AND OTHER INDEBTEDNESS — Pension Obligation Bonds.”
(2) Because this is a closed system with no active employee during the periods shown, UAAL as a percentage of payroll is not presented.
Source: Oakland Police and Fire Retirement System, Actuarial Valuation Report as of July 1, 2022. Most current information available.

Certain current assumptions and estimated contributions as of July 1, 2022, are set forth in Table 17 below.

Table 17
City of Oakland
Police and Fire Retirement System
Projection of Future Contributions[(1)]
as of July 1, 2022

	Valuation Assumptions
Investment Return	5.19%
City Contribution for FY 2022-23	$32.7 Million
City Contribution for FY 2023-24	$40.8 Million

(1) If actual investment returns or wage growth varies from the assumptions, then the contribution rate will vary.
Source: Oakland Police and Fire Retirement System, Actuarial Report as of July 1, 2022.

The City’s required contribution increased from $32.7 million in Fiscal Year 2022-23 to $40.8 million in Fiscal Year 2023-24, as the current unfunded liability is fully amortized and recent asset losses are recognized. This assumes that the annual payments by the City will equal the administrative expenses, plus an amount needed to amortize the remaining unfunded liability as a level percentage of overall public safety payroll by July 1, 2026, as is required under the Charter.

California Public Employees' Retirement System. CalPERS is a defined-benefit plan administered by the State and covers all uniformed employees hired after June 30, 1976 and all non-uniformed employees hired after September 1, 1970 as well as certain former members of PFRS and the Oakland Municipal Employees Retirement System ("**OMERS**"), which was terminated effective March 31, 2015. CalPERS acts as a common investment and administrative agent for public entities participating with the State. CalPERS is a contributory plan deriving funds from employee contributions as well as employer contributions and earnings from investments. A menu of benefit provisions is established by State statutes within the Public Employees' Retirement Law. The City selects its optional benefit provisions from the benefit menu by contract with CalPERS. The information contained in this paragraph has been obtained from CalPERS. Additional information regarding CalPERS may be obtained from its website at www.calpers.ca.gov. However, the contents of such website are not incorporated herein by such reference.

For accounting purposes, employees covered under CalPERS are classified as either miscellaneous employees or safety employees (police and fire).

In July 2011, the City approved a CalPERS second tier (two-tiered pension plans) for all labor unions to reduce the City's CalPERS retirement cost over time. The two-tiered pension plans were subsequently approved through collective bargaining agreements between the City and labor organizations representing miscellaneous and safety employees. The City implemented the two-tiered pension plan for safety employees effective February 8, 2012, and for miscellaneous employees effective June 8, 2012.

In September 2012, Assembly Bill 340 (known as "**PEPRA**") was enacted into law. PEPRA reforms all State and local public retirement systems and their participating employers with the exception of charter cities and counties that operate an independent retirement system. PEPRA limits the pension benefits offered to new employees and increases flexibility for employee and employer cost sharing for current employees. A third tier was implemented as a result of PEPRA for miscellaneous and safety employees hired on or after January 1, 2013 ("**Tier 3**").

As of June 30, 2020, CalPERS provisions and benefits and the active number of members in each tier are as follows:

	Employee Organization	
Tier Pension Plans	**Safety**	**Miscellaneous**
Tier One (Classic Member)	Receive 3% at age 50. Pension benefits are based on the year of highest salary. Active members: 601	Receive 2.7% at age 55. Final compensation is based on the 12 highest paid consecutive months. Active members: 1,397
Tier Two (New Hires as of June 9, 2012)	Receive 3% at age 55. Pension benefits are based on the final average salary of three years under the Government Code 20037. Active members: 36	Receive 2.5% at age 55. Final compensation is based on the highest average annual compensation of the three consecutive years. Active members: 162
Tier Three: AB 340 (January 1, 2013)	Receive 2% at age 57. Option 1: 2.5% at age 57. Option 2: 2.7% at age 57. Pension benefits are based on the final average salary of three years subject to established cap. Active members: 530	Receive 2% at 62. Pension benefits are based on the final average salary of the three years subject to established cap. Active members: 1,238

Source: City of Oakland

The contribution requirements of the plan participants and the City are established by and may be amended by CalPERS. Beginning Fiscal Year 2017-18, CalPERS collects minimum required employer contributions equal to the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount (billed monthly in dollars unless prepaid at the beginning of the fiscal year, as the City has done the past several years. See "BONDS AND OTHER INDEBTEDNESS – Short-Term Obligations). In prior fiscal years, the Employer Unfunded Accrued Liability Contribution Amount was a contribution rate. As percentages of projected annual covered payroll, the total required employer contribution rates for Fiscal Year 2023-24 are estimated to be 44.67% for miscellaneous employees and 57.30% for safety employees (police and fire employees).

In addition, under current bargaining agreements, all City participants, other than Tier 3 (described herein) employees, are required to contribute 8% for miscellaneous employees, 12% for police employees, and 13% for fire employees of their annual covered salary to CalPERS. Tier 3 employees are required to contribute 50% of normal cost (currently, 8.25% for miscellaneous employees, 12% for police employees, and 12% for fire employees of their annual covered salary) to CalPERS. The contribution requirements of the plan members are established by State statute and the employer contributions are established, and may be amended, by CalPERS.

The following Table 18 sets forth the City's employer contribution rates and amounts as determined by CalPERS for Fiscal Years 2019-20 through 2023-24, and CalPERS's projections for Fiscal Years 2024-25 and 2025-26. The Total Required Employer Contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount.

Table 18
City of Oakland
California Public Employees' Retirement System
Contribution Rates and Amounts
Fiscal Years 2019-20 through 2023-24
and Projected Fiscal Years 2024-25 and 2025-26

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (Projected)(1)	2025-26 (Projected)(1)
Safety Plan							
Total Required Employer Contribution (as percentage of payroll)	46.97%	51.04%(3)	54.02%	56.61%	57.30%	63.64%	64.9%
Employer Normal Cost Rate (as percentage of payroll)	18.58%	19.51%	18.94%	18.53%	20.43%	19.86%	19.3%
Employer Unfunded Accrued Liability Contribution Amount	$46,171,999	$52,041,128	$61,868,629	$68,414,725	$66,753,911	$77,373,054	$82,725,000
Miscellaneous Plan							
Total Required Employer Contribution (as percentage of payroll)	42.22%	44.60%	45.83%	46.67%	44.66%	40.3%	38.8%
Employer Normal Cost Rate (as percentage of payroll)	11.60%	12.34%	11.85%	11.54%	12.28%	12.01%	11.6%
Employer Unfunded Accrued Liability Contribution Amount	$73,490,639	$80,187,025	$88,323,290	$96,340,598	$91,160,034	$83,344,315	$82,348,000

(1) Based on various assumptions, including 7.00% actuarial rate for Fiscal Year 2020-21 and each year thereafter.
Source: CalPERS Annual Valuation Reports as of June 30, 2015, through June 30, 2022. Most current information available.

CalPERS uses an actuarial method that takes into account those benefits that are expected to be earned in the future as well as those already accrued. CalPERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities.

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the

Fiscal Year 2015-16 rates, CalPERS no longer uses an actuarial value of assets and instead employs an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period.

On December 21, 2016, the CalPERS Board of Administration voted to further lower CalPERS's discount (i.e. assumed investment return) from 7.50% to 7.00% using a three-year phase-in, beginning with the June 30, 2016 actuarial valuations. Notwithstanding the CalPERS Board of Administration's decision to phase into a 7.00% discount rate, in July 2021, CalPERS announced that their investment returns for Fiscal Year 2020-21 was 21.3%, which triggered an automatic reduction in the discount rate, from 7% to 6.8%, under their funding risk mitigation policy. Subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation could result in a change to this discount rate schedule. There can be no assurance that CalPERS will not again lower its investment assumptions thus increasing the City's contribution obligations.

On November 25, 2021, CalPERS adopted its most recent asset liability management study incorporating actuarial assumptions and strategic asset allocation, making relatively modest changes to the asset allocation and demographic assumptions. The 6.8% discount rate was retained.

The following Tables 19 and 20 set forth the schedules of funding progress as of June 30 for 2017 through 2022 for public safety employees and for miscellaneous employees.

Table 19
City of Oakland
California Public Employees' Retirement System Schedule of Funding Progress
Public Safety Employees
($ in Millions)

Valuation Date (June 30)	Actuarial Accrued Liability	Market Value of Assets[1]	Unfunded Actuarial Accrued Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2017	$1,997.7	$1,283.4	$714.3	64.2%	$149.4	478.1%
2018	2,176.7	1,370.9	805.8	63.0	152.2	529.4
2019	2,302.7	1,442.9	859.8	62.7	162.6	528.8
2020	2,401.8	1,494.0	907.9	62.2	165.6	548.2
2021	2,558.7	1,825.1	733.6	71.3	166.7	440.1
2022	2,698.6	1,674.1	1,024.5	62.0	162.7	629.7

Source: CalPERS Actuarial Valuation Report as of June 30, 2022. Most current information available.

Table 20
City of Oakland
California Public Employees' Retirement System Schedule of Funding Progress
Miscellaneous Employees
($ in Millions)

Valuation Date (June 30)	Actuarial Accrued Liability	Market Value of Assets	Unfunded Actuarial Accrued Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2017	$2,616.0	$1,783.4	$832.6	68.2%	$220.1	378.3%
2018	2,824.7	1,885.2	939.5	66.7	229.4	409.5
2019	2,913.0	1,961.1	951.9	67.3	239.6	397.3
2020	2,999.7	2,010.4	989.3	67.0	252.8	391.3
2021	3,125.4	2,434.5	690.9	77.9	259.2	266.6
2022	3,241.5	2,213.8	1,027.7	68.3	271.2	379.0

Source: CalPERS Actuarial Valuation Report as of June 30, 2022. Most current information available.

For Fiscal Year 2023-24, the City's CalPERS pension contributions are $66.8 million for the Safety Plan and $91.1 million for the Miscellaneous Plan. The following Table 21 represents the City's annual contribution to CalPERS for Fiscal Years 2018-19 through 2022-23.

Table 21
City of Oakland
California Public Employees' Retirement System
Annual Pension Contributions
Fiscal Years 2018-19 through 2022-23
($ in Millions)

Fiscal Year Ended June 30	Annual Contributions
2019	$139.4
2020	160.3
2021	178.5
2022	184.9
2023	157.9

Effective July 1, 2011, all City employees pay the employee contributions.
(1) Amount includes both Safety and Miscellaneous Plans.
Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2019 through June 30, 2022.

Other Post-Employment Benefits

The City pays the partial costs of health insurance premiums for certain classes of retirees from City employment. Retirees meeting certain requirements relating to age and years of service are eligible for health benefits. The health benefits are extended to retirees pursuant to labor agreements between the City and certain of its employee labor unions and in resolutions adopted by the City. Traditionally, the City has financed these obligations on a pay-as-you go basis.

In 2014, the City began to partially pre-fund the annual required contribution ("**ARC**") to the California Employer's Retiree Benefit Trust ("**CERBT**"), an agent multiple-employer defined benefit post-employment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code ("**IRC**") Section 115 Trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs. Since that time, the City has made contributions to the CERBT, including $10 million in both Fiscal Years 2017-18 and 2018-19 and $15 million in Fiscal Years 2021-22 and 2022-23. The balance of the CERBT as of August 1, 2023 was estimated to be $64.1 million.

On February 26, 2019, the City Council adopted an OPEB Funding Policy intended to formalize its prepayment practice, providing for ongoing contributions of 2.5% of payroll in addition to the City's pay-as-you-go requirements. See also "BUDGET AND FINANCIAL OPERATIONS – Financial Policies - *OPEB Funding Policy*." These contributions were postponed for Fiscal Year 2019-20 and Fiscal Year 2020-21 in response to the financial crisis accompanying the COVID-19 pandemic. In both Fiscal Years 2021-22 and 2022-23 the City contributed $15 million to CERBT to offset reductions in prior years. The adopted budget for Fiscal Years 2023-25, provides for the resumption of these contributions at the policy level of 2.5%. The City anticipates contributing $16.0 million in Fiscal Year 2023-24 and an additional $16.0 million in Fiscal Year 2024-25.

Additionally, in Fiscal Year 2018-19 the City reached agreement with its sworn public safety unions to cap retiree medical benefits for existing employees and retirees effective January 1, 2020, and to implement new, lower-cost tiers for employees hired after January 1, 2019, aligning benefits for new public safety employees with that of the City's civilian employees.

The following Table 22 sets forth certain information with respect to the City's OPEB obligations for the Fiscal Years ended June 30, 2018 through June 30, 2022.

Table 22
City of Oakland
Post-Employment Benefits Other than Pensions
Fiscal Years 2017-18 through 2021-22
($ in Millions)

Fiscal Year Ended June 30[(1)]	Total OPEB Liability	Net OPEB Liability	Actuarial Determined Contribution	Benefit payments	City Contribution [(5)]
2018	$853.8	$849.5	$72.5	$20.4	$38.1
2019	856.6	840.6	76.6	27.5	39.1
2020	625.9[(2)]	598.6	50.7	29.1	28.9
2021	871.1[(3)]	842.8	65.2	28.9	29.5
2022	653.5[(4)]	617.5	54.3	29.5	41.8

(1) Amounts reported for each Fiscal Year figures are based on measurement year for actuarial purposes, which is one year prior.
(2) Includes reduction in estimated liabilities of $147.6 million from reduction to benefits for public safety employees hired on or after January 1, 2019 and changes in assumptions, which reduced estimated liabilities by $139.1 million.
(3) Increase to liability includes $222.3 million increase due to changes in assumptions, including a decrease in the discount rate applied from 4.5% to 2.2%.
(4) Decrease to liability includes $197.6 million decrease due to changes in assumptions, including an increase in the discount rate applied from 2.2% to 3.74%.
(5) Includes employer contributions and contributions to irrevocable trust.
Sources: City of Oakland Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2022.

The size of the City's medical, pension and OPEB liabilities are based on a number of assumptions that are subject to change, including, but not limited to, estimates regarding personnel costs, assumed investment returns and actuarial assumptions. It is possible that actual results of these initiatives will differ materially from current assumptions and such changes in personnel costs, investment returns or other actuarial assumptions could increase budgetary pressures on the City.

BONDS AND OTHER INDEBTEDNESS

The City has issued or caused the issuance of a variety of bonded and other debt obligations as provided for under the State Constitution, judicial interpretation of the State Constitution, State statutes, and its own Charter powers. The following summarizes existing indebtedness.

General Obligation Debt

The City may issue general obligation bonds for the acquisition and improvement of real property, subject to two-thirds voter authorization of the bond proposition. An *ad valorem* tax on all taxable property within the City is levied by the City and collected by the County to pay principal and interest on general obligation bonds on the secured and unsecured property tax bills within the City.

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Table 23 below summarizes the City's outstanding General Obligation Bonds as of September 1, 2023.

Table 23
City of Oakland
General Obligation Bonds
as of September 1, 2023
($ in Thousands)

Issue Name	Purpose	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
General Obligation Refunding Bonds, Series 2015A	Refunded Series 2005, Series 2006 (Measure G) and Series 2009B (Measure DD)	6/2/2015	1/15/2039	$128,895	$59,980
General Obligation Bonds, Series 2017C (Measure DD)	Acquire and improve water quality-related infrastructure and facilities and properties for open space purposes, design and construction of parks, bridges and trails	1/26/2017	1/15/2047	26,500	23,340
General Obligation Bonds, Measure KK, Series 2017A-1 (Tax Exempt)	For street paving and construction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks & recreation, and senior facilities; and water, energy and seismic improvements.	8/30/2017	1/15/2047	62,735	62,735
General Obligation Bonds, Measure KK, Series 2017A-2 (Taxable)	Provide for anti-displacement and affordable housing preservation projects, including acquisition.	8/30/2017	1/15/2035	55,120	37,205
General Obligation Bonds, Measure KK, Series 2020B-1 (Tax Exempt)	For street paving and construction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks & recreation, and senior facilities; and water, energy and seismic improvements.	2/27/2020	1/15/2050	140,010	140,010
General Obligation Bonds, Measure KK, Series 2020B-2 (Taxable)	Provide for anti-displacement and affordable housing preservation projects, including acquisition.	2/27/2020	1/15/2030	44,880	28,705
General Obligation Refunding Bonds, Series 2020	Refunded General Obligation Refunding Bonds, Series 2012	2/27/2020	1/15/2033	64,260	50,290
General Obligation Bonds, Measure KK, Series 2022C-1 (Tax Exempt)	Provide funds for certain street and road projects, Safe Routes to Schools projects, and for the construction, improvement or rehabilitation of City facilities.	3/10/2022	7/15/2052	198,645	195,235
TOTAL					$597,500

Source: City of Oakland.

The following Table 24 summarizes the voter-approved measures for which debt obligations have not yet been issued as of September 1, 2023. The City may seek additional voter authorization in the future.

Table 24
City of Oakland
General Obligation Bond Remaining Authorization
as of September 1, 2023
($ in Thousands)

Authorization	Date Passed	Use	Bond Total	Authorization Remaining[1]
Measure DD	11/5/2002	Water quality-related infrastructure and facilities, open spaces, parks, bridges and trails, recreational and aquatic facilities.	$198,250	$ 35,755
Measure KK	11/8/2016	Infrastructure, affordable housing, and facility improvements.	600,000	84,940
Measure U	11/8/2022	Improvements to real property	850,000	850,000

[1]Amounts shown do not reflect the issuance of the KK Series 2023 Bonds and Measure U Series 2023 Bonds.
Source: City of Oakland.

Short-Term Obligations

For most of the last 17 fiscal years, the City has issued tax and revenue anticipation notes ("**TRANs**") to finance general fund temporary cash flow deficits and/or to finance prepayments of the City's CalPERS Employer Unfunded Accrued Liability Contribution ("**UAL**"), all of which TRANs have been paid when due. The following Table 25 sets forth the principal amount of TRANs issued in Fiscal Years 2018-19 through 2022-23, all of which were issued with taxable interest solely for the purpose of prepayment of the City's CalPERS UAL contributions and were privately placed with a bank.

Table 25
City of Oakland
Tax and Revenue Anticipation Notes
($ in Thousands)

Fiscal Year Ended June 30	Principal Amount
2018-19	$83,430
2019-20	97,255
2020-21	109,220
2021-22	124,085
2022-23	136,810

Source: City of Oakland.

Lease Obligations

The City has entered into various long-term lease arrangements that secure lease revenue bonds or certificates of participation, under which the City must make annual payments, payable by the City from its General Fund, for the use of public buildings or equipment. The following Table 26 summarizes the City's outstanding long-term lease obligations and the principal amounts outstanding as of September 1, 2023.

Table 26
City of Oakland
Lease Revenue Bonds
as of September 1, 2023
($ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding	Leased Asset
Oakland – Alameda County Coliseum Authority Lease Revenue Bonds, (Arena Project) 2015 Refunding Series A	4/29/2015	2/1/2026	$39,868[1]	$12,068[1]	Coliseum Arena[2]
Oakland Joint Powers Financing Authority Lease Revenue Refunding Bonds, (Oakland Administration Building), Series 2018	5/23/2018	11/1/2026	60,025	30,185	Oakland Administration Buildings
Oakland-Alameda County Coliseum Authority Lease Revenue Notes (Oakland Coliseum Project), 2021 Refunding Series A (Taxable)	12/14/2021	2/1/2025	11,951[1]	6,611[1]	Coliseum Stadium
TOTAL				$48,864	

(1) The lease payments securing these bonds are joint and several obligations of both the City and the County as the members of the Oakland-Alameda County Coliseum Authority (the "**Coliseum Authority**"). See – "Limited Obligations." Each entity has covenanted to budget and appropriate one-half of the annual lease payments and to take supplemental budget action if required to cure any deficiency. Principal amounts shown here represent one-half of the total original and outstanding principal amount of the bonds, which represents the amount which is directly attributable to the City.

(2) On December 9, 2020, the California Supreme Court rejected an appeal from the Golden State Warriors of lower court rulings that required them to continue to make payments towards debt service on the Arena Bonds following the team's move to San Francisco, consistent with their original agreement with the Coliseum Authority. It is anticipated that the Warriors will continue to pay these debt service installments, in accordance with the agreement with the Coliseum Authority, until the Arena Bonds debt obligation is satisfied.

Source: City of Oakland.

Master Lease Obligations

The City has entered into various long-term, master lease-purchase agreements to finance the acquisition of essential-use assets. As of September 1, 2023, the City's master lease-purchase agreements, which generally are backed by the City's General Fund, were outstanding in the principal amount of $12,053,560. These financings are fixed rate with interest rates ranging from 1.6183% - 3.2300% and maturities between 2023 and 2030. As of September 1, 2023, the aggregate maximum annual debt service payment is $4,933,640 in Fiscal Year 2023-24.

Pension Obligation Bonds

The City has previously issued three series of pension obligation bonds (in 1997, 2001 and 2012) to fund a portion of the City's unfunded actuarial accrued liability ("**UAAL**") for retirement benefits to members of the PFRS, a closed plan covering uniformed employees hired prior to July 1, 1976. The City annually levies an *ad valorem* tax at a rate of 0.1575% on all property within the City subject to taxation to fund PFRS pension obligations. For more information, see "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs –*Police and Fire Retirement System*" herein.

The pension obligation bonds are obligations of the general fund and are secured by a senior pledge of Pension Tax Override proceeds. The second series of pension obligation bonds, which was a series of capital appreciation bonds issued in 2001 (the "**2001 Pension Obligation Bonds**"), was part of a plan of finance undertaken by the City to restructure a portion of the City's 1997 pension obligation bonds (the "**1997 Pension Obligation Bonds**"), to reduce the annual net debt service on such bonds and to minimize the need for the City to use General Fund revenues other than Pension Tax Override funds to pay debt service on the 1997 Pension Obligation Bonds and the 2001 Pension Obligation Bonds. The 1997 Pension Obligation Bonds matured in December 2010 and the 2001 Pension Obligation Bonds matured in December 2022. The third series of pension obligation bonds were issued on July 12, 2012 (the "**2012 Pension Obligation Bonds**") to prepay a portion of the City's UAAL for retirement benefits to members of PFRS.

The following Table 27 summarizes the 2012 Pension Obligation Bonds as of September 1, 2023.

Table 27
City of Oakland
Pension Obligation Bonds
as of September 1, 2023
($ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
City of Oakland Taxable Pension Obligation Bonds, Series 2012	7/30/2012	12/15/2025	$212,540	$151,380
TOTAL				$151,380

Source: City of Oakland.

The 2012 Pension Obligation Bonds are secured by a senior pledge of Pension Tax Override revenues. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*." For additional information on the City's pension systems, see "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs."

Limited Obligations

Oakland-Alameda County Coliseum Authority. The City is a member with the County of Alameda in a joint exercise of powers agreement forming the Oakland-Alameda County Coliseum Authority (the "**Coliseum Authority**"), which was formed on July 1, 1995, to assist the City and the County in the financing of public capital improvements of the Oakland-Alameda County Coliseum Complex, comprised of the stadium and arena complex, (the "**Coliseum Complex**") pursuant to the Marks-Roos Local Bond Pooling Act of 1985. Bonds issued by the Coliseum Authority are limited obligations of the Coliseum Authority payable solely from certain revenues of the Coliseum Authority, including revenues from the stadium and arena, as applicable. In the event that revenues received in connection with the stadium or arena, as applicable, are insufficient to make base rental payments, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds, which obligation is a joint and several liability, which means that the City could have to pay the total amount of any shortfall in revenue necessary to make the base rental paymentss. See Table 26 – "*City of Oakland Lease Obligations*" above for the outstanding Coliseum Authority bonds. Debt service on Coliseum Authority bonds are not general obligations of the City or the County. See also APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR YEAR ENDED JUNE 30, 2022 – Note J to the Basic Financial Statements" for a discussion regarding the Coliseum Authority and current and prior bond issuances.

Redevelopment Agency of the City of Oakland. The City's Redevelopment Agency, prior to its dissolution in 2012, issued several series of tax allocation bonds to provide funding for blight alleviation and economic development in parts of the City or for the construction of low-income housing, which are payable from tax increment revenues received from the specific redevelopment project areas which they support. In addition, the Oakland Redevelopment Successor Agency ("**ORSA**") has issued bonds that are secured by the Redevelopment Property Tax Trust Fund and dedicated housing set-aside revenues from all the City's redevelopment project areas.

The following Table 28 sets forth outstanding tax allocation bonds issued by Redevelopment Agency or ORSA, including the final maturity date, original principal amounts and principal amounts outstanding. All information below is presented, and sets forth the principal amount of debt outstanding, as of September 1, 2023.

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Table 28
Tax Allocation Bonds
as of September 1, 2023
($ in Thousands)

Broadway/MacArthur/San Pablo Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds Series 2006C-T	10/12/2006	9/1/2032	$ 12,325	$5,825
Broadway/MacArthur/San Pablo Redevelopment Project Tax Second Lien Allocation Bonds Series 2010-T (RZEDB)	11/12/2010	9/1/2040	7,390	6,695
TOTAL BROADWAY/MACARTHUR/SAN PABLO DISTRICT			$ 19,715	$12,520

Central City East Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-T	10/12/2006	9/1/2034	$ 62,520	$33,755

Coliseum Area Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-T	10/12/2006	9/1/2035	$ 73,820	$45,185

Multiple Project Areas and Housing

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Subordinated Tax Allocation Refunding Bonds, Series 2015-TE	9/2/2015	9/1/2036	$ 22,510	$22,510
Subordinated Tax Allocation Refunding Bonds, Series 2015-T	9/2/2015	9/1/2035	66,675	36,565
Subordinated Tax Allocation Refunding Bonds, Series 2018-TE	6/6/2018	9/1/2031	15,190	15,190
Subordinated Tax Allocation Refunding Bonds, Series 2018-T	6/6/2018	9/1/2039	41,765	31,865
TOTAL MULTIPLE PROJECT AREAS AND HOUSING			$146,140	$106,130

Source: City of Oakland

Special Assessment. The City has debt outstanding for two bond issues supported by assessment districts. Debt service on each of these assessment and reassessment bond issues is paid solely from assessments levied on real property within the respective districts. The following Table 29 sets forth the City's outstanding special assessment bonds as of September 1, 2023.

Table 29
City of Oakland
Special Assessment Bonds
as of September 1, 2023
($ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
City of Oakland 2012 Limited Obligation Refunding Improvement Bonds, Reassessment District No. 99-1	8/30/2012	9/2/2024	$3,545	$ 675
Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1, Limited Obligation Refunding Bonds (Reassessment and Refunding of 2018)	6/6/2018	9/2/2039	1,380	1,175
TOTAL				$1,850

Source: City of Oakland.

Enterprise Revenue Bonds. The City also has issued bonds secured solely by revenues of its sewer system. On March 20, 2014, the City issued Sewer Revenue Refunding Bonds, 2014 Series A, in the principal amount of $40,590,000 (the "**2014 Sewer Bonds**"). The proceeds of the 2014 Sewer Bonds were used to refund the City's then outstanding Sewer Revenue Bonds, Series 2004A. The 2014 Sewer Bonds have an outstanding principal amount of $18,515,000 as of September 1, 2023, and mature on June 15, 2029.

Estimated Direct and Overlapping Debt

Located within the City are numerous overlapping local agencies providing public services. These local agencies have outstanding bonds issued in the form of general obligation, lease revenue, certificates of participation, and special assessment bonds. The direct and overlapping debt of the City as of September 30, 2023, according to California Municipal Statistics, Inc., is shown in the following Table 30. The City makes no representations as to the accuracy of the following table. Inquiries concerning the scope and methodology of procedures carried out to complete the information presented should be directed to California Municipal Statistics, Inc. According to California Municipal Statistics, Inc., tax and revenue anticipation notes and enterprise revenue, mortgage revenue and non-bonded capital lease obligations are excluded from this debt statement.

Table 30
City of Oakland
Statement of Direct and Overlapping Debt
as of September 30, 2023

2023-24 Assessed Valuation: $85,412,303,101

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 9/30/23
Alameda County	21.379%	$ 106,316,698
Bay Area Rapid Transit District	8.412	205,721,769
East Bay Regional Park District	13.317	19,370,908
Chabot-Las Positas Community College District	0.617	4,344,852
Peralta Community College District	56.918	247,143,648
Berkeley and Castro Valley Unified School Districts	0.002 & 0.103	145,235
Oakland Unified School District	99.999	992,215,078
San Leandro Unified School District	6.247	21,609,746
City of Oakland	**100%**	**597,500,000**
City of Oakland 1915 Act Bonds	100%	1,460,000
City of Piedmont 1915 Act Bonds	4.840	120,802
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,195,948,736
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Alameda County and Coliseum Authority General Fund Obligations	21.379%	$151,128,899
Alameda-Contra Costa Transit District Certificates of Participation	25.236	2,629,591
Peralta Community College District Pension Obligation Bonds	56.918	65,541,101
Castro Valley Unified School District Certificates of Participation	0.103	4,130
City of Oakland and Coliseum Authority General Fund Obligations	**100%**	**48,863,500**[2]
City of Oakland Pension Obligation Bonds	**100%**	**151,380,000**
Eden Township Healthcare Certificates of Participation	1.158	153,261
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$419,700,482
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100%	$197,590,000
COMBINED TOTAL DEBT		$2,813,239,218[3]

Ratios to 2023-24 Assessed Valuation:
Direct Debt ($597,500,000) 0.70%
Total Direct and Overlapping Tax and Assessment Debt 2.57%
Total Direct Debt ($797,743,500) 0.93%
Combined Total Debt...3.29%

Ratio to 2022-23 Redevelopment Successor Agency Incremental Valuation ($27,513,689,743):
Total Overlapping Tax Increment Debt 0.72%

(1) 2022-23 ratios.
(2) Excludes the Bond issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS

Article XIII A of the California Constitution

Section 1(a) of Article XIII A of the State Constitution limits the maximum *ad valorem* tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by counties and apportioned according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on: (1) indebtedness approved by the voters prior to July 1, 1978; (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; or (3) any bonded indebtedness incurred by a school district, community college district or county office of education for the construction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities approved after November 8, 2000 by 55% of the voters of the district or county, as appropriate, voting on the proposition. Section 2 of Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment" ("**Full Cash Value**"). The Full Cash Value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Taxpayers in the City may appeal the determination of the County Assessor of the Full Cash Value of their property. At any given point in time, hundreds of appeals are pending in the City. If the assessed value of a property is reduced as a result of an assessment appeal, the reduction is borne by relevant taxing agencies, including the City.

Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reappraisal under Article XIII A. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or "severely disabled homeowners" who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence.

In the November 1990 election, the voters approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of "new construction" certain additions and improvements.

Article XIII A has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of property damaged or destroyed in a disaster or construction or reconstruction of seismic retrofitting components.

Section 4 of Article XIII A provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which have been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Article XIII B of the California Constitution

State and local government agencies in the State are each subject to annual "appropriations limits" imposed by Article XIII B of the State Constitution ("**Article XIII B**"). Article XIII B prohibits government agencies and the State from spending "appropriations subject to limitation" in excess of the appropriations limit imposed. "Appropriations subject to limitation" are generally authorizations to spend "proceeds of taxes," which include, but are not limited to, all tax revenues, and the proceeds from (i) regulatory licenses, user charges or other user fees to the extent that such proceeds exceed "the cost reasonably borne by that entity in providing the regulation, product, or service," (ii) the investment of tax revenues, and (iii) certain subventions received from the State. No limit is imposed on appropriations of funds which are not "proceeds of taxes," appropriated for debt service on indebtedness existing prior to the passage of Article XIII B or authorized by the voters or appropriations required to comply with certain mandates of courts or the federal government.

On November 19, 2019, the City Council approved, for submission to voters at the March 3, 2020 municipal election, a measure – now known as Measure S – to increase the City's appropriations limit for Fiscal Years 2020-21 through 2023-24 to ensure the City's ability to expend funds collected from eight (8) voter-approved general and special tax ballot measures relating to municipal services such as emergency dispatch services, paramedic services, libraries, violence prevention and services to the homeless without exceeding the City's appropriation limit. Passage of the measure required an affirmative vote of a majority of voters, and the Measure passed by the vote of 72.35% of the voters.

Articles XIII C and XIII D of the California Constitution

Articles XIII C and XIII D of the State Constitution were added pursuant to Proposition 218, which was approved by the voters of the State in November 1996, and amended pursuant to Proposition 26, which was approved by the voters of the State in November 2010. Articles XIII C and XIII D contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes, even if deposited in the general fund, require a two-thirds vote. The voter approval requirements of Article XIII C reduce the City's flexibility to deal with fiscal problems by raising revenue through new, or extended or increased taxes and no assurance can be given that the City will be able to raise taxes in the future to meet increased expenditure requirements.

Article XIII D contains several provisions making it generally more difficult for cities to levy and maintain "assessments" for municipal services and programs. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property.

Article XIII D also contains several provisions affecting a "fee" or "charge," defined for purposes of Article XIII D to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a city upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) with respect to any parcel or person, exceed the proportional cost of the service attributable to the parcel, (iv) are for a service not actually used by, or immediately available to, the owner of the property in question, or (v) are used for general governmental services, including police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services (or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIII D), no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area. The City has two enterprise funds that are self-supporting from fees and charges, which could, depending upon judicial interpretation of Proposition 218, ultimately be determined to be property related for purposes of Article XIII D. If fees and charges cannot be appropriately increased, or are reduced pursuant to exercise of the initiative power (described in the following paragraph), the City may have to decide whether to support any deficiencies in these enterprise funds with moneys from the general fund or to curtail service, or both.

In addition to the provisions described above, Article XIII C also removes prohibitions and limitations on the initiative power in matters of any "local tax, assessment, fee or charge." Consequently, the voters of the City could, by future initiative, repeal, reduce or prohibit the future imposition or increase of any local tax, assessment, fee or charge. "Assessment," "fee" and "charge," are not defined in Article XIII C and it is not clear whether the definitions of these terms in Article XIII D (which are generally property-related as described above) would limit the scope of the initiative power set forth in Article XIII C. If the Article XIII D definitions are not held to limit the scope of Article XIII C initiative powers, then the Article XIII C initiative power could potentially apply to revenue sources that currently constitute a substantial portion of general fund revenues. No assurance can be given that the voters of the City will not, in the future, approve initiatives that repeal, reduce or prohibit the future imposition or increase of local taxes, assessments, fees or charges.

Proposition 1A

The California Constitution and existing statutes give the State Legislature authority over property taxes, sales taxes and the vehicle license fee (the "**VLF**"). The State Legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to financial difficulties of the State in past years, it did not provide reimbursements for many mandated costs. In other cases, the State has suspended mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A, which amended the California Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local government's property, sales and VLF revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a "severe state financial hardship," which must be approved by a two-thirds vote of both houses of the State Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (i) protects the property tax backfill of Sales Tax revenues diverted to pay the State's economic recovery bonds, and the reinstatement of the Sales Tax revenues once such bonds are repaid, and (ii) protects local agency VLF revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local Sales Tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example, the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

Proposition 22

Proposition 22 which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating VLF revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives. The City is unable to predict how Proposition 22 will be interpreted, or to what extent the measure will affect the revenues in the general fund of local agencies, although it could eventually provide greater stability in local agency revenues.

Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). However, borrowings and reallocations from local governments during 2009 are not subject to Proposition 22 prohibitions. In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing Sales Taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26, revising certain provisions of Articles XIII A and XIII C of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State-imposed charges, any tax or fee adopted after January 1, 2010 with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase, rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. Fees, charges and payments that are made pursuant to a voluntary contract that are not "imposed by a local government" are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two–thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a 50 percent voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives

Article XIII A, Article XIII B and Propositions 218 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City's revenues or its ability to expend its revenues.

On February 1, 2023, the California Secretary of State announced that a ballot initiative known as the "Taxpayer Protection and Government Accountability Act" ("**Initiative 1935**") received the required number of signatures to appear on the November 5, 2024 ballot. If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things, Initiative 1935 would amend the definition of "tax" in Article XIII C to include "every levy, charge, or exaction of any kind imposed by a local law that is not an exempt charge." Initiative 1935 defines "exempt charge" to mean a "reasonable charge for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the actual costs [as opposed to the reasonable costs] of providing the service or product to the payor." "Exempt charges" also encompass existing exceptions from the definition of "tax" added to Article XIII C by Proposition 26, including property-related fees imposed in accordance with Article XIII D (see "—Articles XIII C and XIII D of the California Constitution" above). "Actual costs" is defined as "the minimum amount necessary to reimburse the government for the cost of providing the service or product … less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product." Initiative 1935 further provides that the local government adopting an exempt charge would bear the burden of proving by clear and convincing evidence (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor. Initiative 1935 would also amend Article XIII C to provide that no local law, whether proposed by the governing body or by an elector, may impose any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. The full definitions of the terms referenced above, along with the full text of Initiative 1935, may be viewed at the website of the California Attorney General.

Initiative 1935 is retroactive and provides that any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof, would be void 12 months after the effective date of Initiative 1935, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935.

The City cannot predict whether Initiative 1935 will be approved at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the City cannot provide any assurances that it will not have a material adverse effect on the City's ability to adopt or increase rates, fees, and charges for the various services provided by the City.

LEGAL MATTERS AND RISK MANAGEMENT

Insurance and Risk Management

The City is self-insured for its general liability, malpractice liability, public official's errors and omissions, products and completed operations, employment practices liability and auto liability up to $5.0 million retention level and up to $750,000 for workers' compensation. For all major insurance programs, the City insures risk and has excess insurance through its partnership with Public Risk Innovation, Solutions, and Management ("**PRISM**"), a member directed risk sharing pool, previously known as the CSAC Excess Insurance Authority. The City is a member of the PRISM General Liability 2 ("**GL2**") Program, which provides coverage for claims from third parties alleging damages due to negligence arising out of bodily injury, personal injury, property damage, public official's errors and omissions, employment practices liability, and automobile liability. The GL2 Program has a $25,000,000 per occurrence limit, which is subject to a per occurrence self-insured retention of $5,000,000. The City also carries cyber insurance. See also APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR YEAR ENDED JUNE 30, 2022 – Note I to the Basic Financial Statements."

The City is also a member of the PRISM Property Program. The Property Program provides protection from physical damage to property, it covers real and person property and boiler and machinery. The Property Program covers most types of risk, but it does not automatically cover earthquake damage. The City does not insure for damage from earthquakes (see "SECURITY FOR THE BONDS – Natural Hazards -*Seismic Risks*" in the forepart of the Official Statement). The Property Program is subject to a $50,000 deductible. The City is also a member of the PRISM Excess Workers' Compensation ("**EWC**") Program. The EWC Program provides workers' compensation coverage for employees injured on the job. Coverage includes reimbursement for payments above the City's SIR of $750,000. This includes compensation for temporary disability benefits at statutory rates, medical benefits, and some allocated expenses.

As of June 30, 2023, the City Liability Program had estimated outstanding losses of $82,671,644 calculated at the expected confidence level. As of June 30, 2023, the City's Self-Insured Workers'

Compensation Program had estimated outstanding losses of $69,530,774 calculated at the expected confidence level. Workers' compensation claims are paid through annual appropriations, with approximately $20,286,058 expected to be paid out during the Fiscal Year 2023-24.

Litigation

The City is involved in litigation relating to its operations. Upon the basis of information currently available, the City Attorney believes that the aggregate amount of any liability that the City might incur as a result of an adverse decision against the City would be covered by the City's insurance program, and, in any event, any ultimate liability in the excess of applicable insurance coverage relating thereto will not materially affect the ability of the City to pay debt service on the Bonds. A case of note is as follows:

Zolly, McFadden and Clayton Litigation. In the matter of *Robert Zolly, Ray McFadden and Stephen Clayton v. City of Oakland, et al.* (the "**Zolly Litigation**") the Plaintiffs, owners of multi-family dwelling properties in the City filed suit in June, 2016, alleging that: (1) the refuse collection, disposal, and recycling rates charged by the City's two franchisees, Waste Management of Alameda County ("**WMAC**") and California Waste Solutions ("**CWS**"); (2) the franchise fees that the franchisees pay to the City under their respective franchise agreements; and (3) the California statutory recycling fee (AB 939); all violate California Constitution Article XIII D. Through two rounds of demurrers and amendments, the Plaintiffs' claims narrowed to a claim for declaratory relief challenging the franchise fees paid by the franchisees, alleging that those fees are illegal taxes under California Constitution Article XIII C, and that a portion of the fees paid by WMAC exceeds what AB 939 authorizes. The contracts at issue went into effect on July 1, 2015. The WMAC contract has a 10-year term with the possibility of renewal, and the CWS contract has a 20-year term.

The City initially responded to Plaintiffs' latest complaint by demurrer, which the trial court sustained. But that decision was overturned by the Court of Appeal. The California Supreme Court granted review and ultimately ruled that Plaintiffs had alleged sufficient facts to survive a pleading challenge, which marked a deviation from past precedent regarding the limits of taxpayer standing and the constitutional standards governing franchise fees. The case has now returned to the trial court where it is being litigated in anticipation of a May 2024 trial.

Plaintiffs primarily seek equitable relief in this case, a judgment declaring that some unspecified portion of the franchise fees paid by WMAC and CWS is illegal. Plaintiffs have also requested a ruling entitling them to a refund of alleged overpayments, but the City believes that the Plaintiffs face significant legal obstacles to securing that relief. A full recovery for Plaintiffs would include an as-of-yet undetermined portion of the franchise fees, which total roughly $30 million per year in the aggregate, as well as a likely award of attorneys' fees. While the City intends to vigorously litigate this matter, the City is unable to predict the timeframe or ultimate outcome of this matter, including the amount of any monetary impact on the City. Any tax refunds arising from such litigation would likely be excluded from the City's insurance coverage. The City does not, however, believe that any obligation that the City could have to pay monetary damages related to the Zolly Litigation would impact its ability to pay debt service on the Bonds.

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APPENDIX B

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

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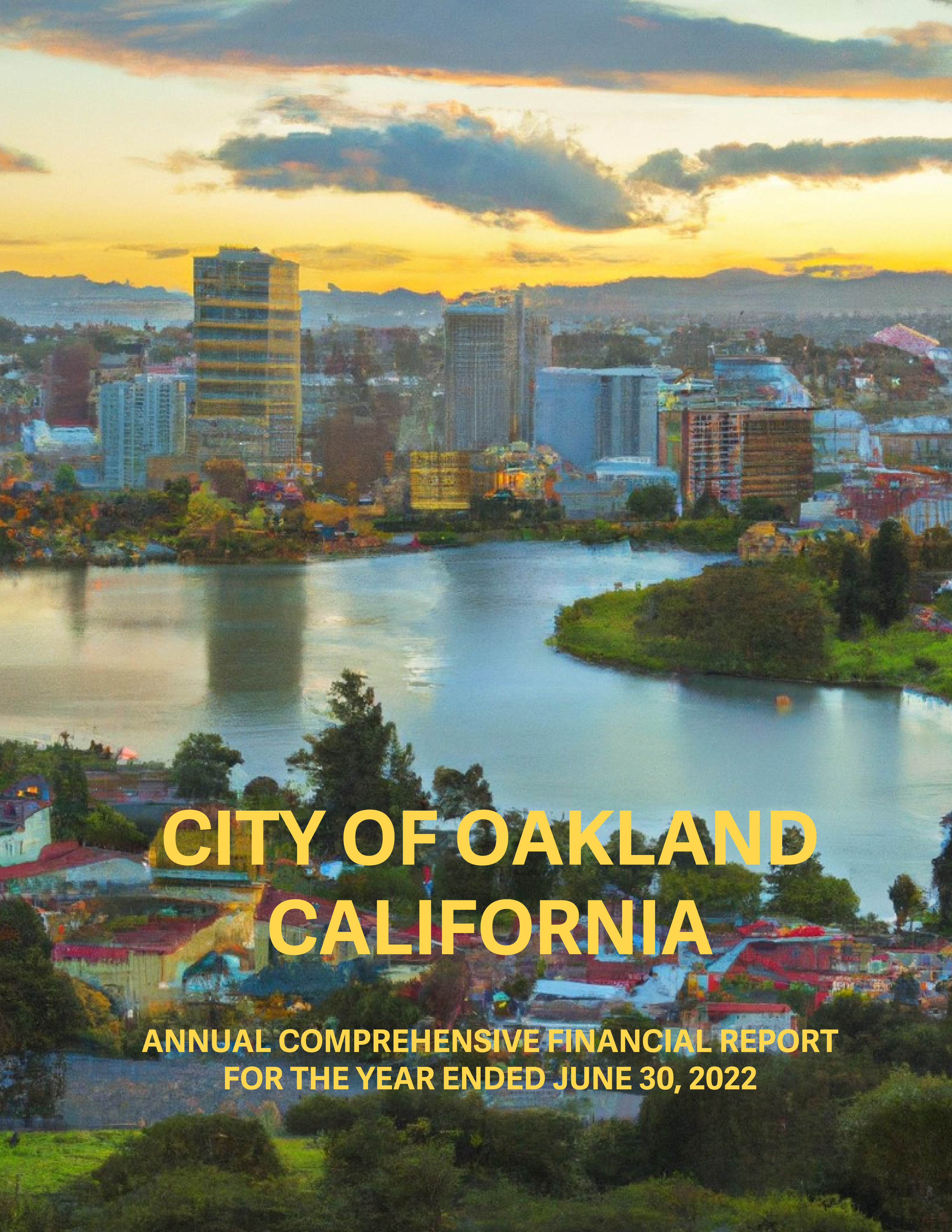

CITY OF OAKLAND CALIFORNIA

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

CITY OF OAKLAND, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

PREPARED BY THE FINANCE DEPARTMENT

ERIN ROSEMAN, FINANCE DIRECTOR

STEPHEN WALSH, CONTROLLER

PRINTED ON RECYCLED PAPER

Cover design by DALL-E 2, a machine learning model designed by OpenAI to generate digital images from natural language descriptions, in response to the prompt "*an oil painting of an aerial view of the City of Oakland with Lake Merritt and downtown at sunset.*"

CITY OF OAKLAND

Annual Comprehensive Financial Report
Year Ended June 30, 2022

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Table of Contents (Continued)

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INTRODUCTORY SECTION

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CITY OF OAKLAND

CITY HALL ● 1 FRANK H. OGAWA PLAZA ● OAKLAND, CALIFORNIA 94612

Office of the City Administrator (510) 238-3301
Edward D. Reiskin FAX (510) 238-2223
City Administrator

December 23, 2022

Residents of the City of Oakland
The Honorable Mayor and
Members of the City Council

The Annual Comprehensive Financial Report of the City of Oakland

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Oakland, California (City). The Finance Department has prepared this report to present the financial position and the changes in net position for the year ended June 30, 2022, and the cash flows of its proprietary fund types for the same period. The basic financial statements and supporting schedules have been prepared in compliance with Section 809 of the City Charter and in accordance with Generally Accepted Accounting Principles (GAAP) for local governments, as established by the Governmental Accounting Standards Board (GASB). The information presented here should be considered in conjunction with the additional information contained in the Management's Discussion and Analysis (MD&A) in the Financial Section of this report.

The report consists of management's representations concerning the finances of the City. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse; to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP; and to comply with applicable laws and regulations. As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe this ACFR to be complete and reliable in all material respects.

The City contracted with Macias Gini & O'Connell LLP, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for the year ended June 30, 2022 are fairly stated and in accordance with accounting principles generally accepted in the United States. This is the most favorable conclusion and is commonly known as an "unmodified" opinion. The independent auditor's report is included in the Financial Section of this report.

In addition, Macias Gini & O'Connell LLP is auditing the City's major program expenditures of federal funds for compliance with the Federal Single Audit Act Amendments of 1996, the Office of Management and Budget (OMB) Uniform Guidance regulating uniform administrative requirements, cost principles, and audit requirements for Single Audits, and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. The report of the Single Audit is published separately from this ACFR and may be obtained upon request from the City's Finance Department.

The Reporting Entity and Its Services

The City has defined its reporting entity in accordance with GAAP that provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The basic financial statements present information on the activities of the City and its component units.

GAAP requires that the component units be separated into blended, discretely presented, or included in the fiduciary funds financial statements for reporting purposes. Although legally separate entities, blended component units are, in substance, part of the City's operations. Therefore, they are reported as part of the Primary Government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City's operations. Component units that are fiduciary in nature are reported in the fiduciary funds financial statements.

Accordingly, we have included the operations of the Oakland Joint Powers Financing Authority as a blended component unit. The Oakland Redevelopment Successor Agency is included as a fiduciary component unit. The operations of the Port of Oakland (including the Oakland International Airport) are presented discretely. The Oakland-Alameda County Coliseum Authority (Authority) is a Joint Venture owned and operated by the City and the County of Alameda. The Joint Venture agreement and operations are disclosed on Note II, part J. of the basic financial statements.

The Oakland Housing Authority, the Oakland Unified School District, and the Peralta Community College District were not included in the basic financial statements because they have limited relationships with the City and, therefore, did not meet the criteria for inclusion in the reporting entity. The City is also represented in seven regional agencies that are excluded from the City's reporting entity. These agencies are the San Francisco Bay Area Rapid Transit District (BART), Alameda-Contra Costa County Transit District (AC Transit), Bay Area Air Quality Management District, Association of Bay Area Governments (ABAG), East Bay Regional Park District, East Bay Municipal Utility District (EBMUD), and Metropolitan Transportation Commission (MTC).

Profile of the Government

The City of Oakland was chartered as a city in 1852. It is situated on the eastern side of the Oakland/San Francisco Bay in the County of Alameda. Its western border offers nineteen miles of coastline, while the rolling hills to the east present views of the Bay and the Pacific Ocean. In between are traditional, diverse neighborhoods, a progressive downtown with numerous high-rise projects under construction, and superior cultural and recreational amenities. It is the administrative site for the County of Alameda, the regional seat for the federal government, the district location of primary state offices, and the transportation hub of commerce for the Bay Area.

Legislative authority is vested in the City Council and executive authority is vested in the Mayor. The City Administrator, appointed by the Mayor and approved by the City Council, has administrative authority to manage the day-to-day administrative and fiscal operations of the City. The City Auditor and the City Attorney are both elected officials and serve four-year terms.

The Mayor and City Council are the governing body of the City. The City Council is comprised of eight elected officials. One Council member is elected "at large", while the other seven Council members represent specific geographic districts. The Mayor and City Council are elected to serve four-year terms.

The City provides a full range of services contemplated by statute or charter, including those functions delegated to cities under state law. These services include public safety (police and fire), sanitation and environmental health, economic development, community involvement and empowerment, public-private partnerships, library, recreational and cultural activities, public improvements, planning, zoning, and general administrative services.

Economic Condition and Fiscal Outlook

The City of Oakland continued to recover from the economic challenges associated with the global COVID-19 pandemic during Fiscal Year (FY) 2021-22. Unemployment rates declined by more than half during the year, falling from 7.8% in July 2021 to 3.5% as of June 2022. Citywide employment losses due to large scale layoffs and closures declined as well. In total the City experienced the loss of 398 jobs due to large-scale layoffs in FY 2021-22, a sharp drop from the 1,570 job losses experienced in FY 2020-21. These employment gains are especially striking in the context of the recent pandemic, when unemployment reached a high of 16.7% in May 2020 and the City saw mass layoffs of 3,551 jobs in FY 2019-20.

Property tax revenues performed strongly in FY 2021-22, continuing a multi-year trend that has been key to the City's ongoing financial strength. General and voter-approved property taxes rose by 7% while real estate transfer taxes rose by 22% on the basis of strong sales activity, particularly for large commercial properties. Property taxes and real estate transfer taxes together accounted for 59% of General Fund revenue in FY 2021-22 and 41% of Governmental Fund revenue. Since FY 2017-18 such General Fund property tax revenues have increased by 38%. Policy changes, such as voter-approved property taxes and the implementation of a graduated transfer tax, contributed to these results, but continued growth in assessed value underlies much of the City's recent financial performance.

Most local taxes also performed strongly in FY 2021-22, rebounding from the impacts of the global COVID-19 pandemic. Revenues from transient occupancy taxes and parking taxes have not yet recovered from pre-pandemic levels but saw gains of 57% in FY 2021-22 after two years of declines, as business activity and tourism rebounded. Utility user taxes increased by 12% and sales and use taxes rose by 7%, underscoring the increase in local economic activity.

A notable exception to these positive trends occurred with business license taxes, which declined by 3% in FY 2021-22 following an increase of 6% in FY 2020-21. Year-over-year decreases in construction activity underlie much of this decline following the completion of several major development projects.

Oakland's strong financial results for FY 2021-22 reflect the impact of federal COVID subsidies as well as a recovering economy. Under regulations promulgated by the US Treasury Department, the American Rescue Plan Act (ARPA) provided the City with a State and Local Relief Fund allocation of $188 million. Of this total, $33 million was used to replace revenue shortfalls arising from the pandemic and subsidize General Fund expenditures in FY 2020-21, $87 million was used for similar purposes in FY 2021-22, and the remaining balance of $68 million was programmed for FY 2022-23 General Fund subsidies.

Much uncertainty remains about the City's prospects for further economic recovery, largely due to global economic stresses. Widespread inflation and interest rate increases, rising energy costs, protracted war in Europe, and the potential for global recession all weigh heavily on Oakland's fiscal outlook in the wake of FY 2021-22. Amidst these near-term global crises, the City continues to face numerous local challenges including housing affordability, crime, and persistent racial and ethnic disparities. To the extent they impact revenue growth, negative global economic trends may also constrain the City's ability to address such local policy priorities.

The COVID-19 global pandemic has now taken a secondary role behind global economic factors as an immediate threat to the City's finances, but its longer-term impacts may be substantial. Pandemic impacts on downtown office utilization, for example, appear to be long-lasting if not permanent, with potential impacts on commercial property valuation and construction, transit, and local businesses.

Residential property demand may also be transformed by the rise in virtual work. Such outcomes remain speculative for now but the economic impacts of the global pandemic appear likely to be long-lasting.

Despite immediate and longer-term challenges, Oakland remains well-positioned to take advantage of ongoing regional economic growth. The City remains a desirable location and continues to draw new residents and businesses. Population growth also appears likely to recover from modest pandemic era declines as residential construction remains robust in a region with continued strong housing demand and a longstanding shortfall of supply. The City's burgeoning tourism industry is also primed for growth with added hotel capacity in recent years. These strong fundamentals, which propelled Oakland's economy in prior years, appear likely to support renewed growth as the City emerges from the public health crisis.

Significant Events and Accomplishments

The City of Oakland continued to respond to the COVID-19 public health and economic crisis in FY 2021-22 while advancing existing and new initiatives for the betterment of local residents. Major initiatives during the fiscal year targeted affordable housing, violence prevention, and investment in infrastructure, as described in more detail below.

The City addressed the challenge of insufficient supply of affordable housing through a range of programs and actions. Notable activities in support of these goals in FY 2021-22 included the following:

- The City continued to operate Lake Merritt Lodge, a former dormitory converted to housing for individuals at risk of COVID, supported by funding from the Federal Emergency Management Administration (FEMA);
- The City was awarded a pair of state grants totaling $26 million to support the conversion of two hotels into new housing with wraparound services for formerly homeless individuals;
- The City continued to support construction of multifamily affordable rental housing by community partners with funding from the Affordable Housing Trust Fund;
- Notices of development opportunities were advertised for City-owned parcels at 7th & Broadway as well as Clay & 14th Street with the intention of converting existing City facilities to affordable housing;
- Under state and federal emergency rental assistance programs, the City received and allocated nearly $38.4 million of new funding for rental assistance and related support, serving more than 3,345 households; and
- The City funded more than $4 million in contracts for homeless services with new funding under Measure Q, the Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act.

Oakland also continued to increase violence prevention services in FY 2021-22. The Department of Violence Prevention expanded its data-driven approach to addressing violence with an enhanced budget and augmented staffing. The department also embarked upon a multi-year grant program allocating $20 million to community partners for direct responses to violence as well as actions to promote community healing and restoration. The Mobile Assistance Community Responders of Oakland (MACRO) program was also implemented as a community-based public safety system. This new unit, established within the Oakland Fire Department, includes 31 full-time equivalent positions split between emergency medical technicians and community intervention specialists, and is intended to provide alternatives to police-based responses to non-violent crises.

The City also continued to invest in infrastructure in FY 2021-22, reflecting the ongoing support of local voters. As authorized under 2016's Measure KK, the City issued $212 million of general obligation bonds for street and road projects as well other investments in City-owned capital facilities. City voters also approved a new infrastructure measure, Measure U, on the November 2022 general election ballot which authorizes the issuance of $850 million of general obligation bonds to address the City's capital needs.

Budget Process and Controls

The City's budget is a detailed operating plan that identifies estimated costs in relation to estimated revenues. The budget includes:

- Programs, projects, services, and activities to be carried out during the fiscal year;
- Estimated revenue available to finance the operating plan; and
- Estimated spending requirements for the operating plan.

The budget represents a process where policy decisions by the Mayor and the City Council are adopted, implemented and controlled. The notes to the required supplementary information summarize the budgetary roles of various City officials and the timetable for their budgetary actions per the City Charter.

The City Charter prohibits expending monies for which there is no legal appropriation. Therefore, the City is required to adopt budgets for all City funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level, although for management purposes, the line item budget is controlled at the departmental level within funds. The City Administrator is authorized to administer the budget and may transfer monies from one activity, program, or project to another within the same agency and fund. Supplemental appropriations or transfers of appropriations between funds or agencies must be approved by the City Council.

The City also maintains an encumbrance accounting system to provide budgetary controls for governmental funds. Encumbrances which would result in an overrun of an account balance are suspended in the system until additional funding is made available via budget change requests or withdrawn due to lack of funding. Encumbrances outstanding at June 30 and carried forward are reported as assigned of the appropriate governmental fund's fund balance since they do not constitute expenditures or liabilities. Encumbrances that do not lapse but are brought forward to the new fiscal year are incorporated as part of the budget adopted by the City Council for that year.

The City Council receives quarterly reports on the City's revenues and expenditures compared to budget as a management tool to pro-actively monitor the City's fiscal condition. The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

On June 30, 2022, the City Council adopted the FY 2022-23 Midcycle Policy Budget. The Midcycle Budget maintains the chief policies adopted as part of the two-year FY 2021-23 Adopted Policy Budget and incorporates the following four Mayoral priorities:

- Holistic Community Safety
- Housing, Economic and Cultural Security
- Vibrant, Sustainable Infrastructure
- Responsive, Trustworthy Government

In addition, the Budget builds on four policy and budget priorities approved by the City Council, which are based on the values of equity, transparency, and effectiveness:

- Affordable housing and homelessness solutions
- Public safety and violence prevention
- Good jobs and vibrant economy

- Clean, healthy, sustainable neighborhoods

The Midcycle Policy Budget is balanced and appropriated approximately $2.3 billion in Fiscal Year 2022-23.

The Five-Year Financial Forecast

In March 2021, the City issued a Five-Year Financial Forecast for Fiscal Years 2021-22 through 2025-26. The purpose of the Five-Year Financial Forecast is to help the City of Oakland make informed financial and operational decisions by better anticipating long-term future revenues, expenditures, and financial risks. The forecast issued in March 2021 was a point in time projection based on a different set of economic challenges than the City now faces but highlighted persistent gaps between projected expenditures and estimated revenues, particularly in the earlier years of the forecast. These gaps have been mitigated by City Council actions to reserve federal ARPA funds to replace pandemic-related revenue losses yet point to ongoing risks to the City's finances. Expenditure growth is primarily driven by personnel costs, particularly City contributions towards active and retiree medical benefits and pensions. Revenue growth has accelerated as the pandemic recedes but substantial uncertainty remains about broader economic trends and the potential for recession. These uncertainties underscore the importance of long-term financial planning for the City's continued fiscal health.

Consolidated Fiscal Policy

On December 9, 2014, the City Council passed Ordinance No. 13279 C.M.S. amending the City's Financial Policy to add the Rainy Day Policy and consolidate all the City's fiscal policies into a single Consolidated Fiscal Policy. This amendment allowed the City to establish a reserve fund (Vital Services Stabilization Reserve) to stabilize the provision of vital services, protect against service reductions, and prevent layoffs, furloughs, and similar measures in times of economic hardship. Additionally, this policy addressed procedures that allow for accelerating debt repayment and paying down unfunded long-term obligations by modifying the definition of excess Real Estate Transfer Tax. The Consolidated Fiscal Policy includes policies on budgeting practices, reserve funds, the budget process, fiscal planning, and public participation.

On May 15, 2018, the City Council passed Ordinance No. 13487 C.M.S. amending provisions related to the use of excess Real Estate Transfer Tax (RETT), adding new requirements intended to reduce the potential for future increases in negative fund balances, and revising various budget procedures.

These City policies include provisions for the use of reserves during emergencies. At June 30, 2021, the Vital Services Stabilization Reserve had fallen to $251,000 following the appropriation of its balance to address budget shortfalls in FY 2020-21. Consistent with the Consolidated Fiscal Policy, City Council approved appropriations of $5 million in the Adopted Budget for FY 2021-23 to begin restoring this reserve. As of June 30, 2022, the Vital Services Stabilization Reserve has a balance of $2.8 million, reflecting the first of two budgeted $2.5 million deposits, with the second deposit anticipated in FY 2022-23.

On June 24, 2021, the City Council passed Resolution No. 88717 C.M.S., establishing the General Purpose Fund Emergency Reserve as a separate subfund of the City's General Fund, which is mandated under the Consolidated Fiscal Policy. The resolution also appropriated an amount equal to 7.5% of FY 2021-22 General Purpose Fund appropriations to this new fund. Prior to the adoption of this resolution the City measured its emergency reserve as the unassigned fund balance in the General Purpose Fund, its chief operating subfund within the General Fund. As of June 30, 2022, the City's standalone General Purpose Fund Emergency Reserve has a balance of $54.0 million and unassigned fund balance in the General Purpose Fund is $90.6 million, resulting in total General Fund reserves of $144.6 million.

OPEB Funding Policy

On February 26, 2019, the City Council adopted Resolution No. 87551 C.M.S. establishing the Other Post-Employment Benefits Funding Policy, which provides for ongoing prefunding contributions of 2.5% of payroll, equal to approximately $10 million per year. These amounts are in addition to pay-as-you-go requirements and are intended to support the sustainability of the City's retiree medical program. On June 2, 2020, the City Council postponed these contributions for FY 2019-20 and FY 2020-21, consistent with emergency provisions in this policy, in response to the financial crisis accompanying the COVID-19 pandemic. As provided for in the Adopted Budget for FY 2021-23, the City has resumed these contributions consistent with policy requirements.

Single Audit

As a recipient of Federal, State, and County financial assistance, the City is responsible for providing assurance that adequate internal controls are in place to ensure compliance with applicable laws and regulations. These controls are periodically evaluated by management, the City Auditor's Office (internal), and the City's independent auditors (external).

As part of the City's single audit procedures, tests are performed to determine the effectiveness of the internal controls over major federal award programs and the City's compliance with applicable laws and regulations related to these federal award programs.

Debt Management and Credit Ratings

The City's Debt Management Policy is reviewed and adopted annually by the City Council. The goal of the Debt Management Policy is to set prudent guidelines to ensure that the City's debt portfolio is fiscally stable. It is in place to maintain long-term financial flexibility while ensuring that the City's capital needs are adequately supported. The Debt Management Policy establishes the following equally important objectives:

- To achieve the lowest possible cost of capital for the City;
- To achieve the highest practical credit rating;
- Maintain full and complete financial disclosure and reporting;
- Ensure timely repayment of debt;
- Maintain a prudent level of financial risk;
- Utilize local and disadvantaged banking and financial firms, whenever possible; and
- Ensure compliance with applicable State and Federal laws.

The City is also committed to securing the City's long-term financial health by taking direct actions to address unfunded liabilities. These actions include: improving the funded ratios of CalPERS Safety and Miscellaneous pension plans, reducing the City's unfunded liability for other postemployment benefits through ongoing prefunding contributions and benefit reforms, and continued progress in reducing longstanding negative fund balances.

The City's general obligation bonds credit ratings of Aa1/AA with a stable outlook from Moody's Investors Service, Inc. and S&P Global Ratings, respectively, reflect the City's sustained fiscal prudence and strong economic underpinnings. The rating agencies continue to cite the City's strong fiscal management as a key factor in their favorable view of the City's credit. These ratings translate to significant interest cost savings in the City's debt program and to the taxpayers of the City of Oakland. The Management's Discussion and Analysis section of this report provides additional information on the City's credit ratings.

Awards

The City has submitted its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 to the Government Finance Officers Association of the United States and Canada (GFOA) for consideration of a Certificate of Achievement for Excellence in Financial Reporting, and this application is pending review. GFOA's review process has been extended as a result of the recent COVID pandemic and the City anticipates receiving this award in January 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The City of Oakland has received a Certificate of Achievement the last 30 years. The City's Fiscal Year 2021-22 ACFR will be submitted to GFOA for consideration for the Certificate of Achievement for Excellence in Financial Reporting.

Acknowledgments

The preparation of this ACFR represents the culmination of a concerted team effort by the entire staff of the Finance Department, most particularly the Controller's Bureau, Treasury Bureau, City Administrator's Office, City Attorney's Office, Human Resources, and other departmental staff, who have demonstrated their professionalism, dedication and efficiency in the preparation of this report. We also thank Macias Gini & O'Connell LLP for their assistance and guidance.

Finally, we wish to express our sincere appreciation to the Mayor and the members of the City Council for providing policy direction and their interest and continuing support in planning and conducting the City's financial operations in a fiscally responsible and progressive manner.

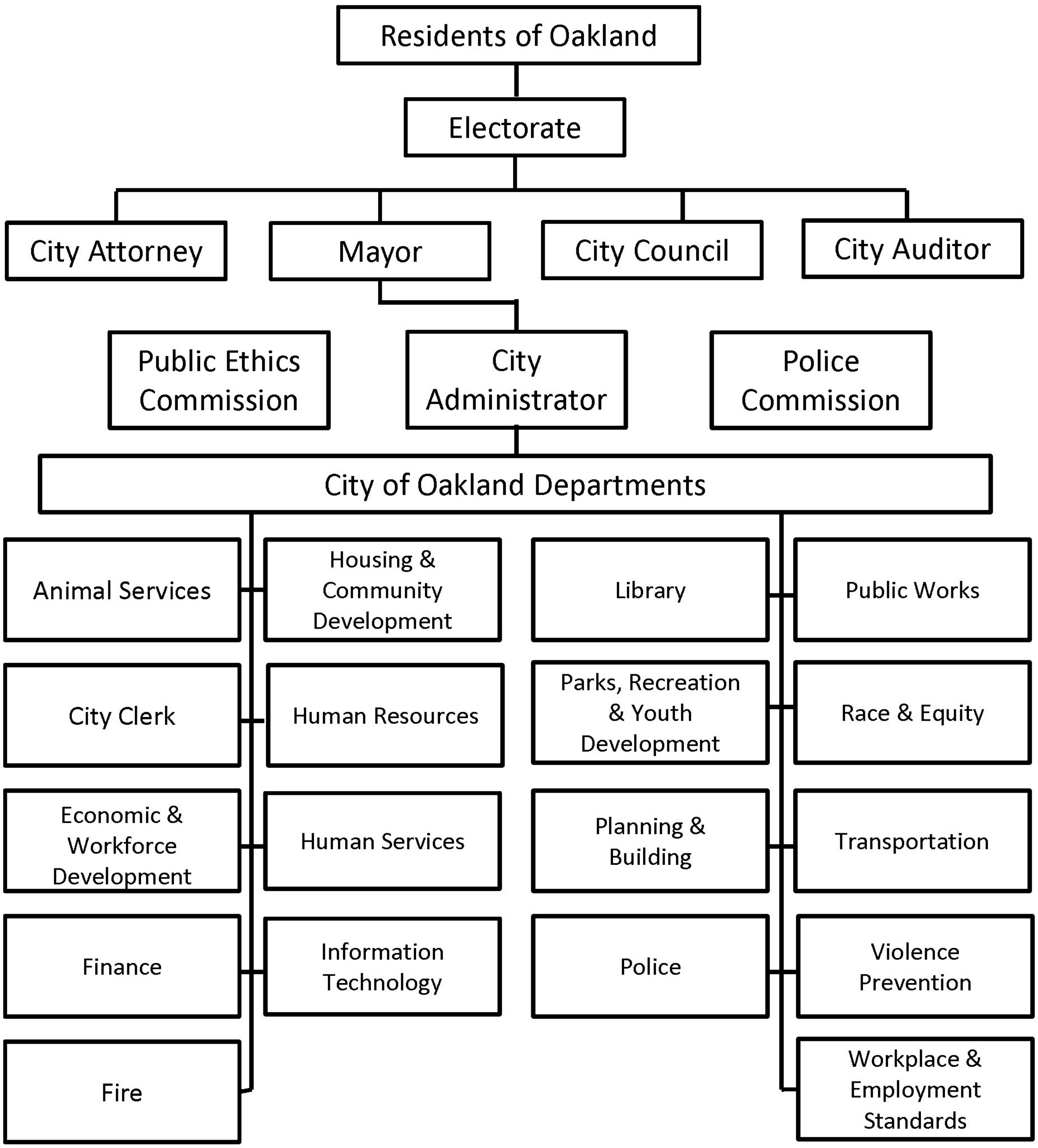
Respectfully submitted,

EDWARD D. REISKIN
City Administrator

ERIN ROSEMAN
Director of Finance

STEPHEN WALSH
Controller

CITY OF OAKLAND ORGANIZATION CHART



CITY OF OAKLAND

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

Mayor
Libby Schaaf

Members of the City Council

Nikki Fortunato Bas (District 2)
Council President

Sheng Thao (District 4)
President Pro Tempore

Rebecca Kaplan (At-Large)
Vice Mayor

Carroll Fife (District 3)
Noel Gallo (District 5)
Dan Kalb (District 1)
Treva Reid (District 7)
Loren Taylor (District 6)

City Administrator
Edward D. Reiskin

Prepared by the Finance Department

Erin Roseman
Finance Director

Bradley Johnson
Budget Administrator

Rogers Agaba
Acting Revenue & Tax Administrator

Stephen Walsh
Controller

David Jones
Treasury Administrator

Controller's Bureau Staff

Alex Auza
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Connie Chu
Tony Daquipa
Carol Gloria

Pat Lee
Cristy Macias
Maribel Manila
Rogelio Medalla
Carla Reed

Pooja Shrestha
Vy Tran
Donna Treglown
Michelle Wong
Andy Yang

Elected Officers

Barbara Parker, City Attorney
Courtney Ruby, City Auditor

Administration

Edward D. Reiskin, City Administrator

Elizabeth Lake, Assistant City Administrator

LaTonda Simmons, Assistant City Administrator

Joe DeVries, Deputy City Administrator

Angela Robinson-Piñon, Deputy City Administrator

Directors

Ann Dunn
Animal Services

Asha Reed
City Clerk

Karen Boyd
Communications

Alexa Jeffress
Economic & Workforce Development

Erin Roseman
Finance

Reginald Freeman
Fire

Christina Mun
Housing & Community Development

Ian Appleyard
Human Resources

Estelle Clemons
Human Services

Tony Batalla
Information Technology

Jamie Turbak
Library

Dana Riley
Parks, Recreation & Youth Development

William Gilchrist
Planning & Building

LeRonne L. Armstrong
Police

John Alden
Police Commission

Suzanne Doran
Public Ethics Commission

G. Harold Duffey
Public Works

Darlene Flynn
Race & Equity

Fred Kelley
Transportation

Guillermo Cespedes
Violence Prevention

Emylene Aspilla
Workplace & Employment Standards

FINANCIAL SECTION

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mgo Certified Public Accountants

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Oakland, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Oakland, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof 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 (GAAS) 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 requirements 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. The financial statements of the Oakland Police and Fire Retirement System were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note I.E. to the financial statements, effective July 1, 2021, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Macias Gini & O'Connell LLP
2121 N. California Boulevard, Suite 750
Walnut Creek, CA 94596

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the 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 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 GAAS 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 GAAS 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 the management's discussion and analysis, the schedules of changes in net pension liability and related ratios, the schedules of employer pension contributions, the schedules of changes in net other postemployment benefits liability and related ratios, the schedules of employer other postemployment benefits contributions, and the budgetary comparison schedules of the General Fund and the Other Special Revenue Fund as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City's basic financial statements. The combining financial statements and schedules are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the combining financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The City's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the 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 23, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 23, 2022

This section of the City of Oakland's (the City) Annual Comprehensive Financial Report provides an overview and analysis of the financial activities of the City for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the additional information contained in the City's financial statements and related notes and our letter of transmittal that precedes this section.

FINANCIAL HIGHLIGHTS

The government-wide statement of net position for the City's governmental and business-type activities indicates that as of June 30, 2022, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by $551.2 million compared to a net position of $96.3 million at June 30, 2021:

- $1.3 billion of net position represents the City's investment in capital assets, less any related outstanding debt and related deferred outflows and inflows of resources used to acquire those assets *(net investment in capital assets).* These capital assets are used to provide services to citizens and are not available for future spending.
- $860.5 million represents resources that are subject to restrictions on their use and are available to meet the City's ongoing obligations for programs, of which $413.8 million is restricted for Housing and Community Development programs, $332.9 million pertains to Low and Moderate Income Housing Redevelopment, and $40.2 million is restricted for debt service.
- $1.6 billion represents a deficit in unrestricted net position that has primarily resulted from the underfunding of the pension and other postemployment benefits (OPEB) liabilities, and other unfunded long-term liabilities *(unrestricted net position).* The net pension and OPEB liability deficits are the biggest contributing factors at $1.2 billion and $0.6 billion, respectively. The remaining changes in net position are discussed below.
- $28.2 million of the $454.9 million improvement in net position was derived from increases in general revenues including $32.5 million in property tax, $25.0 million in real estate transfer tax, and $10.4 million in sales and use tax, offset by declines of $48.8 million in other revenues that are primarily due to one-time revenues received in the prior year. Pension and OPEB expense were reduced by $222.9 million due to declines in the net pension and OPEB liabilities and amortization of related outflows and inflows.
- The government-wide increase in net position was also supported by a $22.0 million increase in net position from the business-type activities, mainly the Sewer-related activities.

Total fund balances for the City's governmental funds of $1.4 billion represents an increase of 25.4 percent, or $288.0 million, compared to the prior fiscal year. This increase results from changes in restricted fund balance due to the receipt of bond premium and proceeds, robust growth in most revenues, and staffing vacancies that slowed expenditure growth, as well as improvement in unassigned General Fund balance arising from federal funding associated with the COVID-19 global pandemic. The General Purpose Fund Emergency Reserve, a subfund of the General Fund, increased to $54.0 million, which together with unassigned General Purpose Fund balance of $90.6 million raised General Purpose Fund reserves to $144.6 million, exceeding the amount required under the City's Consolidated Fiscal Policy of 7.5 percent of FY 2021-22 General Purpose Fund appropriations, or $54.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to introduce the City's basic financial statements. The City's basic financial statements consist of four components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information

In addition, this report also contains other supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to the financial statements for a private-sector business.

The *statement of net position* presents information on all the City's assets, deferred outflows and inflows of resources, and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community and human services, community and economic development, and public works and transportation. The business-type activities of the City include the sewer service system and the parks and recreation. The government-wide financial statements do not include the fiduciary funds, which comprise the private-purpose trust funds, pension trust funds, and custodial fund. Resources in the fiduciary funds are not available to support the City's own programs.

The government-wide financial statements include the primary government of the City and the Port of Oakland (Port), as a discrete component unit. Financial information for the Port is reported separately from the financial information presented for the primary government. Further information about the Port can be obtained from the Port Financial Services Division, 530 Water Street, Oakland, CA 94607 or visit the website at www.portofoakland.com.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into the following three categories: *governmental funds, proprietary funds,* and *fiduciary funds.*

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type (Special Revenue, Capital Projects, Debt Service, and General Fund). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General fund, the Federal/State Grant Fund, the Low and Moderate Income Housing Asset Fund (LMIHF), the Municipal Capital Improvement Fund, and the Other Special Revenue Fund, all of which are considered to be major funds. Data from the remaining funds are combined in a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and the Other Special Revenue Fund in the required supplementary information to demonstrate compliance with this budget.

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges customers, either outside customers or internal units or departments of the City. Proprietary funds provide the same type of information shown in the government-wide statements only in more detail.

The City maintains the following two types of proprietary funds:

(1) ***Enterprise Funds*** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the Sewer Service System and the Parks and Recreation operations. The sewer service fund is considered to be a major fund of the City.

(2) ***Internal Service Funds*** are used to report activities that provide services and supplies for certain City programs and activities. The City uses internal service funds to account for its fleet of vehicles, radio and communication equipment, facilities management, printing and reproduction, central stores, purchasing, and information technology. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of employees and parties outside the City. The Police and Fire Retirement System (PFRS) Fund is reported as a pension trust fund. The private-purpose trust funds along with the custodial fund are also reported as fiduciary funds since their resources are not available to support the City's own programs. For this reason, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information includes the budgetary schedule for the General Fund and the Other Special Revenue Fund, schedules of changes in the net pension liability and related ratios and pension plan contributions, and schedules of changes in the net OPEB liability and related ratios and OPEB plan contributions.

Other Information

In addition, this report presents combining statements and schedules referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds that immediately follow the required supplementary information.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the City's financial condition. As of June 30, 2022, total assets and deferred outflows of resources exceed the total liabilities and deferred inflows of resources by $551.2 million compared to a net position of $96.3 million at June 30, 2021, which represents an increase in net position of $454.9 million. Current and other assets increased by $398.8 million, primarily due to increased federal funding and growth in property tax and local taxes. Additionally, capital assets increased by $17.4 million. The City's net position also reflects the net investment in capital assets of $1.3 billion for governmental and business-type activities. Of the remaining balance, $860.5 million of net position is subject to external restrictions on how it may be used. The unrestricted net position of negative $1.6 billion is comprised of a deficit balance of $1.6 billion for governmental activities, and a positive balance of $49.2 million for business-type activities. As of June 30, 2022, unrestricted net position for governmental and business-type activities increased by $434.0 million as compared to balances at June 30, 2021.

Condensed Statements of Net Position
June 30, 2022 and 2021 (In thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021(1)	2022	2021	2022	2021
Assets:						
Current and other assets	$ 2,522,302	$ 2,136,443	$ 104,953	$ 91,994	$ 2,627,255	$ 2,228,437
Capital assets	1,459,289	1,440,601	253,930	255,239	1,713,219	1,695,840
TOTAL ASSETS	3,981,591	3,577,044	358,883	347,233	4,340,474	3,924,277
Deferred Outflows of Resources:						
Losses on refunding of debt	11,023	12,268	—	—	11,023	12,268
Pensions	265,730	339,194	4,528	908	270,258	340,102
OPEB	194,723	221,051	3,949	4,527	198,672	225,578
TOTAL OUTFLOWS	471,476	572,513	8,477	5,435	479,953	577,948
Liabilities:						
Long-term liabilities	1,186,108	1,045,103	23,526	26,359	1,209,634	1,071,462
Other liabilities	472,663	467,428	5,766	3,117	478,429	470,545
Net pension liability	1,186,077	1,754,458	29,806	46,916	1,215,883	1,801,374
Net OPEB liability	606,108	827,123	11,361	15,713	617,469	842,836
TOTAL LIABILITIES	3,450,956	4,094,112	70,459	92,105	3,521,415	4,186,217
Deferred Inflows of Resources:						
Gains on refunding of debt	2,544	2,785	276	316	2,820	3,101
Leases	37,215	—	—	—	37,215	—
Pensions	386,245	2,854	11,362	—	397,607	2,854
OPEB	304,276	210,886	5,910	2,876	310,186	213,762
TOTAL INFLOWS	730,280	216,525	17,548	3,192	747,828	219,717
Net Position:						
Net investment in capital assets	1,040,918	1,102,435	230,128	228,564	1,271,046	1,330,999
Restricted	860,545	779,672	—	—	860,545	779,672
Unrestricted (deficit)	(1,629,634)	(2,043,187)	49,224	28,807	(1,580,410)	(2,014,380)
TOTAL NET POSITION	$ 271,829	$ (161,080)	$ 279,352	$ 257,371	$ 551,181	$ 96,291

(1) The City implemented GASB 87, *Leases*, in FY 2021-22. FY 2020-21 balances were not restated.

Governmental activities: The City's net position in governmental activities increased by $432.9 million.

Total assets increased by $404.5 million, or 11.3 percent, to $4.0 billion. The significant changes in assets occurred in the following areas:

- *Current and other assets* increased by $385.9 million, primarily due to cash and receivables resulting from proceeds from the issuance of new debt, increased federal funding in response to the COVID-19 pandemic, reduced expenses due to staffing vacancies, the recording of lease receivables due to the implementation of GASB Statement No. 87, *Leases*, and growth in property tax arising from change-in-ownership reassessments on commercial and residential properties, real estate transfer taxes on sales of property, and local taxes.

Total liabilities decreased by $643.2 million, or 15.7 percent to $3.5 billion. The significant changes in liabilities occurred in the following areas:

- *Long-term liabilities* increased by $141.0 million million primarily due to the addition of long-term debt.

- *Net pension liability* decreased by $568.4 million due primarily to increased net investment income.

- *Net OPEB liability* decreased by $221.0 million mainly due to a change in the discount rate used for actuarial estimates, which was increased following the resumption of contributions to the irrevocable trust.

Net position increased by $432.9 million to $271.8 million as of June 30, 2022 from a deficit $161.1 million at June 30, 2021. The City net position can be divided into three categories: net investment in capital assets, restricted, and unrestricted.

- $1.0 billion of net position reflects the City's *investment in capital assets* (e.g., land, buildings infrastructure, facilities and equipment), net of any related outstanding debt and debt-related deferred outflows and inflows of resources used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. These assets, therefore, are not available for future spending.
- $860.5 million of net position represents resources that are subject to restrictions on how they may be used and are therefore restricted.
- $1.6 billion of net position represents a deficit in unrestricted net position that has primarily resulted from the underfunding of pension and OPEB liabilities.

The following table indicates the changes in net position for governmental and business-type activities:

Condensed Statements of Activities
Years Ended June 30, 2022 and 2021
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021(1)	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	$ 186,305	$ 170,468	$ 72,526	$ 69,764	$ 258,831	$ 240,232
Operating grants and contributions	229,733	206,509	—	—	229,733	206,509
Capital grants and contributions	5,249	3,178	—	—	5,249	3,178
Total program revenues:	421,287	380,155	72,526	69,764	493,813	449,919
General revenues:						
Property taxes	470,778	438,237	—	—	470,778	438,237
State taxes:						
Sales and use taxes	99,255	88,888	—	—	99,255	88,888
Gas tax and motor vehicle in-lieu	19,345	17,640	—	—	19,345	17,640
Local taxes:						
Business license	101,290	104,232	—	—	101,290	104,232
Utility consumption	57,930	51,801	—	—	57,930	51,801
Real estate transfer	138,396	113,359	—	—	138,396	113,359
Transient occupancy	21,209	13,497	—	—	21,209	13,497
Parking	18,184	11,590	—	—	18,184	11,590
Voter-approved special tax	96,444	93,151	—	—	96,444	93,151
Franchise	20,226	19,901	—	—	20,226	19,901
Interest and investment income (loss)	(12,832)	18	(928)	(41)	(13,760)	(23)
Other	31,403	80,250	—	—	31,403	80,250
Total revenues	1,482,915	1,412,719	71,598	69,723	1,554,513	1,482,442
Expenses:						
General government	181,671	222,718	—	—	181,671	222,718
Public safety	350,096	511,184	—	—	350,096	511,184
Community and human services	123,748	134,097	—	—	123,748	134,097
Community and economic development	176,985	186,777	—	—	176,985	186,777
Public works and transportation	152,049	149,611	—	—	152,049	149,611
Interest on long-term debt	67,132	63,964	—	—	67,132	63,964
Sewer	—	—	46,786	54,181	46,786	54,181
Parks and recreation	—	—	1,156	725	1,156	725
Total expenses	1,051,681	1,268,351	47,942	54,906	1,099,623	1,323,257
Changes in net position before transfers	431,234	144,368	23,656	14,817	454,890	159,185
Transfers	1,675	1,871	(1,675)	(1,871)	—	—
Changes in net position	432,909	146,239	21,981	12,946	454,890	159,185
Net Position:						
Beginning of year	(161,080)	(307,319)	257,371	244,425	96,291	(62,894)
End of year	$ 271,829	$ (161,080)	$ 279,352	$ 257,371	$ 551,181	$ 96,291

(1) The City implemented GASB 87, *Leases*, in FY 2021-22. FY 2020-21 balances were not restated.

Governmental activities: Net position for governmental activities increased by $432.9 million during fiscal year 2021-22. Total revenue increased by 5.0 percent and expenses decreased by 17.1 percent. For comparison, during fiscal year 2020-21, revenues increased at a rate of 1.1 percent and expenses decreased by 2.8 percent.

Changes in net position for governmental activities are attributed to the following significant elements:

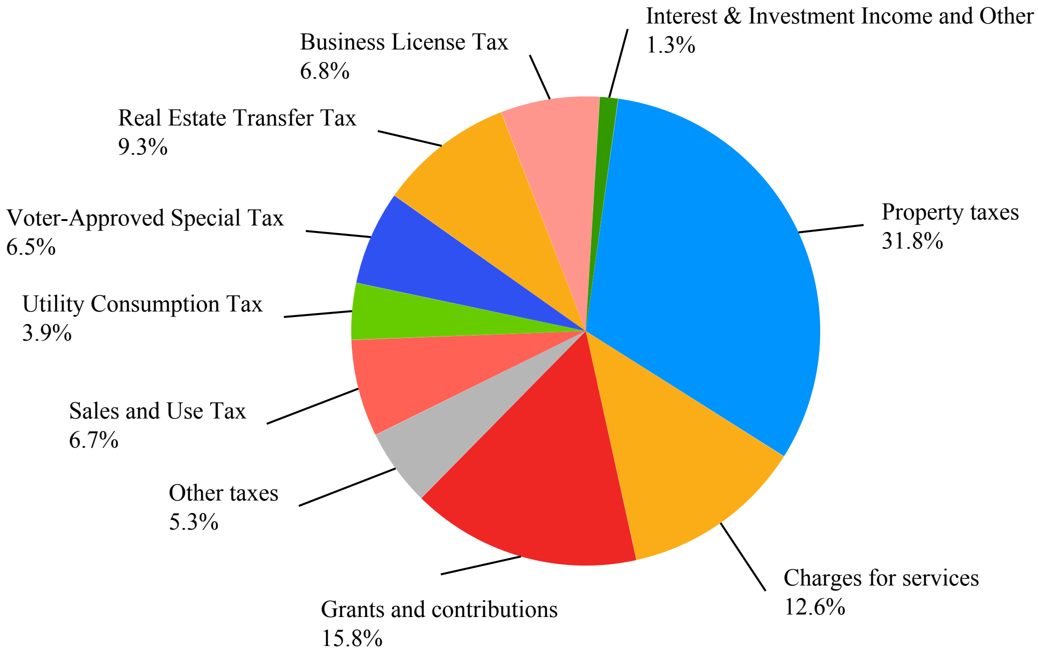
- Several factors contributed to the increase in total revenues. Property tax increased by $32.5 million, or 7.4 percent, due to increases in assessed values from change in ownership reassessments, inflationary assessed value adjustments, and increases from voter-approved measures. Real estate transfer tax increased by $25.0 million, or 22.1 percent, based on sales growth for real property. Operating grants and contributions increased by $23.2 million, or 11.2 percent, primarily due to increased federal funding associated with the COVID-19 pandemic. Sales and use taxes increased by $10.4 million, or 11.7 percent, as locally-generated taxes continued to recover from pandemic-era declines. Similarly, transient occupancy tax and parking tax increased by $7.7 million and $6.6 million, respectively, or 57.1 percent and 56.9 percent. Utility consumption tax increased by $6.1 million, or 11.8 percent, due to increased energy costs for taxpayers. Offsetting these gains, business license tax declined by $2.9 million, or 2.8 percent, on the basis of reduced gross receipts from large construction projects. Other revenues also declined by $48.8 million, or 60.9 percent, due to substantial one-time revenues received in the prior year.

- *Public safety* expenses decreased by $161.1 million, or 31.5 percent, primarily due to reduced pension and OPEB expenses. The decline in pension expense is primarily attributable to PFRS investment gains while the decrease in OPEB expense results from a change in the discount rate used for actuarial estimates of OPEB expense, which was increased following the resumption of contributions to the irrevocable trust.

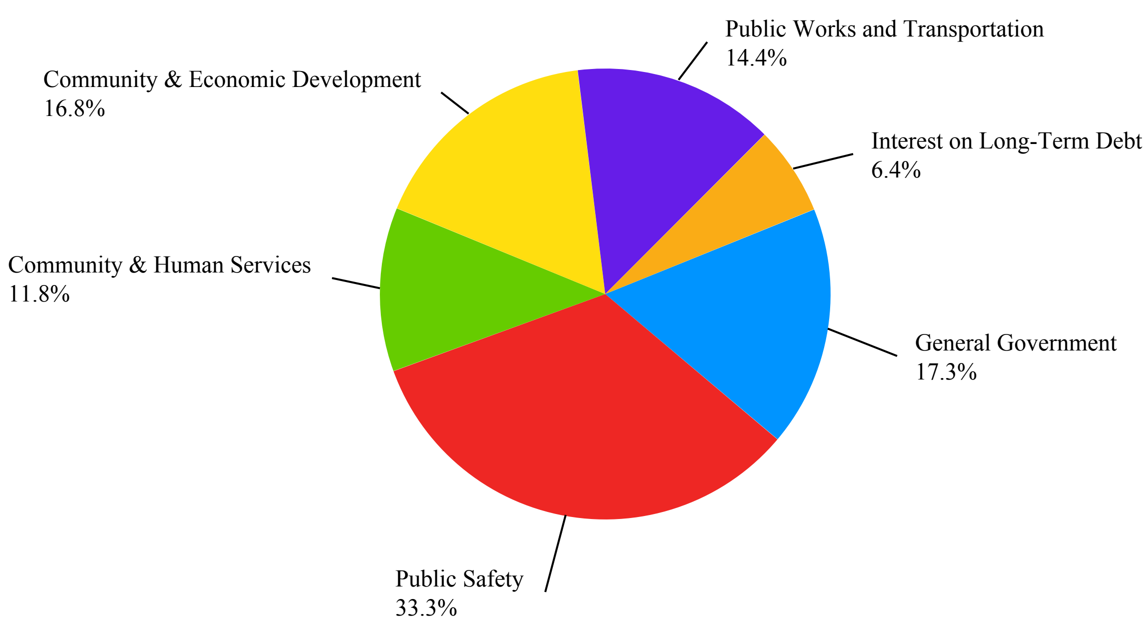
- *General government* expenses decreased by $41.0 million, or 18.4 percent, primarily due to reductions in pension and OPEB expense.

- *Public works and transportation* expenses increased by $2.4 million, or 1.6 percent, primarily due to budgeted increases in personnel costs, offset by reductions in pension and OPEB expense.

Revenues By Source - Governmental Activities



Expenses - Governmental Activites



Business-type activities: Business-type activities ended the fiscal year with an increase in net position of $22.0 million due primarily to positive operating results in the Sewer Fund of $21.8 million, which are intended to support future capital projects.

Financial Analysis of the Governmental and Proprietary Funds

Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund: The General Fund is the chief operating fund of the City. At June 30, 2022, its unassigned fund balance is $206.2 million or 33.6 percent of the $613.9 million total General Fund balance.

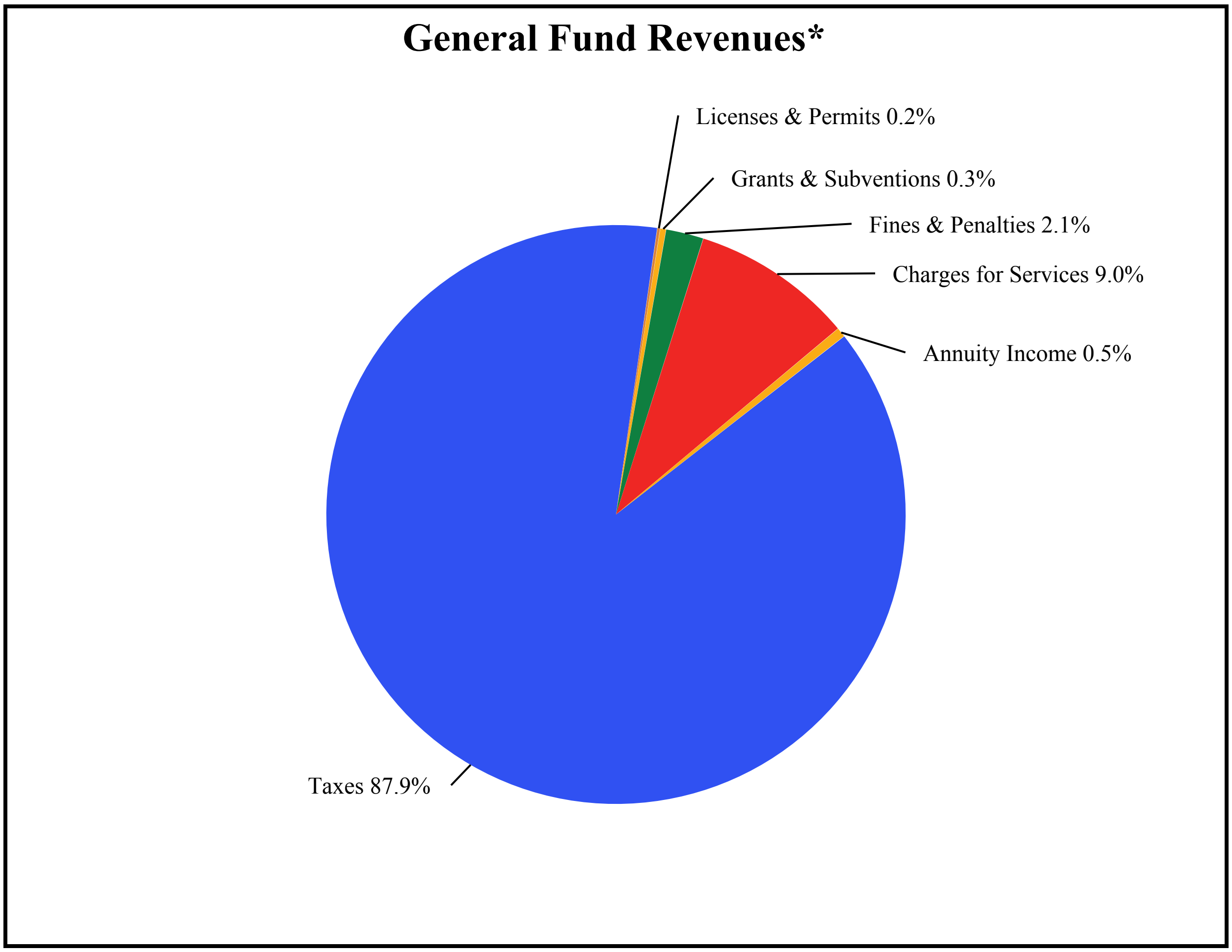


*Chart excludes Other Revenues and Interest losses of 1.5%.

For the year ended June 30, 2022 and 2021, revenues for the General Fund are distributed as follows (in thousands):

	General Fund		Increase / (Decrease)	
	2022	2021	Amount	%
Revenues:				
Taxes:				
Property taxes	$ 410,089	$ 377,175	$ 32,914	8.7 %
State taxes:				
Sales and use taxes	64,166	57,825	6,341	11.0 %
Motor vehicle in-lieu tax	503	318	185	58.2 %
Local taxes:				
Business license	101,290	104,232	(2,942)	-2.8 %
Utility consumption	57,930	51,801	6,129	11.8 %
Real estate transfer	138,396	113,359	25,037	22.1 %
Transient occupancy	16,662	10,610	6,052	57.0 %
Parking	9,539	6,264	3,275	52.3 %
Voter-approved special tax	7,575	8,155	(580)	-7.1 %
Franchise	20,010	19,679	331	1.7 %
License and permits	1,413	1,243	170	13.7 %
Fines and penalties	19,741	17,591	2,150	12.2 %
Charges for services	84,948	83,173	1,775	2.1 %
Federal and state grants and subventions	3,189	4,983	(1,794)	-36.0 %
Annuity income	5,015	5,120	(105)	-2.1 %
Interest and other	(13,868)	25,693	(39,561)	-154.0 %
Total revenues	**$ 926,598**	**$ 887,221**	**$ 39,377**	**4.4%**

General Fund Revenues: Significant change in revenues include:

- *Property taxes* increased by $32.9 million, or 8.7 percent. This is mainly due to increases in assessed values.

- *Real estate transfer tax* increased by $25.0 million, or 22.1 percent, primarily due to growth in sales of high value properties.

- *Transient occupancy tax* increased by $6.1 million, or 57.0 percent, primarily due to the rebound of travel activity following the global COVID-19 pandemic.

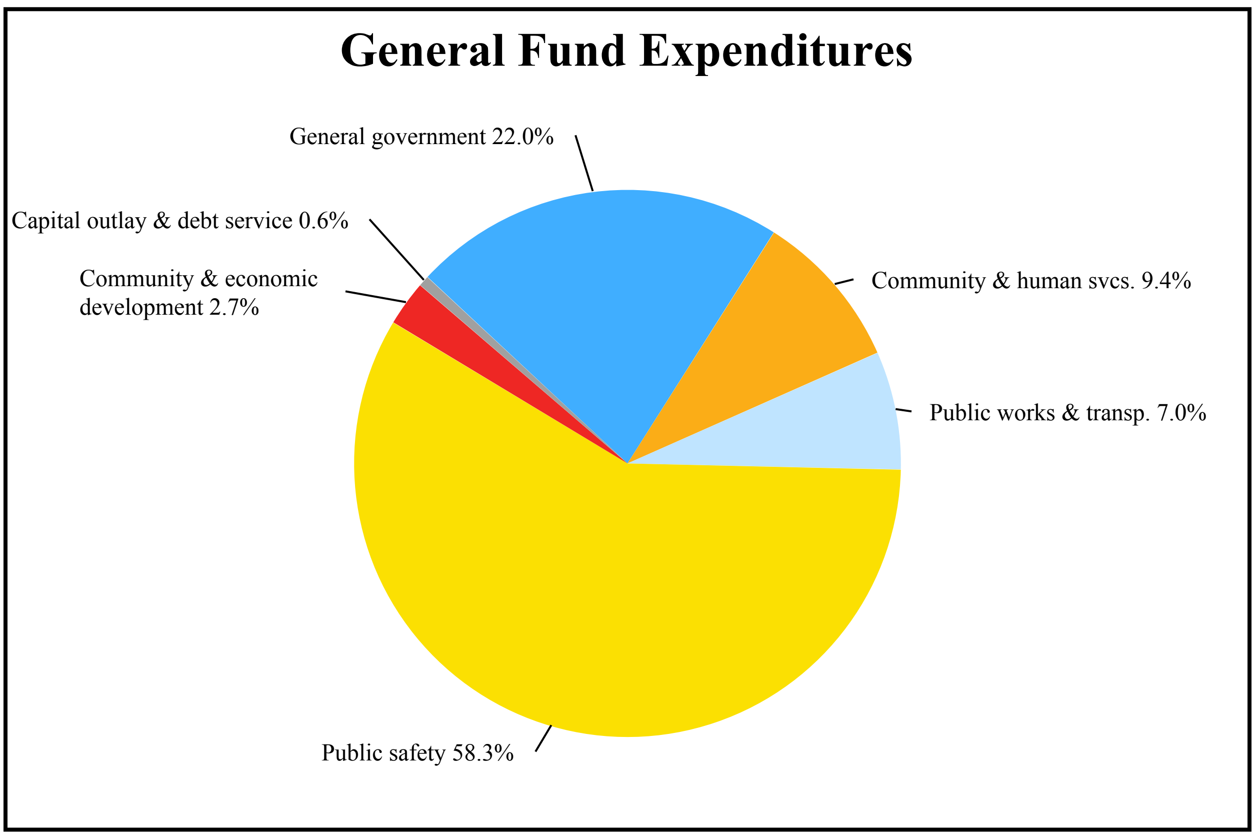
- *Parking tax* increased by $3.3 million, or 52.3 percent, primarily due to the rebound of travel activity following the global COVID-19 pandemic.

- *Utility consumption tax* increased by $6.1 million, or 11.8 percent, due to increased energy costs for taxpayers.

- *Interest and other* revenues decreased by $39.6 million, or 154.0 percent, due to one-time revenues received in the prior year, changes in the fair value of investments due to rising interest rates, and a decline in interest income resulting from a reduction in the value of an annuity held by the City to fund PFRS obligations.

For the years ended June 30, 2022 and 2021, expenditures for the General Fund by function are distributed as follows (in thousands):

	General Fund		Increase / (Decrease)	
	2022	2021	Amount	%
Expenditures:				
Current:				
General Government	$ 152,326	$ 184,053	$ (31,727)	-17.2 %
Public Safety	402,364	446,722	(44,358)	-9.9 %
Community and Human Services	64,812	46,613	18,199	39.0 %
Community and Economic Development	18,494	15,678	2,816	18.0 %
Public Works and Transportation	48,229	36,172	12,057	33.3 %
Capital outlay	3,072	3,391	(319)	-9.4 %
Debt Service:				
Principal repayment	537	440	97	22.0 %
Bond issuance costs	140	137	3	N/A
Interest charges	680	784	(104)	-13.3 %
Total Expenditures	**$ 690,654**	**$ 733,990**	**$ (43,336)**	**-5.9%**



General Fund Expenditures: Significant changes in expenditures are as follows:

- *General government* decreased by $31.7 million, or 17.2 percent, due to the reorganization of the City's Animal Services and Parking Operations, which shifted their expenditures to other functional areas, as well as staffing vacancies and reduced election costs relative to the prior year.

- *Public safety* decreased by $44.4 million, or 9.9 percent, primarily due to the transfer of expenditures to the Federal/State Grant Fund.

- *Community and human services* increased by $18.2 million, or 39.0 percent, primarily due to budgeted increases for the Department of Violence Prevention and the transfer of Animal Services expenditures to this function.

- *Community and economic development* increased by $2.8 million, or 18.0 percent, primarily due to budgeted increases in funding for community organizations.

- *Public works and transportation* increased by $12.1 million, or 33.3 percent, primarily due to the transfer of Parking Operations to this function and budgeted increases for maintenance and repairs of City facilities.

Federal/State Grant Fund: The Federal/State Grant Fund has a fund balance of negative $5.3 million as of June 30, 2022 which represents a decrease of $27.2 million from the prior fiscal year and is primarily due to delays in the City's submission of eligible expenditures for reimbursement to grantors. The deficit is expected be cured through grant drawdowns in future years.

Low and Moderate Income Housing Asset Fund (LMIHF): Upon the dissolution of the Former Redevelopment Agency, the City retained the housing activities previously funded by the Former Agency, created LMIHF, and transferred the assets and affordable housing activities of the low and moderate income fund to the City. The ending fund balance as of June 30, 2022 was $63.3 million and the fund's net loans receivable balance was $267.4 million. The fund balance decrease of $5.5 million resulted from a reduction in the availability of excess tax allocation bond proceeds from the Oakland Redevelopment Successor Agency.

Municipal Capital Improvement Fund: The Municipal Capital Improvement Fund had a fund balance of $440.2 million as of June 30, 2022 that represents an increase of $135.2 million, or 44.3 percent, from the prior fiscal year. This increase is primarily due to the issuance of bonds.

The Other Special Revenue Fund accounts for activities of several special revenue funds, including the following local measures; Measure Z – Violence Prevention and Public Safety Act of 2014; Measure C – Oakland Hotel Tax; Measure Q (2004) – Library Services Retention and Enhancement; Measure WW – East Bay Regional Park District local grant program; Measure N – Paramedics Services Act; Measure Q (2020) – Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act; Oakland Kid's First Fund; Development Service Fund; and other miscellaneous special revenue programs. The ending fund balance as of June 30, 2022 was $209.5 million, which increased $4.2 million from the previous fiscal year. This result primarily reflects increases in revenues from local taxes..

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements under the business-type column but in more detail. The portion of net position invested in capital assets, excluding internal service funds, was $230.1 million as of June 30, 2022, compared to $228.6 million for the previous fiscal year. The increase of $1.6 million is primarily due to a decrease in long-term debt exceeding the decrease in capital assets in the Sewer Fund.

General Fund Budgetary Highlights

During the year ended June 30, 2022, the General Fund had a $2.0 million increase in budgeted revenues between the original and final amended operating budget due to the addition of new funding sources. Actual budgetary basis revenues of $926.2 million were $77.8 million higher than the final amended budget primarily due to higher than anticipated property tax and real estate transfer tax revenues.

Appropriations increased by $74.2 million between the original and final amended operating budget for the General Fund. The increase in appropriation is primarily due to the carryforward of unspent prior year appropriations.

Actual budgetary basis expenditures of $690.7 million were $216.2 million less than the final amended budget due to the transfer of expenditures supported by the American Rescue Plan Act's State and Local Fiscal Recovery Fund to the Federal/State Grant Fund, as well as staffing vacancies.

Capital Assets

The City's capital assets, net of depreciation/amortization, totaled $1.7 billion as of June 30, 2022 compared to $1.7 billion as of June 30, 2021, an increase of $17.4 million, or 1.0 percent. Governmental activities additions included $48.4 million in capital assets from construction in progress which met the City's threshold for capitalization, and were offset by retirements and depreciation. Major construction projects underway include roadway and traffic improvements and park and recreation center upgrades.

Business activities, primarily in the Sewer Fund, decreased capital assets by $1.3 million, which included a $6.1 million increase in construction in progress, primarily for sanitary sewer system capacity upgrades offset by depreciation. See Note II, part D to the financial statements for more details on capital assets.

Construction Commitments

As of June 30, 2022 the City had construction commitments of $31.5 million. Major commitments include $19.8 million for street and sidewalk improvements, $2.5 million for traffic improvements, $2.3 million for sewers and storm drains, and $3.2 million for parks and open space. See Note III, part C.1 for more details on construction commitments.

Debt Administration:

General Obligation Bonds and Other Bond Ratings

A credit rating is a value assigned by one or more of the recognized rating agencies that "grade" a jurisdiction's credit, or financial trustworthiness. The three primary rating agencies are Moody's Investors Service (Moody's), S&P Global Ratings (S&P), and Fitch Ratings (Fitch). These rating agencies serve as independent assessors of municipal and corporate credit strength. Rating agencies generally focus on four major areas when assigning credit ratings: finances, management, economy and outstanding debt. The City continues to maintain strong credit ratings on the City's existing general obligation bonds from all three national rating agencies despite the difficult financial and economic conditions nationally and locally.

The City of Oakland's underlying ratings for its bonds as of June 30, 2022 were as follows:

	Ratings		
Type of Bond	Moody's	S&P	Fitch
General obligation bonds	Aa1	AA	AA-[1]
Lease revenue bonds	Aa2	AA-	N/A
Pension obligation bonds	Aa2	AA	A+
Tax Allocation bonds[2]	Baa2[3]/A1	A+/AA-/AA/AA[3]	N/A

[1]Issuer Default Rating
[2]Ratings vary by series
[3]Insured Rating

General Fund Bonded Debt Limit

At the end of the current fiscal year, the City's debt limit (3.75 percent of property valuation, net of exemptions subject to taxation) was $2.8 billion. The total amount of debt applicable to the debt limit was $637.5 million. The resulting legal debt margin was $2.1 billion.

Long-Term Obligations

As of June 30, 2022, the City had total long-term obligations of $1.2 billion compared to $1.1 billion outstanding for the prior fiscal year, a decrease of 11.3 percent. Of this amount, $637.5 million is general obligation bonds backed by the full faith and credit of the City. The remaining $572.1 million is comprised of various long-term debt instruments listed below plus accruals of year-end estimates for other long-term liabilities (in thousands):

	Governmental Activities		Business-Type Activities		Total	
	2022	2021 (1)	2022	2021	2022	2021
General obligation bonds	$ 637,540	$ 450,075	—	$ —	$ 637,540	$ 450,075
Lease revenue bonds	36,835	43,165	—	—	36,835	43,165
Pension obligation bonds	174,806	198,564	—	—	174,806	198,564
Special assessment debt district bonds	2,225	2,590	—	—	2,225	2,590
Accreted interest on appreciation bonds	37,927	69,703	—	—	37,927	69,703
Sewer bonds	—	—	21,126	23,616	21,126	23,616
Unamortized premium and discounts	39,847	24,657	2,400	2,743	42,247	27,400
Total bonds payable	**929,180**	**788,754**	**23,526**	**26,359**	**952,706**	**815,113**
Loans and financed purchase obligations payable	18,243	28,841	—	—	18,243	28,841
Other long-term liabilities	238,685	242,707	—	—	238,685	242,707
Total long-term obligations	**$1,186,108**	**$1,060,302**	**$ 23,526**	**$ 26,359**	**$1,209,634**	**$ 1,086,661**

(1) The City implemented GASB 87, *Leases*, in FY 2021-22. FY 2020-21 balances were not restated.

The City's long-term obligations increased by $123.0 million compared to the prior fiscal year balance. The increase is primarily attributable to the issuance of $212.3 general obligation bonds for citywide infrastructure improvements.

Additional information on the City's long-term debt obligations can be found in Note II, part G to the financial statements.

Economic Factors and Next Year's Budget

Oakland's economy and fiscal outlook continued to strengthen in FY 2021-22 but much uncertainty remains about the City's prospects over the next several years. Historically high inflation levels and the potential for recession, in particular, pose risks to future revenues as well as labor costs. While the City's budget for FY 2022-23 is balanced, development of the City's budget for FY 2023-24 will likely be challenging. In addition to macroeconomic risks, the City faces the loss of federal COVID relief funds beginning in FY 2023-24. These funds included $188.1 million of one-time revenue that the City used to subsidize its operations in FY 2020-21, FY 2021-22, and FY 2022-23, and for which it has no replacement.

Looking beyond current economic challenges, Oakland remains well-positioned to take advantage of ongoing regional economic growth. The City remains a desirable location and commercial and residential construction have continued throughout the pandemic as the City draws new residents and businesses. Population growth also appears likely to continue as the substantial uptick in residential construction begun in prior years comes on line in a region with continued strong housing demand and a longstanding shortfall of supply. The City's burgeoning tourism industry is also primed for growth with added hotel capacity in recent years. These strong fundamentals, which propelled Oakland's economy in prior years, appear likely to support ongoing growth in the wake of the COVID pandemic.

Requests for Information

This financial report is designed to provide a general overview of the City of Oakland's finances for all those with an interest in the City's fiscal and economic affairs. Requests for additional financial information should be addressed to the Finance Department, Controller's Bureau, City of Oakland, 150 Frank H. Ogawa Plaza, Suite 6353; Oakland, California 94612-2093. This report is also available online at https://www.oaklandca.gov/.

BASIC FINANCIAL STATEMENTS

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City of Oakland
Statement of Net Position
June 30, 2022
(In thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Port of Oakland
ASSETS				
Cash and investments	$ 1,229,668	$ 85,591	$ 1,315,259	$ 548,172
Receivables (net of allowance for uncollectibles of $18,052 for the City and $2,311 for the Port)				
Accrued interest	3,787	130	3,917	—
Property taxes	17,295	—	17,295	—
Accounts receivable	68,929	19,094	88,023	57,123
Grants receivable	47,260	—	47,260	—
Lease receivable	37,951	—	37,951	113,513
Due from Port	7,849	—	7,849	—
Due from Oakland Redevelopment Successor Agency (ORSA)	16,180	—	16,180	—
Due from custodial funds	111	—	111	—
Internal balances	557	(557)	—	—
Due from other governments	12,598	—	12,598	—
Inventories	1,488	—	1,488	—
Restricted assets:				
Cash and investments	375,408	624	376,032	90,641
Receivables	—	—	—	2,370
Property held for resale	172,094	—	172,094	—
Notes and loans receivable (net of allowance for uncollectibles of $201,070)	528,107	—	528,107	—
Prepaid expenses	3,020	71	3,091	5,066
Other	—	—	—	18,369
Capital assets:				
Land and other capital assets not being depreciated/amortized	312,547	10,468	323,015	524,333
Facilities, equipment, and infrastructure net of depreciation and amortization	1,146,742	243,462	1,390,204	2,342,718
TOTAL ASSETS	3,981,591	358,883	4,340,474	3,702,305
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized losses on refunding of debt	11,023	—	11,023	8,225
Pensions	265,730	4,528	270,258	27,438
OPEB	194,723	3,949	198,672	10,149
TOTAL DEFERRED OUTFLOWS OF RESOURCES	471,476	8,477	479,953	45,812
LIABILITIES				
Accounts payable and other current liabilities	315,428	5,716	321,144	26,528
Accrued interest payable	31,668	44	31,712	3,569
Due to other governments	256	—	256	—
Due to primary government	—	—	—	7,849
Unearned revenue	101,503	—	101,503	17,103
Other	23,808	6	23,814	14,816
Non-current liabilities:				
Due in one year				
Liabilities due within one year	210,416	2,953	213,369	61,344
Due in more than one year				
Liabilities due in more than one year	975,692	20,573	996,265	724,675
Net pension liability	1,186,077	29,806	1,215,883	138,744
Net OPEB liability	606,108	11,361	617,469	50,219
TOTAL LIABILITIES	3,450,956	70,459	3,521,415	1,044,847
DEFERRED INFLOWS OF RESOURCES				
Unamortized gains on refunding of debt	2,544	276	2,820	—
Leases	37,215	—	37,215	1,061,584
Pensions	386,245	11,362	397,607	56,856
OPEB	304,276	5,910	310,186	25,736
TOTAL DEFERRED INFLOWS OF RESOURCES	730,280	17,548	747,828	1,144,176
NET POSITION				
Net investment in capital assets	1,040,918	230,128	1,271,046	1,227,661
Restricted for:				
Debt service	40,154	—	40,154	—
Housing and community development	413,783	—	413,783	—
Low and moderate income housing redevelopment	332,886	—	332,886	—
Other purposes	73,722	—	73,722	49,423
Unrestricted (deficit)	(1,629,634)	49,224	(1,580,410)	282,012
TOTAL NET POSITION	$ 271,829	$ 279,352	$ 551,181	$ 1,559,096

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

City of Oakland
Statement of Activities
Year Ended June 30, 2022
(In thousands)

		Program Revenue			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Port of Oakland**
Primary government:								
Governmental activities:								
General government	$ 181,671	$ 12,273	$ 10,328	$ 5,249	$ (153,821)	$ —	$ (153,821)	
Public safety	350,096	21,953	93,981	—	(234,162)	—	(234,162)	
Community and human services	123,748	5,893	51,728	—	(66,127)	—	(66,127)	
Community and economic development	176,985	70,105	56,282	—	(50,598)	—	(50,598)	
Public works and transportation	152,049	76,081	17,414	—	(58,554)	—	(58,554)	
Interest on long-term debt	67,132	—	—	—	(67,132)	—	(67,132)	
TOTAL GOVERNMENTAL ACTIVITIES	1,051,681	186,305	229,733	5,249	(630,394)	—	(630,394)	
Business-type activities:								
Sewer	46,786	71,232	—	—	—	24,446	24,446	
Parks and recreation	1,156	1,294	—	—	—	138	138	
TOTAL BUSINESS-TYPE ACTIVITIES	47,942	72,526	—	—	—	24,584	24,584	
TOTAL PRIMARY GOVERNMENT	$ 1,099,623	$ 258,831	$ 229,733	$ 5,249	(630,394)	24,584	(605,810)	
Component unit:								
Port of Oakland	$ 334,980	$ 402,009	$ 46,827	$ 19,740				$ 133,596
General revenues:								
Property taxes					470,778	—	470,778	—
State taxes (unrestricted intergovernmental revenues):								
Sales and use taxes					99,255	—	99,255	—
Gas tax					18,842	—	18,842	—
Motor vehicle in-lieu					503	—	503	—
Local taxes (own source revenues):								
Business license					101,290	—	101,290	—
Utility consumption					57,930	—	57,930	—
Real estate transfer					138,396	—	138,396	—
Transient occupancy					21,209	—	21,209	—
Parking					18,184	—	18,184	—
Voter-approved special tax					96,444	—	96,444	—
Franchise					20,226	—	20,226	—
Interest and investment income (loss)					(12,832)	(928)	(13,760)	21,204
Other					31,403	—	31,403	22,518
Transfers					1,675	(1,675)	—	—
TOTAL GENERAL REVENUES AND TRANSFERS					1,063,303	(2,603)	1,060,700	43,722
Changes in net position					432,909	21,981	454,890	177,318
Net position - beginning, as previously reported					(161,080)	257,371	96,291	1,388,224
Change in accounting principle					—	—	—	(6,446)
Net position - beginning, as restated					(161,080)	257,371	96,291	1,381,778
NET POSITION - ENDING					$ 271,829	$ 279,352	$ 551,181	$ 1,559,096

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

City of Oakland
Balance Sheet
Governmental Funds
June 30, 2022
(In thousands)

	General Fund	Federal/ State Grant Fund	Low and Moderate Income Housing Asset Fund	Municipal Capital Improvement Fund	Other Special Revenue Fund	Other Governmental Funds	Total
ASSETS							
Cash and investments	$ 745,592	$ 93,622	$ 31,412	$ 8,302	$ 231,600	$ 76,881	$ 1,187,409
Receivables (net of allowance for uncollectibles of $16,671)							
Accrued interest	1,842	—	53	1,367	347	113	3,722
Property taxes	7,373	—	—	—	7,096	2,827	17,295
Accounts receivable	52,404	2,221	3	437	2,670	11,097	68,832
Grants receivable	312	46,313	—	—	414	221	47,260
Lease receivable	13,884	—	267	23,446	—	—	37,597
Due from Port	7,849	—	—	—	—	—	7,849
Due from ORSA trust fund	466	—	5,098	10,616	—	—	16,180
Due from custodial funds	111	—	—	—	—	—	111
Due from other funds	5,565	—	—	—	—	—	5,565
Due from other governments	12,573	—	—	—	25	—	12,598
Notes and loans receivable (net of allowance for uncollectibles of $201,070)	17,601	151,049	267,391	91,257	809	—	528,107
Restricted cash and investments	40,565	—	1,581	310,283	—	17,172	369,600
Property held for resale	17,964	—	30,677	123,453	—	—	172,094
Prepaid items	1,271	123	—	1	354	49	1,798
TOTAL ASSETS	$ 925,372	$ 293,328	$ 336,482	$ 569,162	$ 243,315	$ 108,360	$ 2,476,019
LIABILITIES							
Accounts payable and accrued liabilities	$ 252,614	$ 24,791	$ 3,592	$ 9,708	$ 15,926	$ 2,629	$ 309,260
Due to other funds	—	—	—	—	—	1,420	1,420
Due to other governments	116	—	—	140	—	—	256
Unearned revenue	4,562	96,941	—	—	—	—	101,503
Other	4,306	3,494	4	2,322	10,402	3,273	23,801
TOTAL LIABILITIES	261,598	125,226	3,596	12,170	26,328	7,322	436,240
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property tax	7,405	—	—	—	6,272	2,010	15,687
Unavailable revenue - notes and loans	17,599	151,049	267,346	91,130	809	—	527,933
Unavailable revenue - grants and others	11,376	22,361	—	198	434	87	34,456
Unavailable revenue - loans to ORSA	—	—	1,978	2,291	—	—	4,269
Leases	13,482	—	214	23,177	—	—	36,873
TOTAL DEFERRED INFLOWS OF RESOURCES	49,863	173,410	269,538	116,796	7,515	2,097	619,219
FUND BALANCES							
Nonspendable	19,235	123	—	1	354	49	19,762
Restricted	286,994	—	63,348	440,195	—	92,141	882,678
Committed	52,195	—	—	—	8,592	1,675	62,462
Assigned	49,251	—	—	—	200,526	6,266	256,043
Unassigned	206,236	(5,431)		—	—	(1,190)	199,615
TOTAL FUND BALANCES	613,911	(5,308)	63,348	440,196	209,472	98,941	1,420,560
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 925,372	$ 293,328	$ 336,482	$ 569,162	$ 243,315	$ 108,360	$ 2,476,019

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

City of Oakland
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position for Governmental Activities
June 30, 2022
(In thousands)

Fund balances - total governmental funds (page 23)		$ 1,420,560
Amounts reported for governmental activities in the statement of net position are different due to the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Primary government capital assets, net of depreciation/amortization	1,459,289	
Less: internal service funds' capital assets, net of depreciation/amortization	(45,332)	1,413,957
Prepaid insurance premiums on long-term debt are not financial resources and, therefore, are not reported in the governmental funds.		16
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.		
Interest payable on long-term debt of the primary government	(31,668)	
Less: interest payable on long-term debt of the internal service funds	313	(31,355)
Deferred inflows of resources recorded in governmental fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the government-wide financial statements.		582,345
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Long-term liabilities	(1,186,108)	
Less: long-term liabilities for internal service funds	21,269	(1,164,839)
Deferred outflows of resources in governmental activities related to losses on refunding of debt are not financial resources and, therefore, are not reported in the governmental funds.		11,023
Deferred inflows of resources in governmental activities related to gains on refunding of debt are not financial resources and, therefore, are not reported in the governmental funds.		(2,544)
Net pension liability, net OPEB liability, and deferred outflows of resources and deferred inflows of resources related to pensions and OPEB on the government-wide statement of net position are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability	(1,145,467)	
Deferred outflows of resources related to pensions	259,249	
Deferred inflows of resources related to pensions	(370,765)	
Net OPEB liability	(592,965)	
Deferred outflows of resources related to OPEB	189,754	
Deferred inflows of resources related to OPEB	(296,475)	(1,956,669)
Internal service funds are used by the City to charge the costs of providing supplies and services, fleet and facilities management, and use of radio and communications equipment to individual funds. Assets, deferred outflows, liabilities, and deferred inflows of resources of internal service funds are included in governmental activities in the statement of net position.		(665)
NET POSITION OF GOVERNMENTAL ACTIVITIES (page 21)		$ 271,829

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

City of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022
(In Thousands)

	General Fund	Federal/ State Grant Fund	Low and Moderate Income Housing Asset Fund	Municipal Capital Improvement Fund	Other Special Revenue Fund	Other Govern-mental Funds	Total
REVENUES							
Taxes:							
Property	$ 410,089	$ —	$ —	$ —	$ 19,027	$ 38,938	$ 468,054
Sales and use	64,166	—	—	—	—	35,089	99,255
Motor vehicle in-lieu	503	—	—	—	—	—	503
Gas	—	—	—	—	—	18,842	18,842
Local taxes	351,400	216	—	—	82,683	19,379	453,678
Licenses and permits	1,413	—	—	—	31,385	139	32,937
Fines and penalties	19,741	—	—	—	863	928	21,532
Interest and investment income (loss)	(16,531)	(655)	1,692	1,361	(2,504)	(802)	(17,439)
Charges for services	84,948	66	197	3,742	42,771	113	131,837
Federal and state grants and subventions	3,189	224,767	—	—	247	1,531	229,734
Annuity income	5,015	—	—	—	—	—	5,015
Other	2,663	1,675	6,928	10,882	1,254	2,669	26,071
TOTAL REVENUES	926,596	226,069	8,817	15,985	175,726	116,826	1,470,019
EXPENDITURES							
Current:							
General government	152,326	12,496	—	17,792	19,497	2,511	204,622
Public safety	402,364	92,886	—	387	25,022	80	520,739
Community and human services	64,812	64,647	—	—	60,514	6,266	196,239
Community and economic development	18,494	75,599	14,304	13,890	48,908	188	171,383
Public works and transportation	48,229	5,623	—	12,951	26,812	46,775	140,390
Capital outlay	3,072	11,011	—	50,215	4,928	1,811	71,037
Debt service:							
Principal repayment	537	249	—	—	—	56,667	57,453
Bond issuance cost	140	—	—	—	—	974	1,114
Interest charges	680	4	—	—	—	62,616	63,300
TOTAL EXPENDITURES	690,654	262,515	14,304	95,235	185,681	177,888	1,426,277
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	235,942	(36,446)	(5,487)	(79,250)	(9,955)	(61,062)	43,742
OTHER FINANCING SOURCES (USES)							
Issuance of bonds	—	—	—	212,315	—	—	212,315
Premiums on issuance of bonds	—	—	—	—	—	17,363	17,363
Proceeds from sale of capital assets	1	—	—	—	—	—	1
Proceeds from lease financing	—	85	—	—	—	—	85
Insurance claims and settlements	—	—	—	—	4,797	—	4,797
Transfers in	22,160	9,202	—	2,120	18,385	78,332	130,199
Transfers out	(108,158)	—	—	—	(9,066)	(3,319)	(120,543)
TOTAL OTHER FINANCING SOURCES (USES)	(85,997)	9,287	—	214,435	14,116	92,376	244,217
NET CHANGE IN FUND BALANCES	149,945	(27,159)	(5,487)	135,185	4,161	31,314	287,959
Fund balances - beginning	463,966	21,851	68,835	305,011	205,311	67,627	1,132,601
FUND BALANCES - ENDING	$ 613,911	$ (5,308)	$ 63,348	$ 440,196	$ 209,472	$ 98,941	$1,420,560

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

City of Oakland

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities of Governmental Activities

Year Ended June 30, 2022

(In thousands)

Net change in fund balances - total governmental funds (page 25)		$ 287,959
Amounts reported for governmental activities in the statement of activities are different due to the following:		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlay and other capital transactions exceeds depreciation in the current period.		
Primary government:		
Capital asset acquisition	83,913	
Depreciation/amortization	(82,021)	1,892
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in the deferred inflows during the current period		63,187
Some expenses such as claims, workers' compensation, and vacation and sick leave reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(7,133)
The issuance of long-term debt provides current financial resources to governmental funds. This is the amount by which bond proceeds increase the liabilities in the statement of net position.		(229,763)
The repayment of principal of long-term debt consumes the current financial resources of the governmental funds. This is the amount by which principal retirement reduces the liabilities in the statement of net position.		57,453
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the government funds.		
Amortization of bond premiums and discounts	2,173	
Amortization of prepaid bond insurance premium on long-term debt	(46)	
Amortization of deferred outflows of refunding losses and inflows of refunding gains	(1,004)	
Net changes in accreted interest on appreciation bonds	31,776	
Changes in accrued interest on bonds and notes payable	(3,116)	
Changes in Coliseum Authority pledged obligation	10,753	
Changes in mandated environmental remediation obligations	(573)	
Change in net pension liability and deferred outflows and inflows of resources related to pensions	107,882	
Change in net OPEB liability and deferred outflows and inflows of resources related to OPEB	100,245	
Change in fair value of the interest swap agreement	181	248,271
Net revenues of activities of internal service funds are reported with governmental activities		11,043
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES (page 22)		$ 432,909

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

City of Oakland
Statement of Fund Net Position
Proprietary Funds
June 30, 2022
(In thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Service Fund	Nonmajor Fund Parks and Recreation	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	$ 85,591	$ —	$ 85,591	$ 42,259
Interest receivable	130	—	130	65
Accounts receivable (net of allowance for uncollectibles of $1,381 for the enterprise funds)	19,088	6	19,094	97
Lease receivable	—	—	—	354
Inventories	—	—	—	1,488
Restricted cash and investments	—	624	624	5,808
Prepaid expenses	71	—	71	1,203
Total current assets	104,880	630	105,510	51,274
Capital assets:				
Land and other capital assets not being depreciated	9,993	475	10,468	15,216
Facilities, equipment and infrastructure, net of depreciation and amortization	242,423	1,039	243,462	30,116
Total capital assets	252,416	1,514	253,930	45,332
TOTAL ASSETS	357,296	2,144	359,440	96,606
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	4,516	12	4,528	6,481
OPEB	3,913	36	3,949	4,969
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,429	48	8,477	11,450
LIABILITIES:				
Current liabilities:				
Accounts payable and accrued liabilities	5,716	—	5,716	6,168
Accrued interest payable	42	2	44	313
Due to other funds	—	557	557	3,588
Other liabilities	6	—	6	7
Bonds, financed purchase obligations, notes and other payables	2,953	—	2,953	4,247
Total current liabilities	8,717	559	9,276	14,323
Non-current liabilities:				
Bonds, financed purchase obligations, notes and other payables	20,573	—	20,573	17,022
Net pension liability	29,461	345	29,806	40,610
Net OPEB liability	11,269	92	11,361	13,143
Total non-current liabilities	61,303	437	61,740	70,775
TOTAL LIABILITIES	70,020	996	71,016	85,098
DEFERRED INFLOWS OF RESOURCES				
Unamortized gains on refunding of debt	276	—	276	—
Leases	—	—	—	342
Pensions	11,230	132	11,362	15,480
OPEB	5,869	41	5,910	7,801
TOTAL DEFERRED INFLOWS OF RESOURCES	17,375	173	17,548	23,623
NET POSITION				
Net investment in capital assets	228,614	1,514	230,128	29,871
Unrestricted (deficit)	49,716	(492)	49,224	(30,536)
TOTAL NET POSITION	$ 278,330	$ 1,022	$ 279,352	$ (665)

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

City of Oakland
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2022
(In thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Service Fund	Nonmajor Fund Parks and Recreation	Total	Internal Service Funds
OPERATING REVENUES				
Rental	$ —	$ 1,249	$ 1,249	$ —
Sewer services	71,232	45	71,277	—
Charges for services	—	—	—	108,097
Other	—	—	—	22
TOTAL OPERATING REVENUES	71,232	1,294	72,526	108,119
OPERATING EXPENSES				
Personnel	10,824	291	11,115	25,753
Supplies	557	462	1,019	10,593
Depreciation and amortization	7,720	178	7,898	12,945
Contractual services and supplies	4,720	—	4,720	5,233
Repairs and maintenance	11,780	—	11,780	7,651
General and administrative	6,728	209	6,937	9,781
Rental	2,681	14	2,695	1,829
Other	1,003	2	1,005	14,710
TOTAL OPERATING EXPENSES	46,013	1,156	47,169	88,495
OPERATING INCOME	25,219	138	25,357	19,624
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment income (loss)	(932)	4	(928)	(408)
Interest expense	(772)	—	(772)	(727)
Insurance claims and settlements	—	—	—	289
Other	—	—	—	246
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,704)	4	(1,700)	(600)
INCOME (LOSS) BEFORE TRANSFERS	23,514	142	23,656	19,024
Transfers in	—	10	10	109
Transfers out	(1,685)	—	(1,685)	(8,090)
Change in net position	21,829	152	21,981	11,043
Net position - beginning	256,501	870	257,371	(11,708)
NET POSITION - ENDING	$ 278,330	$ 1,022	$ 279,352	$ (665)

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

City of Oakland
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022
(In thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Service Fund	Nonmajor Fund Parks and Recreation	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from interfund services provided	$ —	$ —	$ —	$ 108,087
Cash received from customers and users	69,280	—	69,280	—
Cash received from tenants for rents	—	1,294	1,294	—
Cash from other sources	—	—	—	557
Cash paid to employees	(21,113)	(110)	(21,223)	(31,430)
Cash paid to suppliers	(24,854)	(687)	(25,541)	(48,174)
NET CASH PROVIDED BY OPERATING ACTIVITIES	23,313	497	23,810	29,040
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from interfund loans	—	—	—	201
Repayment of interfund loans	—	(646)	(646)	(1,512)
Transfers in	—	10	10	109
Transfers out	(1,685)	—	(1,685)	(8,090)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(1,685)	(636)	(2,321)	(9,292)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(6,560)	(41)	(6,601)	(13,836)
Proceeds from sale of capital assets	12	—	12	17
Long-term debt:				
Repayment of long-term debt	(2,490)	—	(2,490)	(9,326)
Interest paid on long-term debt	(1,160)	—	(1,160)	(1,065)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(10,198)	(41)	(10,239)	(24,210)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	(1,025)	4	(1,021)	(452)
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,405	(176)	10,229	(4,914)
Cash and cash equivalents - beginning	75,186	800	75,986	52,981
CASH AND CASH EQUIVALENTS - ENDING	$ 85,591	$ 624	$ 86,215	$ 48,067
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$ 25,219	$ 138	$ 25,357	$ 19,624
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Depreciation and amortization	7,720	178	7,898	12,945
Miscellaneous non-operating revenues	—	—	—	535
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable	(1,953)	—	(1,953)	4
Lease receivable	—	—	—	3
Inventories	—	—	—	(406)
Other assets	(37)	—	(37)	(727)
Accounts payable and accrued liabilities	2,653	—	2,653	1,776
Deferred inflow of resources related to leases	—	—	—	(17)
Net pension liability and related pension deferred items	(736)	(4)	(740)	(3,646)
Net OPEB liability and related OPEB deferred items	(9,553)	185	(9,368)	(1,051)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 23,313	$ 497	$ 23,810	$ 29,040
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FUND NET POSITION				
Cash and investments	$ 85,591	$ —	$ 85,591	$ 42,259
Restricted cash and investments	—	624	624	5,808
TOTAL CASH AND CASH EQUIVALENTS	$ 85,591	$ 624	$ 86,215	$ 48,067
NON-CASH ITEMS:				
Amortization of bond premiums	$ 343	$ —	$ 343	$ —

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

City of Oakland
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022
(In thousands)

	Pension Trust Fund	Private-Purpose Trust Funds	Custodial Fund
ASSETS			
Cash and investments	$ 7,495	$ 46,183	$ —
Receivables:			
Accrued interest and dividends	1,093	404	—
Accounts receivable	—	—	602
Investments and others	5,126	—	—
Due from other governments	—	2,705	—
Prepaid expenses	—	1,391	—
Restricted:			
Cash and investments:			
Short-term investments	7,474	7,915	—
U.S. government bonds, corporate bonds and other government bonds	130,127	—	—
Domestic equities and mutual funds	158,145	—	—
International equities and mutual funds	47,911	—	—
Alternative investments	56,335	—	—
Total restricted cash and investments	399,992	7,915	—
Securities lending collateral	48,346	—	—
Loans receivable, net of allowance for uncollectibles of $3,918	—	3,608	—
Property held for resale	—	2,818	—
TOTAL ASSETS	462,052	65,024	602
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized losses on refunding of debt	—	11,538	—
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	12,188	21	—
Accrued interest payable	—	3,740	—
Due to other funds of the City	—	16,180	111
Securities lending liabilities	48,376	—	—
Other	—	47	—
Total current liabilities	60,564	19,988	111
Non-current liabilities:			
Due within one year	—	16,890	—
Due in more than one year	—	211,507	—
Total non-current liabilities	—	228,397	—
TOTAL LIABILITIES	60,564	248,385	111
DEFERRED INFLOWS OF RESOURCES			
Unamortized gains on refunding of debt	—	317	—
NET POSITION RESTRICTED FOR:			
Employees' pension benefits	401,487	—	—
Redevelopment dissolution and other purposes	—	(172,140)	491
TOTAL NET POSITION	$ 401,487	$ (172,140)	$ 491

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

City of Oakland
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2022
(In thousands)

	Pension Trust Fund	Private-Purpose Trust Funds	Custodial Fund
ADDITIONS:			
Trust receipts	$ —	$ 24,899	$ —
Contributions:			
Employer	43,820	—	—
Investment income (loss):			
Net (depreciation) in fair value of investments	(54,535)	—	—
Interest income	4,134	71	2
Dividends	3,769	—	—
Securities lending	153	—	—
TOTAL INVESTMENT INCOME (LOSS)	(46,479)	71	2
Investment expenses	1,476	—	—
NET INVESTMENT INCOME (LOSS)	(47,955)	71	2
Federal and state grants	—	215	—
Other income	—	14,733	—
TOTAL ADDITIONS	(4,135)	39,918	2
DEDUCTIONS:			
Benefits to members and beneficiaries:			
Retirement	31,495	—	—
Disability	18,419	—	—
Death	1,536	—	—
TOTAL BENEFITS TO MEMBERS AND BENEFICIARIES	51,450	—	—
Administrative expenses	1,461	2,364	—
Economic and workforce development	—	206	—
Other	—	11,445	—
Interest on debt	—	10,880	—
TOTAL DEDUCTIONS	52,911	24,895	—
Change in net position	(57,046)	15,023	2
Net position - beginning	458,533	(187,163)	489
NET POSITION - ENDING	$ 401,487	$ (172,140)	$ 491

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Primary Government

The City of Oakland, California (the City or Primary Government) was incorporated on May 25, 1852, by the State of California and is organized and exists under and pursuant to the provisions of State law. The Mayor/Council form of government was established in November 1998 through Charter amendment. The legislative authority is vested in the City Council and the executive authority is vested in the Mayor with administrative authority resting with the City Administrator.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Component units are classified as blended, discretely presented or fiduciary. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are combined with the data of the Primary Government within the governmental activities column in the government-wide financial statements and governmental funds in the fund financial statements.

Fiduciary Component Unit

Oakland Redevelopment Successor Agency (ORSA) - On June 28, 2011, Assembly Bill X1 26 (AB X1 26) was enacted. This legislation is referred to herein as the Redevelopment Dissolution Law. On December 29, 2011, the California Supreme Court upheld the constitutionality of AB X1 26 and all redevelopment agencies in California were dissolved by operation of law effective February 1, 2012. The legislation provides for successor agencies and oversight boards that are responsible for overseeing the dissolution process and wind down of redevelopment activity. At the City's meeting on January 10, 2012, the City Council affirmed its decision as part of resolution number 83679 C.M.S. to serve as the ORSA, effective February 1, 2012, and as such is a fiduciary component unit of the City. Also, in the same meeting, the City Council elected as part of resolution number 83680 C.M.S. to retain the housing assets, functions, and powers previously performed by the former Redevelopment Agency of the City of Oakland (Former Agency).

The ORSA was created to serve as a custodian for the assets and to wind down the affairs of the Former Agency. The ORSA is a separate public entity from the City, with the Oakland City Council serving as its governing board, subject to the direction of an Oversight Board. Pursuant to SB 107, there are seven Countywide Oversight Board members as follows:

- One appointed by the County Board of Supervisors,
- One appointed by the City selection committee,
- One appointed by the independent Special District Selection Committee,
- One appointed by the County Superintendent of Education,
- One appointed by the Chancellor of the California Community Colleges,
- One member of the public, and
- One member appointed by the recognized employee organization representing the largest number of successor agency employees in the County.

In general, the ORSA's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). ORSA will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the Former Agency until all enforceable obligations of the Former Agency have been paid in full and all assets have been liquidated. Based upon the nature of the ORSA's custodial role, ORSA is reported in a fiduciary fund (private-purpose trust fund) in the City's financial statements.

ORSA's separately issued financial statements may be obtained as follows:

Finance Department, Controller's Bureau
City of Oakland
150 Frank H. Ogawa Plaza, Suite 6353
Oakland, CA 94612

Blended Component Unit

Oakland Joint Powers Financing Authority (JPFA) - JPFA was formed to assist in the financing of public capital improvements. JPFA is a joint exercise agency organized under the laws of the State of California and was composed of the City and the Former Agency. The Oakland City Council serves as the governing board for JPFA. JPFA transactions are reported in other governmental funds. Related debt is included in the long-term obligations of the City in the governmental activities column of the statement of net position. AB X1 26 as amended by AB 1484 was enacted and all redevelopment agencies in California were dissolved by operation of law effective February 1, 2012. The dissolution law provides that ORSA is a separate legal entity from the City, with ORSA holding all of the transferred assets and obligations of the Former Agency (other than the housing assets). Therefore, ORSA assumed the Former Agency's role as a member of the JPFA as of February 1, 2012, pursuant to AB X1 26.

Discretely Presented Component Unit

Port of Oakland (Port) – The Port is a legally separate component unit established in 1927 by the City. Operations include the Oakland International Airport and the Port of Oakland Marine Terminal Facilities. Although the Port has a significant relationship with the City, it is fiscally independent and does not provide services solely to the City and, therefore, is presented discretely. All interfund transactions have been eliminated. The Port is governed by a seven-member Board of Port Commissioners (Board of Commissioners) that is appointed by the City Council, upon nomination by the Mayor. The Board of Commissioners appoints an Executive Director to administer operations. The Port prepares and controls its own budget, administers and controls its fiscal activities, and is responsible for all Port construction and operations. The Port is required by City charter to deposit its operating revenues in the City Treasury. The City is responsible for investing and managing such funds. The Port is presented in a separate column in the government-wide financial statements.

The Port's separately issued Annual Comprehensive Financial Report may be obtained as follows:

Port of Oakland
Port Financial Services Division
530 Water Street
Oakland, CA 94607

B. FINANCIAL STATEMENT PRESENTATION

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. The effect of interfund activity has been removed from these statements except for interfund services provided among funds. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the Primary Government is reported separately from its discretely presented component unit for which the Primary Government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and a major individual enterprise fund are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial activities and resources of the general government except those required to be accounted for in another fund. These activities are funded principally by property taxes, sales and use taxes, business license taxes, utility and real estate transfer taxes, other unrestricted local taxes, interest and investment income, and charges for services.

The ***Federal/State Grant Fund*** accounts for various Federal and State grants and certain state allocations used or expended for a specific purpose, activity or program.

The ***Low and Moderate Income Housing Asset Fund (LMIHF)*** is a special revenue fund that was created to administer the housing assets and functions related to the Low and Moderate Income Housing program retained by the City following the dissolution of the Former Agency. Prior to the dissolution of redevelopment agencies, the LMIHF accounted for the Former Agency's affordable housing activities, including the 20% redevelopment property tax revenue set-aside for low and moderate income housing and related expenditures. Upon dissolution of the Former Agency and the City Council's election to retain the housing activities previously funded by the Former Agency, the City created LMIHF and transferred the assets and affordable housing activities.

The ***Municipal Capital Improvement Fund*** accounts primarily for monies pertaining to capital improvement funds, which includes mainly capital financing projects funds:

- *Oakland Redevelopment Successor Agency* - Unspent bond proceeds transferred to the City. The California Department of Finance (DOF) approved the bond expenditure agreement between ORSA and the City to transfer excess tax allocation bond proceeds to the City. The Bond Spending Plan allows ORSA to utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants.
- *Measure DD* - Capital improvement bond financing funds for clean water, safe parks, and open space trust for the City.
- *Measure KK* - Capital improvement bond financing funds to improve public safety and finance transportation infrastructure improvements, affordable housing, and neighborhood services.
- *Measure G* – Capital improvement bond financing funds for Oakland Zoo, Museum and Chabot Space and Science Center improvements.
- *Master Lease Agreement Financing* – Capital improvement for vehicles and equipment, and telecommunications.
- *Other miscellaneous capital improvement funds* - The fund comprises other municipal capital improvement funds, which may be used for the lease, acquisition, construction, or other improvements of public facilities.

The ***Other Special Revenue Fund*** accounts for activities of several special revenue funds, which include mainly the following local measures and funds:

- *Measure Z: The Public Safety and Services Violence Prevention Act of 2014.* The measure provides for the following services: Community Resource Officers, crime reduction teams, fire services, and violence prevention strategies (Oakland Unite).
- *Measure C - Oakland Hotel Tax.* This additional transient occupancy tax was approved to fund the following entities: Oakland Convention and Visitors Bureau 50%, Oakland Zoo 12.5%, Oakland Museum of California 12.5%, Chabot Space and Science Center 12.5%, and the City Cultural Arts Programs and Festivals 12.5%.
- *Measure Q (2004) - Library Services Retention and Enhancement.* In March 2004, the electorate of Oakland approved, by more than a two-thirds majority, the extension of the Library Services and Retention Act, Measure Q (formerly known as Measure O). The act re-authorized and increased a special parcel tax on residential and non-residential parcels for the purpose of raising revenue to retain and enhance library services. The term of the tax is 20 years, commencing July 1, 2004 and ending June 30, 2024.
- *Measure D - Oakland Public Library Preservation Act.* This additional parcel tax was approved by Oakland voters in June 2018, establishing a supplementary funding source for library services, material, and programs. The term of the tax is 20 years, commencing July 1, 2018 and ending June 30, 2038.
- *Measure Q (2020) - Parks and Recreation Preservation, Litter Reduction, and Homelessness Support.* In March 2020, the electorate of Oakland approved, by more than a two-thirds majority, a parcel tax for parks, homeless services, and litter reduction. The term of the tax is 20 years, commencing July 1, 2020 and ending June 30, 2040.
- *Measure W - Vacant Property Tax Act.* In November 2018, the electorate of Oakland approved, by more than a two-thirds majority, a parcel tax on vacant properties to be utilized for homelessness programs and services, affordable housing, code enforcement, and clean-up of blighted properties and illegal dumping. The term of the tax is 20 years, commencing July 1, 2020 and ending June 30, 2040.
- *Measure WW - East Bay Regional Park District local grant program*. The funds are for various Oakland parks and open space renovation projects.

- *Measure N - Paramedics Services Act.* The revenue from the measure increases, enhances, and supports paramedic services in the City.
- *Oakland Kids' First Fund.* The charter requires 3 percent of the City's unrestricted general purpose fund revenues for the fund. The revenues provide additional funding for programs and services benefiting children and youth.
- *Development Services Fund.* The revenue sources for the development service fund will be the fees and penalties for development and enforcement activities, such as land use, permit, inspection, and abatement services for both direct and indirect costs.
- *Other miscellaneous special revenue funds.* Accounts for several other restricted monies that are classified as special revenue funds.

The City reports the following major enterprise fund:

The ***Sewer Service Fund*** accounts for the sewer service charges received by the City based on the use of water by East Bay Municipal Utility District customers residing in the City. The proceeds from the sewer charges are used for the construction and maintenance of sanitary sewers and storm drains and the administrative costs of the fund.

Additionally, the City reports the following funds:

The ***Internal Service Funds*** account for the purchases of automotive and rolling equipment; radio and other communication equipment; the repair and maintenance of City facilities; acquisition, maintenance and provision of reproduction equipment and services; acquisition of inventory provided to various City departments on a cost reimbursement basis; procurement of materials, supplies, and services for City departments; and the service and maintenance of City information technology systems.

The ***Pension Trust Fund*** accounts for the closed benefit plan that covers uniformed employees hired prior to July 1976.

The ***Private-Purpose Trust Funds*** include: (a) the Oakland Redevelopment Successor Agency Trust Fund, which accounts for the custodial responsibilities that are assigned to the Oakland Redevelopment Successor Agency with passage of AB X1 26 and (b) the Other Private-Purpose Trust Fund, which accounts for the Telecommunications Sinking Fund, which holds deposits made by the owners of permitted telecommunications facilities to cover the costs of removing the facility if abandoned.

The ***Custodial Fund*** reports fiduciary activities not held in a trust or equivalent arrangement.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available for the year levied and if they are collected within 60 days of the end of the fiscal period. All other revenues are considered to be available if they are collected within 90 days of the end of the fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state and local taxes, grants, licenses, charges for services, and interest and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Special assessments are recorded as revenues and receivables to the extent installments are considered available. The estimated installments receivable not considered available, as defined above, are recorded as receivables and offset by deferred inflows of resources.

Charges between the City and the Port are not eliminated because the elimination of these charges would distort the direct costs and revenues reported.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including: sewers, golf courses, information technology and support, vehicle acquisition and maintenance, radio and telecommunication support charges, charges for facilities maintenance, and reproduction services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

E. New Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of the statement is to improve the accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the consistency of information about governments' leasing activities. The City implemented this statement as of July 1, 2021. The implementation of this statement has a net zero impact to the primary government's beginning balance of the net position. The Port's beginning balance of the net position was reduced by $6,446 to reflect reamortization of a lease receivable, which was previously recorded as a capital lease, and recognition of related leased facilities as capital assets. The related prepayment of lease receivable, which was previously recorded as unearned revenue was reclassified as deferred inflows of resources. See Note II, part H. for additional information.

During the year ended June 30, 2022 the City adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. The adoption of this statement did not have a material impact on the City's June 30, 2022 financial statements.

During the year ended June 30, 2022 the City adopted GASB Statement No. 92, *Omnibus 2020*. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain provisions of this statement became effective upon issuance. The adoption of this statement did not have a material impact on the City's June 30, 2022 financial statements.

During the year ended June 30, 2022 the City adopted GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objectives of this statement are to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. The adoption of this statement did not have a material impact on the City's June 30, 2022 financial statements.

During the year ended June 30, 2022 the City adopted GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of the statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The adoption of this statement did not have a material impact on the City's June 30, 2022 financial statements.

During the year ended June 30, 2022 the City adopted GASB Statement No. 99, *Omnibus 2022,* paragraphs 26-32. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain provisions of this statement became effective upon issuance and their adoption did not have a material impact on the City's June 30, 2022 financial statements.

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements, which have been updated to reflect revised effective dates as applicable:

- In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

- In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

- In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

- In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain provisions of this statement became effective upon issuance, as noted above. The remaining requirements of this statement are effective for the City's fiscal years ending June 30, 2023 and June 30, 2024.

- In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the City's fiscal year ending June 30, 2024.

- In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this statement are effective for the City's fiscal year ending June 30, 2025.

F. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Cash and Investments

The City follows the practice of pooling cash of all operating funds for investment, except for the ORSA and the Police and Fire Retirement System (PFRS), whose funds are primarily held by outside custodians. The City measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is 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. Fair value is a market-based measurement, using observable market transactions or available market information. 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.

Income earned or losses arising from the investment of pooled cash are allocated on a monthly basis to the participating funds and component units based on their proportionate share of the average daily cash balance.

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

For purposes of the statement of cash flows, the City considers all highly liquid unrestricted and restricted investments with a maturity of three months or less when purchased to be cash equivalents. The proprietary funds' investments in the City's cash and investment pool are, in substance, demand deposits and are therefore considered to be cash equivalents.

2. Property Taxes

The County of Alameda is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state law, and for remitting such amounts to the City. Property taxes are assessed and levied as of July 1 on all taxable property located in the City, and result in a lien on real property on January 1. Property taxes are then due in two equal installments-the first on November 1 and the second on February 1 of the following calendar year and are delinquent after December 10 and April 10, respectively. General property taxes are limited to a flat 1% rate applied to the 1975-76 full value of the property, or 1% of the sales price of the property or of the construction value added after the 1975-76 valuation. Assessed values on properties (exclusive of increases related to sales and construction) can rise a maximum of 2% per year. Taxes were levied at the maximum 1% rate during the year ended June 30, 2022.

3. Due From/Due To Other Funds and Internal Balances

During the course of operations, numerous transactions and borrowings occur between individual funds for goods provided or services rendered and funds that have overdrawn their share of pooled cash and interfund loans. In the fund financial statements, these receivables and payables are classified as "due from other funds" and "due to other funds", respectively. In the government-wide financial statements, these receivables and payables are eliminated within the governmental activities and business-type activities columns. Net receivables and payables between the governmental activities and business-type activities are classified as internal balances.

4. Interfund Transfers

In the fund financial statements, interfund transfers are recorded as transfers in/out except for certain types of transactions that are described below:

- Charges for services are recorded as revenues of the performing fund and expenditures/ expenses of the requesting fund. Unbilled costs are recognized as an asset of the performing fund and a liability of the requesting fund at the end of the fiscal year.

- Reimbursements for expenditures, initially made by one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. Reimbursements are eliminated for purposes of government-wide reporting.

5. Prepaid Bond Insurance, Original Issue Discounts and Premiums, and Refundings

Prepaid bond insurance costs are amortized using the straight-line method over the life of the bonds. Amortization of these balances is recorded as a component of operating expenses. In the government-wide, proprietary fund, and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized using the straight-line method over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses from refunding of debt are reported as deferred inflows or outflows of resources and amortized over the shorter of the life of the refunded debt or refunding debt. Amortizations of bond premiums and discounts and gains or losses from refunding of debt are recorded as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Inventories

Inventories, consisting of materials and supplies held for consumption, are stated at cost. Cost is calculated using the average cost method. Inventory items are considered expensed when consumed rather than when purchased.

7. Capital Assets

Capital assets, which include land, museum collections, intangibles, construction in progress, facilities and improvements, furniture, machinery and equipment, infrastructure (e.g., streets, streetlights, traffic signals, and parks), sewers, and storm drains, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital outlay is recorded as expenditures in the governmental funds and as assets in the government-wide and proprietary financial statements to the extent the City's capitalization threshold is met. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life is not capitalized.

The City has a collection of artwork presented for public exhibition and education that is being preserved for future generations. These items are protected, kept unencumbered, cared for, and preserved by the City. The proceeds from the sale of any pieces of the collection are used to purchase other acquisitions for the collection. However, future acquisitions purchased with authorized budgeted City funds during a fiscal year will be reported as non-depreciable assets in the City's financial statements.

The City's depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

Facilities and improvements	5-40 years
Furniture, machinery and equipment	2-20 years
Sewer and storm drains	50 years
Infrastructure	5-50 years

The Port's depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	5-50 years
Container cranes	25 years
Infrastructure	10-50 years
Other equipment	3-40 years
Software	3-10 years

8. Leases

As part of normal operations, the City has entered into various lease agreements as either a lessor or lessee for land, equipment, and other asset classes. As a lessee, the City recognizes a lease liability and an intangible right-to-use lease asset. As a lessor, the City recognizes a lease receivable and a deferred inflow of resources. Lease liabilities and receivables were calculated based on the net present value of future lease payments, discounted using an interest rate based on the City's historical borrowing costs. The City defines leases as balances with an initial value of $5,000 or more. Amortization periods for lease assets are based on the shorter of lease term or useful life.

9. Property Held for Resale

Property held for resale was primarily acquired as part of the Former Agency's redevelopment program. These properties are both residential and commercial. Costs of administering the projects are charged to the municipal capital improvement fund as expenditures are incurred. A primary function of the redevelopment process is to prepare land for specific private development. For financial statement presentation, property held for resale is stated at the lower of estimated cost or estimated conveyance value. Estimated conveyance value is management's estimate of net realizable value of each property parcel based on its current intended use.

During the period it is held by the City, property held for resale may generate rental or operating income. This income is recognized as it is earned in the City's statement of activities and generally is recognized in the City's governmental funds in the same period depending on when the income becomes available on a modified accrual basis of accounting. The City does not depreciate property held for resale, as it is the intention of the City to only hold the property for a period of time until it can be resold for development.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for *deferred outflows of resourc*es. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has deferred outflows of resources related to pension and OPEB contributions subsequent to measurement date and other pension and OPEB related deferred outflows. Also, losses on refunding result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. Amortization of these balances is recorded as a component of interest expense.

In addition to liabilities, the statement of net position and governmental funds balance sheet will report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position 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 deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, notes and loan receivables, grant receivables/advances from the federal government and State, and other sources as appropriate. These amounts are deferred and recognized as revenues in the period the amounts become available. The City also has deferred inflows of resources related to the unamortized gains on refunding of debt as well as deferred inflows related to leases, pensions, and OPEB.

11. Compensated Absences – Accrued Vacation, Sick Leave, and Compensatory Time

The City's policy and its agreements with employee groups permit employees to accumulate earned but unused vested vacation, sick leave and other compensatory time. All earned compensatory time is accrued when incurred in the government-wide financial statements and the proprietary funds financial statements. A liability for these amounts is reported in the governmental funds only if they are due and payable.

12. Retirement Plans

The City has three defined benefit retirement plans: Oakland Police and Fire Retirement System (PFRS), and the Miscellaneous and the Public Safety Plans of the California Public Employees' Retirement System (CalPERS) (collectively, the Retirement Plans). 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 City's Retirement Plans and additions to/ deductions from the Retirement Plans' fiduciary net position have been determined on the same basis as they are reported by PFRS and CalPERS. Employer contributions and member contributions made by the employer to the Retirement Plans are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the provisions of the Retirement Plans. Refer to Note III, part A for additional information.

13. Other Postemployment Benefits (OPEB)

The City's OPEB plan covers the City's police, fire, and other (miscellaneous) employees. City retirees are eligible for retiree health benefits if they meet certain requirements relating to age and service. Retiree health benefits are described in the labor agreements between the City and local unions and in City resolutions. The demographic rates used for CalPERS were public safety employees retirements benefits under a 3 percent at 50 formula and miscellaneous employees retirement benefits under a 2.7 percent at 55 formula. In addition, the Port's Retiree Healthcare Plan covers the Port's employees. Refer to Note III, part B for additional information.

14. Pollution Remediation Obligations

The City and the Port record liabilities related to pollution remediation activities. See Note II, part G and Note III, part C.4 for additional information.

15. Fund Balances

Governmental funds classify fund balances based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. Fund balance for the City's governmental funds consists of the following categories:

- *Nonspendable Fund Balance*: includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Items that are not expected to be converted to cash, for example, inventories and prepaid amounts, are included in this classification, as well as property held for sale when no restrictions apply to the use of proceeds.

- *Restricted Fund Balance:* includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. It also includes a legally enforceable requirement that the resources can only be used for specific purposes enumerated in the law.

- *Committed Fund Balance:* includes amounts that can only be used for the specific purposes determined by City Council ordinance, which is the City's highest level of decision-making authority. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.

- *Assigned Fund Balance*: comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed through City Council budgetary action, which includes appropriations and revenue sources pertaining to the next fiscal year's budget. The City Council adopted a resolution establishing the City's policy budget, which states that assigned fund balances are intended to be used for specific purposes through City Council budgetary actions. Intent is expressed by (a) the City Council or (b) the City Administrator to which the City Council has delegated the authority to assign amounts to be used for specific purposes. This category includes the City's encumbrances, project carry-forwards, and continuing appropriations.

- *Unassigned Fund Balance*: are amounts technically available for any purpose. It is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Other governmental funds may only report a negative unassigned balance that was created after classification of restricted, committed, and assigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Fund balances for all the major and nonmajor governmental funds as of June 30, 2022, were distributed as follows (in thousands):

	General Fund	Federal/State Grant Fund	LMIHF[1]	Municipal Capital Improvement Fund	Other Special Revenue Fund	Other Governmental Funds	Total
Nonspendable:							
Prepaid items	$ 1,271	$ 123	$ —	$ 1	$ 354	$ 49	$ 1,798
Property held for resale with no restrictions on use of proceeds	17,964	—	—	—	—	—	17,964
Total nonspendable	19,235	123	—	1	354	49	19,762
Restricted for:							
Capital projects	—	—	1,581	316,742	—	52,290	370,613
Pension obligations annuity	40,565	—	—	—	—	—	40,565
Pension obligations PFRS	246,429	—	—	—	—	—	246,429
Debt service	—	—	—	—	—	39,851	39,851
Property held for sale	—	—	30,677	123,453	—	—	154,130
Housing projects	—	—	31,090	—	—	—	31,090
Total restricted	286,994	—	63,348	440,195	—	92,141	882,678
Committed for:							
Vital services	2,799	—	—	—	—	—	2,799
Affordable housing	49,396	—	—	—	—	—	49,396
Measure Q, Library, Kids First, and museum trust	—	—	—	—	8,592	1,675	10,267
Total committed	52,195	—	—	—	8,592	1,675	62,462
Assigned for:							
Measure HH projects	8,930	—	—	—	—	—	8,930
Capital projects	1,587	—	—	—	200,526	—	202,113
General government	16,428	—	—	—	—	—	16,428
Public safety	12,374	—	—	—	—	—	12,374
Community and human services	—	—	—	—	—	6,266	6,266
Community and economic development	5,410	—	—	—	—	—	5,410
Public works and transportation	4,522	—	—	—	—	—	4,522
Total assigned	49,251	—	—	—	200,526	6,266	256,043
Unassigned	206,236	(5,431)	—	—	—	(1,190)	199,615
Total	**$ 613,911**	**$ (5,308)**	**$ 63,348**	**$ 440,196**	**$ 209,472**	**$ 98,941**	**$ 1,420,560**

[1] Low and Moderate Income Housing Asset Fund

General Fund Balance Reserve Policy: The City Council approved the original City Reserve Policy on March 22, 1994. Creation of the policy was to help pay any unanticipated expenditures and pay for claims arising from the City's insurance program. In May 2010, the City adopted a revised reserve policy equal to seven and one-half percent (7.5%) for unassigned fund balance of the General Purpose Fund (GPF) appropriation for each fiscal year. The GPF accounts for the City's operating budget that pays for basic programs and services as well as elected offices and municipal business functions. The GPF is reported within the General Fund.

On May 15, 2018, the City Council revised the definition and use of excess Real Estate Transfer Tax (RETT) revenues and the use of one-time revenues (Ordinance No. 13487 C.M.S.). The policy defines excess Real Estate Transfer Tax as any amounts of RETT revenues whose value exceeds 15 percent of the corresponding GPF Tax Revenues (inclusive of RETT). The excess RETT shall be used in the following manner:

- At least 25 percent shall be allocated to the Vital Services Stabilization Fund until the value in such fund is projected to equal to 15 percent of GPF revenues over the coming fiscal year.
- At least 25 percent shall be used to fund accelerated debt retirement and unfunded long-term obligations, including negative fund balances, the PFRS liability, other unfunded retirement and pension liabilities, unfunded paid leave liabilities, and OPEB liabilities.
- The remainder shall be used to fund one-time expenditures, augment the General Purpose Fund Emergency Reserve, and to augment the Capital Improvements Reserve Fund.

Use of the "excess" RETT revenue for purposes other than those established above may only be allowed by majority vote of the City Council through a separate resolution.

The policy also requires the City to conform to the following regarding the use of one-time discretionary revenue:

- Fiscal prudence requires that any unrestricted one-time revenues be used for one-time expenditures. Therefore, one-time revenues shall be used in the following manner, unless they are legally restricted to other purposes: to fund one-time expenditures, to fund debt retirement and unfunded long-term obligations such as negative fund balances, PFRS unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and OPEB unfunded liabilities; or shall remain as fund balance.

Use of "one-time revenues" for purposes other than those established may only be allowed by a majority vote of the City Council through a separate resolution. Additionally, the policy includes the requirement that the City maintain a Vital Services Stabilization Fund (VSSF). In years when the City forecasts that total GPF revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of this fund must be considered to maintain existing services. Use of the VSSF must be authorized by City Council resolution. The resolution shall explain the need for using the VSSF. The resolution shall also include steps the City will take in order to replenish the VSSF in future years.

In June 2020, City Council adopted Resolution 88174 to make mid-cycle budget adjustments for fiscal year 2020-21. These adjustments included the appropriation of $14.6 million from the VSSF to support General Fund services. At June 30, 2022, the General Fund reported the Vital Services Stabilization reserve of $2.8 million as committed fund balance. This balance reflects the appropriation of $2.5 million for this purpose in each year of the adopted biennial budget for the fiscal years ending June 30, 2022 and June 30, 2023.

On June 24, 2021, the City Council passed Resolution No. 88717, establishing a separate subfund reported within the General Fund as the General Purpose Fund Emergency Reserve, and appropriated an amount equal to 7.5% of FY 2021-22 GPF appropriations to this new fund. Prior to the adoption of this resolution, the City measured its General Fund reserve as the unassigned fund balance in its GPF. As of June 30, 2022, the City's standalone General Purpose Fund Emergency Reserve has a balance of $54.0 million. Unassigned fund balance in the General Fund is $206.2 million, of which $90.6 million is attributable to the GPF. In combination, the sum of the General Purpose Fund Emergency Reserve fund balance and unassigned GPF fund balance results in total General Fund reserves of $144.6 million, as shown below (in thousands):

General Purpose Fund Emergency Reserve	$ 53,971
General Purpose Fund unassigned fund balance	90,610
Total General Fund reserves	**$ 144,581**

16. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment in Capital Assets* groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt and debt-related deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* represents net position that has external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

- *Unrestricted Net Position* represents net position of the City that is not restricted for any project or purpose.

II DETAILED NOTES ON ALL FUNDS

A. CASH, DEPOSITS, AND INVESTMENTS

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

Investment Type	Maximum Maturity	Maximum Portfolio Exposure	Maximum Issuer Exposure	Credit Requirement
U.S. Treasury Securities	5 years	20%	n/a	n/a
Federal Agencies and Instrumentalities	5 years	none	n/a	n/a
Banker's Acceptances	180 days	40%	5%	A1, P1 or F1 or better
Commercial Paper	270 days	25%	5%	A1, P1 or F1 or better
Asset-backed Commercial Paper	270 days	25%	5%	A1, P1 or F1 or better
Local Government Investment Pools	n/a	20%	n/a	Top ranking
Medium Term Notes	5 years	30%	5%	A3, A- or A- or better
Negotiable Certificates of Deposits	5 years	30%	5%	A, A2 or A or better
Repurchase Agreements	360 days	none	n/a	Collateral limited to U.S. securities
Reverse Repurchase Agreements	92 days	20%	n/a	Limited to primary dealers
Secured Obligations and Agreements	2 years	20%	5%	AA or better
Certificates of Deposit	360 days	n/a	n/a	A, A2 or A or better
Money Market Mutual Funds	n/a	20%	n/a	Top ranking
State Investment Pool (LAIF)	n/a	none	n/a	n/a
Local City/Agency Bonds	5 years	none	5%	n/a
State of California Obligations and Others	5 years	none	5%	n/a
Other Local Agency Bonds	5 years	none	5%	n/a
Deposits - Private Placement	n/a	50%	10%	n/a
Supranationals	5 years	30%	n/a	AA or better
Public Bank Obligations	5 years	none	n/a	n/a

The City's investment policy stipulates that the collateral to back up repurchase agreements be priced at market value and be held in safekeeping by the City's primary custodian. Additionally, the City Council has adopted certain requirements prohibiting investments in nuclear weapons makers and restricting investments in U.S. Treasury bills and notes due to their use in funding nuclear weapons research and production. The City has also adopted divestiture resolutions limiting investments in firms deriving business from tobacco products, fossil fuels, firearms, and immigration enforcement.

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

As of June 30, 2022, total City cash, deposits, and investments at fair value are as follows (in thousands):

	Primary Government		Fiduciary Funds			Component Unit
	Governmental Activities	Business-type Activities	Pension Trust Fund	Private-Purpose Trust Funds	Total	Port
Cash and investments	$ 1,229,668	$ 85,591	$ 7,495	$ 46,183	$ 1,368,937	$ 548,172
Restricted cash and investments	375,408	624	399,992	7,915	783,939	90,641
Securities lending collateral	—	—	48,346	—	48,346	—
Total	**$ 1,605,076**	**$ 86,215**	**$ 455,833**	**$ 54,098**	**$ 2,201,222**	**$ 638,813**

	Total	Port
City pooled deposits	$ 20,655	$ —
City pooled investments	1,305,269	595,225
City restricted investments	375,111	—
PFRS restricted investments	448,338	—
ORSA deposits	4,489	—
ORSA investments	47,359	—
Port's cash and investments	—	43,588
Total	**$ 2,201,221**	**$ 638,813**

Primary Government

Hierarchy of Inputs: 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 the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Fixed income investments are valued using a variety of techniques such as matrix pricing, market corroborated pricing inputs such as yield curve, and other market related data and classified in Level 2 of the fair value hierarchy. Money market mutual funds and LAIF have maturities of one year or less from fiscal year-end and are not subject to classification in the fair value hierarchy.

The City's pooled and restricted investments have the following recurring fair value measurements as of June 30, 2022 (in thousands):

	Level One	Level Two	Level Three	Total
Investment by fair value level:				
U.S. Government Agency Securities	$ —	$ 1,510,088	$ —	$ 1,510,088
Medium Term Notes	—	3,779	—	3,779
Negotiable Certificates of Deposit	—	59,889	—	59,889
Commercial Paper-Discount	—	365	—	365
Annuity Contracts	—	—	39,000	39,000
Total investments by fair value level	**$ —**	**$ 1,574,121**	**$ 39,000**	**1,613,121**
Investments measured at net asset value (NAV):				
Money Market Mutual Funds				588,450
Local Agency Investment Fund (LAIF)				74,034
Total investment measured at fair value				**$ 2,275,605**

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty to a transaction, the City may be unable to recover the value of the investments or collateral securities in the possession of an outside party. To protect against fraud and potential losses from the financial collapse of securities dealers, all securities owned by the City shall be held in the name of the City for safekeeping by a third party bank trust department, acting as an agent for the City under the terms of the custody agreement.

At June 30, 2022, the carrying amount of the City's deposits was $20.7 million. Deposits include checking accounts, interest earning savings accounts, and money market accounts. The bank balance of $21.9 million was covered by FDIC insurance or collateralized with securities held by the pledging financial institution in the City's name, in accordance with Section 53652 of the California Government Code.

The California Government Code requires that a financial institution secure its deposits made by state or local government units by pledging securities in an undivided collateral pool held by the depository regulated under the State law (unless so waived by the government units). The fair value of the pledged government securities and/or first trust deed mortgage notes held in the collateral pool must be at least 110 percent and 150 percent, respectively, of the deposit amount. The collateral must be held by the pledging financial institution's trust department and is considered held in the City's name.

Credit Risk: Credit risk represents the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. The most effective method for minimizing the risk of default by an issuer is to invest in high quality securities. Under the City investment policy, short-term debt shall be rated at least A-1 by S&P Global Ratings (S&P), at the time security is purchased. Long-term debt shall be rated at least A by S&P. Per the California Debt and Management Advisory Commission (CDIAC), it is recommended that the portfolio be monitored, as practical, for subsequent changes in credit rating of existing securities.

The following tables show the City's credit risk for the pooled and restricted investment portfolios as of June 30, 2022 (in thousands):

Pooled Investments

		Ratings as of June 30, 2022				
	Fair Value	**AAA**	**AA**	**A**	**A-1**	**Not Rated**
U.S Government Agency Securities	$ 736,202	$ —	$ 736,202	$ —	$ —	$ —
U.S Government Agency Securities (Discount)	737,590	—	737,590	—	—	—
Medium Term Notes	3,779	—	—	3,779	—	—
Money Market Mutual Funds	289,000	289,000	—	—	—	—
Local Agency Investments Fund (LAIF)	74,034	—	—	—	—	74,034
Negotiable Certificates of Deposit	59,889	—	—	—	59,889	—
Total pooled investments	**$1,900,494**	**$ 289,000**	**$1,473,792**	**$ 3,779**	**$ 59,889**	**$ 74,034**

Restricted Investments

		Ratings as of June 30, 2022			
	Fair Value	**AAA**	**AA**	**A-1**	**Not Rated**
U.S Government Agency Securities	$ 36,296	$ —	$ 36,296	$ —	$ —
Commercial Paper (Discount)	365	—	—	365	—
Money Market Mutual Funds	299,450	297,469	—	—	1,981
Annuity Contracts	39,000	—	—	—	39,000
Total Restricted Investments	**$375,111**	**$297,469**	**$ 36,296**	**$ 365**	**$ 40,981**

Concentration of Credit Risk: The City has an Investment Policy related to the City's cash and investment pool, which is subject to annual review. Under the City's Investment Policy, no more than five percent (5%) of the total investments held by the City may be invested in the securities of any one issuer, except the obligations of the United States government or government-sponsored enterprises, repurchase agreements and reverse purchase agreements, certificates of deposit, money market mutual funds, supranationals, public bank obligations, investment with the Local Agency Investment Fund, and proceeds of or pledged revenues for any tax and revenue anticipation notes. In addition, no more than ten percent (10%) of the total investments held by the City may be privately placed as deposits with one issuer. Per the Investment Policy, investments should conform to Sections 53600 et seq. of the California Government Code and the applicable limitations contained within the policy. Certain other investments are governed by bond covenants, which do not restrict the amount of investment in any one issuer.

Investments in issuers that exceed 5 percent of the City's total pooled and restricted investment portfolio at June 30, 2022 are as follows (in thousands):

Investment Type/Issuer	**Amount**	**Percent of City's Investment Portfolio**
U.S. Government Agency Securities:		
Federal Home Loan Bank	$ 850,839	37.4 %
Federal Farm Credit Bank	577,298	25.4 %

Interest Rate Risk: This risk represents the possibility that an interest rate change could adversely affect an investment's fair value. The longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates.

As a means for limiting its exposure to changing interest rates, Section 53601 of the State of California Government Code and the City's Investment Policy limit certain investments to short-term maturities such as certificates of deposit and commercial paper, whose maturities are limited to 360 days and 270 days, respectively. Also, Section 53601 of the State of California Government Code limits the maximum maturity of any investment to be no longer than 5 years unless authority for such investment is expressly granted in advance by the City Council or authorized by bond covenants. The City continues to purchase a combination of short-term and long-term investments to minimize such risks.

The City uses the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2022, the City had the following investments and original maturities (in thousands):

Pooled Investments

Investment Type	Fair Value	Interest Rates (%)	Maturity: 12 Months or Less	Maturity: 1-3 Years	Maturity: 3-5 Years
U.S. Government Agency Securities	$ 736,202	0.00-3.81	$ 276,472	$ 291,166	$ 168,564
U.S. Government Agency Securities (Discount)	737,590	0.00-2.88	737,590	—	—
Medium Term Notes	3,779	3.43	—	3,779	—
Money Market Mutual Funds	289,000	1.25-1.38	289,000	—	—
Local Agency Investment Fund (LAIF)	74,034	0.86	74,034	—	—
Negotiable Certificates of Deposit	59,889	1.63-3.65	59,889	—	—
Total pooled investments	**$ 1,900,494**		**$ 1,436,985**	**$ 294,945**	**$ 168,564**

Restricted Investments

Investment Type	Fair Value	Interest Rates (%)	Maturity: 12 Months or Less	Maturity: 1-3 Years	Maturity: 3-5 Years	Maturity: 5 Years or More
U.S. Government Agency Securities	$ 36,296	2.44-3.13	$ 21,387	$ 14,909	$ —	$ —
Commercial Paper (Discount)	365	2.01	365	—	—	—
Money Market Mutual Funds	299,450	1.14-1.38	299,450	—	—	—
Annuity Contracts	39,000	2.75	—	—	—	39,000
Total restricted investments	**$ 375,111**		**$ 321,202**	**$ 14,909**	**$ —**	**$ 39,000**

Other Disclosures: As of June 30, 2022, the City's investment in LAIF is $74.0 million. LAIF is part of the Pooled Money Investment Account (PMIA) with a total portfolio of approximately $231.9 billion, 98.1 percent is invested in non-derivative financial products. The Local Investment Advisory Board (Advisory Board) has oversight responsibility for LAIF. The Advisory Board consists of five members as designated by State statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis that is different from the fair value of the City's position in the pool.

Oakland Police and Fire Retirement System (PFRS)

Deposits in the City's Investment Pool

As of June 30, 2022, cash and cash deposits consisted of cash in treasury held in the City's cash and investment pool as well as cash deposits held in bank and with a custodian. These funds are invested according to the investment policy adopted by the City Council. As of June 30, 2022, PFRS' share of the City's investment pool totaled $7.5 million. As of June 30, 2022, PFRS also had cash and cash deposits not held in the City's investment pool that totaled $7 thousand.

Investments

PFRS' investment policy authorizes investment in U.S. equities, international equities, U.S. fixed income instruments including U.S. Treasury notes and bonds, government agency mortgage-backed securities, U.S. corporate notes and bonds, collateralized mortgage obligations, Yankee bonds and non-U.S. issued fixed income securities denominated in foreign currencies. PFRS' investment portfolio is managed by external investment managers, except for the bond iShares, which are managed internally. During the year ended June 30, 2022, the number of external investment managers was eleven.

The PFRS investments are also restricted by the City Charter. In November 2006, City voters passed Measure M to amend the City Charter to allow the PFRS Board to invest in non-dividend paying stocks and to change the asset allocation structure from 50 percent equities and 50 percent fixed income to the Prudent Person Standard as defined by the California Constitution.

PFRS' investment policy limits fixed income investments to a maximum average duration of 10 years and a maximum remaining term to maturity (single issue) at purchase of 30 years, with targeted portfolio duration of between 3 to 8 years and targeted portfolio maturity of 15 years. PFRS' investment policy allows the fixed income managers to invest in fixed income investments and some exposure to investments below an investment grade rating, as long as the portfolio maintains an average credit quality of BBB (investment grade using S&P, Moody's, or Fitch ratings).

PFRS' investment policy states that investments in derivative securities known as collateralized mortgage obligations (CMOs) shall be limited to a maximum of 20 percent of a broker account's fair value with no more than 5 percent in any one issue. CMOs are mortgage-backed securities that create separate pools of pass-through rates for different classes of bondholders with varying maturities. The fair value of CMOs are considered sensitive to interest rate changes because they have embedded options.

The investment policy allows for each fixed income asset manager to have a maximum of 10 percent of any single security investment in their individual portfolios with the exception of U.S. government securities, which is allowed to have a maximum of 25 percent in each manager's portfolio.

The following was PFRS' adopted asset allocation as of June 30, 2022:

Asset Class	Target Allocation
Fixed income	21 %
Credit	2
Covered calls	5
Domestic equity	40
International equity	12
Crisis risk offset	20
Total	**100 %**

The PFRS Board's target allocation does not include cash and cash equivalents, which are designated for approved administrative budget purposes.

Hierarchy of Inputs: The PFRS has the following recurring fair value measurements as of June 30, 2022 (in thousands):

	Level One	Level Two	Level Three	Total
Investment by fair value level:				
Short-term investments	$ —	$ 1,498	$ —	$ 1,498
Bonds	15,606	99,275	—	114,882
Domestic equities and mutual funds	63,509	—	—	63,509
International equities and mutual funds	47,544	—	367	47,911
Alternative investments	30,599	—	—	30,599
Total investments by fair value level	**$ 157,258**	**$ 100,773**	**$ 367**	**$ 258,399**
Investments measured at net asset value (NAV):				
Short-term investment funds				5,976
Fixed income funds				15,245
Domestic equities and mutual funds				94,636
Hedge fund				9,894
Venture capital fund				15,842
Securities lending collateral				48,346
Total investments measured at NAV				189,939
Total				**$ 448,338**

Interest Rate Risk: The weighted average duration for PFRS' fixed income investment portfolio excluding fixed short-term investments, foreign currency contracts, and securities lending investments was 7.59 years as of June 30, 2022.

As of June 30, 2022, PFRS had the following fixed income investments by category (in thousands):

Investment Type	**Fair Value**	**Modified Duration (Years)**
Short-Term Investment Funds	$ 7,474	n/a
Long-term Investments:		
U.S. Government Bonds:		
U.S. Treasuries	25,418	6.53
U.S. Government Agency Securities	29,894	8.41
Total U.S. Government Bonds	55,312	
Corporate Bonds and Other Bonds		
Corporate Bonds	74,807	7.63
Other Government Bonds	79	6.97
Total Corporate and Other Bonds	74,886	
Total Long-Term Investments	**$ 130,198**	**7.59**
Securities Lending Collateral	**$ 48,346**	

Fair Value Highly Sensitive to Change in Interest Rates: The terms of a debt investment may cause its fair value to be highly sensitive to interest rate changes. PFRS has invested in CMOs, which are mortgage-backed bonds that pay pass-through rates with varying maturities. The fair values of CMOs are considered sensitive to interest rate changes because they have embedded options, which are triggers related to quantities of delinquencies or defaults in the loans backing the mortgage pool. If a balance of delinquent loans reaches a certain threshold, interest and principal that would be used to pay junior bondholders is instead directed to pay off the principal balance of senior bondholders and shortening the life of the senior bonds. The following table shows PFRS' investments in CMOs as of June 30, 2022 (in thousands):

Securities Name	Weighted Average Coupon Rate	Weighted Average Maturity (Years)	Fair Value	Percent of Total Investments
Mortgage-Backed Securities	2.39 %	24.36	$ 20,820	4.64 %

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The following tables provide information as of June 30, 2022 concerning credit risk of fixed income securities (in thousands):

Investment Type	S&P/ Moody's Rating	Fair Value
Short-Term Investment Funds	Not Rated	$ 7,474

The following table provides information as of June 30, 2022 concerning the credit risk of fixed income investments by long-term investment rating (in thousands):

S&P/ Moody's Rating	Fair Value	Percent of Total Fair Value
AAA/Aaa	$ 64,116	49.5 %
AA/Aa	27,836	21.1 %
A/A	12,810	9.8 %
BBB/Baa	15,714	12.1 %
BB/Ba	1,197	0.9 %
B/B	22	— %
CCC/CCC	8,504	6.5 %
Unrated	(70)	— %
Total fixed income investments	**$ 130,129**	**100.0 %**

As of June 30, 2022, the securities lending collateral of $48.3 million was not rated.

Custodial Credit Risk: The City, on behalf of PFRS, does not have any funds or deposits that are not covered by depository insurance, which are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name. PFRS does not have any investments that are not registered in the name of PFRS and are either held by the counterparty or the counterparty's trust department or agent, but not in PFRS' name.

Concentrations of Credit Risk: As of June 30, 2022, PFRS' had investments issued by the following organizations that exceeded 5% of its fiduciary net position: Northern Trust Company (18.4%), Vanguard Group (7.3%), and Wellington Select Quality Equity, LP (5.2%).

Foreign Currency Risk: Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. Currency hedging is allowed under the PFRS investment policy for defensive purposes only. The investment policy limits currency hedging to a maximum of 25 percent of the portfolio value.

The following summarizes PFRS' investments denominated in foreign currencies as of June 30, 2022 (in thousands):

Foreign Currency	
Australian Dollar	$ 1,993
Brazilian Real	773
British Pound	3,154
Canadian Dollar	3,291
Danish Krone	895
Euro	6,894
Hong Kong Dollar	3,464
Indonesian Rupiah	556
Japanese Yen	4,663
Malaysian ringgit	65
Mexican Peso	375
New Israeli Shekel	310
South African Rand	654
Swedish Krona	832
Swiss Franc	1,734
Turkish Lira	134
Total foreign currency	$ 29,787

Securities Lending Transactions: PFRS's investment policy authorizes participation in securities lending transactions, which are short-term collateralized loans of PFRS's securities to brokers-dealers with a simultaneous agreement allowing PFRS to invest and receive earnings on the collateral received. All securities loans can be terminated on demand by either PFRS or the borrower, although the average term of such loans is one week.

The administrator of the PFRS's securities lending activities is responsible for maintaining an adequate level of collateral in an amount equal to at least 102 percent of the fair value of loaned U.S. government securities, common stock and other equity securities, bonds, debentures, corporate debt securities, notes, and mortgages or other obligations held in U.S. Dollars. The collateral is 105 percent for any securities held in currencies other than the U.S. Dollar. Collateral received may include cash, letters of credit, or securities. The term to maturity of the loaned securities is generally not matched with the term to maturity of the investment of said collateral. If securities collateral is received, PFRS cannot pledge or sell the collateral securities unless the borrower defaults.

As of June 30, 2022, management believes that PFRS has minimized its credit risk exposure to borrowers because the amounts held by PFRS as collateral exceeded the securities loaned by PFRS. PFRS' contract with the administrator requires it to indemnify PFRS if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities borrowed) or fail to pay PFRS for income distributions by the securities' issuers while the securities are on loan.

The following table summarizes investments in securities lending transactions and collateral received as of June 30, 2022 (in thousands):

	Securities Lending		
	Fair Value of Loaned Securities		
	For Cash Collateral	**For Non-Cash Collateral**	**Total**
Securities on loan:			
U.S. Government and Agencies	$ 8,379	$ —	$ 8,379
U.S. Corporate Bonds	10,881	—	10,881
U.S. Equities	28,048	7,249	35,297
Non-U.S. Equities	—	252	252
Total Securities on loan	**$ 47,308**	**$ 7,501**	**$ 54,809**
Collateral Received	**$ 48,376**	**$ 7,743**	**$ 56,119**

Derivative Instruments: PFRS reports its derivative instruments under the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Pursuant to the requirements of this statement, PFRS has provided a summary of derivative instrument activities during the reporting periods presented and the related risks.

As of June 30, 2022, the derivative instruments held by PFRS are considered investments and not hedges for accounting purposes. All investment derivatives are reported as investments at fair value in the statement of fiduciary net position. The gains and losses arising from this activity are recognized as incurred in the statement of changes in fiduciary net position. All investment derivatives discussed below are included within the investment risk schedules, which precede this subsection. Investment derivative instruments are disclosed separately to provide a comprehensive and distinct view of this activity and its impact on the overall investment portfolio.

The fair value of the exchange traded derivative instruments, such as futures, options, rights, and warrants are based on quoted market prices. The fair values of forward foreign currency contracts are determined using a pricing service, which uses published foreign exchange rates as the primary source. The fair values of swaps are determined by PFRS's investment managers based on quoted market prices of the underlying investment instruments.

The table below presents the notional amounts, the fair values, and the related net appreciation (depreciation) in the fair value of derivative instruments that were outstanding at June 30, 2022 (in thousands):

Derivative Type/Contract	**Notional Amount**	**Fair Value**	**Net Appreciation (Depreciation) in Fair Value**
Options			
Equity Contracts	$ —	$ (244)	$ 244
Swaps			
Credit Contracts	2,554	(70)	(148)
Total	**$ 2,554**	**$ (314)**	**$ 96**

Counterparty Credit Risk – PFRS is not exposed to credit risk on non-exchange traded derivative instruments that are in liability positions.

Custodial Credit Risk - The PFRS's counterparties to these contracts held credit ratings of A or better, as assigned by one or more of the major credit rating organizations (S&P, Moody's and/or Fitch). At June 30, 2022, all of PFRS's investments in derivative instruments are held in PFRS's name and are not exposed to custodial credit risk.

Interest Rate Risk - The table below describes the maturity periods of the derivative instruments exposed to interest rate risk at June 30, 2022 (in thousands):

Derivative Type/Contract	Fair Value	Maturities: Less than 1 Year	Maturities: 1-5 years
Options			
Equity Contracts	$ (244)	$ (244)	$ —
Swaps			
Credit Contracts	(70)	—	(70)
Total	**$ (314)**	**$ (244)**	**$ (70)**

Foreign Currency Risk - At June 30, 2022, PFRS had no foreign currency risk.

Contingent Features - At June 30, 2022, PFRS held no positions in derivatives containing contingent features.

Oakland Redevelopment Successor Agency

The ORSA's cash and investments consist of the following at June 30, 2022 (in thousands):

Cash and Investments	Amount
Unrestricted cash and investments	
Demand deposits	$ 4,489
Investments	39,444
Total unrestricted cash and investments	43,933
Restricted investments	7,915
Total cash and investments	**$ 51,848**

Investments: The ORSA follows the City's Investment Policy, which is governed by provisions of the California Government Code 53600 and the City's Municipal Code. The ORSA also has investments subject to provisions of the bond indentures of the Former Agency's and ORSA's various bond issues. According to the Investment Policy and bond indentures, the ORSA is permitted to invest in the State of California Local Agency Investment Fund (LAIF), obligations of the U.S. Treasury or U.S. government agencies, time deposits, money market mutual funds invested in U.S. government securities, along with various other permitted investments. Under the provisions of the bond indentures, certain accounts with trustees were established for repayment of debt, amounts required to be held in reserve, and temporary investments for unexpended bond proceeds.

The ORSA categorizes its fair value measurements within the fair value hierarchy established by GAAP. At June 30, 2022, the ORSA does not have any of its investments using Level 1 and 3 inputs. The ORSA has the following recurring fair value measurements as of June 30, 2022 (in thousands):

	Significant other observable inputs (Level 2)	Investments measured at the net asset value (NAV)
Unrestricted investments:		
U.S. Government Agency Securities (Discount)	$ 32,944	$ —
Money Market Mutual Funds	—	6,500
Restricted investments:		
Money Market Mutual Funds	—	7,915
Total	$ 32,944	$ 14,415

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, ORSA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, ORSA will not be able to recover the value of the investment or collateral securities that are in the possession of another party.

The California Government Code requires that a financial institution secure its deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by the depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged governmental securities and/or first trust deed mortgage notes held in the collateral pool must be at least 110% and 150% of ORSA's deposits, respectively. The collateral is held by the pledging financial institution's trust department and is held in the ORSA's name.

As of June 30, 2022, the carrying amount of the ORSA's deposits was $4.5 million. The deposits are insured by the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit of $0.2 million, and the remaining bank balance of $4.3 million is collateralized with securities held by the pledging financial institutions as required by Section 53652 of the California Government Code.

ORSA invests in individual investments. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the ORSA employs the trust department of a bank or trustee as the custodian of certain ORSA investments, regardless of their form.

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 risk is measured by the assignment of a rating by the nationally recognized statistical rating organizations. The ORSA's Investment Policy has mitigated credit risk by limiting investments to the safest types of securities, by prequalifying financial institutions, by diversifying the portfolio and by establishing monitoring procedures.

Interest Rate Risk: Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market rates. ORSA's Investment Policy has mitigated interest rate risk by establishing policies over liquidity.

As of June 30, 2022, ORSA had the following investments, credit risk ratings, and maturities (in thousands):

Type of Investment	Current Yield (%)	Credit Ratings (S&P)	Maturities Less than 1 Year
Unrestricted investments:			
U.S. Government Agency Securities (Discount)	1.39 - 1.72	AA	$ 32,944
Money Market Mutual Funds	1.25	AAA	6,500
Total unrestricted investments			**$ 39,444**
Restricted investments:			
Money Market Mutual Funds	1.36 - 1.38	AAA	$ 7,915
Total restricted investments			**$ 7,915**

Concentration of Credit Risk: Concentration of credit risk is the risk that the failure of any one issuer would place an undue financial burden on ORSA. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from this requirement, as they are normally diversified themselves.

The following table shows ORSA's investments in two issuers that exceed 5 percent of ORSA's investment portfolios at June 30, 2022 (in thousands):

Type of Investment/Issuer	Amount	Share of ORSA's Unrestricted Portfolio
U.S. Government Agency Securities		
Federal Home Loan Bank	$ 27,945	70.8%
Federal Home Loan Mortgage Corporation Discount	4,999	12.7%

Component Unit – Port of Oakland

The Port's cash, cash equivalents, and investments consisted of the following at June 30, 2022 (in thousands):

City investment pool	$ 595,225
Government Securities Money Market Mutual Funds	43,581
Cash	7
Total cash and investments	**$ 638,813**

Investments: Under the City Charter, all cash receipts from the operations of the Port are deposited in the City Investment Pool. These funds are managed and invested by the City, pursuant to the City's Investment Policy, that the City administers and reviews annually. For this reason, the Port does not maintain its own investment policy and relies on the City Investment Policy to mitigate the risks described below.

Senior Lien Bonds and Intermediate Lien Bonds reserves are on deposit with the Senior Lien Bonds and Intermediate Lien Bonds trustee, respectively. The investment of funds held by the Senior Lien Bonds and Intermediate Lien Bonds trustee are governed by the Senior Trust Indenture and Intermediate Trust Indenture, respectively, and are invested in Government Securities Money Market Mutual Funds.

At June 30, 2022, the Port had the following cash equivalents and investments (in thousands):

				Maturity
	Fair Value	**Fair Value Hierarchy**	**Credit Ratings per Moody's**	**Less than 1 Year**
Cash	$ 7	Exempt	Not Rated	$ 7
Government Securities Money Market Mutual Funds	43,581	Exempt	Not Rated	43,581
City investment pool	595,225	Exempt	Not Rated	595,225
Total investments	**$ 638,813**			**$ 638,813**

Investments exempt from fair value treatment consist of cash, Government Securities Money Market Mutual Funds, which are valued at their net asset value, and the City Investment Pool, whose fair value disclosure is presented previously in this note.

Deposits in Escrow: Deposits in escrow consist of amounts received from construction contractors that are deposited into an escrow account in-lieu of retention withheld from construction progress billings. Interest on these deposits accrues to the contractor. As of June 30, 2022, the Port had deposits in escrow of $0.7 million.

Investments Authorized by Debt Agreements: The following are the types of investments generally allowed under the Senior Trust Indenture and the Intermediate Trust Indenture (Intermediate Trust Indenture, together with the Senior Trust Indenture, are referred to as the Trust Indentures): U.S. Government Securities, U.S. Agency Obligations, obligations of any State in the U.S., prime commercial paper, FDIC insured deposits, certificates of deposit, banker's acceptances, money market mutual funds, long or medium-term corporate debt, repurchase agreements, state-sponsored investment pools, investment contracts, and forward agreements.

Interest Rate Risk: This risk represents the possibility that an interest rate change could adversely affect an investment's fair value. Pursuant to the City Charter, all cash receipts from Port operations are deposited in the City Investment Pool. For this reason, the Port does not have a formal policy to manage interest risk. In order to manage interest rate risk:

- Proceeds from bonds are invested in permitted investments, as stated in the Trust Indentures.
- The deposits held by the City Treasury are invested pursuant to the City's Investment Policy, which limits the terms of its investments and establishes minimum allowable credit ratings, as well as other controls. Also, Section 53601 of the State of California Government Code limits

the maximum maturity of any investment to be no longer than 5 years unless authority for such investment is expressly granted in advance by the City Council or authorized by bond covenants.

Credit Risk: This risk represents the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligation. Pursuant to the City Charter, all cash receipts from Port operations are deposited in the City Investment Pool. For this reason, the Port does not have a formal policy to manage credit risk.

In order to manage credit risk:

- Provisions of the Trust Indentures prescribe restrictions on the types of permitted investments of the monies held by the trustee in the funds and accounts created under the Trust Indentures, including agreements or financial institutions that must meet certain ratings, such as certain investments that must be rated in either of the two highest ratings by S&P and Moody's.
- The deposits with the City Treasury are invested in short-term debt that is rated at least A-1 by S&P, P-1 by Moody's or F-1 by Fitch Ratings. Long-term debt shall be rated at least A by S&P, A2 by Moody's, and A by Fitch Ratings.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution or a counterparty to a transaction, the Port will not be able to recover the value of its investment or collateral securities that are in possession of another party.

To protect against custodial credit risk:

- All securities owned by the Port under the terms of the Trust Indentures are held in the name of the Port for safekeeping by a third party bank trust department, acting as an agent for the Port. The Port had investments held by a third party bank trust department in the amount of $43.6 million at June 30, 2022.
- All securities the Port has invested with the City are held in the name of the City for safekeeping by a third party bank trust department, acting as an agent for the City under the terms of the custody agreements. The Port had $595.2 million invested in the City Investment Pool on June 30, 2022.

Concentration of Credit Risk: The Trust Indentures place no limit on the amount the Port may invest in any one issuer.

Port revenues are deposited in the City Treasury. These and all City funds are pooled and invested in the City Investment Pool.

B. INTERFUND TRANSACTIONS

"Due to" and "due from" balances have primarily been recorded when funds overdraw their share of pooled cash and interfund loans. The amounts due from the Oakland Redevelopment Successor Agency are related to advances and interfund loans made by the City for projects, loans, and services. The receivable amounts of ORSA relate to project advances made by ORSA for the City. The internal service funds' borrowing will be repaid over a reasonable period of time as described in Note III, part D.

Primary Government

1. Due from/Due to other funds

The amounts payable to the General Fund to cover the other City funds' overdraft position as of June 30, 2022, is as follows (dollars in thousands):

Payable Fund	Amount
Other Governmental Funds	$ 1,420
Parks and Recreation Enterprise Fund	557
Internal Service Funds	3,588
Custodial Fund (Fiduciary Fund)	111
Total due to the General Fund	$ 5,676

2. Interfund Transfers

The following schedule summarizes the City's transfer activities for the year ended June 30, 2022 (dollars in thousands):

Transfer Out	Transfer In	Amount	
General Fund	Other Governmental Funds	$ 78,332	(1), (2)
	Other Special Revenue Fund	18,385	(2), (3), (4), (5)
	Federal/State Grant Fund	9,202	(3)
	Municipal Capital Improvement Fund	2,120	(2), (5)
	Internal Service Fund	109	(2)
	Nonmajor Parks and Recreation Fund	10	(5)
Other Governmental Funds	General Fund	3,319	(6), (7)
Other Special Revenue Fund	General Fund	9,066	(6)
Sewer Service Fund	General Fund	1,685	(6)
Internal Service Funds	General Fund	8,090	(6)
	Total	$ 130,318	

Significant transfers for the year ended June 30, 2022 include the following:

(1) Transfers of debt service payments
(2) Repayment of negative fund balance
(3) Transfers to provide funds to cover the Central Service Overhead cost for certain grant funds
(4) Transfers for the Kids' First Children's Program and one-time subsidies for Measure C and Measure Z programs
(5) Miscellaneous budgeted subsidies
(6) Transfers for the City's claims and liability payments.
(7) Transfer of balances from dormant funds

3. ORSA Reimbursements to the City

In FY 2021-22, ORSA incurred a total of $2.4 million expense in general administrative and project-related overhead. Of this amount, $1.6 million reimbursed the City for general and administrative overhead and $0.8 million paid for project-related overhead and operational costs for support services provided by designated City employees.

4. Due to the City

At June 30, 2022, ORSA has a payable to the City in the amount of $16.2 million, which included the Former Agency's Low and Moderate Housing Fund loan of $1.4 million to the Central City East Project Funds where the Low and Moderate Housing Funds Assets were transferred to the Housing Successor, a loan of $2.7 million from the Capital Projects Fund to the West Oakland Project for public improvements, a payable of $0.6 million to the City for support services, and a payable of $11.5 million to the City for the transfer of excess tax allocation bond proceeds.

5. ORSA Transfers of Excess Bond Proceeds

In FY 2021-22, ORSA contributed $11.4 million of excess bond proceeds to the City's Low and Moderate Income Housing Asset Fund and Municipal Capital Improvement Fund, which is recorded as other revenues in the statement of revenues, expenditures, and changes in fund balances. This expenditure of excess bond proceeds to the City was approved by the State Department of Finance pursuant to Health and Safety Code Section 34179(h) and fulfills the bond expenditure agreement with the City.

Component Unit - Port of Oakland (Port)

The City has entered into agreements with the Port for various services such as aircraft rescue and firefighting, Special Services, General Services, and Lake Merritt Trust Services. The City provides these services to the Port.

Special Services include designated police services, personnel, City clerk, legislative programming, and treasury services. General Services includes fire, rescue, police, street maintenance, treasury, and similar services. Lake Merritt Trust Services includes items such as recreation services, grounds maintenance, security, and lighting.

Payments to the City for these services are made upon presentation of supporting documentation and authorizations from the Board of Commissioners.

1. Special Services and Aircraft Rescue & Fire Fighters (ARFF)

Payments for Special Services and ARFF are treated as a cost of Port operations pursuant to City Charter Section 717(3) Clause Third and have priority over certain other expenditures of Port revenues. Special Services and ARFF from the City totaled $7.5 million and are included in operating expenses. At June 30, 2022, $5.0 million was accrued as current liability by the Port and as a receivable by the City.

2. General Services and Lake Merritt Trust Services

Payments for General Services provided by the City are payable only to the extent the Port determines annually that surplus monies are available under the Charter for such purposes. As of June 30, 2022, the Port accrued approximately $1.2 million of payments for General Services. Additionally, the Port accrued approximately $1.6 million to reimburse the City for Lake Merritt Trust Services in fiscal year 2022. Subject to availability of surplus monies, the Port expects that it will continue to reimburse the City annually for General Services and Lake Merritt Trust Services.

C. NOTES AND LOANS RECEIVABLE, NET OF ALLOWANCE

Primary Government

The composition of the City's notes and loans receivable for governmental activities, net of the allowance for uncollectible accounts, as of June 30, 2022, is as follows (in thousands):

Type of Loan	General Fund	Federal/ State Grant Fund	LMIHF[1]	Municipal Capital Improve-ment Fund	Other Special Revenue Fund	Total
Pass-through loans	$ —	$ 1,300	$ —	$ —	$ —	$ 1,300
HUD loans	—	124,975	410,364	16,507	—	551,846
Economic development loans and other	18,239	77,103	—	79,247	1,442	176,031
Less: allowance for uncollectible accounts	(638)	(52,329)	(142,973)	(4,497)	(633)	(201,070)
Total notes and loans receivables, net	**$ 17,601**	**$ 151,049**	**$ 267,391**	**$ 91,257**	**$ 809**	**$ 528,107**

[1]Low and Moderate Income Housing Asset Fund

Management has determined that certain loans may be forgiven or renegotiated and extended long into the future if certain terms and conditions of these loans are met. As of June 30, 2022, it was determined that $201.1 million of the loan portfolio is not expected to be ultimately collected.

Prior to the effective date of the Redevelopment Dissolution Law, California Community Redevelopment Law required that at least 20 percent of the incremental tax revenues generated from certain redevelopment project areas be used to increase, improve, and preserve the affordable housing stock for families and individuals with very low, low, and moderate incomes. In response to this former requirement, the City established its 20 percent Housing Program and an additional 5 percent of the former tax increment to offer financial assistance to qualified developers, families, and individuals by providing loans at "below market" rates. Upon dissolution of the Former Agency, the City assumed the housing activity function of the Former Agency. All loans receivable relating to the Low and Moderate Income Housing Program have been transferred from the Former Agency to the LMIHF, which was established as of February 1, 2012 pursuant to City Council Resolution No.

83680 C.M.S.. As of June 30, 2022, loans receivable relating to the LMIHF program totaled approximately $267.4 million, net of allowance for uncollectible accounts.

Oakland Redevelopment Successor Agency (ORSA)

ORSA received loans from the Former Agency upon its dissolution. These loans bear no interest and mature on various dates up until May 2070. A loan is deemed uncollectible when the property securing the loan is foreclosed by senior lien holder and there is insufficient equity to pay the loan.

Composition of loans receivable as of June 30, 2022 is as follows (in thousands):

Type of Loan	Amount
Housing developments project	$ 1,462
Economic development	6,064
Gross loans receivable	7,526
Less: allowance for uncollectible	(3,918)
Total loans receivables, net	**$ 3,608**

D. CAPITAL ASSETS AND LEASES

Primary Government

1. Summary Schedule

The following is a summary of governmental activities capital assets activity for the year ended June 30, 2022 (in thousands):

	Restated Balance June 30, 2021 (1)	Additions	Deletions/ Adjustments	Transfers of Completed Construction	Balance June 30, 2022
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 213,349	$ —	$ —	$ —	$ 213,349
Intangibles (easements)	2,607	—	—	—	2,607
Museum collections	2,002	—	—	103	2,105
Construction in progress	100,902	48,372	—	(54,788)	94,486
Total capital assets, not being depreciated	318,860	48,372	—	(54,685)	312,547
Capital assets, being depreciated:					
Facilities and improvements	887,350	3,433	—	2,584	893,367
Furniture, machinery, and equipment	358,926	13,455	12,612	9,584	369,353
Infrastructure	1,183,460	32,403	—	42,517	1,258,380
Total capital assets, being depreciated	2,429,736	49,291	12,612	54,685	2,521,100
Less accumulated depreciation:					
Facilities and improvements	546,495	25,080	—	—	571,575
Furniture, machinery, and equipment	259,499	24,208	12,595	—	271,112
Infrastructure	502,001	42,568	—	—	544,569
Total accumulated depreciation	1,307,995	91,856	12,595	—	1,387,256
Total capital assets, being depreciated, net	1,121,741	(42,565)	17	54,685	1,133,844
Lease assets (see Note II, part H.)					
Intangible right-to-use lease asset	15,923	85	—	—	16,008
Less accumulated amortization:	—	3,110	—	—	3,110
Amortized assets, net	15,923	(3,025)	—	—	12,898
Governmental Activities - capital assets, net	**$1,456,524**	**$ 2,782**	**$ 17**	**$ —**	**$1,459,289**

(1) Beginning balances have been restated for the effects of GASB 87. See Note I, part E. and Note II, part H. for additional information.

The following is a summary of business-type activities capital assets activity for the year ended June 30, 2022 (in thousands):

	Balance June 30, 2021	Additions	Deletions	Transfers of Completed Construction	Balance June 30, 2022
Business-Type Activities:					
Sewer Service Fund:					
Capital assets, not being depreciated:					
Land	$ 4	$ —	$ —	$ —	$ 4
Construction in progress	16,961	6,145	—	(13,117)	9,989
Total capital assets, not being depreciated	16,965	6,145	—	(13,117)	9,993
Capital assets, being depreciated:					
Facilities and improvements	490	—	—	—	490
Furniture, machinery and equipment	11,608	323	1,692	—	10,239
Sewer and storm drains	372,142	—	—	13,117	385,259
Street work	48	92	—	—	140
Total capital assets, being depreciated	384,288	415	1,692	13,117	396,128
Less accumulated depreciation:					
Facilities and improvements	343	7	—	—	350
Furniture, machinery, and equipment	8,402	851	1,680	—	7,573
Sewer and storm drains	138,913	6,856	—	—	145,769
Street work	7	6	—	—	13
Total accumulated depreciation	147,665	7,720	1,680	—	153,705
Total capital assets, being depreciated, net	236,623	(7,305)	12	13,117	242,423
Sewer Service Fund, capital assets, net	**$ 253,588**	**$ (1,160)**	**$ 12**	**$ —**	**$ 252,416**
Parks and Recreation Fund:					
Capital assets, not being depreciated:					
Land	$ 361	$ —	$ —	$ —	$ 361
Construction in progress	73	41	—	—	114
Total capital assets, not being depreciated	434	41	—	—	475
Capital assets, being depreciated:					
Facilities and improvements	5,102	—	—	—	5,102
Furniture, machinery and equipment	545	—	—	—	545
Infrastructure	85	—	—	—	85
Total capital assets, being depreciated	5,732	—	—	—	5,732
Less accumulated depreciation					
Facilities and improvements	3,916	153	—	—	4,069
Furniture, machinery and equipment	521	19	—	—	540
Infrastructure	78	6	—	—	84
Total accumulated depreciation	4,515	178	—	—	4,693
Total capital assets, being depreciated, net	1,217	(178)	—	—	1,039
Parks and Recreation Fund, capital assets, net	**$ 1,651**	**$ (137)**	**$ —**	**$ —**	**$ 1,514**
Business-Type Activities - capital assets, net	**$ 255,239**	**$ (1,297)**	**$ 12**	**$ —**	**$ 253,930**

2. Depreciation and Amortization

Depreciation and amortization expense was charged to various governmental and business-type activities of the City for the year ended June 30, 2022 is as follows (in thousands):

Governmental Activities:		
General Government	$	10,027
Public Safety		3,504
Community and Human Services		6,868
Community and Economic Development		15,802
Public Works and Transportation		45,820
Capital assets held by internal service funds that are charged to various functions based on their usage of the assets		12,945
Total	**$**	**94,966**

Business-Type Activities:		
Sewer	$	7,720
Parks and Recreation		178
Total	**$**	**7,898**

Component Unit – Port of Oakland

1. Summary Schedule

A summary of changes in capital assets for the year ended June 30, 2022, is as follows (in thousands):

	Restated Balance June 30, 2021 (1)	Additions	Deletions	Transfers	Balance June 30, 2022
Capital assets, not being depreciated					
Land	$ 524,333	$ —	$ —	$ —	$ 524,333
Intangibles (noise easements and air rights)	25,853	—	—	—	25,853
Construction in progress	69,253	65,798	—	(103,103)	31,948
Total capital assets, not being depreciated	619,439	65,798	—	(103,103)	582,134
Capital assets, being depreciated:					
Building and improvements	999,020	—	—	2,944	1,001,964
Container cranes	159,197	—	(28,876)	—	130,321
Infrastructure	2,174,379	—	—	97,920	2,272,299
Intangibles (software)	19,671	—	—	—	19,671
Other equipment	130,475	1,999	(2,022)	2,239	132,691
Total capital assets, being depreciated	3,482,742	1,999	(30,898)	103,103	3,556,946
Less accumulated depreciation:					
Building and improvements	690,556	20,259	—	—	710,815
Container cranes	126,415	5,117	25,293	—	106,239
Infrastructure	1,230,373	77,976	—	—	1,308,349
Intangibles (software)	15,268	383	—	—	15,651
Other equipment	89,247	5,846	1,754	—	93,339
Total accumulated depreciation	2,151,859	109,581	27,047	—	2,234,393
Total capital assets, being depreciated, net	1,330,883	107,582	(3,851)	103,103	1,322,553
Port-capital assets, net	$1,950,322	$ (41,784)	$ (3,851)	$ —	$1,904,687

(1) Beginning balances have been restated from $1,946,331, net of accumulated depreciation, to $1,950,322, net of accumulated depreciation for the effects of GASB 87. See Note I, part E. and Note II, part H. for additional information.

For the year ended June 30, 2022, the Port recognized a $3.2 million loss on abandoned projects related to construction in progress and disposal of capital assets.

E. PROPERTY HELD FOR RESALE

Primary Government

At June 30, 2022, the City has a total of $172.1 million of property held for resale.

Oakland Redevelopment Successor Agency (ORSA)

As of June 30, 2022, ORSA has a total $2.8 million for properties recorded at the lower of cost or estimated conveyance value. On May 29, 2014, pursuant to HSC Section 34191.4, the California Department of Finance approved the ORSA's Long-Range Property Management Plan addressing the disposition and use of Former Agency properties and authorizing the disposition of properties pursuant to the plan.

F. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Primary Government

Accounts payable and accrued liabilities at June 30, 2022, are as follows (in thousands):

	Accounts Payable	Accrued Payroll/ Employee Benefits	Total
Governmental Activities:			
Governmental Funds:			
General Fund	$ 72,616	$ 179,998	$ 252,614
Federal/State Grant Fund	24,790	1	24,791
Low and Moderate Income Housing Asset Fund	3,592	—	3,592
Municipal Capital Improvement Fund	9,709	(1)	9,708
Other Special Revenue Fund	15,926	—	15,926
Other Governmental Funds	2,629	—	2,629
Total governmental funds	129,262	179,998	309,260
Internal service funds	6,168		6,168
Total governmental activities	$ 135,430	$ 179,998	$ 315,428
Business-type Activities:			
Sewer Service Fund	$ 5,716	$ —	$ 5,716

Accounts payable and accrued liabilities for the pension trust fund at June 30, 2022, are as follows (in thousands):

Pension Trust Fund	
Accounts payable	$ 3
Member benefits payable	4,184
Investments payable	7,701
Investment management fees payable	301
Total pension trust fund	$ 12,188

G. LONG-TERM AND OTHER OBLIGATIONS

Primary Government

1. Summary Schedule of Long-Term Debt

The following is a summary of long-term obligations of the City as of June 30, 2022 (in thousands):

Governmental Activities

Type of Obligation	Final Maturity Year	Remaining Interest Rates	Amount
Bonds payable:			
General obligation bonds	2053	1.55 - 5.00%	$ 637,540
Lease revenue bonds	2027	5.00%	36,835
Pension obligation bonds	2026	4.35 - 6.89%	174,806
Accreted interest on appreciation bonds	2023	n/a	37,927
City guaranteed special assessment district bonds	2040	3.00 - 3.63%	2,225
Unamortized premiums and discounts, net			39,847
Total bonds payable			**$ 929,180**
Financed purchase obligations payable:			
Financed purchase obligations	2030	1.62 - 5.30%	18,243
Total financed purchase obligations			**$ 18,243**

Business-type Activities

Type of Obligation	Final Maturity Year	Remaining Interest Rates	Amount
Bonds payable:			
Sewer revenue bonds	2029	3.00 - 5.00%	$ 21,126
Unamortized bond premium			2,400
Total bonds payable			**$ 23,526**

2. Summary of Changes in Long-term Obligations

Primary Government

The changes in long-term obligations for the year ended June 30, 2022, are as follows (in thousands):

	Restated Balance at July 1, 2021 (1)	Additions	Reductions	Balance at June 30, 2022	Amounts due within one year
Governmental activities:					
Bonds payable:					
General obligation bonds (A)	$ 450,075	$ 212,315	$ 24,850	$ 637,540	$ 36,630
Lease revenue bonds (B)	43,165	—	6,330	36,835	6,650
Pension obligation bonds (C)	198,564	—	23,758	174,806	23,425
Accreted interest on appreciation bonds (B) and (C)	69,703	4,952	36,728	37,927	37,927
City guaranteed special assessment district bonds (C)	2,590	—	365	2,225	375
Unamortized premium and discounts, net	24,657	17,363	2,173	39,847	1,809
Total bonds payable:	788,754	234,630	94,204	929,180	106,816
Financed purchase obligations payable:					
Financed purchase obligations (B) and (D)	28,841	—	10,598	18,243	5,059
Total financed purchase obligations payable	28,841	—	10,598	18,243	5,059
Other long-term liabilities:					
Accrued vacation and sick leave (E)	58,115	79,360	78,500	58,975	47,652
Pledge obligation for Coliseum Authority debt (B)	22,703	—	10,753	11,950	5,340
Estimated environmental cost (B)	578	653	80	1,151	517
Self-insurance liability - workers' compensation (B)	73,624	14,962	19,055	69,531	15,642
Self-insurance liability - general liability (B)	72,306	37,868	27,503	82,671	28,395
Lease liability (See Note II, part H.)	15,200	85	878	14,407	995
Interest rate swap agreement	181	—	181	—	—
Total other long-term liabilities	242,707	132,928	136,950	238,685	98,541
Total governmental activities	**$ 1,060,302**	**$ 367,558**	**$ 241,752**	**$ 1,186,108**	**$ 210,416**
Business-type activities:					
Sewer fund - bonds payable	$ 23,616	$ —	$ 2,490	$ 21,126	$ 2,610
Unamortized bond premium	2,743	—	343	2,400	343
Total business-type activities	**$ 26,359**	**$ —**	**$ 2,833**	**$ 23,526**	**$ 2,953**

(1) Beginning balances have been restated for the effects of GASB 87. See Note I, part E. and Note II, part H. for additional information.

Debt service payments are made from the following sources:

(A) Property tax recorded in the Debt Service Funds
(B) Revenues recorded in the General Fund
(C) Property tax voter-approved debt
(D) Revenues recorded in the Special Revenue Funds
(E) Compensated absences are financed by governmental funds (General Fund, Federal/State Grant Fund, LMIHF, Municipal Capital Improvement Fund, and Other Governmental Funds) and proprietary funds (Sewer Service Fund) have funded the compensated absences through contributions to the General Fund.

Internal service funds predominantly serve governmental funds and therefore, the long-term liabilities of these funds are included as part of the above totals for governmental activities. At June 30, 2022, $21.3 million of bonds, loans payable, and financed purchase obligations related to the internal service funds are included in the above amounts.

4. Annual Requirements to Maturity

Primary Government

The annual repayment schedules for governmental activities' long-term debt as of June 30, 2022, are as follows (in thousands):

Governmental Activities[1]

	General Obligation Bonds		Lease Revenue Bonds		Special Assessment District Bonds	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 36,630	$ 15,956	$ 6,650	$ 1,676	$ 375	$ 67
2024	18,950	19,589	6,990	1,335	390	55
2025	19,520	19,016	7,345	976	395	42
2026	20,130	18,418	7,725	599	60	34
2027	20,730	17,791	8,125	203	60	32
2028 - 2032	112,545	78,032	—	—	325	133
2033 - 2037	106,615	57,580	—	—	370	78
2038 - 2042	105,735	39,782	—	—	250	14
2043 - 2047	114,510	23,164	—	—	—	—
2048 - 2052	71,955	7,353	—	—	—	—
2053 - 2057	10,220	307	—	—	—	—
Total	**$ 637,540**	**$ 296,988**	**$ 36,835**	**$ 4,789**	**$ 2,225**	**$ 455**

	Financed Purchase Obligations	
Year Ending June 30	**Principal**	**Interest**
2023	$ 5,059	$ 444
2024	4,612	322
2025	3,721	209
2026	1,263	122
2027	1,135	90
2028 - 2032	2,453	117
Total	**$ 18,243**	**$ 1,304**

Year Ending June 30	Pension Obligation Bonds Principal	Pension Obligation Bonds Accreted Interest	Pension Obligation Bonds Interest	Total Principal	Total Accreted Interest	Total Interest
2023	$ 23,425	$ 40,459	$ 7,139	$ 72,139	$ 40,459	$ 25,282
2024	47,380	—	5,894	78,322	—	27,195
2025	50,395	—	3,685	81,376	—	23,928
2026	53,606	—	1,253	82,784	—	20,426
2027	—	—	—	30,050	—	18,116
2028 - 2032	—	—	—	115,323	—	78,282
2033 - 2037	—	—	—	106,985	—	57,659
2038 - 2042	—	—	—	105,985	—	39,796
2043 - 2047	—	—	—	114,510	—	23,164
2048 - 2052	—	—	—	71,955	—	7,353
2053 - 2057	—	—	—	10,220	—	307
Subtotal	174,806	40,459	17,971	869,649	40,459	321,508
Less: unaccreted interest	—	(2,532)	—	—	(2,532)	—
Total	**$ 174,806**	**$ 37,927**	**$ 17,971**	**$ 869,649**	**$ 37,927**	**$ 321,508**

[1] The specific year for payment of other long-term liabilities is not practicable to determine.

The City's general obligation bonds, pension obligation bonds, and lease revenue bonds do not permit acceleration upon an event of default or provide for other finance-related consequences. The City's financed purchase obligations provide for the return of leased equipment in the event of a termination of the lease by the City. In addition, payments due within the same fiscal year may become immediately due upon an event of default.

The annual repayment schedules for business-type activities' long-term debt as of June 30, 2022, are as follows (in thousands):

Year Ending June 30	Business-Type Activities Sewer Revenue Bonds Principal	Business-Type Activities Sewer Revenue Bonds Interest
2023	$ 2,610	$ 1,034
2024	2,720	926
2025	2,860	790
2026	3,000	647
2027	3,155	497
2028 - 2032	6,781	513
Total	**$ 21,126**	**$ 4,407**

The City pledged future net revenues to repay its sewer revenue bonds. The total principal and interest remaining to be paid on the bonds is $25.5 million. The principal and interest payments made in FY 2021-22 were $3.7 million and pledged revenues (total net revenues calculated in accordance with the bond indenture) for the year ended June 30, 2022 were $32.0 million. Debt service payments on the City's sewer bonds are subject to acceleration in the event of default.

Oakland Redevelopment Successor Agency (ORSA)

1. Summary Schedule of Long-Term Debt

The following is a summary of ORSA's long-term debt as of June 30, 2022 (in thousands):

	Original Issued Amount	Issued Year	Maturity Fiscal Year	Interest Rate Range	June 30, 2022 Principal Balance
Tax Allocation Bonds:					
Central District Redevelopment Project					
Subordinated Tax Allocation Refunding Bonds, 2013	$ 102,960	2013	2023	5.00%	$ 4,130
Coliseum Area Redevelopment Project					
Tax Allocation Bonds, Series 2006B-T	73,820	2006	2036	5.54%	49,935
Central City East Redevelopment Project					
Tax Allocation Bonds, Series 2006A-T	62,520	2006	2035	5.54%	38,545
Broadway/MacArthur/San Pablo Redevelopment Project					
Tax Allocation Bonds, Series 2006C-T	12,325	2006	2033	5.59%	6,915
Tax Allocation Bonds, Series 2010T	7,390	2010	2041	7.20% - 7.40%	6,830
Subtotal	259,015				106,355
Subordinated Tax Allocation Refunding Bonds:					
Series 2015-TE	22,510	2015	2037	5.00%	22,510
Series 2015-T	66,675	2015	2036	3.96% - 4.92%	43,515
Series 2018-TE	15,190	2018	2032	5.00%	15,190
Series 2018-T	41,765	2018	2040	3.12% - 4.00%	37,440
Subtotal	146,140				118,655
Total long-term debt	$ 405,155				$ 225,010

2. Revenues Pledged for the Repayment of Debt Service

Tax Allocation Bonds

The Tax Allocation Bonds (TAB), which are comprised of Series 2013, Series 2006B-T, Series 2006A-T, Series 2006C-T, and Series 2010T Bonds were issued primarily to finance redevelopment projects and are all secured by pledge of redevelopment property tax revenues, consisting of a portion of taxes levied upon all taxable properties within each of the tax increment generating redevelopment project areas, and are equally and ratably secured on a parity with each TABs series.

As of June 30, 2022, the total principal and interest remaining on these TABs was $153.0 million and the property tax revenues are pledged until the year 2041, the final maturity date of the bonds. Debt service payments are requested through the Recognized Obligation Payment Schedule (ROPS) as enforceable obligations until the debt obligations have been satisfied.

Subordinated Tax Allocation Refunding Bonds

The Subordinated Tax Allocation Refunding Bonds are comprised of Series 2015-TE and Series 2015-T (the Series 2015 Bonds), and Series 2018-TE and Series 2018-T Bonds (the Series 2018 Bonds). These Bonds are limited obligations of the ORSA and payable from and secured by pledged tax revenues. Pledged tax revenues are allocated to the ORSA, excluding tax revenues required to pay debt service on the existing bonds and amounts required to be paid to taxing entities pursuant to AB X1 26, the Redevelopment Dissolution Act, unless such payments are subordinated.

As of June 30, 2022, the total principal and interest remaining on Series 2015 Bonds and Series 2018 Bonds was $172.7 million and the property tax revenues are pledged until the fiscal year 2040, the final maturity date of the bonds. The ORSA's debt service payments are requested through the ROPS as enforceable obligations until the debt obligations have been satisfied.

Events of Default and Acceleration Clauses

ORSA is considered to be in default if ORSA fails to pay the principal or redemption price of or sinking fund installment for, or interest on, any outstanding bond, when and as the same will become due and payable, whether on the interest payment date, at maturity, by call redemption, or otherwise. If ORSA defaults on its obligations under the bond indenture, the trustee has the right to accelerate the bonds. Each bond insurer will be entitled to control and direct the enforcement of all rights and remedies granted to the bond owners. In the event the maturity of a bond is accelerated, the bond insurer, in its sole discretion, may elect to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by ORSA) and the trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date, the bond insurer's obligations under the insurance policy with respect to the bond shall be fully discharged. However, in the event of a default and such acceleration, there can be no assurance that the trustee will have sufficient moneys available for payment of the bonds.

3. Summary of Changes in Long-Term Obligations

The changes in long-term obligations for the year ended June 30, 2022, are as follows (in thousands):

Oakland Redevelopment Successor Agency

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Amounts due within one year
Tax allocation bonds	$ 129,900	$ —	$ (23,545)	$ 106,355	$ 9,365
Subordinated tax allocation refunding bonds	123,450	—	(4,795)	118,655	8,030
Less unamortized amounts:					
Issuance premiums	5,677	—	(1,523)	4,154	(549)
Issuance discounts	(810)	—	43	(767)	44
Total ORSA	**$ 258,217**	**$ —**	**$ (29,820)**	**$ 228,397**	**$ 16,890**

4. Annual Requirements to Maturity

The debt service requirements for all debt are based upon a fixed rate of interest. The annual requirements to amortize outstanding tax allocation bonds outstanding as of June 30, 2022, including mandatory sinking fund payments, are as follows (in thousands):

Oakland Redevelopment Successor Agency

	Tax Allocation Bonds		Subordinated Tax Allocation Refunding Bonds	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 9,365	$ 5,747	$ 8,030	$ 5,178
2024	5,530	5,344	4,495	4,959
2025	5,830	5,028	4,655	4,796
2026	6,150	4,695	4,825	4,597
2027	6,490	4,344	5,055	4,364
2028 - 2032	38,215	15,729	24,320	18,383
2033 - 2037	29,315	4,941	50,985	10,781
2038 - 2041	5,460	828	16,290	994
Total	**$ 106,355**	**$ 46,656**	**$ 118,655**	**$ 54,052**

5. Outstanding Defeased Bonds

For financial reporting purposes, the Former Agency's advance-refunded debt is considered defeased and therefore removed as a liability from ORSA's statement of fiduciary net position. During the year ended June 30, 2022, $32.7 million of the former Agency's advance-refunded debt was fully called and redeemed. No defeased bonds remain outstanding as of June 30, 2022.

Component Unit- Port of Oakland

1. Summary Schedule of Long-Term Debt

The following is a summary of long-term debt of the Port as of June 30, 2022 (in thousands):

Component Unit - Port of Oakland

Type of Obligation	Final Maturity Year	Remaining Interest Rates	Amount
Bonds, notes, and loans payable			
Senior and intermediate lien bonds	2033	0.821-5.00	$ 642,125
Notes and loans	2021	0.10-0.22	42,535
Unamortized bond discounts and premiums, net			38,899
Total bonds, notes, and loans payable			**$ 723,559**

2. Revenues Pledged for the Repayment of Debt Service

The Port's long-term debt consists of taxable bonds, tax-exempt bonds, short-term commercial paper notes and a loan from the California Department of Boating and Waterways. All of the Port's outstanding bonds, loans and commercial paper notes have been issued to finance or refinance capital improvements to the Port's aviation, maritime and commercial real estate infrastructure. The majority of the Port's outstanding bonds are revenue bonds, which are secured by Pledged Revenues of the Port. Pledged Revenues are substantially all revenues and other cash receipts of the Port, including, without limitation, amounts held in the Port Revenue Fund with the City, but excluding amounts received from certain taxes, certain insurance proceeds, special facilities revenues, and certain other gifts, fees, and grants that are restricted by their terms to purposes inconsistent with the payment of debt service. Pledged revenues amounted to $423.1 million in fiscal year 2022.

In December 2021, the Port completed a transaction in which $14.5 million of bonds maturing between May 1, 2022 and May 1, 2024 were defeased. As of June 30, 2022, $8.6 million of the original $14.5 million of defeased bonds remain outstanding. A further $10.1 million of bonds were redeemed using the "make-whole" call provision of the Port's Senior Trust Indenture. The cost of the transaction was reimbursed to the Port from federal grants.

Pledged Revenues do not include cash received from passenger facility charges (PFCs) or customer facility charges (CFCs) unless projects included in a financing are determined to be PFC or CFC eligible and bond proceeds are expended on such eligible projects and the Port elects to pledge PFCs or CFCs as supplemental security to such applicable bonds. Currently, the Port has no bonds for which PFCs or CFCs are pledged.

Senior Lien Bonds

The 2020 Series R (collectively, the Senior Lien Bonds) were issued under the Senior Trust Indenture and are paid from Pledged Revenues first. As long as any Senior Lien Bonds remain outstanding, the Port has covenanted to collect rates, tolls, fees, rentals and charges so that Pledged Revenues in each fiscal year will be sufficient to pay all of the following amounts: (i) the sum of principal and interest on the outstanding Senior Lien Bonds; (ii) all other payments required for compliance with terms of the Senior Trust Indenture including, but not limited to, required deposits to any Reserve Fund; (iii) all other payments necessary to meet ongoing legal obligations to be paid from Pledged Revenues; and (iv) operation and maintenance expenses of the Port. In addition, payment of principal and interest on the Senior Lien Bonds when due is secured by a reserve fund held by the trustee. As of June 30, 2022, the reserve fund was invested in government securities money market mutual funds.

The Port has also covenanted in the Senior Trust Indenture that Net Pledged Revenue (Revenues less the Operation and Maintenance Expenses) will be equal to at least 125% of actual debt service for the Senior Lien Bonds (Senior Lien Debt Service Coverage Ratio).

Events of default under the Senior Lien Trust Indenture include, but are not limited to, a failure to pay principal or interest, or a failure to pay the purchase price of a bond when due upon an optional or mandatory tender date. Port bankruptcy, reorganization, receivership, etc., are also considered default events, as is the failure to observe any covenant, provision or condition of the Senior Lien Indenture or the Bonds, which continues for a period of 60 days after notice. Failure to observe the covenant provisions or conditions of any specific debt obligation issued under the Senior Lien Indenture, which continues for a period of 60 days after notice, may also be considered a default event. Finally, pursuant to supplemental indentures the Port will comply with the covenants of the tax certificates of the different bond series issued under the Senior Lien Trust Indenture. Remedies to any default under the Senior Lien Indenture or its supplements can include bringing suit upon the Senior Lien Bonds, or some other legal remedy to enforce the rights of bondholders.

As of June 30, 2022, the outstanding balance of Senior Lien Bonds is $331.8 million.

Intermediate Lien Bonds

Bonds issued under the Intermediate Trust Indenture are next in payment priority. As of June 30, 2022, the bonds issued under this indenture consist of the 2017 Series D, Series E, and Series G Bonds (Series 2017 Bonds) and the 2021 Series H Bonds. The Intermediate Lien Bonds are paid from the Intermediate Lien Pledged Revenues. The Intermediate Lien Pledged Revenues are the Pledged Revenues after payment first, of all amounts payable for any Senior Lien Bonds and second, any debt service requirements payable on the DBW Loan, which is no longer outstanding as of June 30, 2022. Payment of principal and interest on the Series 2017 Bonds and 2021 Series H Bonds is secured by a reserve fund held by the trustee, which includes a reserve surety policy as well as a cash deposit of Series 2021 Bond proceeds.

The Port covenanted in the Intermediate Trust Indenture that Net Pledged Revenues will be equal to at least 110 percent of the actual debt service becoming due and payable on the combined Intermediate Lien Bonds, Senior Lien Bonds, and DBW Loan (Intermediate Lien Debt Service Coverage Ratio).

Events of default under the Intermediate Lien Trust Indenture include, but are not limited to, a failure to pay principal or interest, or a failure to pay the purchase price of a bond when due upon an optional or mandatory tender date. Port bankruptcy, reorganization, etc., are also considered default events, as is the failure to observe any covenant, provision or condition of the Intermediate Lien Indenture or the Bonds, which continues for a period of 180 days after notice. Failure to observe the covenant provisions or conditions of any specific debt obligation issued under the Intermediate Lien Indenture, which continues for a period of 180 days after notice, may also be considered a default event. Finally, pursuant to supplemental indentures the Port will comply with the covenants of the tax certificates of the different bond series issued under the Intermediate Lien Trust Indenture. The Port will also ensure that the tax-exempt status of the bonds is maintained. Remedies to any default under the Intermediate Lien Trust Indenture or its supplements can include bringing suit upon the Intermediate Lien Bonds, or some other legal action to enforce the rights of bondholders.

As of June 30, 2022, the outstanding balance of Intermediate Lien Bonds is $310.3 million.

Commercial Paper Notes

Commercial Paper Notes (CP Notes) have the lowest payment priority. The Board of Commissioners authorized a $150.0 million Commercial Paper program in 1998 and a further $150.0 million was authorized in 1999. The maximum maturity of the CP Notes is 270 days and the maximum interest rate is 12 percent. The Port has classified the CP Notes as long-term debt as the Port intends and has the ability to reissue CP Notes until the expiration of the two irrevocable Letters of Credit (LOC), discussed below. Interest income paid to the holders of the CP Notes may fall under one of three tax treatments: tax-exempt Alternative Minimum Tax (AMT), tax-exempt non-AMT, and taxable.

The Port covenants in both of its LOC and Reimbursement Agreements with Bank of America National Association (BANA) that the Intermediate Lien Debt Service Coverage Ratio will equal to at least 110 percent.

On May 10, 2019 the Port extended the LOCs supporting its ABC Series and DEF Series of CP Notes, both issued by BANA. Specifically, the expiration dates of both LOCs were extended from June 30, 2019 to June 30, 2023. The BANA LOC supporting the DEF Series of CP Notes amounts to $54.4 million ($50 million principal and interest of $4.4 million) and was originally issued on June 13, 2017, when the Port substituted its then-outstanding JPMorgan Chase Bank National Association (JPMorgan) LOC. The BANA LOC supporting the ABC Series of CP Notes amounts to $163.3 million ($150 million principal and interest of $13.3 million) and was originally issued on June 13, 2016, when the Port substituted its then-outstanding Wells Fargo LOC.

As of June 30, 2022, the outstanding balance of CP Notes under the Port's ABC Series of CP Notes is $12.3 million while the outstanding balance under the Port's DEF Series of CP Notes is $30.2

million.

The reimbursement agreements between the Port and BANA, which describe the terms and conditions under which BANA issues the commercial LOCs supporting the Port's CP Notes, contain a number of default provisions and remedies. Events of default include the failure to reimburse draws, advances or term loans issued under the LOCs, or to pay LOC related fees to BANA when due. Breaches of any of the covenants, conditions or agreements in the reimbursement agreements and other CP Notes related documents are also considered defaults, as are breaches of the covenants contained in the Senior Lien Indenture or Intermediate Lien Indenture. The reimbursement agreements also contain default provisions for bankruptcy, failure to make payments on other Port debt, the acceleration of other Port debt, legal/administrative changes affecting the Port's ability to pay its debts or comply with its agreements, and material unsatisfied legal judgments.

Any of the above defaults can trigger the immediate acceleration of LOC related fees to BANA, the reduction of the LOC stated amounts, and/or suspensions of the Port's ability to issue new CP Notes or make draws under the existing LOCs. Any accelerations or payment failures on other Port debt, failures to pay CP Notes related obligations, bankruptcy or limits to the Port's authority may also trigger a further remedy whereby advances and/or term loans under the LOCs would become immediately due and payable.

3. Summary of Changes in Long-Term Obligations

The changes in the Port's long-term obligations for the year ended June 30, 2022, are as follows (in thousands):

Component Unit - Port of Oakland

	Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Amounts due within one year
Bonds and notes payable:					
Senior and intermediate lien bonds	$ 718,300	$ —	$ 76,175	$ 642,125	$ 52,325
Notes and loans payable (1)	58,175	—	15,640	42,535	—
Unamortized premium and discounts, net	48,788	—	9,889	38,899	9,019
Total bonds and notes payable	825,263	—	101,704	723,559	61,344
Other long-term liabilities:					
Accrued vacation, sick leave, and compensatory time	9,720	2,485	2,598	9,607	6,242
Environmental remediation	15,750	2,573	3,950	14,373	2,048
Self-insurance liability - worker's compensation	10,590	2,554	2,242	10,902	2,242
Other long-term liabilities	6,378	2,429	158	8,649	2,416
Total other long-term liabilities	42,438	10,041	8,948	43,531	12,948
Total component unit	**$ 867,701**	**$ 10,041**	**$ 110,652**	**$ 767,090**	**$ 74,292**

(1) As of June 30, 2022, under the current LOCs, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to $200 million.

5. Annual Requirements to Maturity

The Port's required debt service payments on its Senior Lien Bonds and Intermediate Lien Bonds are due each May 1 and November 1 through May 1, 2033. Commercial Paper has been classified as long-term debt because the Port has the intent and ability to continue to refinance this debt. The Port's required debt service payments for the outstanding long-term debt for the years ending June 30, are as follows (in thousands):

Year Ending June 30	Principal (1)	Interest	Total
2023	$ 52,325	$ 20,754	$ 73,079
2024	68,133	21,855	89,988
2025	79,363	18,756	98,119
2026	81,584	15,589	97,173
2027	70,190	12,460	82,650
2028-2032	309,170	25,418	334,588
2033	23,895	561	24,456
Total	**$ 684,660**	**$ 115,393**	**$ 800,053**

(1) For purposes of this schedule, Commercial Paper debt is amortized over three fiscal years, pursuant to the "Term Loan" provisions of the Commercial Paper Reimbursement Agreements, beginning when the current letters of credit expire on June 30, 2023.

City-Wide Debt

1. Tax and Revenue Anticipation Notes Payable

On July 14, 2021, the City issued $124.1 million tax and revenue anticipation notes in advance of property tax collections. The notes were issued as a single taxable series bearing an interest rate of 0.365 percent with a final maturity of June 30, 2022. The notes were issued to finance the prepayment of the City's Employer Unfunded Actuarial Accrued Liability contribution to CalPERS for fiscal year 2021-22. The short-term debt activity for the year ended June 30, 2022 is as follows (in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
2021-2022 Tax and Revenue Anticipation Notes	$ —	$ 124,085	$ (124,085)	$ —

2. Debt Compliance

There are a number of limitations and restrictions contained in the various bond indentures held by the City, ORSA, and the Port. The City, ORSA, and the Port believe they are in compliance with all significant limitations and restrictions for which noncompliance would adversely affect its ability to pay debt service.

3. Legal Debt Limit and Legal Debt Margin

As of June 30, 2022, the City's debt limit (3.75% of valuation subject to taxation) was $2.8 billion. The total amount of debt applicable to the debt limit was $637.5 million. The resulting legal debt margin was $2.1 billion.

H. LEASES

City as Lessor

At June 30, 2022, the City recorded $38.0 million in lease receivables as lessor. The City leases all or portions of owned properties to generate income, promote local economic development, and support services provided by community partners.

Lease revenues and interest revenues recognized during the year ended June 30, 2022, as well as lease receivable and lease related deferred inflows of resources as of June 30, 2022 are as follows (in thousands):

	Governmental Activities				
	General Fund	Low and Moderate Income Housing Asset Fund	Municipal Capital Improvement Fund	Internal Service Fund	Total
Lease revenue	$ 932	$ 178	$ 1,122	$ 10	$ 2,242
Lease interest revenue	698	5	1,338	22	2,063
Lease receivable	13,884	267	23,446	354	37,951
Deferred inflow of resources	13,482	214	23,177	342	37,215

City as Lessee

At June 30, 2022, the City recorded 14 lease agreements as lessee.

The City leases land and building space where leases are determined to be the most effective or feasible method of providing services. At June 30, 2022, leases with annual rental costs in excess of $100,000 included the following:

Leased Property:	Use of Leased Property:
2563 International Boulevard, Oakland	Head Start Center
5050 Coliseum Way, Oakland	Corporation Yard
7200 Bancroft Avenue, Oakland	Police Station
1111 Broadway, Oakland	Offices

The annual debt service requirement for leases is as follows (in thousands):

	Governmental Activities			
	Buildings		Land	
Year Ending June 30	Principal	Interest	Principal	Interest
2023	$ 960	$ 625	$ 35	$ —
2024	1,240	585	—	—
2025	1,265	534	—	—
2026	1,346	480	—	—
2027	1,306	423	—	—
2028 - 2032	6,620	1,163	—	—
2033 - 2037	1,635	170	—	—
Total	$ 14,372	$ 3,980	$ 35	$ —

Component Unit- Port of Oakland

1. Maritime Leases

The Port, as a lessor, leases land and facilities at market rates with terms ranging from 1 to 66 years. The leases generally provide for minimum rentals with percentage rent contingent on business sales or activity, and typically include provisions for rent changes based on the consumer price index or other market indexes, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables. Variable lease payment received during the year ended June 30, 2022 was $25.0 million. Certain maritime facilities are leased under agreements that provide the tenants with preferential, but nonexclusive, use of the facilities. In accordance with GASB No. 87, Maritime leases are based on the minimum fixed rent receivables and discounted to the present value per the lease term.

Minimum future lease revenue for years ending June 30 is as follows:

	Lease Revenue	Interest Revenue	Total
2023	$ 108,666	$ 22,101	$ 130,767
2024	96,435	20,264	116,699
2025	94,625	18,311	112,936
2026	89,061	18,558	107,619
2027	89,061	14,407	103,468
2028-2032	403,782	39,676	443,458
2033-2037	11,507	12,912	24,419
2034-2042	9,501	11,386	20,887
2043-2047	8,164	10,118	18,282
2048-2052	5,060	9,122	14,182
2053-2057	5,060	8,386	13,446
Thereafter	27,326	24,940	52,266
Total	$ 948,248	$ 210,181	$1,158,429

2. Aviation Leases

Aviation leases are mostly with concessionaires for food and beverages, gift and news, duty-free, rental car facilities, and advertisements. In general, the agreements provide for cancellation on a 30-day notice by either party. However, they are intended to be long-term in nature with renewal options. Accordingly, these agreements are considered short-term leases for purposes of financial reporting.

The Port's leases with food and beverage concessionaires provide for payment of a minimum annual guarantee based on enplaned passenger volume. This provision effectively makes the minimum annual guarantee variable, and accordingly, they are not included below.

Minimum future lease revenue for years ending June 30 is as follows:

	Lease Revenue	Interest Revenue	Total
2023	$ 11,729	$ 123	$ 11,852
2024	1,734	66	1,800
2025	1,582	46	1,628
2026	1,231	28	1,259
2027	916	13	929
2028-2032	458	2	460
Total	$ 17,650	$ 278	$ 17,928

3. GASB No. 87 Excluded Leases – Regulated Aeronautical Service Providers

In accordance with the paragraphs 42 and 43 of GASB No. 87, the Port does not recognize lease receivables and deferred inflow of resources for leases between the Oakland Airport and the air carriers and other aeronautical users, which are regulated by the Department of Transportation and the Federal Aviation Administration. The lease amount is set annually on the aviation rates and charges. Regulated leases include various passenger airlines and cargo airline leases with terms ranging from 1 to 10 years. The leases with the passenger airlines can be cancelled anytime with 30 days' notice.

Minimum future lease revenue for years ending June 30 is as follows:

	Minimum Lease Revenue
2023	$ 51,318
2024	48,179
2025	48,179
2026	48,179
2027	28,636
2028-2032	56,468
Total	$ 280,959

4. Commercial Real Estate Leases

The Commercial Real Estate (CRE) Division of the Port leases out almost 19 miles or approximately 837 acres of land and waterfront property, along San Francisco Bay and the Oakland Estuary that is not used for maritime or aviation purposes. Much of the commercial land has been converted through private investment into homes, hotels, offices, shops, restaurants, parks, and industrial flex/research spaces. In most cases, the CRE division of the Port has entered into agreements with development teams to ground leases. The Port, as a lessor, leases land and facilities at market rates with terms ranging from 1 to 60 years. The leases generally provide for minimum rentals with percentage rent contingent on business sales or activity, and typically include provisions for rent changes based on the consumer price index or other market indexes, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables. Variable lease payment received during the year ended June 30, 2022 was $1.8 million.

Minimum future lease revenue for years ending June 30 is as follows:

	Lease Revenue	Interest Revenue	Total
2023	$ 7,232	$ 3,390	$ 10,622
2024	7,232	3,281	10,513
2025	6,841	3,149	9,990
2026	5,914	3,030	8,944
2027	5,806	2,909	8,715
2028-2032	21,208	12,882	34,090
2033-2037	17,966	10,106	28,072
2034-2042	12,325	7,311	19,636
2043-2047	6,664	5,742	12,406
2048-2052	5,229	4,630	9,859
2053-2057	5,229	3,436	8,665
Thereafter	8,770	3,170	11,940
Total	$ 110,416	$ 63,036	$ 173,452

I. ESTIMATED LIABILITY FOR SELF-INSURANCE

Primary Government

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; employee's injuries; natural disasters; unemployment coverage; and providing health benefits to employees, retirees, and their dependents. For the past three years, there have been no significant reductions in any of the City's insurance coverage and the City had one settlement that exceeded commercial insurance coverage.

The City is self-insured for its general liability, malpractice liability, public official's errors and omissions, products and completed operations, employment practices liability, and auto liability up to $5.0 million retention level and up to $0.75 million retention level for workers' compensation and has excess insurance with the California State Association of Counties - Excess Insurance Authority as described in the Insurance Coverage section.

1. Property Damage

Property damage risks are covered on an occurrence basis by commercial insurance purchased from independent third parties. All properties are insured at full replacement values after a $10,000 deductible to be paid by the City. Vehicles are insured at full replacement value after a $20,000 deductible. Equipment valued at more than $250,000 is insured at full replacement after a $100,000 deductible.

2. Workers' Compensation

The City is self-insured for workers' compensation up to a $0.75 million retention level. Payment of claims is provided through annual appropriations, which are based on claim payment experience and supplemental appropriations. Of the $69.5 million in claims liabilities as of June 30, 2022, approximately $15.6 million is estimated to be due within one year.

Changes in self-insurance workers' compensation for the years ended June 30, 2022 and 2021 are as follows (in thousands):

	2022	2021
Self-insurance liability - workers' compensation, beginning of year	$ 73,624	$ 71,874
Current year claims and changes in estimates	14,962	25,908
Claims payments	(19,055)	(24,158)
Self-insurance liability - workers' compensation, end of year	$ 69,531	$ 73,624

The estimated undiscounted liability for claims and contingencies is based on the results of actuarial studies and includes amounts for claims incurred but not reported and allocated loss adjustment expenses. The estimated liability is calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

3. General Liability

Numerous lawsuits are pending or threatened against the City. The City estimates that as of June 30, 2022, the amount of liability determined to be probable of occurrence is approximately $82.7 million. Of this amount, claims and litigation approximating $28.4 million are estimated to be due within one year. The recorded liability is the City's best estimate based on available information and may be revised as further information is obtained and as pending cases are litigated and is discounted at a rate of 2.5 percent. The City and the ORSA are involved in various claims and litigation arising in the ordinary course of its activities. In the opinion of the ORSA's in-house counsel and the City Attorney's Office for the City, none of these claims are expected to have a significant impact on the financial position or changes in financial position of the City and the ORSA. The City has not accumulated or segregated assets or set aside fund balances for the payment of estimated claims and judgments.

Changes in general claims liabilities for the years ended June 30, 2022 and 2021 are as follows (in thousands):

	2022	2021
Self-insurance liability - general liability, beginning of year	$ 72,306	$ 62,772
Current year claims and changes in estimates	37,868	40,577
Claims payments	(27,503)	(31,043)
Self-insurance liability - general liability, end of year	$ 82,671	$ 72,306

The estimated undiscounted liability for claims and contingencies is based on the results of actuarial studies and includes amounts for claims incurred but not reported and allocated loss adjustment expenses. The estimated liability is calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

4. Insurance Coverage

On July 15, 2002, the City entered into a contract with the California State Association of Counties Excess Insurance Authority (CSAC EIA), a joint powers authority, whose purpose is to develop and fund programs of excess insurance for its member counties and cities. In 2020, CSAC EIA was renamed as Public Risk Innovation, Solutions, and Management (PRISM).

Effective July 1, 2021, the self-insured retention levels and purchased insurance per occurrence are as follows:

Type of Coverage	Limits	Purchased Insurance Per Occurrence
General Liability	Up to $5.0 million	$5.0 to $25.0 million
Automobile Liability	Up to $5.0 million	$5.0 to $25.0 million
Public Officials Errors and Omissions	Up to $5.0 million	$5.0 to $25.0 million
Products and Completed Operations	Up to $5.0 million	$5.0 to $25.0 million
Employment Practices Liability	Up to $5.0 million	$5.0 to $25.0 million
Workers' Compensation	Up to $750,000	$750,000 to $100.0 million

Component Unit – Port of Oakland

1. Workers' Compensation

The Port is self-insured for workers' compensation of the Port's employees. The workers' compensation liability of $10.9 million at June 30, 2022 is based upon an actuarial study performed as of June 30, 2022 that assumed a probability level of 80 percent and a discount rate of 0.0 percent.

Changes in liability, which is included as part of non-current liabilities, follows (in thousands):

	2022	2021
Self-insurance liability - workers' compensation, beginning of year	$ 10,590	$ 8,862
Current year claims and changes in estimates	2,554	3,595
Claims payments	(2,242)	(1,867)
Self-insurance liability - workers' compensation, end of year	$ 10,902	$ 10,590

2. General Liability - Insurance

The Port purchases insurance on certain risk exposures including but not limited to property, automobiles liability, airport liability, umbrella liability, environmental liability, fidelity, fiduciary liability, and public official's liability. Port deductibles for the various insured programs range from $10,000 to $1 million each claim. The Port is self-insured for other general liability and liability/ litigation-type claims, workers' compensation of the Port's employees and most first party exposures. During fiscal year 2022 the Port carried excess insurance over $1 million for the self-insured general liability and workers' compensation exposures. There have been no claim payments related to these programs that exceeded insurance limits in the last three years.

3. Capital Improvement Projects

The Port maintains an Owner Controlled Insurance Program (OCIP) and Owner Protective Professional Indemnity Insurance Program (OPPI) for contractors and consultants working on Port Capital Improvement Projects (CIP).

OCIP provides general liability insurance and workers' compensation insurance for contractors working on CIP projects. The Port is responsible for payment of the deductible/self-insured retention, which is currently $0.25 million for each general liability and workers' compensation claim.

The OPPI protects the Port from the potential error and omission of consultants working on Port CIP projects. Consultants must meet minimum insurance requirements of $1 million to $2 million. If minimum insurance is not provided or does not respond, the Port would be responsible for a $0.1 million self-insured retention. There is no actuarial forecast for this coverage.

J. JOINT VENTURE

Oakland-Alameda County Coliseum

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

Stadium Bonds – Background

In August 1995, the Coliseum Authority issued $9.2 million in Fixed Rate Refunding Lease Revenue Bonds and $188.5 million in Variable Rate Lease Revenue Bonds (collectively known as the Stadium Bonds) to finance the costs of remodeling the stadium portion of the Coliseum complex as well as relocating the Raiders to the City.

On May 31, 2012, the Coliseum Authority issued $122.8 million in Refunding Bonds Series 2012 A with coupons of 2 to 5 percent to refund and defease all outstanding variable rate 2000 Series C Refunding Bonds. The bonds were priced at a premium, bringing total proceeds to $138.1 million. These funds coupled with $13 million in the 2000 Series C reserve fund generated available funds of $151.1 million which was used to refund the 2000 C Refunding Bonds of $137.4 million, fund a reserve fund of $12.8 million, and to pay underwriter's discount and issuance cost of $0.9 million. The all-in-interest cost of the 2012A refunding bonds was 3.0 percent.

On December 14, 2021, the Coliseum Authority issued $23.9 million in Lease Revenue Notes, 2021 Refunding Series A (Stadium Notes) which together with available revenue and existing reserves funded an escrow account to refund all outstanding Stadium Bonds. The Escrow Agent paid the scheduled debt service requirements of the Stadium Bonds on February 1, 2022 and will redeem those Stadium Bonds maturing on February 1, 2023 and thereafter, for all outstanding future debt service payments on the Stadium Bonds.

The Stadium Bonds are limited obligations of the Coliseum Authority payable solely from certain revenues of the Coliseum Authority, including revenues from the Stadium and Arena Complex and base rental payments from the City and the County. In the event that football revenues and other revenues received in connection with the Stadium are insufficient to make base rental payments, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds. The City and the County each have covenanted to appropriate $11.0 million annually to cover such shortfall in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that the City could have to pay up to $22 million annually in the event of default by the County. Base rental payments are projected to cover one hundred percent of the debt service requirements over the life of the bonds. The obligation of the City and the County to make such payments is reduced to the extent the Coliseum Authority receives revenues generated at the complex to pay debt service and for operations and maintenance. The Stadium Bonds are not general obligations of either the City or the County.

Arena Bonds – Background

On August 2, 1996, the Coliseum Authority issued $70 million Series A-1 and $70 million Series A-2 Variable Rate Lease Revenue Bonds (Arena Bonds) to finance the costs of remodeling the Coliseum Arena (Arena) and in connection with the retention of the Golden State Warriors (the Warriors) to play professional basketball at the Arena for at least 20 basketball seasons, beginning with the 1997-98 season.

On April 14, 2015, the Authority issued $79.7 million in Refunding Bonds Series 2015 with coupons of 0.8 to 3.8 percent to refund and defease all outstanding variable rate 1996 Series A-1 and A-2 Bonds. The bonds were sold at par, bringing total proceeds to $79.7 million.

Under the Bond Agreements, the Arena Bonds are limited obligations of the Coliseum Authority, payable solely from revenues received by the Coliseum Authority on behalf of the City and the County. Revenues consist of base rental payments from the City and the County, including certain payments from the Warriors of up to $7.4 million annually from premium seating revenues. If necessary to prevent default, additional premium revenues up to $10.0 million may be pledged to service Arena debt. If the revenues received from the Warriors and from Arena operations are not sufficient to cover the debt service requirements in any fiscal year, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds. The County and the City each have covenanted to appropriate up to $9.5 million annually to cover such shortfalls in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that the City could have to pay up to $19 million annually in the event of default by the County.

On December 9, 2020, the California Supreme Court denied the Warriors' Petition for Review of lower court rulings that required them to continue to make payments towards debt service on the Arena Bonds following the team's move to San Francisco, consistent with their original agreement with the Authority. Since August 2019, the Warriors have paid the debt service installments that have come due and it is anticipated that they will continue to do so until the Arena Bond debt obligation is satisfied in 2026.

Debt Obligations

Long-term debt outstanding as of June 30, 2022 is as follows (in thousands):

Type of Indebtedness	Maturity	Interest Rate	Authorized and Issued	Outstanding as of June 30, 2022
Stadium Bonds:				
2021 Refunding Series A Lease Revenue Bonds	February 1, 2025	1%	$ 23,901	$ 23,901
Arena Bonds:				
2015 Refunding Series A Lease Revenue Bonds	February 1, 2026	1% - 4%	79,735	32,935
Total			$ 103,636	$ 56,836

Debt payments during the year ended June 30, 2022 were as follows (in thousands):

	Stadium	Arena	Total
Principal	$ —	$ 8,200	$ 8,200
Interest	1,349	1,426	2,775
Total	$ 1,349	$ 9,626	$ 10,975

The following is a summary of long-term debt transactions for the year ended June 30, 2022 (in thousands):

Outstanding lease revenue bonds, June 30, 2021	$ 86,545
Debt issuance	23,901
Principal repayments	(53,610)
Outstanding lease revenue bonds, June 30, 2022	56,836
Amount due within one year	(19,479)
Amount due beyond one year	$ 37,357

Annual debt service requirements to maturity for the lease revenue bonds, including interest payments, are as follows (in thousands):

	Stadium Bonds		Arena Bonds		Total	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 10,679	$ 370	$ 8,800	$ 1,167	$ 19,479	$ 1,537
2024	10,865	181	9,250	873	20,115	1,054
2025	2,357	32	10,000	550	12,357	582
2026	—		4,885	185	4,885	185
Total	$ 23,901	$ 583	$ 32,935	$ 2,775	$ 56,836	$ 3,358

The Coliseum Authority relies on the City and the County to make base rental payments in order to fulfill its debt service obligations. The Coliseum Authority would be considered to be in default if one or more of the following events occurs: (1) the City and the County fail to pay any rental payable when it becomes due and payable, (2) the City and the County fail to comply with the terms, covenants and conditions of the Master Lease Agreement and (3) the City or the County declare bankruptcy or insolvency.

If an event of default occurs, the Trustee may declare the principal of all bonds then outstanding and the interest accrued thereon to be due and payable immediately. The Coliseum Authority may (1) terminate the Master Lease and recover certain damages, (2) re-enter or re-let the facilities, or (3) continue to collect rent from the City and the County on an annual basis by seeking a separate judgment each year for that year's defaulted base rental payments. Upon an event of default, there is no remedy of acceleration of the total base rental payments due over the term of the Master Lease.

Management of Coliseum Authority

The Coliseum Authority entered into an agreement with the Oakland Coliseum Joint Venture (OCJV) to manage the entire Coliseum complex beginning July 1, 1998. On January 1, 2001, the Coliseum Authority terminated its agreement with OCJV and reinstated its Operating Agreement with Coliseum Inc. Coliseum Inc. subcontracted all of the operations of the Coliseum Complex to OCJV. The Operating Agreement between the Coliseum Authority and Coliseum Inc. expired, by its terms, on July 31, 2006. The Coliseum Authority entered into a Termination Agreement whereby, in return for certain consideration, the Coliseum Authority agreed to perform the duties of Coliseum, Inc. on and after August 1, 2006. The Coliseum Authority's management agreement with OCJV expired in June 2012. In July 2012, AEG Management Oakland, LLC took over management of the Coliseum Complex after signing a ten-year agreement.

Under the joint exercise of power agreement, which formed the Coliseum Authority, the City is responsible for funding up to 50 percent of the Coliseum Authority's operating costs and debt service requirements; to the extent such funding is necessary. During the year ended June 30, 2022, the City made contributions of $12.0 million to fund its share of operating deficits and debt service payments of the Coliseum Authority.

The Coliseum Authority has anticipated a deficit for operating costs and repayment of its Stadium Bonds, such that the City and the County will have to contribute to base rental payments. The City has appropriated $12.5 million in its General Fund for these purposes for the year ending June 30, 2023. In addition, the City has established a $12.0 million contingent liability to fund the Coliseum Authority deficit in the statement of net position, which is based on its share (50 percent) of the outstanding Stadium Bonds. The City has not established a contingent liability for the Arena Bonds because management is of the opinion that revenues from the Arena, including payments from the Warriors and revenues from Arena operations, will be sufficient to meet debt service requirements.

Complete financial statements for the Coliseum Authority can be obtained from the County Auditor-Controller's Office at 1221 Oak Street, Room 249, Oakland, CA 94612.

III OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLANS

1. General Information About the Pension Plans

The City has three defined benefit retirement plans: Oakland Police and Fire Retirement System (PFRS), the California Public Employees' Retirement System (CalPERS) Safety Plan, and the CalPERS Miscellaneous Plan.

PFRS is a closed single employer pension plan that covered employees hired prior to July 1976. Public safety employees hired subsequent to PFRS' closure date and certain employees hired before the closure date who elected to change plans are covered by CalPERS. PFRS issues a publicly available financial report that includes financial statements and required supplementary information for the PFRS Plan. PFRS' standalone financial statements are available by contacting the City Administrator's Office, One Frank Ogawa Plaza, Oakland, CA 94612 or can access the financial statements via the City's website, www.oaklandca.gov.

The CalPERS Safety and Miscellaneous Plans are agent multiple-employer defined benefit pension plans administered by CalPERS. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plans' June 30, 2021 Annual Actuarial Valuation Reports (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website at www.calpers.ca.gov.

2. Benefits

PFRS – PFRS provides death, disability, and service retirement benefits to uniformed employees and their beneficiaries. Members who completed at least 25 years of service, or 20 years of service and have reached the age of 55, or have reached the age of 65, were eligible for retirement benefits. The basic retirement allowance equals 50 percent of the compensation attached to the average rank held during the three years immediately preceding retirement, plus an additional allowance of 1-2/3 percent of such compensation for each year of service (up to ten) subsequent to: a) qualifying for retirement, and b) July 1, 1951. Early retirees received reduced benefits based on the number of years of service. Benefit provisions and all other requirements are established by the City Charter (Charter).

CalPERS – 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. The cost of living adjustments for the CalPERS plans are applied as specified by the Public Employees' Retirement Law. The California Public Employees' Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. As such, members who established CalPERS membership on or after January 1, 2013 are known as "PEPRA" members.

CalPERS' Miscellaneous Plan provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Hire Date		
	Prior to 6/9/2012	6/9/2012 through 12/31/12	On or After 1/1/2013 (1)
Benefit formula	2.7% @ 55	2.5% @ 55	2.0% @ 62
Retirement age	50-55	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	2.0% - 2.5%	1.0% - 2.5%
Required employee contribution rates	8.0%	8.0%	7.25% - 8.0%
Required employer contribution rates 2022 (2)	11.850%	11.850%	11.100% - 11.850%

(1) For "new members" as defined by the Public Employees' Pension Reform Act (PEPRA)

(2) Excludes contribution payments of $88.3 million for unfunded liability

CalPERS' Safety Plan provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Hire Date		
	Prior to 6/9/2012	6/9/2012 to 12/31/2012	On or After 1/1/2013 (1)
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.4% - 3.0%	2.0% - 2.7%
Required employee contribution rates	11.0%	11.0% - 12.0%	11.0% - 11.5%
Required employer contribution rates 2022 (2)	18.940%	16.151% - 18.940%	18.940%

(1) For "new members" as defined by the Public Employees' Pension Reform Act (PEPRA)

(2) Excludes contribution payments of $61.9 million for unfunded liability

Covered Employees **-** As of June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of each pension plan:

	PFRS Plan	CalPERS Miscellaneous Plan	CalPERS Safety Plan
Inactive employees or beneficiaries receiving benefits	723	3,891	1,392
Inactive employees entitled to but not yet receiving benefits	—	1,942	455
Active employees	—	2,760	1,151
Total	**723**	**8,593**	**2,998**

3. Contributions

For the year ended June 30, 2022, the City's actuarially determined contributions were as follows (in thousands):

PFRS Plan	$	43,820
CalPERS Miscellaneous Plan (City)		95,859
CalPERS Miscellaneous Plan (Port)		27,389
CalPERS Safety Plan (City)		89,065
CalPERS Safety Plan (Port)		865
Total	**$**	**256,998**

PFRS – The City contributes, at a minimum, such amounts that are necessary, determined on an actuarial basis, to provide assets sufficient to meet benefits to be paid to PFRS members. The City is required to fund all liabilities for future benefits for all members by June 30, 2026. In order to do so, the City makes contributions at rates established by consulting actuaries based upon plan valuations using various assumptions as to salary progression, inflation, and rate of return on investments. The City's contributions are based on a level percentage of all uniformed employees' compensation. Significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the pension benefits.

On July 30, 2012, the City issued additional Pension Obligation Bonds (Series 2012) and contributed $210.0 million to PFRS. As a result of a funding agreement entered into between the PFRS Board and the City, no additional contributions were required until July 1, 2017. The City resumed contributions to PFRS on July 1, 2017. The City contributed $43.8 million in the year ended June 30, 2022.

CalPERS – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 employer 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.

Port's CalPERS Safety Unit - Special Agreement with the City of Oakland

During the period from July 1, 1976, through January 17, 1998 (employment period), the Port appointed certain employees to positions in the classifications of Airport Servicemen and Airport Operations Supervisors. The Port was and has always been the employer that directly appointed, retained, employed, and compensated the personnel in these positions. As result of a decision by CalPERS' Board of Administration on April 15, 1998, employees appointed to positions in the classifications of Airport Servicemen and Airport Operations Supervisors were reclassified from the Miscellaneous Unit member status in CalPERS to Safety Unit member status, effective retroactively to the later of either the date of their respective employment in such classifications or July 1, 1976. The decision to reclassify employees to safety member status resulted in an additional net cost to provide retirement benefits earned during the employment period. CalPERS' actuary estimated that the present value of this net cost (including subsequent actual experience through June 30, 2000, and projected experience through June 30, 2002) was $5.9 million.

The Port entered into an agreement with the City for the payment of this net cost by the Port directly to CalPERS. The agreement provides for the Port to make payments over 20 years in annual installments, with interest at 4.34 percent and adjusted for cost of living at a rate of 3.75 percent. Under this agreement, the Port's obligation will not fluctuate based on the recognition of market gains or losses, changes in the actuarial assumptions, or experiences that differ from the actuary projections. The Port's obligation will remain fixed until paid in full. For the year ended June 30, 2022, the Port recognized principal payments of $0.9 million for the Safety Unit obligation.

4. Net Pension Liability

The table below shows how the net pension liability as of June 30, 2022, is distributed (in thousands).

Governmental Activities	$ 1,186,077
Business-type Activities	29,806
Component Unit - Port of Oakland	138,744
Total	**$ 1,354,627**

As of June 30, 2022, the City's net pension liability is comprised of the following (in thousands):

PFRS Plan	$ 120,046
CalPERS Miscellaneous Plan (City)	465,431
CalPERS Miscellaneous Plan (Port)	137,879
CalPERS Safety Plan (City)	630,406
CalPERS Safety Plan (Port)	865
Total	**$ 1,354,627**

The City's net pension liability is measured for each plan as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The Port's proportionate share of the City's Miscellaneous Plan was determined based on a three-year average of the Port's employer contributions divided by the total employer contributions and was 22.85 percent for the June 30, 2021 measurement date.

The changes in the net pension liability for the PFRS Plan are as follows (in thousands):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020 (measurement date)	$ 603,971	$ 378,974	$ 224,997
Change for the year:			
Interest on the total pension liability	34,680	—	34,680
Differences between expected and actual experience	(7,376)	—	(7,376)
Contributions - employer	—	43,648	(43,648)
Claims and settlements	—	1	(908)
Net investment income	—	90,191	(90,191)
Administrative expenses	—	(1,585)	1,585
Benefit payments, including refunds	(52,697)	(52,697)	—
Net changes	(25,393)	79,558	(104,951)
Balance at June 30, 2021 (measurement date)	**$ 578,578**	**$ 458,532**	**$ 120,046**

The changes in the net pension liability for each CalPERS plan are as follows (in thousands):

	CalPERS Miscellaneous Plan			CalPERS Safety Plan		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020 (measurement date)	$2,952,225	$2,016,395	$ 935,830	$2,358,488	$1,498,354	$ 860,134
Changes for the year:						
Service cost	48,369	—	48,369	47,253	—	47,253
Interest on the total pension liability	206,708	—	206,708	166,126	—	166,126
Differences between expected and actual experience	(1,485)	—	(1,485)	(1,967)	—	(1,967)
Contributions from the employer	—	110,035	(110,035)	—	79,501	(79,501)
Contributions from employees	—	20,915	(20,915)	—	21,164	(21,164)
Net investment income	—	457,176	(457,176)	—	341,107	(341,107)
Administrative expenses	—	(2,014)	2,014	—	(1,497)	1,497
Benefits payments, including refunds of employee contributions	(167,814)	(167,814)	—	(113,403)	(113,403)	—
Net changes	85,778	418,298	(332,520)	98,009	326,872	(228,863)
Balance at June 30, 2021 (measurement date)	**$3,038,003**	**$2,434,693**	**$ 603,310**	**$2,456,497**	**$1,825,226**	**$ 631,271**

5. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City and the Port recognized pension expense of $91.3 million and $5.9 million, respectively. At June 30, 2022, the City's deferred outflows of resources and deferred inflows of resources related to pension items are from the following sources (in thousands):

	PFRS Plan		CalPERS City Miscellaneous Plan		CalPERS Safety Plan		Total City	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 43,820	$ —	$ 95,859	$ —	$ 89,065	$ —	$ 228,744	$ —
Change in assumptions	—	—	—	—	8,936	(1,664)	8,936	(1,664)
Differences between expected and actual experience	—	—	164	(776)	28,441	(1,557)	28,605	(2,333)
Net differences between projected and actual earnings on plan investments	—	(46,771)	—	(176,646)	—	(170,193)	—	(393,610)
Change in proportionate share	—	—	3,973	—	—	—	3,973	—
Total	**$ 43,820**	**$ (46,771)**	**$ 99,996**	**$ (177,422)**	**$ 126,442**	**$ (173,414)**	**$ 270,258**	**$ (397,607)**

At June 30, 2022, the City's pension expense was composed of the following amounts by plan (in thousands):

	PFRS Plan	CalPERS City Miscellaneous Plan	CalPERS Safety Plan	Total City
Pension expense	$ (11,427)	$ 34,109	$ 68,622	$ 91,304

At June 30, 2022, the Port's deferred outflows of resources and deferred inflows of resources related to pension items are from the following sources (in thousands):

	Port Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 27,389	$ —
Differences between expected and actual experience	49	(230)
Net differences between projected and actual earnings on plan investments	—	(52,326)
Change in proportionate share	—	(4,300)
Total	**$ 27,438**	**$ (56,856)**

At June 30, 2022, the City and the Port reported $228.7 million and $27.4 million, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction to net pension liability in the year ending June 30, 2022 (measurement date). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows (in thousands):

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources City	Port	Total
2022	$ (79,252)	$ (16,255)	$ (95,507)
2023	(79,978)	(13,505)	(93,483)
2024	(87,179)	(12,666)	(99,845)
2025	(109,684)	(14,381)	(124,065)
2026	—	—	—
Thereafter	—	—	—
Total	$ (356,093)	$ (56,807)	$ (412,900)

6. Actuarial Assumptions

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

	PFRS Plan	CalPERS Miscellaneous and Safety Plans
Valuation date	July 1, 2020	June 30, 2020
Measurement date	June 30, 2021	June 30, 2021
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Discount rate	5.29%	7.15%
Inflation rate	2.75% (U.S.) to 2.85% (Bay Area)	2.50%
Salary increases	n/a	Varies by Entry Age and Service
Post-retirement benefits increases	Police - 2.5% increase at July 1, 2020, 3% increase at July 1, 2021, 3.5 % increase at July 1, 2022 and 2023, 3.25% increase starting at July 1, 2024 Fire - 4.5% increase for fire engineers and 2.5% increase for all other fire at January 1, 2021, 1.5% increase at July 1, 2021, 2% increase at January 1, 2022, 1% increase at July 1, 2022, 2% increase at December 1, 2023, 3.25% increase starting at July 1, 2024	The lessor of contract cost of living adjustment or 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

For the PFRS Plan, mortality rates for healthy lives were based on the CalPERS Healthy Annuitant Table from the 2012-2015 Experience Study, excluding the 15-year projection using 90% of Scale MP-2016. Mortality rates for disabled lives were based on the CalPERS Industrial Disability Mortality Table from the 2012-2015 Experience Study, excluding the 15-year projection using 90% of Scale MP-2016. The mortality tables are projected to improve with MP-2017 generational mortality improvement tables, with improvements projected from a base year of 2014 (the mid-point of the CalPERS base tables).

For the CalPERS Miscellaneous and Safety Plans, the mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Change in Assumptions – For the PFRS Plan, the mortality rates, mortality improvement projection scales and expected annual rate of return on investments have changed based on the June 30, 2017 experience study.

Discount Rates

PFRS – 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.

Best estimates of geometric real rates of return for each major class included in the PFRS's target asset allocation as of June 30, 2021 measurement date are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	(0.30)%
Domestic Equity	4.70%
International Equity	5.00%
Covered Calls	2.60%
Crisis Risk Offset	1.95%
Credit	2.10%
Cash	(1.00)%

The discount rate used to measure the total pension liability was 5.29 percent. The projection of cash flows used to determine the discount rate assumed that the City would contribute to the PFRS Plan based on its July 1, 2012 funding agreement with the PFRS. This agreement had suspended City contributions until the fiscal year beginning July 1, 2017. The City has resumed contributions, with a City Charter requirement that the PFRS Plan's liabilities be fully funded by July 1, 2026. A cash flow projection showed that the projected fiduciary net position would be greater than or equal to the benefit payments projected for each future period. 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.

CalPERS - The discount rate used to measure each of the CalPERS Miscellaneous Plan and Safety Plan total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members 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 as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00	2.62
Inflation Assets	—	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	—	(0.92)

(1) An expected inflation of 2.00% used for this period.

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

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability for each of the City's retirement plans and the Port's proportionate share of the net pension liability of the City's CalPERS Miscellaneous Plan. The sensitivity of the net pension liability is calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate (in thousands).

	1% Decrease at 6.15%	Measurement Date at 7.15%	1% Increase at 8.15%
CalPERS Miscellaneous Plan - City	$ 745,739	$ 465,431	$ 231,199
CalPERS Miscellaneous Plan - Port proportionate share	220,917	137,879	68,491
CalPERS Safety Plan	975,243	631,271	350,177

	1% Decrease at 4.29%	Measurement Date at 5.29%	1% Increase at 6.29%
PFRS	$ 171,086	$ 120,046	$ 76,005

B. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Primary Government

1. Plan Description

The City has three programs in place to partially pay health insurance premiums for certain classes of retirees from City employment. City retirees are eligible for retiree health benefits if they meet certain requirements relating to age and service. The retiree health benefits are described in the labor agreements between the City and local unions and in City resolutions. The demographic rates used for the CalPERS plans were public safety employees retirement benefits under a 3% at 50 formula and miscellaneous employees retirement benefits under a 2.7% at 55 formula.

In 2014, the City began to partially pre-fund the actuarially determined contribution (ADC) to the California Employer's Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit post-employment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code (IRC) Section 115 Trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs.

The City's single-employer defined benefit retiree health plan (Postretirement Health Plan) allows eligible retirees and their dependents to receive employer-paid medical insurance benefits through CalPERS. The medical insurance reimbursement is not to exceed the Kaiser-HMO family plan rate. The Postretirement Health Plan also includes dental and vision benefits and reimbursement of Medicare Part B monthly insurance premium. The Postretirement Health Plan does not issue a separate financial report.

2. Benefits Provided

As provided by the Public Employees' Medical & Hospital Care Act (PEMHCA), the City contracts with CalPERS for medical plan coverage for both active and retired employees. The City pays part of the health insurance premiums for all eligible retirees from City employment receiving a pension annuity earned through City service.

Employees Covered - Based on the July 1, 2021 Actuarial Valuation Report, the following employees were covered by the benefit terms for the OPEB plan:

Inactive retired participants and surviving spouses receiving benefits	2,863
Inactive participants' spouses receiving benefits	1,124
Active employees eligible for retirement benefits	1,046
Active employees not yet eligible for retirement benefits	2,523
Total	**7,556**

3. Contributions

The annual contribution is based on the actuarially determined contribution. The City pays a portion of retiree benefit expenses on a pay-as-you-go basis to third parties, outside of the CERBT fund, and funds the remaining actuarially determined contribution (ADC) to the CERBT fund. Benefit payments occur in the form of direct payments for premiums and taxes (explicit subsidies) and indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies). On August 9, 2018, the City contributed the second of two one-time payments of $10.0 million into the CERBT fund to partially prefund the actuarially determined contribution for OPEB, as provided for in the FY 2017-19 Adopted Policy Budget. In addition, on February 26, 2019, City Council adopted an Other Post-Employment Benefits Funding Policy providing for ongoing prefunding contributions of 2.5% of payroll. On June 2, 2020, City Council authorized the postponement of this payment for the years ended June 30, 2020 and June 30, 2021 in response financial challenges arising from the COVID-19 global pandemic. During the year ended June 30, 2022, the City resumed contributions to the CERBT fund in the amount of $15 million..

The June 30, 2021 economic assumptions were based on the CERBT Strategy 1 and the Bond Buyer GO 20-year Bond Municipal Bond Index as of June 30, 2021. Since the City has adopted a funding approach, the discount rate used for the June 30, 2021 measurement date reporting was based on a blending of these two rates. The assumed CERBT Strategy 1 rate was 7.59%. The Bond Buyer GO 20-year Bond Municipal Bond Index as of June 2021 was 2.16%. Since the assets accumulated as of the measurement date are not sufficient to pay benefit payments, the depletion test of the expected benefit payments resulted in a blended rate of 3.74%. Benefits and other contributions paid by the City for the year ended June 30, 2022 is shown below.

Explicit contributions	$	23,058
Implicit contributions		4,945
Trust contributions		15,000
Total	**$**	**43,003**

The amount of implicit contributions paid are reflected as a reduction in (active) employee premiums. The contributions made during the year ended June 30, 2022 are reported as deferred outflows of resources on the statement of net position as discussed below.

Net OPEB Liability

The City's net OPEB liability is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability is measured as of June 30, 2021 (measurement date), using an annual actuarial valuation as of July 1, 2021. A summary of principal actuarial assumptions and methods used to determine the total OPEB liability is as follows:

Actuarial valuation date	July 1, 2021
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Market value
Amortization method	Level percentage of pay, closed period as of June 30, 2020
Inflation	2.30%
Discount rate	3.74%
Rate of salary increase	2.75%
Ultimate rate of medical inflation	3.83%
Years to ultimate rate of medical inflation	54 years
Mortality, termination and disability	Based on the 2021 CalPERS Mortality Table
Postretirement benefit increase	Police - 2.5% increase at July 1, 2020, 3% increase at July 1, 2021, 3.5 % increase at July 1, 2022 and 2023, and 3.25% increase starting at July 1, 2024 Fire - 4.5% increase for fire engineers and 2.5% increase for all other fire at January 1, 2021, 1.5% increase at July 1, 2021, 2% increase at January 1, 2022, 1% increase at July 1, 2022, 2% increase at December 1, 2023, and 3.25% increase starting at July 1, 2024

Discount Rate - Economic assumptions were based on the CERBT Strategy 1 and the Bond Buyer GO 20-Year Bond Municipal Bond Index as of June 30, 2021. Based on this approach the discount rate utilized was 3.74%.

The following table shows the changes in net OPEB liability for the year ended June 30, 2022:

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Balance at June 30, 2020 (measurement date)	$ 871,126	$ 28,290	$ 842,836
Changes for the year:			
Service cost	37,664	—	37,664
Interest	18,927	—	18,927
Change of benefits	(36,950)	—	(36,950)
Changes of assumptions	(197,600)	—	(197,600)
Differences between expected and actual experience	(10,132)	—	(10,132)
Contributions from the employer	—	29,517	(29,517)
Net investment income	—	7,775	(7,775)
Administrative expenses	—	(16)	16
Benefit payments	(29,517)	(29,517)	—
Net changes	(217,608)	7,759	(225,367)
Balance at June 30, 2021 (measurement date)	**$ 653,518**	**$ 36,049**	**$ 617,469**

The change of benefits reflects adjustments to benefits for police and fire employees hired on or after January 1, 2019. Changes in assumptions includes an increase in the discount rate applied from 2.21% to 3.74%. Future assumptions are subject to change and depend, in part, on the City's actual CERBT contributions in future periods.

4. Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The discount rate used for the year ended June 30, 2022 is 3.74 percent. The impact of a 1 percent increase or decrease in the discount rate assumption is shown below:

	1% Decrease at 2.74%	**Measurement Date at 3.74%**	**1% Increase at 4.74%**
Net OPEB Liability	$ 709,548	$ 617,469	$ 542,385

The following presents the net OPEB liability of the OPEB plan as of the measurement date, as well as what the net OPEB liability would be if they were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate (in thousands):

	-1.00%	**Baseline**	**+1.00%**
Net OPEB Liability	$ 556,311	$ 617,469	$ 692,498

5. OPEB Plan Fiduciary Net Position

The City’s OPEB plan trust fund is included in the CalPERS CERBT agent multiple-employer plan reported in the CalPERS Annual Comprehensive Financial Report (ACFR).

6. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized a negative OPEB expense of $59.0 million. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 43,003	$ —
Change in assumptions	148,208	296,119
Differences between expected and actual experience	7,461	10,243
Net difference between projected and actual earnings on plan investments	—	3,824
Total	**$ 198,672**	**$ 310,186**

The $43.0 million reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources will be recognized as future OPEB expense as follows:

Measurement Period Ending June 30	Deferred (Inflows) of Resources
2022	$ (76,518)
2023	(25,516)
2024	(19,165)
2025	1,303
2026	(34,621)
Total	**$ (154,517)**

Component Unit – Port of Oakland

1. Plan Description

The Port has established a Retiree Healthcare Plan and participates in the California Employer's Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code Section 115 trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs.

The Port's Retiree Healthcare Plan allows eligible retirees and their dependents to receive employer paid medical insurance benefits through CalPERS.

Prior to 2011, eligible retirees who had attained the age of fifty or over at the time of retirement, had five or more years of CalPERS service, and were eligible to receive CalPERS retirement benefits, were entitled to receive employer paid medical insurance benefits through CalPERS.

The Port had adopted a resolution on July 21, 2011 that established a Health Benefit Vesting Requirement for employees hired on or after September 1, 2011 (on or after April 1, 2013 for members of SEIU (Service Employees International Union) and IBEW (International Brotherhood of Electrical Workers)). The vesting schedule does not apply to employees that are granted a disability retirement.

Under the adopted vesting schedule, the Port shall pay a percentage of retiree medical coverage for a retiree and his or her eligible dependents based on the provisions of Section 22893 of the California Government Code. Under these rules, a retiree must have at least 10 years of credited service with a CalPERS agency, at least 5 of which are with the City/Port. The Port will pay a percentage of employer contributions for the retiree based upon the following:

Years of Credited Service (at least 5 of which are with the City/Port)	Percentage of Employer Contributions
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

Retiree Dental and Vision Coverage - Employees who were hired before October 1, 2009, have attained the age of fifty or over at the time of retirement, have five or more years of CalPERS service, and are eligible to receive CalPERS retirement benefits are entitled to retiree dental and vision coverage.

Employees who are members of the SEIU and IBEW and were hired on or after June 9, 2012 are entitled to retiree dental and vision coverage if the employee has attained the age of fifty or over at the time of retirement, have five or more years of CalPERS service, and are eligible to receive CalPERS retirement benefits.

Employees Covered - As of the June 30, 2021 measurement date, the following current and former employees were covered by the benefit terms under the Port's Retiree Healthcare Plan:

Active employees	442
Inactive employees or beneficiaries currently receiving benefits	606
Total	**1,048**

2. Contributions

Benefit provisions are established and are amended through negotiations between the Port and the various bargaining units during each bargaining period. The annual contribution is based on the actuarially determined contribution. The Port pays a portion of retiree benefit expenses on a pay-as-you-go basis to third parties and directly to beneficiaries (Pay-go), and funds the remaining actuarially determined contribution to the CERBT fund. For the year ended June 30, 2022, the Port's cash contributions totaling $10.2 million consisted of $8.5 million in payments to third parties,$0.4 million paid to the CERBT fund, and the estimated implicit subsidy of $1.3 million.

3. Net OPEB Liability

The Port's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Actuarial valuation date	June 30, 2021
Measurement date	June 30, 2021
Actuarial cost method	Entry-Age Normal
Discount rate	6.75%
Inflation	2.75%
Medical trend rate (1)	5.50% in 2022, decreasing to 4.25% in 2072 and later years
Investment rate of return (2)	6.75% net of investment expenses
Mortality, termination and disability	CalPERS Mortality rates, which include 15 years of projected on-going improvement using 90 percent of Scale MP-2016

[1] Based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long-term medical care.
[2] Net of plan investment expenses.

The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Arithmetic Nominal Return (30 Years) (1)
Global Equity	59.00 %	8.96 %
U.S. Fixed Income	25.00 %	4.61 %
Treasury Inflation - Protected Securities	5.00 %	3.36 %
Real Estate Investment Trust	8.00 %	8.94 %
Commodities	3.00 %	4.23 %
Expected Arithmetic Return (30 years)		7.41 %
Expected Geometric Return (30 years)		6.67 %

(1) Rates include a 2.75 percent long-term inflation assumption.

4. Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Port contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

5. Changes in the Net OPEB Liability

The changes in the net OPEB liability for the Port's Retiree Healthcare Plan are as follows (in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	**$ 180,554**	**$ 95,319**	**$ 85,235**
Changes for the year:			
Service cost	4,636	—	4,636
Interest	12,158	—	12,158
Changes of assumptions	(724)	—	(724)
Differences between expected and actual experience	(10,433)	—	(10,433)
Contributions from the employer	—	14,513	(14,513)
Net investment income	—	26,194	(26,194)
Administrative expenses	—	(54)	54
Benefit payments	(10,313)	(10,313)	—
Net changes	(4,676)	30,340	(35,016)
Balance at June 30, 2022	**$ 175,878**	**$ 125,659**	**$ 50,219**

6. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate

The discount rate used for the fiscal year 2022 is 6.75%. The following presents the net OPEB liability of the Port if it were calculated using a discount rate that is one percentage point lower to one percentage point higher than the current rate, as of June 30, 2022 (in thousands):

	1% Decrease at 5.75%	Measurement Date at 6.75%	1% Increase at 7.75%
Net OPEB Liability	$ 71,702	$ 50,219	$ 32,289

The following presents the net OPEB liability of the Port if it were calculated using healthcare cost trend rates that are one percentage point lower to one percentage point higher than the current rate, as of June 30, 2022 (in thousands):

	-1.00%	Current Healthcare Costs Trend Rate	+1.00%
Net OPEB Liability	$ 30,987	$ 50,219	$ 73,395

7. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Port recognized OPEB expense of $1.4 million. The Port reported deferred outflows/inflows of resources related to OPEB from the following sources as of June 30, 2022 (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 10,149	$ —
Net difference between projected and actual earnings on OPEB plan investments	—	13,824
Difference between expected and actual experience	—	9,045
Changes of assumptions	—	2,867
Total	**$ 10,149**	**$ 25,736**

The OPEB contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent measurement year. Other amounts reported as deferred inflows of resources, will be amortized annually, and recognized as a reduction to OPEB expense, for the years ending June 30 as follows (in thousands):

Year Ending June 30	Deferred (Inflows) of Resources
2023	$ (8,512)
2024	(6,699)
2025	(6,044)
2026	(4,481)
Total	**$ (25,736)**

C. COMMITMENTS AND CONTINGENCIES

Primary Government

1. Construction Commitments

As of June 30, 2022, the City had outstanding construction encumbrances for the acquisition and construction of assets as follows (in thousands):

	General Fund	Federal/ State Grant Fund	Municipal Capital Improvement Fund	Other Special Revenue Fund	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Building, facilities and infrastructure	$ 20	$ —	$ 2,804	$ —	$ —	$ 93	$ 2,917
Parks and open space	210	715	1,580	744	—	—	3,249
Sewers and storm drains	—	165	—	—	—	—	165
Streets and sidewalks	87	7,023	9,992	24	1,256	—	18,382
Technology enhancement	270	—	1	—	—	291	562
Traffic improvements	—	1,372	750	—	354		2,476
Total	**$ 587**	**$ 9,275**	**$ 15,127**	**$ 768**	**$ 1,610**	**$ 384**	**$ 27,751**

	Sewer Fund	Nonmajor Parks and Recreation	Total Business-Type Activities
Building, facilities and infrastructure	$ —	$ 193	$ 193
Sewers and storm drains	2,104	—	2,104
Streets and sidewalks	1,472	—	1,472
Total	**$ 3,576**	**$ 211**	**$ 3,787**

2. Other Commitments and Contingencies

Recognized Obligation Payment Schedule

As of June 30, 2022, the ORSA had encumbered $437.3 million for contracted obligations, per the ROPS covering the July 1, 2022 through June 30, 2023 period, which was approved by the DOF.

Component Unit – Port of Oakland

As of June 30, 2022, the Port had construction commitments for the acquisition and construction of assets as follows (in thousands):

Aviation	$ 19,254
Maritime	2,279
Total	**$ 21,533**

The most significant projects for which the Port has contractual commitments for construction are Taxiway Pavement and Rehabilitation for $10.8 million, Landscape Security for $0.8 million, Upgrades to the International Arrivals Building for $7.7 million, Sanitary Sewer Projects for $1.2 million, Shore Power Project for $0.3 million, and Paving Projects for $0.7 million.

3. Power Purchases

The Port purchases electrical power for resale and self-consumption and currently has four power purchase agreements including East Bay Municipal Utility District (EBMUD), Western Area Power Administration (WAPA), Longroad Energy, and multiple contracts through the Northern California Power Agency (NCPA). Each month Port Utilities procures more power than the power contracts cover. These remaining purchases are done though the Real-time and Day-ahead markets under the California Independent System Operator (CAISO), with prices that vary based on capacity, time, weather, and other conditions.

Counterparty	Contract Ending Year	Contract Structure	Estimated Output	Estimated Annual Cost
EBMUD	2022	Take and Pay - (Pay contract price only if energy is received)	11,000 MWH	Approximately $1.9 million with no annual escalator from 2017-2022.
WAPA	2024	Monthly Fixed Price Plus Energy Received	17,000 MWH	Approximately $0.8 million (Changes annually depending on revenue requirement for power generation projects).
Longroad Energy	2027	Take and Pay - (Pay contract price only if energy is received)	1,200 MWH	Approximately $0.2 million with annual escalator.
NCPA	2041	Take and Pay - (Pay contract price only if energy is received)	11,300 MWH	Approximately $0.4 million with no annual escalator.
NCPA	2031	Monthly Fixed Price Plus Energy Received	4,500 MWH	Approximately $0.2 million with no annual escalator.
CAISO Market Purchases	Monthly	Monthly Settlements	75,000 MWH	Approximately $6.4 million with no annual escalator.
Renewable Energy Credits	Quarterly	Fixed	40,000 MWH	Approximately $0.7 million with no annual escalator.
Low Carbon Fuel Standard Offset Credits	Quarterly	Fixed	40,000 MWH	Approximately $0.8 million with no annual escalator.

4. Environmental Remediation

The entitlements for the Airport Development Program (ADP) subject the Port to obligations arising from the adopted ADP Mitigation Monitoring and Reporting Program required under the California Environmental Quality Act, permits issued by numerous regulatory agencies including the Regional Water Quality Control Board and the Bay Conservation and Development Commission, and settlement agreements. The majority of these obligations have been met, and monitoring and reporting are ongoing.

A summary of the Port's environmental remediation liability accounts, net of the estimated recoveries, included as an other liability on the statement of net position at June 30, 2022, is as follows (in thousands):

Obligating Event	Liability, Net of Recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	$ 1,198	$ —
Identified as responsible to clean up pollution	12,126	179
Begins or legally obligates to clean up or post-clean up activities	1,049	—
Total by obligating event	**$ 14,373**	**$ 179**

The environmental liability accounts in the summary table are listed by the initial obligating event. Due to new information, the obligating event may change from the initial obligating event. Examples of obligating events include: 1) the Port is named, or evidence indicates that it will be named, by a regulator such as the Department of Toxic Substances Control or the Regional Water Quality Control Board, as a responsible party or potentially responsible party for remediation; or 2) the Port has commenced, or legally obligates itself to commence, clean-up activities, monitoring or operation and maintenance of the remediation effort (e.g., by undertaking a soil and groundwater pre-development investigation).

Methods and Assumptions

The Port measured the environmental liabilities for pollution remediation sites on Port-owned property using the Expected Cash Flow technique. The measurements are based on the current value of the outlays expected to be incurred. The cash flow scenarios include each component which can be reasonably estimated for outlays such as testing, monitoring, legal services, and indirect outlays for Port labor instead of ranges of all components. Reasonable estimates of ranges of possible cash flows are limited from a single scenario to a few scenarios. Data used to develop the cash flow scenarios is obtained from outside consultants, Port staff, and the Port's outside legal counsel.

Changes to estimates will be made when new information becomes available. Estimates for the pollution remediation sites will be developed when the following benchmarks or changes in estimated outlays occur:

- Receipt of an administrative order;
- Participation, as a responsible party or a potentially responsible party, in the site assessment or investigation;
- Completion of a corrective measures feasibility study;
- Issuance of an authorization to proceed;
- Remediation design and implementation, through and including operation and maintenance and post-remediation monitoring;
- Change in the remediation plan or operating conditions, including but not limited to type of equipment, facilities and services that will be used and price increases;
- Changes in technology; or
- Changes in legal or regulatory requirements.

Recoveries

The environmental liabilities balances listed on the prior page have been reduced by estimated future recoveries. In calculating the estimated future recoveries, Port staff and outside legal counsel reviewed and applied the requirements of GASB Statement No. 49 for accounting for recoveries. For example, if a Port tenant has a contract obligation to reimburse the Port for certain pollution remediation costs, or if an insurance carrier has paid money on a certain claim and the Port is pursuing additional costs from the insurance carrier associated with the claim, then a recovery was estimated. If an insurance carrier has not yet acknowledged coverage, then a recovery was not estimated.

Litigation

The Port at various times is a defendant in various lawsuits arising in the normal course of business, including constructing public improvements or construction related claims for unspecified amounts. The ultimate disposition of these suits and claims is not known and the Port's insurance may cover a portion of any losses, if incurred. Port management may make provision for probable losses if deemed appropriate on the advice of legal counsel.

D. DEFICIT FUND BALANCES/NET POSITION

As of June 30, 2022, the following funds reported deficits in fund balance/net position (in thousands):

Fund	Deficit
Federal/State Grant Fund	$ (5,308)
Other Governmental Funds	
Lease Financing	(1,183)
JPFA Fund	(7)
Internal Service Funds	
Facilities	(24,536)
Reproduction	(2,087)
Central Stores	(3,523)
Purchasing	(4,127)
Other Private-Purpose Trust Funds:	
Oakland Redevelopment Successor Agency Trust Fund	(174,394)

The deficit in the Federal/State Grant Fund results from expenditures made in advance of grant reimbursement and will be cured through grant drawdowns in future years. The deficit in the Lease Financing Debt Service Fund and JPFA Fund will be cured from the Landscape and Lighting Assessment District Fund receipts and JPFA Fund receipts in future years. The City's facilities, reproduction, central stores, and purchasing fund deficits are expected to be funded through increased user charges in future years. In addition, the City has allocated one-time funds to address these negative balances at various times over the past several years, which has reduced such balances over time.

At June 30, 2022, ORSA has a negative net position of $174.4 million. Under the former California Redevelopment Law, the Former Agency issued bonds or incurred long-term debt to finance its redevelopment projects by pledging future tax increment revenues. In general, ORSA's revenues can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

E. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes Payable - On July 14, 2022, the City issued $136.8 million tax and revenue anticipation notes in advance of property tax collections. The notes were issued as a taxable series bearing an interest rate of 3.2 percent with a final maturity of June 30, 2023. The notes were issued to finance the prepayment of the City's Employer Unfunded Actuarial Accrued Liability contribution to CalPERS for fiscal year 2022-23. The City received a 3.3 percent prepayment discount from CalPERS for pre-funding.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF OAKLAND

Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
Police and Fire Retirement System
Last Eight Fiscal Years*
(In Thousands)

Fiscal Year	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Measurement period	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Total pension liability								
Service cost	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Interest on the total pension liability	34,680	36,078	37,621	44,320	44,932	42,480	41,263	42,333
Changes of assumptions	—	—	(1,475)	17,858	—	43,480	34,219	—
Differences between expected and actual experience	(7,376)	(5,699)	(7,915)	(10,656)	3,028	6,978	(21,209)	—
Benefit payments, including refunds of employee contributions	(52,697)	(54,619)	(56,212)	(55,999)	(57,376)	(58,441)	(59,008)	(57,409)
Net change in total pension liability	(25,393)	(24,240)	(27,981)	(4,477)	(9,416)	34,497	(4,735)	(15,076)
Total pension liability, beginning	603,971	628,211	656,192	660,669	670,085	635,588	640,323	655,399
Total pension liability, ending	**$ 578,578**	**$ 603,971**	**$ 628,211**	**$ 656,192**	**$ 660,669**	**$ 670,085**	**$ 635,588**	**$ 640,323**
Plan fiduciary net position								
Contributions, employer	$ 43,648	$ 43,409	$ 44,821	$ 44,860	$ —	$ —	$ —	$ —
Contributions, employee	—	—	—	—	—	—	—	4
Net investment income	90,191	6,997	21,558	35,446	50,159	(1,419)	15,439	66,392
Administrative expenses	(1,585)	(1,523)	(1,446)	(1,543)	(1,261)	(1,376)	(985)	(776)
Claims and settlements	1	—	14	9	70	3,593	—	—
Benefit payments, including refunds of employee contributions	(52,697)	(54,619)	(56,212)	(55,999)	(57,376)	(58,441)	(59,008)	(57,409)
Net change in plan fiduciary net position	79,558	(5,736)	8,735	22,773	(8,408)	(57,643)	(44,554)	8,211
Plan fiduciary net position, beginning	378,974	384,710	375,975	353,202	361,610	419,253	463,807	455,596
Plan fiduciary net position, ending	**$ 458,532**	**$ 378,974**	**$ 384,710**	**$ 375,975**	**$ 353,202**	**$ 361,610**	**$ 419,253**	**$ 463,807**
Plan net pension liability	**$ 120,046**	**$ 224,997**	**$ 243,501**	**$ 280,217**	**$ 307,467**	**$ 308,475**	**$ 216,335**	**$ 176,516**
Plan fiduciary net position as a percentage of the total pension liability	**79.3%**	**62.7%**	**61.2%**	**57.3%**	**53.5%**	**54.0%**	**66.0%**	**72.4%**
Covered payroll	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Plan net pension liability as a percentage of covered payroll	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

*Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight years of information is shown.

CITY OF OAKLAND
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
CalPERS Miscellaneous Plan
Last Eight Fiscal Years*
(In Thousands)

Fiscal year	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Measurement period	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Total pension liability								
Service cost	$ 48,369	$ 46,683	$ 45,906	$ 43,908	$ 44,132	$ 37,856	$ 37,347	$ 37,135
Interest on the total pension liability	206,708	200,794	194,753	185,097	181,418	177,626	172,693	166,822
Changes of assumptions	—	—	—	(19,122)	140,332	—	(39,092)	—
Differences between expected and actual experience	(1,485)	637	54,499	(13,207)	(8,109)	(16,210)	(7,769)	—
Benefit payments, including refunds of employee contributions	(167,814)	(160,418)	(153,985)	(144,933)	(138,379)	(132,473)	(126,730)	(121,423)
Net change in total pension liability	85,778	87,696	141,173	51,743	219,394	66,799	36,449	82,534
Total pension liability, beginning	2,952,225	2,864,529	2,723,356	2,671,613	2,452,219	2,385,420	2,348,971	2,266,437
Total pension liability, ending	**$3,038,003**	**$2,952,225**	**$2,864,529**	**$2,723,356**	**$2,671,613**	**$2,452,219**	**$2,385,420**	**$2,348,971**
Plan fiduciary net position								
Contributions, employer (1)	$ 110,035	$ 100,610	$ 78,370	$ 79,536	$ 75,893	$ 65,067	$ 63,531	$ 52,556
Contributions, employee	20,915	20,616	18,861	18,240	17,935	17,291	16,904	17,431
Plan to plan resource movement	—	1	107	548	135	—	24	—
Net investment income	457,176	97,856	123,862	151,049	182,811	8,647	37,833	256,552
Administrative expenses	(2,014)	(2,764)	(1,344)	(2,785)	(2,438)	(1,032)	(1,919)	—
Benefit payments, including refunds of employee contributions	(167,814)	(160,418)	(153,985)	(144,933)	(138,379)	(132,473)	(126,730)	(121,423)
Other miscellaneous income/(expense) (1)	—	—	10,944	(5,289)	—	—	—	—
Net change in plan fiduciary net position	418,298	55,901	76,815	96,366	135,957	(42,500)	(10,357)	205,116
Plan fiduciary net position, beginning	2,016,395	1,960,494	1,883,679	1,787,313	1,651,356	1,693,856	1,704,213	1,499,097
Plan fiduciary net position, ending	**$2,434,693**	**$2,016,395**	**$1,960,494**	**$1,883,679**	**$1,787,313**	**$1,651,356**	**$1,693,856**	**$1,704,213**
Plan net pension liability	**$ 603,310**	**$ 935,830**	**$ 904,035**	**$ 839,677**	**$ 884,300**	**$ 800,863**	**$ 691,564**	**$ 644,758**
Plan fiduciary net position as a percentage of the total pension liability	**80.1%**	**68.3%**	**68.4%**	**69.2%**	**66.9%**	**67.3%**	**71.0%**	**72.6%**
Covered payroll	**$ 259,769**	**$ 246,215**	**$ 235,715**	**$ 226,157**	**$ 220,386**	**$ 206,595**	**$ 200,562**	**$ 188,886**

(In Thousands)

Plan net pension liability as a percentage of covered payroll	**232.2%**	**380.1%**	**383.5%**	**371.3%**	**401.3%**	**387.6%**	**344.8%**	**341.3%**

Note to schedule:

Benefit Changes - The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed material by the Plan actuary.

Changes in assumptions - None in 2019-2021. In 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions as of December 2019. In 2016-17, the accounting discount rate was reduced from 7.65% to 7.15%. In 2015-16, there were no changes. In 2014-15, the amount reported reflects an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2013-14, amounts were based on the 7.5% discount rate.

(1) For measurement period 2018-19, employer contribution reported by CalPERS was $14 million lower than City reported contributions. This was due to a correction made in CalPERS system related to calculation of prior year contributions for PEPRA employees. $10.9 million of the variance was accounted for as “Other Miscellaneous Income” by CalPERS. The remaining variance was posted in CalPERS system in July 2019 and included in next fiscal year. For measurement period 2017-18, as a result of GASB Statement 75, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight years of information is shown.

CITY OF OAKLAND

Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
CalPERS Safety Plan
Last Eight Fiscal Years*
(In Thousands)

Fiscal year	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Measurement period	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Total pension liability								
Service cost	$ 47,253	$ 46,907	$ 44,360	$ 43,936	$ 43,687	$ 36,434	$ 32,899	$ 34,590
Interest on the total pension liability	166,126	159,371	150,669	142,495	136,316	129,920	121,444	115,261
Changes of assumptions	—	—	—	(6,416)	120,639	—	(31,738)	—
Differences between expected and actual experience	(1,967)	28,634	24,421	3,126	1,595	32,162	4,892	—
Benefit payments, including refunds of employee contributions	(113,403)	(106,609)	(99,846)	(93,628)	(87,231)	(80,752)	(74,198)	(68,751)
Net change in total pension liability	98,009	128,303	119,604	89,513	215,006	117,764	53,299	81,100
Total pension liability, beginning	2,358,488	2,230,185	2,110,581	2,021,068	1,806,062	1,688,298	1,634,999	1,553,899
Total pension liability, ending	**$2,456,497**	**$2,358,488**	**$2,230,185**	**$2,110,581**	**$2,021,068**	**$1,806,062**	**$1,688,298**	**$1,634,999**
Plan fiduciary net position								
Contributions, employer [1]	$ 79,501	$ 72,015	$ 63,292	$ 55,633	$ 57,731	$ 47,172	$ 44,366	$ 37,007
Contributions, employee	21,164	20,559	20,070	19,188	18,432	16,221	15,027	14,598
Plan to plan resource movement	—	(1)	(107)	(555)	(92)	—	(24)	—
Net investment income	341,107	71,970	90,217	108,790	129,995	6,311	26,057	175,344
Administrative expenses	(1,497)	(2,034)	(978)	(2,004)	(1,726)	(719)	(1,337)	—
Benefit payments, including refunds of employee contributions	(113,403)	(106,609)	(99,846)	(93,628)	(87,232)	(80,752)	(74,198)	(68,751)
Other miscellaneous income/(expense) [1]	—	—	19	(3,806)	—	—	—	—
Net change in plan fiduciary net position	326,872	55,900	72,667	83,618	117,108	(11,767)	9,891	158,198
Plan fiduciary net position, beginning	1,498,354	1,442,454	1,369,787	1,286,169	1,169,061	1,180,828	1,170,937	1,012,739
Plan fiduciary net position, ending	**$1,825,226**	**$1,498,354**	**$1,442,454**	**$1,369,787**	**$1,286,169**	**$1,169,061**	**$1,180,828**	**$1,170,937**
Plan net pension liability	**$ 631,271**	**$ 860,134**	**$ 787,731**	**$ 740,794**	**$ 734,899**	**$ 637,001**	**$ 507,470**	**$ 464,062**
Plan fiduciary net position as a percentage of the total pension liability	**74.3%**	**63.5%**	**64.7%**	**64.9%**	**63.6%**	**64.7%**	**69.9%**	**71.6%**
Covered payroll	**$ 170,158**	**$ 167,049**	**$ 156,372**	**$ 153,500**	**$ 148,995**	**$ 136,073**	**$ 119,980**	**$ 120,396**

(In Thousands)

Plan net pension liability as a percentage of covered payroll	**371.0%**	**514.9%**	**503.8%**	**482.6%**	**493.2%**	**468.1%**	**423.0%**	**385.4%**

Note to schedule:

Benefit Changes - The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed material by the Plan actuary.

Changes in assumptions - None in 2019-2021. In 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions as of December 2019. In 2016-17, the accounting discount rate was reduced from 7.65% to 7.15%. In 2015-16, there were no changes. In 2014-15, the amount reported reflects an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2013-14, amounts were based on the 7.5% discount rate.

(1) For measurement period 2018-19, employer contribution reported by CalPERS was $6.2 million lower than City reported contributions. This was due to a correction made in CalPERS system related to calculation of prior year contributions for PEPRA employees. $18,886 of the variance was accounted for as “Other Miscellaneous Income” by CalPERS. The remaining variance was posted in CalPERS system in July 2019 and included in next fiscal year. For measurement period 2017-18, as a result of GASB Statement 75, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight years of information is shown.

Schedule of Employer Pension Contributions – Police and Fire Retirement System
Last Nine Fiscal Years*
(In Thousands)

Oakland Police and Fire Retirement System

Fiscal year ended June 30	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions (ADC)	$43,820	$43,648	$43,409	$44,821	$44,860	$ —	$ —	$ —	$ 20,300
Contributions in relation to the ADC	(43,820)	(43,648)	(43,409)	(44,821)	(44,860)	—	—	—	—
Contribution deficiency (excess)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 20,300**
Covered payroll	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Contributions as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

*Although actuarial valuations were performed as of June 30, 2014, 2015, and 2016, no ADC was determined for FY 2015, 2016, and 2017 based on the City's funding policy.

(In Thousands)

The actuarial methods and assumptions used to set the actuarially determined contributions were as follows:

Actuarial valuation	July 1, 2021	July 1, 2019	July 1, 2017
Actuarial cost method	Entry-Age Normal Cost	Entry-Age Normal Cost	Entry-Age Normal Cost
Asset valuation method	Recognizes 20% difference between market value and expected actuarial value each year, with a corridor of 10% around market value	Recognizes 20% difference between market value and expected actuarial value each year, with a corridor of 10% around market value.	Recognized 20% difference between market value and expected actuarial value each year, with a corridor of 10% around market value.
Amortization method	Level dollar closed (5 years remaining as of 7/1/2021)	Level dollar closed (7 years remaining as of 7/1/2019)	Level dollar closed (9 years remaining as of 7/1/2017)
Inflation	2.75% (U.S) to 2.85% (Bay Area)	2.75% (U.S) to 2.85% (Bay Area)	2.75% (U.S) to 2.85% (Bay Area)
Discount rate	5.29%	5.37%	5.50%
Projected benefit increases:	Following expiration of current MOUs (6/30/21 for Police and Fire):	Following expiration of current MOUs (6/30/19 for Police, 10/31/17 for Fire):	Following expiration of current MOUs (6/30/19 for Police, 10/31/17 for Fire):
Police	3.00% at July 1, 2021, 3.50% at July 1, 2022 and July 1, 2023, then 3.25% (2.85% inflation plus 0.40% productivity increase) per year starting July 1, 2024	2.50% increase at January 1, 2019 and July 1, 2020, 3.00% at July 1, 2021, 3.50% at July 1, 2022 and July 1, 2023, then 3.25% (2.85% inflation plus 0.40% productivity increase) per year	2.50 and 1.00% increase at January 1, 2018, 2.00% on July 1, 2018 and 2.50% at January 1, 2019, then 3.25% per year
Fire	1.50% at July 1, 2021, 2.00% at January 1, 2022, 1.00% at July 1, 2022, 2% at December 1, 2023, then 3.25% (2.85% inflation plus 0.40% productivity increase) per year starting July 1, 2024	1% at November 1, 2018 and January 1, 2019, 2% at November 1, 2019, 3.25% (2.85% inflation plus 0.40% productivity increase) annual increase starting July 1, 2020	3.25% (2.85% inflation plus 0.40% productivity increase) per year
Mortality (healthy)	CalPERS Healthy Annuitant Table (from 2012-2015 Experience Study), excluding the 15-year projection using 90% of Scale MP-2016, projected to improve with MP-2017 using 2014 base year	CalPERS Healthy Annuitant Table (from 2012-2015 Experience Study), projected to improve with MP-2017 using 2014 base year	CalPERS Healthy Annuitant Table (from 2012-2015 Experience Study), projected to improve with MP-2017 using 2014 base year
Mortality (disabled)	CalPERS Industrial Disability Mortality Table (from 2012-2015 Experience Study), excluding the 15-year projection using 90% of Scale MP-2016, projected to improve with MP-2017 using 2014 base year	CalPERS Industrial Disability Mortality Table (from 2012-2015 Experience Study), projected to improve with MP-2017 using 2014 base year	CalPERS Industrial Disability Mortality Table (from 2012-2015 Experience Study), projected to improve with MP-2017 using 2014 base year

*Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only nine years of information is shown.

CITY OF OAKLAND
Required Supplementary Information (Unaudited)
Schedule of Employer Pension Contributions – CalPERS Plans
Last Nine Fiscal Years*
(In Thousands)

Miscellaneous Plan - City

Fiscal year ended June 30	2022	2021	2020	2019***	2018	2017**	2016**	2015**	2014
Actuarially determined contribution (ADC)	$95,859	$84,248	$76,021	$56,538	$60,283	$56,987	$47,934	$44,733	$52,556
Contributions in relation to the ADC	(95,859)	(84,248)	(76,021)	(56,538)	(60,283)	(56,987)	(49,078)	(48,796)	(52,556)
Contribution deficiency (excess)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$(1,144)**	**$(4,063)**	**$ —**
Covered payroll	$207,779	$201,273	$184,842	$177,611	$171,344	$166,272	$153,195	$150,469	$188,886
Contributions as a percentage of covered payroll	46.1 %	41.9 %	41.1 %	31.8 %	35.2 %	34.3 %	31.3 %	29.7 %	27.8 %

Safety Plan

Fiscal year ended June 30	2022	2021	2020	2019****	2018	2017**	2016**	2015**	2014
Actuarially determined contribution (ADC)	$89,065	$79,501	$72,016	$63,292	$55,633	$57,731	$46,611	$43,747	$37,007
Contributions in relation to the ADC	(89,065)	(79,501)	(72,016)	(63,292)	(55,633)	(57,731)	(47,173)	(44,366)	(37,007)
Contribution deficiency (excess)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ (562)**	**$ (619)**	**$ —**
Covered payroll	$164,863	$170,158	$167,049	$156,372	$153,500	$148,995	$136,073	$119,980	$120,396
Contributions as a percentage of covered payroll	54.0 %	46.7 %	43.1 %	40.5 %	36.2 %	38.7 %	34.7 %	37.0 %	30.7 %

Miscellaneous Plan - Port

Fiscal year ended June 30	2022	2021	2020	2019***	2018	2017**	2016**	2015**	2014
Actuarially determined contribution (ADC)	$27,389	$25,787	$24,588	$21,832	$19,253	$18,906	$15,989	$14,735	n/a
Contributions in relation to the ADC	(27,389)	(25,787)	(24,588)	(21,832)	(19,253)	(18,906)	(15,989)	(14,735)	n/a
Contribution deficiency (excess)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**n/a**
Covered payroll	$59,357	$58,496	$61,374	$58,104	$54,813	$54,114	$53,400	$50,093	n/a
Contributions as a percentage of covered payroll	46.1 %	44.1 %	40.1 %	37.6 %	35.1 %	34.9 %	29.9 %	29.4 %	n/a

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only nine years of information is shown.

** In prior fiscal years, the contributions in relation to the actuarially determined contributions were based on estimates. The City adjusted the amounts to align the estimated employer contributions with the actual employer contributions per the 2018 agent-multiple employer CalPERS report for the CalPERS Miscellaneous Plan and the Safety Plan.

*** For measurement period 2018-19, employer contribution reported by CalPERS was $14 million lower than City reported contributions. This was due to a correction made in CalPERS system related to calculation of prior year contributions for PEPRA employees. $10.9 million of the variance was accounted for as "Other Miscellaneous Income" by CalPERS. The remaining variance was posted in CalPERS system in July 2019 and included in next fiscal year.

**** For measurement period 2018-19, employer contribution reported by CalPERS was $6.2 million lower than City reported contributions. This was due to a correction made in CalPERS system related to calculation of prior year contributions for PEPRA employees. $18,886 of the variance was accounted for as "Other Miscellaneous Income" by CalPERS. The remaining variance was posted in CalPERS system in July 2019 and included in next fiscal year.

(In Thousands)

Methods and assumptions used to determine the last nine years contribution rates to CalPERS plans

ADC for fiscal year	June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014
Actuarial valuation date	June 30, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	In fiscal year 2022, 2021, 2020, 2019, 2018 and 2017, the fair value of assets was used. In fiscal year 2016, 2015 and 2014, the actuarial value of assets was used.
Inflation	In fiscal years 2022, 2021 and 2020. 2.80%, 2.50% and 2.625% compounded annually respectively. In fiscal years 2015-2019, 2.75% compounded annually.
Salary increases	Varies by entry age and services
Payroll growth	In fiscal year 2022, 2021 and 2020, 2.80%, 2.75% and 2.875% compounded annually respectively. In fiscal years 2015 - 2019, 3.0% compounded annually.
Investment rate of return	In fiscal year 2021, 7.0%. net of administrative expenses, including inflation. In fiscal year 2020, 7.375%, net of administrative expenses, including inflation. In fiscal year 2019, 7.35%, net of administrative expenses, including inflation. In fiscal year 2018 through 2015, 7.50%, net of administrative expenses, including inflation.
Retirement age	In fiscal years 2022, 2021 and 2020, the probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. In fiscal year 2016 and 2015, the probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007. In fiscal year 2017 through 2019, the probabilities of retirement are based on the 2014 CalPERS Experience Study for the period 1997 to 2011.
Mortality	In fiscal years 2022, 2021 and 2020, post-retirement mortality rates included 15 years of projected ongoing mortality improvement 90% of Scale MP-2016 published by the Society of Actuaries. In fiscal year 2017 through 2019, mortality rates are based on the 2014 CalPERS Experience Study for the period 1997 to 2011.In fiscal year 2016 and 2015, mortality rates are based on the 2010 CalPERS Experience Study for the period 1997 to 2007.

CITY OF OAKLAND
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios - City Retiree Health Plan
Last Four Fiscal Years*
(In Thousands)

Fiscal Year	2022	2021	2020	2019	2018*
Measurement period	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 37,664	$ 24,307	$ 37,585	$ 38,477	$ 50,972
Interest (includes interest on service cost)	18,927	27,522	32,591	30,078	32,415
Changes of assumptions	(197,600)	222,308	(139,063)	(38,298)	(294,914)
Changes of benefits	(36,950)	—	(147,572)	—	—
Differences between expected and actual experience	(10,132)	—	14,923	—	(10,799)
Benefit payments	(29,517)	(28,917)	(29,130)	(27,481)	(20,424)
Net change in total OPEB liability	**(217,608)**	**245,220**	**(230,666)**	**2,776**	**(242,750)**
Total OPEB liability, beginning	871,126	625,906	856,572	853,796	1,096,546
Total OPEB liability, ending	**$ 653,518**	**$ 871,126**	**$ 625,906**	**$ 856,572**	**$ 853,796**
Plan fiduciary net position					
Contributions, employer	$ 29,517	$ 28,917	$ 39,130	$ 38,147	$ 20,424
Net investment income	7,775	967	1,420	945	414
Administrative expenses	(16)	(14)	(12)	(7)	(2)
Benefit payments	(29,517)	(28,917)	(29,130)	(27,481)	(20,424)
Net change in plan fiduciary net position	**7,759**	**953**	**11,408**	**11,604**	**412**
Plan fiduciary net position, beginning	28,290	27,337	15,929	4,325	3,913
Plan fiduciary net position, ending	**$ 36,049**	**$ 28,290**	**$ 27,337**	**$ 15,929**	**$ 4,325**
Plan net OPEB liability	**$ 617,469**	**$ 842,836**	**$ 598,569**	**$ 840,643**	**$ 849,471**
Plan fiduciary net position as a percentage of the total OPEB liability	5.5 %	3.2 %	4.4 %	1.9 %	0.5 %
Covered payroll	$ 384,527	$ 383,674	$ 373,405	$ 369,316	$ 360,309
Plan net OPEB liability as a percentage of covered payroll	160.6 %	219.7 %	160.3 %	227.6 %	235.8 %

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only five years of information is shown.

CITY OF OAKLAND
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios - Port Retiree Health Plan
Last Five Fiscal Years*
(In Thousands)

Fiscal Year	**2022**	**2021**	**2020**	**2019**	**2018**
Measurement period	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 4,636	$ 4,416	$ 4,621	$ 4,329	$ 4,055
Interest (includes interest on service cost)	12,158	11,793	11,995	11,521	11,089
Changes of assumptions	(724)	(896)	(6,179)	—	—
Differences between expected and actual experience	(10,433)	—	(3,665)	—	—
Benefit payments	(10,313)	(9,941)	(9,193)	(9,045)	(9,000)
Net change in total OPEB liability	**(4,676)**	**5,372**	**(2,421)**	**6,805**	**6,144**
Total OPEB liability, beginning	180,554	175,182	177,603	170,798	164,654
Total OPEB liability, ending	**$ 175,878**	**$ 180,554**	**$ 175,182**	**$ 177,603**	**$ 170,798**
Plan fiduciary net position					
Contributions, employer	$ 14,513	$ 14,141	$ 14,693	$ 14,545	$ 15,400
Net investment income	26,194	3,143	4,821	5,351	5,773
Administrative expenses	(54)	(44)	(38)	(35)	(22)
Benefit payments	(10,313)	(9,941)	(9,193)	(9,045)	(9,000)
Net change in plan fiduciary net position	30,340	7,299	10,283	10,816	12,151
Plan fiduciary net position, beginning	95,319	88,020	77,737	66,921	54,770
Plan fiduciary net position, ending	**$ 125,659**	**$ 95,319**	**$ 88,020**	**$ 77,737**	**$ 66,921**
Plan net OPEB liability	**$ 50,219**	**$ 85,235**	**$ 87,162**	**$ 99,866**	**$ 103,877**
Plan fiduciary net position as a percentage of the total OPEB liability	71.4 %	52.8 %	50.2 %	43.8 %	39.2 %
Covered payroll (1)	$ 61,112	$ 66,473	$ 63,359	$ 61,326	$ 58,516
Plan net OPEB liability as a percentage of covered payroll	82.2 %	128.2 %	137.6 %	162.8 %	177.5 %

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only five years of information is shown.

(1) The Port's OPEB plan is administered through the California Employer's Retiree Benefit Trust. Contributions are not based on a measure of pay, therefore, covered payroll (the payroll of employees that are provided with OPEB through the OPEB plan) is used as the measure of payroll.

CITY OF OAKLAND
Required Supplementary Information (Unaudited)
Schedule of Employer OPEB Contributions - City Retiree Health Plan
Last Five Fiscal Years
(In Thousands)

Fiscal year ended June 30	2022	2021	2020	2019	2018*
Actuarially determined contribution (ADC)	$ 54,293	$ 52,755	$ 50,660	$ 75,069	$ 72,480
Contributions in relation to the ADC	(43,003)	(29,517)	(28,917)	(39,130)	(37,225)
Contribution deficiency	**$ 11,290**	**$ 23,238**	**$ 21,743**	**$ 35,939**	**$ 35,255**
Covered payroll	$ 395,101	$ 384,527	$ 383,674	$ 373,405	$ 369,316
Contributions as a percentage of covered payroll	10.88 %	7.68 %	7.74 %	10.60 %	10.33 %

The actuarial methods and assumptions used to set the actuarially determined contributions were as follows:

Actuarial valuation date	July 1, 2021	July 1, 2019	July 1, 2017
Actuarial cost method	Entry-Age Normal Cost	Entry-Age Normal Cost	Entry-Age Normal Cost
Asset valuation method	Market value	Market value	Market value
Amortization method	Level percentage of pay, closed period as of FY 2020	Level percentage of pay, closed period as of FY 2020	Level percentage of pay, open period, 30 years
Inflation	2.30%	2.50%	2.50%
Discount rate	3.74%	4.50%	3.58%
Investment Rate of Return	7.59%	7.59%	7.28%
Rate of salary increase	2.75%	2.75%	2.50%
Ultimate rate of medical inflation	3.83%	3.50%	3.50%
Years to ultimate rate of medical inflation	54 years	20 years	20 years
Rates of mortality	Based on the 2021 CalPERS Experience Study from 2000 to 2019	Based on the 2017 CalPERS Experience Study from 1997 to 2015	Based on the 2017 CalPERS Experience Study from 1997 to 2015
Postretirement benefit increase	Police - 2.5% increase at July 1, 2020, 3% increase at July 1, 2021, 3.5 % increase at July 1, 2022 and 2023, and 3.25% increase starting at July 1, 2024 Fire - 4.5% increase for fire engineers and 2.5% increase for all other fire at January 1, 2021, 1.5% increase at July 1, 2021, 2% increase at January 1, 2022, 1% increase at July 1, 2022, 2% increase at December 1, 2023, and 3.25% increase starting at July 1, 2024	Police - 2.5% and 1% increases at January 1, 2018; 2% on July 1, 2018; 2.5% at January 1, 2019; then 3.25% Fire - 3.25%	Police - 2.5% and 1% increases at January 1, 2018; 2% on July 1, 2018; 2.5% at January 1, 2019; then 3.25% Fire - 3.25%

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only five years of information is shown.

CITY OF OAKLAND
Required Supplementary Information (Unaudited)
Schedule of Employer OPEB Contributions -
Port Retiree Health Plan
Last Five Fiscal Years
(In Thousands)

Fiscal year ended June 30	**2022**	**2021**	**2020**	**2019**	**2018 ***
Actuarially determined contribution (ADC)	$ 8,815	$ 12,350	$ 12,149	$ 13,310	$ 13,203
Contributions in relation to the ADC	(10,148)	(14,418)	(14,145)	(14,894)	(14,732)
Contribution deficiency (excess)	**$ (1,333)**	**$ (2,068)**	**$ (1,996)**	**$ (1,584)**	**$ (1,529)**
Covered payroll (1)	$ 61,097	$ 61,112	$ 66,473	$ 63,359	$ 61,326
Contributions as a percentage of covered payroll	16.6 %	23.6 %	21.3 %	23.5 %	24.0 %

The actuarial methods and assumptions used to set the actuarially determined contributions were as follows:

ADC for fiscal year	June 30, 2022, 2021, 2020, 2019, 2018
Actuarial valuation date	June 30, 2021, 2019 and 2017
Actuarial cost method	Entry-Age Normal
Asset valuation method	Market Value of Assets
Amortization method/period	30-year level dollar amount on a "closed" basis
Inflation	2.75%
Payroll growth	CalPERS salary scale for Miscellaneous employees hired at age 30
Investment rate of return	6.75% net of investment expense
Healthcare Cost Trend Rates	For fiscal year 2022, 5.5% increase for medial, decreasing to 4.25% in 2072 and later years, 5.0% increase for vision and dental, decreasing to 3.0% in 2023 and later years and 8.5% increase for Medicare Part B, decreasing to 4.25% in 2050 and later years. For fiscal years 2021 and 2020, 3.25%-6.00% per year increase for medical, 3.0% per year increase for vision and dental, and 4.25%-6.00% per year increase for Medicare Part B. For fiscal years 2019 and 2018, 3.50-6.25% per year increase for medical, 4.0% per year increase for vision and dental, and 0.0%-5.5% per year increase for Medicare Part B.
Retirement Age and Mortality	For fiscal years 2022, 2021 and 2020, based upon the CalPERs 2014 valuation experience study. CalPERs mortality rates include 15 years of projected on-going improvement using 90 percent of Scale MP-2016. For fiscal years 2019 and 2018, based upon the CalPERs valuation experience study. CalPERs mortality rates include 15 years of projected on-going improvement using 90 percent of Scale MP- 2016.

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only five years of information is shown.

(1) The Port's OPEB plan is administered through the California Employer's Retiree Benefit Trust. Contributions are not based on a measure of pay, therefore, covered payroll (the payroll of employees that are provided with OPEB through the OPEB plan) is used as the measure of payroll.

CITY OF OAKLAND
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2022
(In Thousands)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 375,994	$ 375,994	$ 410,089	$ 34,095
Sales and use	58,971	58,971	64,166	5,195
Motor vehicle in-lieu	—	—	503	503
Local taxes:				
Business license	97,752	97,752	101,290	3,538
Utility consumption	49,138	49,138	57,930	8,792
Real estate transfer	96,426	96,426	138,396	41,970
Transient occupancy	16,733	16,733	16,662	(71)
Parking	7,841	7,841	9,539	1,698
Voter-approved special tax	8,989	8,989	7,575	(1,414)
Franchise	20,707	20,707	20,008	(699)
License and permits	4,050	4,050	1,413	(2,637)
Fines and penalties	15,461	15,461	19,741	4,280
Interest and investment income (loss)	516	516	(16,531)	(17,047)
Charges for services	85,721	85,852	84,948	(904)
Federal and state grants and subventions	1,369	2,750	3,189	439
Annuity income	4,893	4,893	4,657	(236)
Other	1,843	2,381	2,663	282
TOTAL REVENUES	846,404	848,454	926,238	77,784
EXPENDITURES				
Current:				
General government	180,478	180,331	152,326	28,005
Public safety	497,891	513,848	402,364	111,484
Community and human services	70,438	82,300	64,812	17,488
Community and economic development	33,892	65,448	18,494	46,954
Public works and transportation	49,448	54,000	48,229	5,771
Capital outlay	21	10,421	3,072	7,349
Debt service:				
Principal repayment	477	477	537	(60)
Bond issuance cost	—	—	140	(140)
Interest charges	12	12	680	(668)
TOTAL EXPENDITURES	832,657	906,837	690,654	216,183
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,747	(58,383)	235,584	293,967
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	800	800	1	(799)
Transfers in	203,737	203,737	22,160	(181,577)
Transfers out	(275,577)	(275,530)	(108,158)	167,372
TOTAL OTHER FINANCING SOURCES (USES)	(71,040)	(70,993)	(85,997)	(15,004)
NET CHANGE IN FUND BALANCE	(57,293)	(129,376)	149,587	278,963
Fund balance - beginning	463,683	463,683	463,683	—
FUND BALANCE - ENDING	$ 406,390	$ 334,307	$ 613,270	$ 278,963

See notes to the required supplementary information.

CITY OF OAKLAND
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Other Special Revenue Fund
Year Ended June 30, 2022
(In Thousands)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 19,003	$ 19,003	$ 19,027	$ 24
Local taxes:				
Transient occupancy	4,564	4,564	4,548	(16)
Parking	7,433	7,433	8,645	1,212
Voter-approved special tax	70,150	70,150	69,490	(660)
Licenses and permits	14,464	14,464	31,385	16,921
Fines and penalties	618	618	863	245
Interest and investment income (loss)	10	10	(2,504)	(2,514)
Charges for services	52,147	52,247	42,771	(9,476)
Federal and state grants and subventions	536	585	247	(338)
Other	348	348	1,254	906
TOTAL REVENUES	169,273	169,422	175,726	6,304
EXPENDITURES				
Current:				
General government	23,556	25,681	19,497	6,184
Public safety	32,337	32,821	25,022	7,799
Community and human services	67,983	86,001	60,514	25,487
Community and economic development	47,882	90,688	48,908	41,780
Public works and transportation	41,062	55,054	26,812	28,242
Capital outlay	(589)	15,025	4,928	10,097
TOTAL EXPENDITURES	212,231	305,270	185,681	119,589
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(42,958)	(135,848)	(9,955)	125,893
OTHER FINANCING SOURCES (USES)				
Insurance claims and settlements	—	—	4,797	4,797
Transfers in	18,415	18,835	18,385	(450)
Transfers out	(9,779)	(9,827)	(9,066)	761
SOURCES (USES)	8,636	9,008	14,116	5,108
NET CHANGE IN FUND BALANCE	(34,322)	(126,840)	4,161	131,001
Fund balance - beginning	205,311	205,311	205,311	—
FUND BALANCE - ENDING	$ 170,989	$ 78,471	$ 209,472	$ 131,001

See notes to the required supplementary information.

(1) BUDGETARY DATA

In accordance with the provisions of the City Charter, the City prepares and adopts a budget on or before June 30 for each fiscal year. The City Charter prohibits expending funds for which there is no legal appropriation. Therefore, the City is required to adopt budgets for all City funds.

Prior to July 1, the original adopted budget is finalized through the passage of a resolution by the City Council. The level of legal budgetary control by the City Council is established at the fund level. For management purposes, the budget is controlled at the departmental level of expenditure within funds.

In June 2021, the City Council approved the City's two-year budget for fiscal years 2021 and 2022. Although appropriations are adopted for a 24-month period, they are divided into two one-year spending plans. The final budgetary data presented in the required supplementary information reflects approved changes to the original 2021-2023 budget. Certain projects are appropriated on a multi-year rather than annual basis. If such projects or programs are not completed at the end of the fiscal year, unexpended appropriations may be carried forward to the following year with the approval of the City Administrator pursuant to the City's Consolidated Fiscal Policy.

Transfers of appropriations between funds and supplemental appropriations financed by unanticipated revenues must be approved by the City Council. Transfers of appropriations between projects within the same fund must be approved by the City Administrator. Final budget amounts reported in the required supplementary information reflect both the appropriation changes approved by the City Council and the transfers approved by the City Administrator.

Budgetary Basis of Accounting

The City adopts budgets each fiscal year on a basis of accounting which is substantially the same as accounting principles generally accepted in the United States of America (GAAP) except for certain investment earnings.

Certain funds of the City contain capital projects, grant projects, loan programs or other programs that are budgeted on a multi-year basis. The amounts of the projects and programs budgeted on a multiyear basis are significant compared to the items budgeted on an annual basis; therefore, a comparison of budget to actual for the fund would not be meaningful. As a result, such funds that are excluded from budgetary reporting are:

- Federal/State Grant Fund
- Low and Moderate Income Housing Asset Fund
- Municipal Capital Improvement Fund

While the City adopts budgets for all funds, the budgets to actual comparisons for proprietary and fiduciary funds are not presented because some projects and programs are adopted on a multi-year basis.

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

The governmental fund financial statements have been prepared on the modified accrual basis of accounting in accordance with GAAP. The "Budgetary Comparison Schedule – General Fund" has been prepared on a budgetary basis, which is different from GAAP.

The budgetary process is based upon accounting for certain transactions on a basis other than GAAP. The results of operations are presented in the budget to actual comparison schedule in accordance with the budgetary process (Budgetary Basis) to provide a meaningful comparison with the budget.

The main difference between actual amounts on a budgetary basis and a GAAP basis is due to timing.

In October 2001, the City entered into a debt service deposit agreement with a third party whereby the City received approximately $9.6 million in exchange for forgoing its right to receive investment earnings on the amounts deposited with the trustee in advance of the date that the related debt was due to the bondholders. The compensation to the City was recorded as revenue in fiscal year 2002 when received on a budgetary basis. On a GAAP basis, the revenue was deferred and is being recognized over the 21-year life of the agreement. Amortization for the year ended June 30, 2022, was $0.4 million.

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

	General Fund
Net change in fund balance - GAAP basis	$ 149,945
Amortization of debt service deposit agreement	(358)
Net change in fund balance - Budgetary basis	$ 149,587

The general fund's fund balance on a GAAP Basis is reconciled to a Budgetary Basis as of June 30, 2022, which is as follows (in thousands):

	General Fund
Fund balance - GAAP basis	$ 613,911
Unamortized debt service deposit agreement	641
Fund balance - Budgetary basis	$ 613,270

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COMBINING FINANCIAL STATEMENTS AND SCHEDULES

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CITY OF OAKLAND
Combining Balance Sheet
Other Governmental Funds - Special Revenue and Debt Service Funds
June 30, 2022
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Total
ASSETS			
Cash and investments	$ 54,587	$ 22,294	$ 76,881
Receivable, net:			
Accrued interest	81	32	113
Property taxes	1,935	892	2,827
Accounts receivable	11,097	—	11,097
Grants receivable	221	—	221
Restricted cash and investments	—	17,172	17,172
Other assets	49	—	49
TOTAL ASSETS	$ 67,970	$ 40,390	$ 108,360
LIABILITIES			
Accounts payable and accrued liabilities	$ 2,623	$ 6	$ 2,629
Due to other funds	—	1,420	1,420
Other	3,273	—	3,273
TOTAL LIABILITIES	5,896	1,426	7,322
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,794	303	2,097
FUND BALANCES			
Nonspendable	49	—	49
Restricted	52,290	39,851	92,141
Committed	1,675	—	1,675
Assigned	6,266	—	6,266
Unassigned	—	(1,190)	(1,190)
TOTAL FUND BALANCES	60,280	38,661	98,941
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 67,970	$ 40,390	$ 108,360

CITY OF OAKLAND

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds – Special Revenue and Debt Service Funds
Year Ended June 30, 2022
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Total
REVENUES			
Taxes:			
Property	$ 241	$ 38,697	$ 38,938
Sales and use	35,089	—	35,089
Gas	18,842	—	18,842
Voter-approved special tax	19,379	—	19,379
Licenses and permits	139	—	139
Fines and penalities	797	131	928
Interest and investment income (loss)	(578)	(224)	(802)
Charges for services	113	—	113
Federal and state grants and subventions	1,372	159	1,531
Other	2,153	516	2,669
TOTAL REVENUES	77,547	39,279	116,826
EXPENDITURES			
Current:			
General government	2,405	106	2,511
Public safety	80	—	80
Community and human services	6,266	—	6,266
Community and economic development	188	—	188
Public works and transportation	46,775	—	46,775
Capital outlay	1,811	—	1,811
Debt service:			
Principal repayment	—	56,667	56,667
Bond issuance cost	—	974	974
Interest charges	—	62,616	62,616
TOTAL EXPENDITURES	57,525	120,363	177,888
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20,022	(81,084)	(61,062)
OTHER FINANCING SOURCES (USES)			
Premiums on issuance of bonds	—	17,363	17,363
Transfers in	(1,115)	79,447	78,332
Transfers out	(3,215)	(104)	(3,319)
TOTAL OTHER FINANCING SOURCES (USES)	(4,330)	96,706	92,376
NET CHANGE IN FUND BALANCES	15,692	15,622	31,314
Fund balances - beginning	44,588	23,039	67,627
FUND BALANCES - ENDING	$ 60,280	$ 38,661	$ 98,941

OTHER GOVERNMENTAL FUNDS-
SPECIAL REVENUE FUNDS

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

Traffic Safety and Control Fund accounts for monies received from sales and use taxes and grants which are expended or disbursed for purposes immediately connected with traffic safety and control.

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

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

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

Parks, Recreation, Cultural, and Police Fund accounts for monies held for the general betterment and beautification of City parks, recreation centers, the Oakland Public Museum, and the Oakland Public Library, as well as assets of the Police Department committed for specified purposes.

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CITY OF OAKLAND
Combining Balance Sheet
Other Governmental Funds – Special Revenue Funds
June 30, 2022
(In Thousands)

	Traffic Safety & Control	State Gas Tax	Landscape and Lighting Assessment District	Assessment Districts	Parks, Recreation, Cultural, and Police	Total
ASSETS						
Cash and investments	$ 33,880	$ 7,082	$ 1,630	$ 2,632	$ 9,363	$ 54,587
Receivable, net:						
Accrued interest	53	11	—	2	15	81
Property taxes	—	—	1,601	40	294	1,935
Accounts receivable	9,204	1,577	289	21	6	11,097
Grants receivable	221	—	—	—	—	221
Other assets	47	2	—	—	—	49
TOTAL ASSETS	$ 43,405	$ 8,672	$ 3,520	$ 2,695	$ 9,678	$ 67,970
LIABILITIES						
Accounts payable and accrued liabilities	$ 1,521	$ 685	$ 244	$ 52	$ 121	$ 2,623
Other	—	—	—	49	3,224	3,273
TOTAL LIABILITIES	1,521	685	244	101	3,345	5,896
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	87	—	1,409	39	259	1,794
FUND BALANCES						
Nonspendable	47	2	—	—	—	49
Restricted	41,750	7,985	—	2,555	—	52,290
Committed	—	—	—	—	1,675	1,675
Assigned	—	—	1,867	—	4,399	6,266
TOTAL FUND BALANCES	41,797	7,987	1,867	2,555	6,074	60,280
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 43,405	$ 8,672	$ 3,520	$ 2,695	$ 9,678	$ 67,970

CITY OF OAKLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds – Special Revenue Funds
Year Ended June 30, 2022
(In Thousands)

	Traffic Safety & Control	State Gas Tax	Landscape and Lighting Assessment District	Assessment Districts	Parks, Recreation, Cultural, and Police	Total
REVENUES						
Taxes:						
Property tax	$ —	$ —	$ —	$ 241	$ —	$ 241
Sales and use	35,089	—	—	—	—	35,089
Gas	—	18,842	—	—	—	18,842
Voter-approved special tax	—	—	19,321	58	—	19,379
Licenses and permits	—	—	139	—	—	139
Fines and penalties	797	—	—	—	—	797
Interest and investment income (loss)	(371)	(79)	1	(29)	(100)	(578)
Charges for services	113	—	—	—	—	113
Federal and state grants and subventions	1,239	—	(159)	—	292	1,372
Other	1,769	—	4	112	268	2,153
TOTAL REVENUES	38,636	18,763	19,306	382	460	77,547
EXPENDITURES						
Current:						
General government	2,146	157	16	—	86	2,405
Public safety	34	—	—	—	46	80
Community and human services	2,412	—	3,675	—	179	6,266
Community and economic development	—	63	—	31	94	188
Public works and transportation	20,529	14,953	10,752	525	16	46,775
Capital outlay	1,587	193	30	—	1	1,811
TOTAL EXPENDITURES	26,708	15,366	14,473	556	422	57,525
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,928	3,397	4,833	(174)	38	20,022
OTHER FINANCING SOURCES (USES)						
Transfers in	98	—	(1,213)	—	—	(1,115)
Transfers out	—	—	(3,215)	—	—	(3,215)
TOTAL OTHER FINANCING SOURCES (USES)	98	—	(4,428)	—	—	(4,330)
NET CHANGE IN FUND BALANCES	12,026	3,397	405	(174)	38	15,692
Fund balances - beginning	29,771	4,590	1,462	2,729	6,036	44,588
FUND BALANCES - ENDING	$ 41,797	$ 7,987	$ 1,867	$ 2,555	$ 6,074	$ 60,280

CITY OF OAKLAND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Other Governmental Funds – Special Revenue Funds
Year Ended June 30, 2022
(In Thousands)

	Traffic Safety & Control				State Gas Tax			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES								
Sales and use tax	$ 28,377	$ 28,377	$ 35,089	$ 6,712	$ —	$ —	$ —	$ —
Gas tax	—	—	—	—	18,650	18,650	18,842	192
Fines and penalties	770	770	797	27	—	—	—	—
Interest and investment income (loss)	—	—	(371)	(371)	—	—	(79)	(79)
Charges for services	115	115	113	(2)	7	7	—	(7)
Federal and state grants and subventions	1,813	16,206	1,239	(14,967)	138	138	—	(138)
Other	—	—	1,769	1,769	2	2	—	(2)
TOTAL REVENUES	31,075	45,468	38,636	(6,832)	18,797	18,797	18,763	(34)
EXPENDITURES								
Current:								
General government	2,595	9,706	2,146	7,560	222	1,051	157	894
Public safety	35	35	34	1	—	—	—	—
Community and human services	2,636	4,846	2,412	2,434	—	—	—	—
Community and economic development	—	—	—	—	—	75	63	12
Public works and transportation	24,190	31,406	20,529	10,877	19,421	20,675	14,953	5,722
Capital outlay	4,644	33,814	1,587	32,227	—	1,216	193	1,023
TOTAL EXPENDITURES	34,100	79,807	26,708	53,099	19,643	23,017	15,366	7,651
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,025)	(34,339)	11,928	46,267	(846)	(4,220)	3,397	7,617
OTHER FINANCING SOURCES (USES)								
Transfers in	98	2,519	98	(2,421)	—	—	—	—
Transfers out	(98)	(98)	—	98	—	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	—	2,421	98	(2,323)	—	—	—	—
NET CHANGE IN FUND BALANCES	(3,025)	(31,918)	12,026	43,944	(846)	(4,220)	3,397	7,617
Fund balances - beginning	29,771	29,771	29,771	—	4,590	4,590	4,590	—
FUND BALANCES (DEFICIT) - ENDING	$ 26,746	$ (2,147)	$ 41,797	$ 43,944	$ 3,744	$ 370	$ 7,987	$ 7,617

CITY OF OAKLAND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Other Governmental Funds – Special Revenue Funds (continued)
Year Ended June 30, 2022
(In Thousands)

	Landscape and Lighting Assessment District				Assessment Districts			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES								
Taxes:								
Property tax	$ —	$ —	$ —	$ —	$ 932	$ 932	$ 241	$ (691)
Voter-approved special tax	19,156	19,156	19,321	165	—	—	58	58
Licenses and permits	52	52	139	87	—	—	—	—
Interest and investment income (loss)	—	—	1	1	—	—	(29)	(29)
Charges for services	207	207	—	(207)	—	—	—	—
Federal and state grants and subventions	—	—	(159)	(159)	—	—	—	—
Other	—	—	4	4	3	111	112	1
TOTAL REVENUES	19,415	19,415	19,306	(109)	935	1,043	382	(661)
EXPENDITURES								
Current:								
General government	18	19	16	3	2	6	—	6
Public safety	—	—	—	—	48	76	—	76
Community and human services	3,786	3,786	3,675	111	—	—	—	—
Community and economic development	—	—	—	—	—	31	31	—
Public works and transportation	10,498	11,015	10,752	263	931	1,403	525	878
Capital outlay	—	91	30	61	—	6	—	6
TOTAL EXPENDITURES	14,302	14,911	14,473	438	981	1,522	556	966
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,113	4,504	4,833	329	(46)	(479)	(174)	305
OTHER FINANCING SOURCES (USES)								
Transfers in	—	—	(1,213)	(1,213)	—	—	—	—
Transfers out	(5,112)	(5,112)	(3,215)	1,897	—	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	(5,112)	(5,112)	(4,428)	684	—	—	—	—
NET CHANGE IN FUND BALANCES	1	(608)	405	1,013	(46)	(479)	(174)	305
Fund balances - beginning	1,462	1,462	1,462	—	2,729	2,729	2,729	—
FUND BALANCES - ENDING	$ 1,463	$ 854	$ 1,867	$ 1,013	$ 2,683	$ 2,250	$ 2,555	$ 305

CITY OF OAKLAND

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Other Governmental Funds – Special Revenue Funds (continued)
Year Ended June 30, 2022
(In Thousands)

	Parks, Recreation, Cultural, and Police			
	Original Budget	**Final Budget**	**Actual Budgetary Basis**	**Variance Positive (Negative)**
REVENUES				
Interest and investment income (loss)	$ 10	$ 10	$ (100)	$ (110)
Federal and state grants and subventions	—	234	292	58
Other	368	427	268	(159)
TOTAL REVENUES	378	671	460	(211)
EXPENDITURES				
Current:				
General government	10	890	86	804
Public safety	—	—	46	(46)
Community and human services	367	1,872	179	1,693
Community and economic development	—	244	94	150
Public works and transportation	—	55	16	39
Capital outlay	—	2	1	1
TOTAL EXPENDITURES	377	3,063	422	2,641
NET CHANGE IN FUND BALANCES	1	(2,392)	38	2,430
Fund balances - beginning	6,036	6,036	6,036	—
FUND BALANCES - ENDING	$ 6,037	$ 3,644	$ 6,074	$ 2,430

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OTHER GOVERNMENTAL FUNDS-
DEBT SERVICE FUNDS

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

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

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

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

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

The **Special Revenue Bonds Fund** accounts for financing received in connection with the Special Refunding Revenue Bonds (Pension Financing) and for payments on such bonds. Funding consists of voter-approved property tax override revenues authorized by Resolution No. 59916 C.M.S, which was adopted in August 1981 by the City Council to fund the City's obligations under Measure R and Measure O. The revenues are used by the City to fund a portion of the City's liability for public safety employee pensions.

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CITY OF OAKLAND
Combining Balance Sheet
Other Governmental Funds – Debt Service Funds
June 30, 2022
(In Thousands)

	General Obligation Bonds	Lease Financing	JPFA	Other Assessment Bonds	Special Revenue Bonds	Total
ASSETS						
Cash and investments	$ 14,113	$ 230	$ —	$ 790	$ 7,161	$ 22,294
Receivables, net:						
Accrued interest	19	—	—	2	11	32
Property taxes	855	—	—	37	—	892
Restricted cash and investments	16,460	—	—	521	191	17,172
TOTAL ASSETS	$ 31,447	$ 230	$ —	$ 1,350	$ 7,363	$ 40,390
LIABILITIES						
Accounts payable and accrued liabilities	$ —	$ —	$ —	$ 6	$ —	$ 6
Due to other funds	—	1,413	7	—	—	1,420
TOTAL LIABILITIES	—	1,413	7	6	—	1,426
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	269	—	—	34	—	303
FUND BALANCES						
Restricted	31,178	—	—	1,310	7,363	39,851
Unassigned	—	(1,183)	(7)	—	—	(1,190)
TOTAL FUND BALANCES	31,178	(1,183)	(7)	1,310	7,363	38,661
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 31,447	$ 230	$ —	$ 1,350	$ 7,363	$ 40,390

CITY OF OAKLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds – Debt Service Funds
Year Ended June 30, 2022
(In Thousands)

	General Obligation Bonds	Lease Financing	JPFA	Other Assessment Bonds	Special Revenue Bonds	Total
REVENUES						
Property taxes	$ 38,697	$ —	$ —	$ —	$ —	$ 38,697
Fines and penalties	131	—	—	—	—	131
Interest and investment income (loss)	(159)	(2)	—	15	(78)	(224)
Federal and state grants and subventions	—	159	—	—	—	159
Other	—	—	—	516	—	516
TOTAL REVENUES	38,669	157	—	531	(78)	39,279
EXPENDITURES						
Current:						
General government	39	2	6	47	12	106
Debt service:						
Principal repayment	24,850	1,364	6,330	365	23,758	56,667
Bond issuance cost	974	—	—	—	—	974
Interest charges	14,188	167	2,000	78	46,183	62,616
TOTAL EXPENDITURES	40,051	1,533	8,336	490	69,953	120,363
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,382)	(1,376)	(8,336)	41	(70,031)	(81,084)
OTHER FINANCING SOURCES (USES)						
Premiums on issuance of bonds	17,363	—	—	—	—	17,363
Transfers in	—	1,213	8,330	15	69,889	79,447
Transfers out	—	(86)	—	(18)	—	(104)
TOTAL OTHER FINANCING SOURCES (USES)	17,363	1,127	8,330	(3)	69,889	96,706
NET CHANGE IN FUND BALANCES	15,981	(249)	(6)	38	(142)	15,622
Fund balances (deficit) - beginning	15,197	(934)	(1)	1,272	7,505	23,039
FUND BALANCES (DEFICIT) - ENDING	$ 31,178	$ (1,183)	$ (7)	$ 1,310	$ 7,363	$ 38,661

CITY OF OAKLAND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Other Governmental Funds – Debt Service Funds
Year Ended June 30, 2022
(In Thousands)

	General Obligation Bonds				Lease Financing			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES								
Property taxes	$ 39,094	$ 39,094	$ 38,697	$ (397)	$ —	$ —	$ —	$ —
Fines and penalties	—	—	131	131	—	—	—	—
Interest and investment income (loss)	—	—	(159)	(159)	—	—	(2)	(2)
Federal and state grants and subventions	—	—	—	—	—	—	159	159
Other	—	—	—	—	25,000	25,000	—	(25,000)
TOTAL REVENUES	39,094	39,094	38,669	(425)	25,000	25,000	157	(24,843)
EXPENDITURES								
Current:								
General government	56	56	39	17	2	2	2	—
Debt service:								
Principal repayment	24,850	24,850	24,850	—	26,364	26,364	1,364	25,000
Bond issuance cost	—	—	974	(974)	—	—	—	—
Interest charges	14,188	14,188	14,188	—	167	167	167	—
TOTAL EXPENDITURES	39,094	39,094	40,051	(957)	26,533	26,533	1,533	25,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	—	—	(1,382)	(1,382)	(1,533)	(1,533)	(1,376)	157
OTHER FINANCING SOURCES (USES)								
Premium on issuance of bonds	—	—	17,363	17,363	—	—	—	—
Transfers in	—	—	—	—	1,533	1,533	1,213	(320)
Transfers out	—	—	—	—	—	—	(86)	(86)
TOTAL OTHER FINANCING SOURCES (USES)	—	—	17,363	17,363	1,533	1,533	1,127	(406)
NET CHANGE IN FUND BALANCES	—	—	15,981	15,981	—	—	(249)	(249)
Fund balances (deficits) - beginning	15,197	15,197	15,197	—	(934)	(934)	(934)	—
FUND BALANCES (DEFICITS) - ENDING	$ 15,197	$ 15,197	$ 31,178	$ 15,981	$ (934)	$ (934)	$ (1,183)	$ (249)

CITY OF OAKLAND

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Other Governmental Funds – Debt Service Funds (continued)
Year Ended June 30, 2022
(In Thousands)

	JPFA				Other Assessment Bonds			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES								
Interest and investment income (loss)	$ —	$ —	$ —	$ —	$ —	$ —	$ 15	$ 15
Other	—	—	—	—	523	523	516	(7)
TOTAL REVENUES	—	—	—	—	523	523	531	8
EXPENDITURES								
Current:								
General government	6	6	6	—	100	100	47	53
Debt service:								
Principal repayment	6,330	6,330	6,330	—	365	365	365	—
Interest charges	2,000	2,000	2,000	—	78	78	78	—
TOTAL EXPENDITURES	8,336	8,336	8,336	—	543	543	490	53
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,336)	(8,336)	(8,336)	—	(20)	(20)	41	61
OTHER FINANCING SOURCES (USES)								
Transfers in	8,336	8,336	8,330	(6)	—	—	15	15
Transfers out	—	—	—	—	—	—	(18)	(18)
TOTAL OTHER FINANCING SOURCES (USES)	8,336	8,336	8,330	(6)	—	—	(3)	(3)
NET CHANGE IN FUND BALANCES	—	—	(6)	(6)	(20)	(20)	38	58
Fund balances (deficits) - beginning	(1)	(1)	(1)	—	1,272	1,272	1,272	—
FUND BALANCES (DEFICITS) - ENDING	$ (1)	$ (1)	$ (7)	$ (6)	$ 1,252	$ 1,252	$ 1,310	$ 58

CITY OF OAKLAND

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Other Governmental Funds – Debt Service Funds (continued)
Year Ended June 30, 2022
(In Thousands)

	Special Revenue Bonds			
	Original Budget	**Final Budget**	**Actual Budgetary Basis**	**Variance Positive (Negative)**
REVENUES				
Interest and investment income (loss)	$ —	$ —	$ (78)	$ (78)
TOTAL REVENUES	—	—	(78)	(78)
EXPENDITURES				
Current:				
General government	13	13	12	1
Debt service:				
Principal repayment	23,758	23,758	23,758	—
Interest charges	46,184	46,184	46,183	1
TOTAL EXPENDITURES	69,955	69,955	69,953	2
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(69,955)	(69,955)	(70,031)	(76)
OTHER FINANCING SOURCES				
Transfers in	69,772	69,772	69,889	117
TOTAL OTHER FINANCING SOURCES	69,772	69,772	69,889	117
NET CHANGE IN FUND BALANCES	(183)	(183)	(142)	41
Fund balances - beginning	7,505	7,505	7,505	—
FUND BALANCES - ENDING	$ 7,322	$ 7,322	$ 7,363	$ 41

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INTERNAL SERVICE FUNDS

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

The **Equipment Fund** accounts for the purchase of automotive and rolling equipment, and the related maintenance service charges and related billings for various City departments.

The **Radio Fund** accounts for the purchase, maintenance and operation of radio and other communication equipment being used by various City departments.

The **Facilities Fund** accounts for the repair and maintenance of City facilities, and for provision of custodial and maintenance services related thereto.

The **Reproduction Fund** accounts for the acquisition, maintenance and provision of reproduction equipment and services related to normal governmental operations.

The **Central Stores Fund** accounts for inventory provided to various City departments on a cost reimbursement basis.

The **Purchasing Fund** accounts for procurement of materials, equipment and services essential to providing governmental services for the City.

The **Information Technology Fund** accounts for maintenance and operation of the information technology services for various City departments.

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CITY OF OAKLAND
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2022
(In Thousands)

	Equipment	Radio	Facilities	Reproduction	Central Stores	Purchasing	Information Technology	Total
ASSETS								
Current assets:								
Cash and investments	$ 23,092	$ 7,830	$ 4,757	$ —	$ —	$ —	$ 6,580	$ 42,259
Accrued interest	31	11	12	—	—	—	11	65
Accounts receivable	—	—	97	—	—	—	—	97
Lease receivable	—	—	354	—	—	—	—	354
Inventories	1,488	—	—	—	—	—	—	1,488
Restricted cash and investments	4,659	—	—	—	—	—	1,149	5,808
Prepaid expenses	115	130	2	2	—	—	954	1,203
Total current assets	29,385	7,971	5,222	2	—	—	8,694	51,274
Non-current assets:								
Capital assets:								
Land and other assets not being depreciated/amortized	—	1,067	2,021	—	—	—	12,128	15,216
Facilities and equipment, net of depreciation and amortization	21,971	3,609	4,086	—	—	—	450	30,116
Total capital assets	21,971	4,676	6,107	—	—	—	12,578	45,332
TOTAL ASSETS	51,356	12,647	11,329	2	—	—	21,272	96,606
DEFERRED OUTFLOWS OF RESOURCES								
Pensions	1,684	778	3,238	115	109	365	192	6,481
OPEB	1,313	666	2,469	110	67	255	90	4,969
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,997	1,444	5,707	225	176	620	282	11,450
LIABILITIES								
Current liabilities:								
Accounts payable and accrued liabilities	2,553	98	2,463	114	1	—	939	6,168
Accrued interest payable	101	183	—	—	—	—	29	313
Due to other funds	—	—	—	569	2,821	198	—	3,588
Other liabilities	—	—	7	—	—	—	—	7
Financed purchase obligations, notes and other payables	2,665	166	—	—	—	—	1,416	4,247
Total current liabilities	5,319	447	2,470	683	2,822	198	2,384	14,323
Non-current liabilities:								
Financed purchase obligations, notes and other payables	11,854	2,991	—	—	—	—	2,177	17,022
Net pension liability	11,028	5,273	20,183	859	443	2,474	351	40,610
Net OPEB liability	3,769	1,309	6,859	310	170	683	43	13,143
Total non-current liabilities	26,651	9,573	27,042	1,169	613	3,157	2,571	70,775
TOTAL LIABILITIES	31,970	10,020	29,512	1,852	3,435	3,355	4,955	85,098
DEFERRED INFLOWS OF RESOURCES								
Leases	—	—	342	—	—	—	—	342
Pensions	4,204	2,010	7,693	327	169	943	134	15,480
OPEB	2,131	958	4,022	135	96	449	10	7,801
TOTAL DEFERRED INFLOWS OF RESOURCES	6,335	2,968	12,057	462	265	1,392	144	23,623
NET POSITION								
Net investment in capital assets	12,111	1,519	6,107	—	—	—	10,134	29,871
Unrestricted (deficit)	3,940	(416)	(30,643)	(2,087)	(3,523)	(4,127)	6,320	(30,536)
TOTAL NET POSITION	$ 16,051	$ 1,103	$ (24,536)	$ (2,087)	$ (3,523)	$ (4,127)	$ 16,454	$ (665)

CITY OF OAKLAND
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Services Funds
Year Ended June 30, 2022
(In Thousands)

	Equipment	Radio	Facilities	Reproduction	Central Stores	Purchasing	Information Technology	Total
OPERATING REVENUES								
Charges for services	$ 39,680	$ 7,582	$ 39,649	$ 1,622	$ 1,277	$ 1,720	$ 16,567	$ 108,097
Other	3	—	12	—	—	7	—	22
TOTAL OPERATING REVENUES	39,683	7,582	39,661	1,622	1,277	1,727	16,567	108,119
OPERATING EXPENSES								
Personnel	4,570	5,864	11,968	281	(143)	2,757	456	25,753
Supplies	7,914	121	2,478	9	28	5	38	10,593
Depreciation and amortization	6,730	2,470	677	—	—	—	3,068	12,945
Contractual services and supplies	387	19	853	16	—	—	3,958	5,233
Repairs and maintenance	2,070	83	5,478	1	—	—	19	7,651
General and administrative	2,609	516	5,579	167	21	104	785	9,781
Rental	563	136	698	319	58	—	55	1,829
Other	—	1,995	8,348	1	1	3	4,362	14,710
TOTAL OPERATING EXPENSES	24,843	11,204	36,079	794	(35)	2,869	12,741	88,495
OPERATING INCOME (LOSS)	14,840	(3,622)	3,582	828	1,312	(1,142)	3,826	19,624
NON-OPERATING REVENUES (EXPENSES)								
Interest and investment income (loss)	(257)	(93)	(9)	2	30	3	(84)	(408)
Interest expense	(520)	(123)	—	—	—	—	(84)	(727)
Insurance claims and settlements	92	—	197	—	—	—	—	289
Other	235	—	—	—	—	11	—	246
TOTAL NON-OPERATING REVENUES (EXPENSES)	(450)	(216)	188	2	30	14	(168)	(600)
INCOME (LOSS) BEFORE TRANSFERS	14,390	(3,838)	3,770	830	1,342	(1,128)	3,658	19,024
Transfers in	—	—	—	16	10	63	20	109
Transfers out	(7,808)	—	(282)	—	—	—	—	(8,090)
Change in net position	6,582	(3,838)	3,488	846	1,352	(1,065)	3,678	11,043
Net position - beginning	9,469	4,941	(28,024)	(2,933)	(4,875)	(3,062)	12,776	(11,708)
NET POSITION - ENDING	$ 16,051	$ 1,103	$ (24,536)	$ (2,087)	$ (3,523)	$ (4,127)	$ 16,454	$ (665)

CITY OF OAKLAND

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022
(In Thousands)

	Equipment	Radio	Facilities	Reproduction	Central Stores	Purchasing	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers and users	$ 39,681	$ 7,582	$ 39,638	$ 1,622	$ 1,277	$ 1,720	$ 16,567	$ 108,087
Cash from other sources	330	—	209	—	—	18	—	557
Cash paid to employees	(7,944)	(3,818)	(15,914)	(504)	(454)	(1,676)	(1,120)	(31,430)
Cash paid to suppliers	(12,839)	(3,122)	(22,745)	(581)	(120)	(112)	(8,655)	(48,174)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	19,228	642	1,188	537	703	(50)	6,792	29,040
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Proceeds of interfund loans	—	—	—	—	—	198	3	201
Repayment of interfund loans	—	—	—	(555)	(740)	(214)	(3)	(1,512)
Transfer in	—	—	—	16	10	63	20	109
Transfers out	(7,808)	—	(282)	—	—	—	—	(8,090)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(7,808)	—	(282)	(539)	(730)	47	20	(9,292)
CASH FLOWS FROM CAPITAL AND RELATING FINANCING ACTIVITIES								
Acquisition of capital assets	(5,775)	(76)	(1,185)	—	—	—	(6,800)	(13,836)
Proceeds from sale of capital assets	17	—	—	—	—	—	—	17
Repayment of long-term debt	(6,283)	(178)	—	—	—	—	(2,865)	(9,326)
Interest paid on long-term debt	(930)	(22)	—	—	—	—	(113)	(1,065)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(12,971)	(276)	(1,185)	—	—	—	(9,778)	(24,210)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received (paid)	(279)	(100)	(14)	2	27	3	(91)	(452)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,830)	266	(293)	—	—	—	(3,057)	(4,914)
Cash and cash equivalents - beginning	29,581	7,564	5,050	—	—	—	10,786	52,981
CASH AND CASH EQUIVALENTS - ENDING	$ 27,751	$ 7,830	$ 4,757	$ —	$ —	$ —	$ 7,729	$ 48,067

CITY OF OAKLAND
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended June 30, 2022
(In Thousands)

	Equipment	Radio	Facilities	Reproduction	Central Stores	Purchasing	Information Technology	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	$ 14,840	$ (3,622)	$ 3,582	$ 828	$ 1,312	$ (1,142)	$ 3,826	$ 19,624
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Depreciation and amortization	6,730	2,470	677	—	—	—	3,068	12,945
Miscellaneous non-operating revenues	327	—	197	—	—	11	—	535
Changes in assets, liabilities, and deferred outflows and inflows of resources:								
Accounts receivable	1	—	3	—	—	—	—	4
Lease receivable	—	—	3	—	—	—	—	3
Inventories	(406)	—	—	—	—	—	—	(406)
Other assets	(61)	(114)	—	(2)	—	—	(550)	(727)
Accounts payable and accrued liabilities	1,124	(138)	689	(66)	(12)	—	179	1,776
Deferred inflow of resources related to leases	—	—	(17)	—	—	—	—	(17)
Net pension liability and related pension deferred items	(3,053)	2,174	(3,421)	(204)	(580)	1,140	298	(3,646)
Net other postemployment benefits liability and related deferred items	(274)	(128)	(525)	(19)	(17)	(59)	(29)	(1,051)
Total adjustments	4,388	4,264	(2,394)	(291)	(609)	1,092	2,966	9,416
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 19,228	$ 642	$ 1,188	$ 537	$ 703	$ (50)	$ 6,792	$ 29,040
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FUND NET POSITION								
Cash and investments	$ 23,092	$ 7,830	$ 4,757	$ —	$ —	$ —	$ 6,580	$ 42,259
Restricted cash and investments	4,659	—	—	—	—	—	1,149	5,808
TOTAL CASH AND CASH EQUIVALENTS	$ 27,751	$ 7,830	$ 4,757	$ —	$ —	$ —	$ 7,729	$ 48,067

FIDUCIARY FUNDS

Fiduciary funds, including pension and private-purpose trusts, account for resources held by the City which must be spent as provided in legal trust agreements and related state laws.

PENSION TRUST FUND

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

PRIVATE-PURPOSE TRUST FUNDS

Private-Purpose Trust Funds include (a) the *Oakland Redevelopment Successor Agency Trust Fund*, which accounts for the custodial responsibilities that are assigned to the Oakland Redevelopment Successor Agency with the passage of AB X1 26 and (b) the *Other Private-Purpose Trust Fund*, which accounts for the operations of the Telecommunications Sinking Fund, which was established to finance removal costs for obsolete telecommunications facilities.

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CITY OF OAKLAND
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2022
(In Thousands)

	Oakland Redevelopment Successor Agency Trust Fund	Other Private-Purpose Trust Fund	Total
ASSETS			
Cash and investments	$ 43,933	$ 2,250	$ 46,183
Receivables:			
Accrued interest	400	4	404
Due from other funds of the City	2,705	—	2,705
Prepaid expenses	1,391	—	1,391
Restricted:			
Short-term investments	7,915	—	7,915
Loans receivable (net of allowance for uncollectibles of $3,918)	3,608	—	3,608
Property held for resale	2,818	—	2,818
TOTAL ASSETS	62,770	2,254	65,024
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized losses on refunding of debt	11,538	—	11,538
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	21	—	21
Accrued interest payable	3,740	—	3,740
Due to other funds of the City	16,180	—	16,180
Other	47	—	47
Total current liabilities	19,988	—	19,988
Non-current liabilities			
Due within one year	16,890	—	16,890
Due in more than one year	211,507	—	211,507
Total non-current liabilities	228,397	—	228,397
TOTAL LIABILITIES	248,385	—	248,385
DEFERRED INFLOWS OF RESOURCES			
Unamortized gains on refunding of debt	317	—	317
NET POSITION			
RESTRICTED FOR REDEVELOPMENT DISSOLUTION AND OTHER PURPOSES	$ (174,394)	$ 2,254	$ (172,140)

CITY OF OAKLAND
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
Year Ended June 30, 2022
(In Thousands)

	Oakland Redevelopment Successor Agency Trust Fund	Other Private-Purpose Trust Fund	Total
ADDITIONS			
Trust receipts	$ 24,899	$ —	$ 24,899
Interest and investment income (loss)	95	(24)	71
Federal and state grants	215	—	215
Other income	14,733	—	14,733
TOTAL ADDITIONS	39,942	(24)	39,918
DEDUCTIONS			
Administrative expenses	2,364	—	2,364
Economic and workforce development	206	—	206
Transfer of excess tax allocation bond proceeds to the City	11,445	—	11,445
Interest on debt	10,880	—	10,880
TOTAL DEDUCTIONS	24,895	—	24,895
Change in net position	15,047	(24)	15,023
Net position - beginning	(189,441)	2,278	(187,163)
NET POSITION - ENDING	$ (174,394)	$ 2,254	$ (172,140)

STATISTICAL SECTION

INDEX TO STATISTICAL SECTION

This part of the City of Oakland's Annual Comprehensive Financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the City's overall financial health.

Financial Trends

Schedules one through four contain trend information to assist in understanding how the City's financial performance and well-being have changed over times.

Revenue Capacity

Schedules five through eleven report tax revenues by sources which include: property taxes, state taxes and local taxes.

Debt Capacity

Schedules twelve through fifteen present information that helps in understanding the City's current level of outstanding debt, the legal debt margin, and the ability to issue additional debt in the future.

Pledged Revenue Coverage

Schedule sixteen contains pledged revenue coverage for the City and the Port of Oakland, a component unit of the City. This schedule assists in understanding the revenues pledged for repayment of debt service.

Demographic and Economic Information

Schedules seventeen and eighteen provide the demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

Schedules nineteen through twenty-one contain service and infrastructure data to assist in understanding how the City's financial reports relate to the services the City provides and the activities it performs.

Sources: The City's Annual Comprehensive Financial Report for the relevant years.

SCHEDULE 1

NET POSITION BY COMPONENT

(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	$ 712,606	$ 876,703	$1,025,789	$ 1,079,164	$ 1,141,058	$ 1,126,892	$ 1,144,031	$ 1,142,803	$ 1,102,435	$ 1,040,918
Restricted	425,786	433,080	547,286	555,205	599,324	648,566	666,949	704,387	779,672	860,545
Unrestricted	(334,451)	(327,965)	(1,841,834)	(1,789,831)	(1,833,427)	(2,444,868)	(2,322,561)	(2,156,633)	(2,043,187)	(1,629,634)
Total net position - governmental activities	$ 803,941	$ 981,818	$ (268,759)	$ (155,462)	$ (93,045)	$ (669,410)	$ (511,581)	$ (309,443)	$ (161,080)	$ 271,829
Business-type activities										
Net investment in capital assets	$ 129,542	$ 143,295	$ 155,257	$ 171,743	$ 188,139	$ 201,553	$ 213,288	$ 225,762	$ 228,564	$ 230,128
Unrestricted	53,341	53,039	27,182	28,057	19,880	11,052	14,837	18,663	28,807	49,224
Total net position - business-type activities	$ 182,883	$ 196,334	$ 182,439	$ 199,800	$ 208,019	$ 212,605	$ 228,125	$ 244,425	$ 257,371	$ 279,352
Primary government										
Net investment in capital assets	$ 842,148	$1,019,998	$1,181,046	$ 1,250,907	$ 1,329,197	$ 1,328,445	$ 1,357,319	$ 1,368,565	$ 1,330,999	$ 1,271,046
Restricted	425,786	433,080	547,286	555,205	599,324	648,566	666,949	704,387	779,672	860,545
Unrestricted	(281,110)	(274,926)	(1,814,652)	(1,761,774)	(1,813,547)	(2,433,816)	(2,307,724)	(2,137,970)	(2,014,380)	(1,580,410)
Total net position - primary government	$ 986,824	$1,178,152	$ (86,320)	$ 44,338	$ 114,974	$ (456,805)	$ (283,456)	$ (65,018)	$ 96,291	$ 551,181

Note: GASB Statement No. 87, *Leases,* was implemented beginning fiscal year 2022. Amounts presented for prior years have not been restated.

Source: City of Oakland Statement of Net Position

SCHEDULE 2

CHANGES IN NET POSITION

(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	$ 93,942	$ 79,806	$ 82,493	$ 99,183	$ 113,697	$ 110,486	$ 199,697	$ 186,580	$ 222,718	$ 181,671
Public safety	363,597	379,809	383,904	432,862	475,552	471,378	444,400	409,740	511,184	350,096
Community and human services	107,779	116,961	121,740	134,799	149,804	144,763	142,719	150,513	134,097	123,748
Community and economic development	81,182	83,657	75,268	85,396	92,671	103,328	103,099	99,995	186,777	176,985
Public works and transportation	75,158	109,177	105,619	114,597	127,404	158,610	127,597	137,937	149,611	152,049
Interest on long-term debt	62,744	59,026	68,033	54,335	56,471	61,505	60,432	63,438	63,964	67,132
Total governmental activities expenses	784,402	828,436	837,057	921,172	1,015,599	1,050,070	1,077,944	1,048,203	1,268,351	1,051,681
Business-type activities:										
Sewer	34,504	37,306	36,957	39,270	44,391	49,645	50,831	50,717	54,181	46,786
Parks and recreation	643	855	681	872	730	1,317	777	683	725	1,156
Total business-type activities expenses	35,147	38,161	37,638	40,142	45,121	50,962	51,608	51,400	54,906	47,942
Total primary government expenses	$ 819,549	$ 866,597	$ 874,695	$ 961,314	$1,060,720	$1,101,032	$1,129,552	$1,099,603	$1,323,257	$ 1,099,623
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 17,756	$ 54,509	$ 55,148	$ 49,540	$ 46,030	$ 45,511	$ 52,249	$ 40,746	$ 38,376	$ 12,273
Public safety	7,610	15,472	18,329	21,104	19,867	24,343	27,068	24,483	21,740	21,953
Community and human services	6,342	6,326	7,375	7,454	7,841	6,610	7,677	6,374	3,339	5,893
Community and economic development	19,025	39,413	61,022	58,439	89,130	99,239	69,513	75,049	66,450	70,105
Public works and transportation	76,098	36,954	40,419	41,772	40,285	46,016	46,883	46,041	40,563	76,081
Operating grants and contributions	89,424	119,063	92,865	90,090	95,032	124,238	95,198	130,396	206,509	229,733
Capital grants and contributions	26,179	42,148	70,322	54,043	34,911	750	22,672	2,446	3,178	5,249
Total governmental activities program revenues	242,434	313,885	345,480	322,442	333,096	346,707	321,260	325,535	380,155	421,287
Business-type activities:										
Charges for services:										
Sewer	52,919	52,946	57,544	58,703	60,548	65,614	66,558	68,010	69,113	71,232
Parks and recreation	372	503	295	711	272	554	540	325	651	1,294
Total business-type activities program revenues	53,291	53,449	57,839	59,414	60,820	66,168	67,098	68,335	69,764	72,526
Total primary government program revenues	$ 295,725	$ 367,334	$ 403,319	$ 381,856	$ 393,916	$ 412,875	$ 388,358	$ 393,870	$ 449,919	$ 493,813
Net (Expense)/Revenue										
Governmental activities	$ (541,968)	$ (514,551)	$ (491,577)	$ (598,730)	$ (682,503)	$ (703,363)	$ (756,684)	$ (722,668)	$ (888,196)	$ (630,394)
Business-type activities	18,144	15,288	20,201	19,272	15,699	15,206	15,490	16,935	14,858	24,584
Total primary government net expense	$ (523,824)	$ (499,263)	$ (471,376)	$ (579,458)	$ (666,804)	$ (688,157)	$ (741,194)	$ (705,733)	$ (873,338)	$ (605,810)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 256,333	$ 240,779	$ 267,534	$ 279,764	$ 312,078	$ 340,573	$ 358,446	$ 388,322	$ 438,237	$ 470,778
Sales and use taxes	70,498	71,997	63,718	77,365	79,866	85,500	92,319	83,678	88,888	99,255
Motor vehicle in-lieu tax	—	—	177	166	189	224	206	343	318	503
Gas tax	—	—	12,030	8,653	7,974	10,867	16,409	17,320	17,322	18,842
Local taxes	244,207	263,017	275,496	318,352	314,188	336,586	387,990	362,899	407,531	453,679
Interest and investment income (loss)	6,358	6,653	6,362	4,596	3,046	42,362	26,394	24,126	18	(12,832)
Other	7,076	19,671	12,745	20,987	19,935	11,762	31,457	46,373	80,250	31,403
Transfers	1,911	2,002	2,002	2,144	7,644	1,292	1,292	1,745	1,871	1,675
Special and extraordinary items	(156,902)	88,309	107,696	—	—	—	—	—	—	—
Total governmental activities	429,481	692,428	747,760	712,027	744,920	829,166	914,513	924,806	1,034,435	1,063,303
Business-type activities:										
Interest and investment income (loss)	(24)	165	142	233	164	727	1,309	1,108	(41)	(928)
Other	—	—	—	—	—	—	14	2	—	—
Transfers	(1,911)	(2,002)	(2,002)	(2,144)	(7,644)	(1,292)	(1,292)	(1,745)	(1,871)	(1,675)
Total business-type activities	(1,935)	(1,837)	(1,860)	(1,911)	(7,480)	(565)	31	(635)	(1,912)	(2,603)
Total primary government	$ 427,546	$ 690,591	$ 745,900	$ 710,116	$ 737,440	$ 828,601	$ 914,544	$ 924,171	$1,032,523	$ 1,060,700
Change in Net Position										
Governmental activities	$ (112,487)	$ 177,877	$ 256,183	$ 113,297	$ 62,417	$ 125,803	$ 157,829	$ 202,138	$ 146,239	$ 432,909
Business-type activities	16,209	13,451	18,341	17,361	8,219	14,641	15,521	16,300	12,946	21,981
Total primary government	$ (96,278)	$ 191,328	$ 274,524	$ 130,658	$ 70,636	$ 140,444	$ 173,350	$ 218,438	$ 159,185	$ 454,890

Note: GASB Statement No. 87, *Leases*, was implemented beginning fiscal year 2022. Amounts presented for prior years have not been restated.

Source: City of Oakland Statement of Activities

SCHEDULE 3

FUND BALANCES
GOVERNMENTAL FUNDS
(in thousands)

General Fund	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Nonspendable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 18,687	$ 19,235
Restricted	165,400	156,462	164,242	186,804	241,404	235,084	240,247	254,309	267,811	286,994
Committed	—	—	—	—	8,805	14,323	14,648	47,441	38,739	52,195
Assigned	58,452	73,843	64,680	58,203	30,802	41,959	53,958	40,145	41,786	49,251
Unassigned	21,791	23,546	37,409	65,129	64,715	93,801	118,242	62,373	96,943	206,236
Total General Fund	$245,643	$253,851	$266,331	$310,136	$345,726	$385,167	$427,095	$404,268	$463,966	$613,911

All Other Governmental Funds	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Nonspendable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 466	$ 527
Restricted	248,517	270,055	333,665	303,631	332,588	408,550	365,448	543,255	456,580	595,684
Committed	16,075	13,902	13,527	18,610	20,072	19,549	26,948	22,541	33,602	10,267
Assigned	61,373	90,647	33,603	45,335	86,767	140,061	160,970	173,517	178,922	206,792
Unassigned	(9,849)	(5,236)	(7,997)	(9,891)	(17,031)	(1,106)	—	—	(935)	(6,621)
	$316,116	$369,368	$372,798	$357,685	$422,396	$567,054	$553,366	$739,313	$668,635	$806,649

Source: City of Oakland Balance Sheet, Governmental Funds

SCHEDULE 4

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes (see Schedule 5)	$ 569,193	$ 576,744	$ 619,821	$ 684,334	$ 712,556	$ 775,478	$ 854,682	$ 854,552	$ 945,338	$1,040,332
Licenses and permits	13,331	16,694	22,451	29,362	44,902	47,731	30,603	32,799	29,989	32,937
Fines and penalties	26,657	26,958	25,612	23,972	23,573	20,366	23,341	19,964	19,028	21,532
Interest/investment income (loss)	6,330	6,738	6,409	4,579	2,999	4,557	19,415	17,321	(5,094)	(17,439)
Charges for services	86,842	109,022	134,230	125,580	134,678	153,622	149,447	139,929	121,451	131,837
Federal and State grants and subventions	102,802	152,062	167,045	140,119	128,674	121,559	101,703	137,140	206,509	229,734
Other revenues	39,278	19,641	18,025	12,334	24,214	41,160	32,502	38,215	83,849	31,086
Total revenues	844,433	907,859	993,593	1,020,280	1,071,596	1,164,473	1,211,693	1,239,920	1,401,070	1,470,019
Expenditures										
General government	108,323	87,993	94,318	110,053	111,082	167,524	185,542	193,098	228,438	204,622
Public safety	531,436	340,520	373,532	408,396	422,727	435,650	470,396	522,035	527,044	520,739
Community and human services	104,861	115,589	120,248	125,027	128,106	130,472	149,011	170,646	174,292	196,239
Community and economic development	66,467	79,722	65,771	72,019	74,729	99,782	87,505	93,830	172,123	171,383
Public works and transportation	72,497	96,208	85,041	82,156	87,050	98,416	109,074	119,670	123,927	140,390
Capital outlay	103,905	98,316	123,433	99,609	79,477	72,922	76,600	58,726	75,969	71,037
Debt service										
Bond issuance costs	1,958	209	829	251	659	2,131	9	1,723	141	1,114
Other refunding cost	3,110	—	11,213	—	—	1,535	—	—	—	—
Principal	74,886	80,559	129,906	48,932	56,657	56,597	55,236	62,950	58,498	57,453
Interest	58,208	59,314	56,737	51,589	54,292	57,452	59,025	60,613	62,590	63,300
Total expenditures	1,125,651	958,430	1,061,028	998,032	1,014,779	1,122,481	1,192,398	1,283,291	1,423,022	1,426,277
Excess (deficiency) of revenues over (under) expenditures	(281,218)	(50,571)	(67,435)	22,248	56,817	41,992	19,295	(43,371)	(21,952)	43,742
Other Financing Sources (Uses)										
Issuance of debt/bonds	—	—	—	—	34,521	117,855	—	184,890	—	212,315
Issuance of refunding bonds	216,085	—	128,895	—	—	61,405	—	64,260	—	—
Financed purchase obligations/lease financing	16,150	14,901	—	—	—	—	—	—	—	85
Premiums/discounts on issuance of bonds	(1,129)		15,472	—	809	8,555	—	7,647	—	17,363
Payment to refunding escrow agent	(3,018)	—	(143,717)	—	—	(68,307)	—	(64,159)	—	—
Property sale proceeds	67	5,442	309	66	1,488	2,855	7,297	5,390	—	1
Insurance claims and settlements	3,726	865	5,477	4,314	3,974	2,949	82	84	804	4,797
Transfers in	119,617	115,397	113,270	109,259	94,989	105,423	111,743	116,722	115,612	130,199
Transfers out	(117,473)	(112,883)	(110,756)	(107,117)	(92,297)	(105,107)	(110,177)	(108,343)	(107,568)	(120,543)
Total other financing sources (uses)	234,025	23,722	8,950	6,522	43,484	125,628	8,945	206,491	8,848	244,217
Special and extraordinary items	(274,999)	(102,504)	88,309	74,395	—	—	—	—	—	—
Net change in fund balances	$ (149,697)	$ 61,460	$ 15,910	$ 28,692	$ 100,301	$ 184,099	$ 28,240	$ 163,120	$ (13,104)	$ 287,959
Debt service as a percentage of noncapital expenditures	13.7%	17.1%	20.6%	11.5%	12.2%	11.1%	10.4%	10.3%	9.1%	9.1%

Notes:Debt ratio was calculated by dividing principal, interest and bond issuance costs by total government expenditures excluding capital outlay. For purposes of this schedule, General government includes Mayor, Council, City Administrator, City Attorney, City Auditor, City Clerk, Workplace & Employment Standards, and Public Ethics Commission

Source: City of Oakland Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

SCHEDULE 5

TAX REVENUES BY SOURCE
GOVERNMENTAL FUNDS
(in thousands)

					Local Taxes							
Fiscal Year	Property	Sales & Use	Motor Vehicle in-lieu	Gas	Business License	Utility Consumption	Real Estate Transfer	Transient Occupancy	Parking	Voter-Approved	Franchise	Total
2013	$ 254,488	$ 60,494	$ —	$10,004	$60,371	$ 50,752	$ 47,406	$ 15,831	$15,565	$38,247	$16,035	$ 569,193
2014	241,730	58,912	—	13,085	62,905	50,422	59,060	18,468	16,661	38,835	16,666	576,744
2015	268,400	63,718	177	12,030	66,677	50,594	62,665	21,569	18,398	37,443	18,150	619,821
2016	279,798	77,365	166	8,653	75,504	51,006	89,594	25,671	20,175	37,793	18,609	684,334
2017	310,339	79,866	189	7,974	75,840	52,618	79,070	29,049	20,886	37,962	18,763	712,556
2018	342,301	85,500	224	10,767	86,107	52,047	77,663	30,039	21,137	50,469	19,124	775,378
2019	357,758	92,319	206	16,409	99,733	49,599	104,905	33,005	21,726	59,682	19,340	854,682
2020	390,312	83,678	343	17,320	98,036	49,831	91,534	24,920	17,312	61,492	19,774	854,552
2021	431,279	88,888	318	17,322	104,232	51,801	113,359	13,497	11,590	93,151	19,901	945,338
2022	468,054	99,255	503	18,842	101,290	57,930	138,396	21,209	18,184	96,444	20,225	1,040,332
Change 2013-2022	83.9 %	64.1 %	184.3 %	88.3 %	67.8 %	14.1 %	191.9 %	34.0 %	16.8 %	152.2 %	26.1 %	82.8 %

Note: Real estate transfer tax volatility reflects cyclical economic activity and supports the Vital Services Stabilization Reserve, consistent with the City's Consolidated Fiscal Policy. Transient occupancy and parking tax declines in FY2020 and FY2021 reflect impacts of the COVID-19 pandemic and related shelter-in-place public health orders. Changes in Motor Vehicle in-lieu revenues are calculated based on 2015, the first year with receipts in this schedule.

Source: City of Oakland Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

SCHEDULE 6

ASSESSED VALUE OF TAXABLE PROPERTY

(in thousands)

Fiscal Year	Land	Improvements	Personal Property	Total Assessed Value	Less: Tax-Exempt Property	Less: Redevelopment Tax Increments	Total Taxable Assessed Value	Total Direct Tax Rate
2013	$ 12,723,234	$ 27,848,261	$ 2,266,536	$ 42,838,031	$ 3,322,453	$ 9,496,227	$ 30,019,351	0.5562
2014	13,031,396	29,441,439	2,569,502	45,042,337	4,245,848	9,625,116	31,171,373	0.5470
2015	13,960,804	31,789,840	1,925,481	47,676,125	4,288,050	10,353,808	33,034,267	0.5527
2016	14,968,239	34,219,483	2,098,503	51,286,225	3,862,329	11,932,782	35,491,114	0.5136
2017	16,037,959	36,557,232	2,524,869	55,120,060	4,139,277	13,171,622	37,809,161	0.5446
2018	17,509,685	39,142,275	2,434,733	59,086,693	4,439,304	—	54,647,389	0.5530
2019	18,808,665	42,085,461	2,501,253	63,395,379	4,896,798	—	58,498,581	0.5467
2020	20,262,811	45,554,214	2,665,626	68,482,651	5,345,544	—	63,137,107	0.5460
2021	21,661,691	50,552,542	2,590,408	74,804,641	5,224,851	—	69,579,790	0.5497
2022	22,821,447	53,963,397	2,439,510	79,224,353	5,498,260	—	73,726,093	0.5496

Notes: Amounts for Redevelopment Tax Increment are reported in Total Assessed Value for 2018 and subsequent years. Tax rates are per $1,000 of assessed value.

Source: County of Alameda

SCHEDULE 7

DIRECT AND OVERLAPPING PROPERTY TAX RATES

	City Direct Rates				Overlapping Rates								
Fiscal Year	Basic Rate	Debt Service Fund	1981 Pension Liability	Total Direct Rate	Alameda County	Education	Education Debt	BART and AC Transit	BART Debt	Other	East Bay Municipal Utility Debt	East Bay Regional Parks District	East Bay Reg. Parks District Debt
2013	0.3485	0.0502	0.1575	0.5562	0.3086	0.2165	0.1818	0.0517	0.0043	0.0505	0.0068	0.0242	0.0051
2014	0.3485	0.0410	0.1575	0.5470	0.3086	0.2165	0.2199	0.0517	0.0075	0.0505	0.0066	0.0242	0.0078
2015	0.3485	0.0467	0.1575	0.5527	0.3086	0.2165	0.2157	0.0517	0.0045	0.0505	0.0047	0.0242	0.0085
2016	0.3485	0.0076	0.1575	0.5136	0.3086	0.2165	0.1876	0.0517	0.0026	0.0505	0.0034	0.0242	0.0067
2017	0.3485	0.0386	0.1575	0.5446	0.3086	0.2165	0.1407	0.0517	0.0080	0.0505	0.0028	0.0242	0.0032
2018	0.3485	0.0470	0.1575	0.5530	0.3086	0.2165	0.1325	0.0517	0.0084	0.0505	0.0011	0.0242	0.0021
2019	0.3485	0.0407	0.1575	0.5467	0.3198	0.2165	0.1445	0.0517	0.0070	0.0505	—	0.0242	0.0057
2020	0.3485	0.0400	0.1575	0.5460	0.3194	0.2165	0.1425	0.0517	0.0120	0.0505	—	0.0242	0.0060
2021	0.3485	0.0437	0.1575	0.5497	0.3122	0.2165	0.1536	0.0517	0.0139	0.0505	—	0.0242	0.0014
2022	0.3485	0.0436	0.1575	0.5496	0.3127	0.2165	0.1609	0.0517	0.0060	0.0505	—	0.0242	0.0020

Note: Rates per $1,000 assessed value

Source: County of Alameda

SCHEDULE 8

PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	2013 (1) Taxable Assessed Value	2013 (1) Percentage of Total City Taxable Assessed Value	2013 (1) Rank	2022 (2) Taxable Assessed Value	2022 (2) Percentage of Total City Taxable Assessed Value	2022 (2) Rank
BA2 300 Lakeside LLC				$ 449,253,400	0.609 %	1
SOFXI WFO Center 21 Owner LLC				360,505,389	0.489 %	2
CP VI Franklin LLC				346,135,464	0.469 %	3
KRE 1221 Broadway Owner LLC				259,254,166	0.352 %	4
Uptown Broadway LLC				257,978,600	0.350 %	5
601 City Center LLC				244,305,703	0.331 %	6
CSHV 1999 Harrison LLC				241,098,702	0.327 %	7
3093 Broadway Holdings LLC				236,658,330	0.321 %	8
Broadway Franklin LLC				235,746,749	0.320 %	9
USPA City Center LLC				227,475,040	0.309 %	10
Kaiser Foundation Hospitals	$ 1,110,688,767	2.811 %	1	N/A		
Oakland City Center Venture LLC	240,601,320	0.609 %	2	N/A		
SIC Lakeside Drive LLC	212,718,150	0.538 %	3	N/A		
CIM Oakland Center 21 LP	176,683,175	0.447 %	4	N/A		
Kaiser Foundation Health Plan Inc	157,967,889	0.400 %	5	N/A		
CIM Oakland 1 Kaiser Plaza LP	130,206,394	0.330 %	6	N/A		
Digital 720 2nd LLC	128,264,362	0.325 %	7	N/A		
Oakland Property LLC	125,000,000	0.316 %	9	N/A		
555 Twelfth Street Venture LLC	118,911,753	0.301 %	10	N/A		
Total	$ 2,526,051,131	6.393 %		$ 2,858,411,543	3.877 %	

Notes:

(1) 2013 based on total assessed value of $39,515,578,256
(2) 2022 based on total assessed value of $73,726,093,278

Source: County of Alameda

SCHEDULE 9

PROPERTY TAX LEVIES AND COLLECTIONS

(in thousands)

1% TAX ROLL

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percent of Levy	Total Collections to Date: Amount	Total Collections to Date: Percent of Levy
2013	$ 85,791	$ 83,756	97.63 %	$ 83,756	97.63 %
2014	87,270	85,643	98.14 %	85,643	98.14 %
2015	92,969	91,419	98.33 %	91,419	98.33 %
2016	101,746	99,849	98.14 %	99,849	98.14 %
2017	108,686	106,799	98.26 %	106,799	98.26 %
2018	116,778	115,061	98.53 %	115,061	98.53 %
2019	122,790	121,081	98.61 %	121,081	98.61 %
2020	130,998	128,734	98.27 %	128,734	98.27 %
2021	139,467	137,038	98.26 %	137,038	98.27 %
2022	146,646	143,826	98.08 %	143,826	98.08 %

Voter-Approved Debt Tax Roll

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percent of Levy	Total Collections to Date: Amount	Total Collections to Date: Percent of Levy
2013	$ 82,312	$ 80,328	97.59 %	$ 80,328	97.59 %
2014	80,745	78,989	97.83 %	78,989	97.83 %
2015	89,871	88,335	98.29 %	88,335	98.29 %
2016	99,114	97,543	98.42 %	97,543	98.42 %
2017	116,107	112,674	97.04 %	112,674	97.04 %
2018	127,411	125,535	98.53 %	125,535	98.53 %
2019	129,504	127,583	98.52 %	127,583	98.52 %
2020	140,258	137,763	98.22 %	137,763	98.22 %
2021	157,364	154,916	98.44 %	154,916	98.44 %
2022	171,901	169,197	98.43 %	169,197	98.43 %

Note: Collections in subsequent year data not available.

Source: County of Alameda

SCHEDULE 10

TAXABLE SALES BY CATEGORY

(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020 (1)	2021 (1)	2022
Auto and Transportation	$ 729,195	$ 808,600	$ 877,524	$ 909,867	$ 904,626	$ 888,309	$ 901,894	$ 789,318	$ 811,315	$ 899,802
Building and Construction	384,999	427,596	452,079	477,817	508,167	566,605	602,144	559,064	570,001	597,871
Business and Industry	672,963	704,424	552,876	602,851	608,558	662,062	690,536	598,930	587,305	619,110
Food and Drugs	404,285	416,788	444,374	487,018	516,629	542,632	539,733	585,993	599,354	556,796
Fuel and Service Stations	742,778	719,994	621,519	506,536	528,216	647,796	741,754	551,574	421,823	747,706
General Consumer Goods	542,172	561,361	594,032	567,959	546,722	564,182	566,006	522,262	559,069	573,500
Restaurants and Hotels	694,100	765,296	857,573	951,372	999,328	1,050,032	1,109,458	889,842	686,546	981,563
County and State Pools (2)	639,319	697,163	687,122	708,784	778,408	833,449	930,151	1,074,516	1,239,452	1,222,682
Total	$ 4,170,492	$ 4,404,059	$ 4,399,977	$ 4,503,420	$ 4,612,246	$ 4,921,618	$ 5,151,525	$ 4,496,983	$ 4,235,413	$ 4,976,348
City direct sales tax rate (3)	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%

Source: HdL Companies.

Notes: (1) Declines in 2020 and 2021 reflect the impacts of the COVID-19 global pandemic. (2) County and State Pool amounts primarily result from allocations for internet sales. (3) The reported City direct sales tax rates include the 1% Bradley-Burns rate due to the City as well as countywide voter-approved half-cent sales taxes for health care and transportation.

SCHEDULE 11

DIRECT AND OVERLAPPING
SALES TAX RATES

Fiscal Year	City Direct Rate	State of California
2013	1.50%	7.50%
2014	1.50%	7.50%
2015	2.00%	7.50%
2016	2.00%	7.50%
2017	2.00%	7.25%
2018	2.00%	7.25%
2019	2.00%	7.25%
2020	2.00%	7.25%
2021	2.00%	7.25%
2022	3.00%	7.25%

Source: California Department of Tax and Fee Administration.
Note: City direct rates include the 1% Bradley-Burns rate due to the City as well as countywide voter-approved half-cent sales taxes. Tax increases in 2022 reflect voter approval of a half-cent sales tax for children's health and child care as well as a second countywide half-cent sales tax for transportation.

SCHEDULE 12

RATIOS OF OUTSTANDING DEBT BY TYPE

(in thousands)

	Governmental Activities										Business-type Activities			Total Primary Government		
Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Pension Obligation Bonds	Accreted Interest	Special Assessment Bonds	Notes and Loans Payable	Financed Purchase Obligations	Lease Liability	Premiums and Discounts	Pledge Oblig. For Authority Debt	Sewer Fund Notes Payable	Sewer Fund Bonds	Premiums and Discounts	Total Outstanding Debt	Percentage of Personal Income	Per Capita (in dollars)
2013	$ 309,793	$176,850	$ 367,394	$162,874	$ 6,690	$ 7,815	$ 39,228	$ —	$ 20,219	$ 56,895	$ 291	$ 48,710	$ 1,885	$ 1,198,644	3.6 %	$ 2.929
2014	290,449	141,555	348,512	169,923	6,365	5,330	51,349	—	18,390	53,225	—	38,555	5,144	1,128,797	4.1 %	2.726
2015	206,530	109,955	330,433	165,290	6,020	3,150	65,645	—	25,989	49,445	—	36,630	4,801	1,003,888	3.5 %	2.393
2016	201,830	91,110	313,223	159,476	5,685	2,060	71,849	—	24,054	45,512	—	34,665	4,458	953,922	2.9 %	2.244
2017	216,655	71,335	296,854	149,896	5,335	8,021	67,802	—	23,246	41,384	—	32,620	4,115	917,263	2.6 %	2.142
2018	317,605	60,025	271,580	136,371	3,585	22,250	54,046	—	27,934	37,049	—	30,495	3,772	964,712	2.3 %	2.248
2019	301,655	54,905	246,872	118,643	3,295	18,125	53,267	—	26,008	32,499	—	28,260	3,430	886,959	2.1 %	2.059
2020	472,170	49,180	222,556	96,514	2,940	4,250	43,743	—	26,466	27,721	—	25,985	3,086	974,611	2.3 %	2.247
2021	450,075	43,165	198,564	69,703	2,590	—	28,842	—	24,657	22,703	—	23,616	2,743	866,658	1.9 %	1.990
2022	637,540	36,835	174,806	37,927	2,225	—	18,243	14,407	39,847	11,950	—	21,126	2,400	997,306	2.1 %	2.350

Source: Notes to Basic Financial Statements.

Notes: Refunding losses have been removed from this schedule compared to prior years as they are no longer reported as part of the carrying amount of related debt. Per Schedule 17 the same personal income base is used for 2020-2022.

SCHEDULE 13

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

(in thousands)

Fiscal Year	Pension Obligation Bonds	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Assessed Value (1)	Tax Rate	Per Capita (2) *(in dollars)*
2013	$367,394	$309,793	$31,198	$645,989	$39,515,578	0.0163	$ 1,560
2014	348,512	290,449	29,146	609,815	40,796,490	0.0149	1,454
2015	330,433	206,530	29,475	507,488	43,388,075	0.0117	1,195
2016	313,223	201,830	22,316	492,737	47,423,896	0.0104	1,153
2017	296,854	216,655	14,121	499,388	50,980,783	0.0098	1,165
2018	271,580	317,605	16,849	572,336	54,647,389	0.0105	1,331
2019	246,872	301,655	16,439	532,088	58,498,581	0.0091	1,231
2020	222,556	472,170	23,734	670,992	63,137,107	0.0106	1,541
2021	198,564	450,075	22,702	625,937	69,579,790	0.0090	1,437
2022	174,806	637,540	38,541	773,805	73,726,093	0.0105	1,823

Sources: (1) Alameda County Assessor.
(2) State of California Department of Finance, 1/1/22.

Note: Rates per $1,000 assessed value.

SCHEDULE 14

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Total Debt as of 6/30/22	Estimated Percentage Applicable	City Share of Debt
Direct Debt			
City of Oakland General Obligation Bonds	$ 637,540,000	100	$ 637,540,000
City of Oakland Lease Revenue Bonds	36,835,000	100	36,835,000
City of Oakland Pension Obligation Bonds	174,806,092	100	174,806,092
City of Oakland Accreted Interest on Appreciation Bonds	37,927,090	100	37,927,090
City-Guaranteed Special Assessment District Bonds	2,225,000	100	2,225,000
City of Oakland Unamortized Premium and Discounts	39,846,625	100	39,846,625
City of Oakland Financed Purchase Obligations	18,243,195	100	18,243,195
Total Direct Debt			947,423,002
Overlapping Tax and Assessment Debt			
Alameda County	$ 183,745,000	21.378	$ 39,281,006
Bay Area Rapid Transit District	2,521,570,000	8.328	209,996,350
East Bay Regional Park District	184,590,000	13.298	24,546,778
Chabot-Las Positas Community College District	805,595,000	0.745	6,001,683
Peralta Community College District	399,220,000	57.218	228,425,700
Berkeley and Castro Valley Unified School Districts	476,470,000	0.003 & 0.108	165,615
Oakland Unified School District	1,112,170,000	99.999	1,112,158,878
San Leandro Unified School District	299,866,459	7.425	22,265,085
City of Piedmont 1915 Act Bonds	3,003,066	5.479	164,538
Total Overlapping Tax and Assessment Debt			1,643,005,633
Overlapping General Fund Debt			
Alameda County and Coliseum Authority General Fund Obligations	$ 742,688,000	21.378	$ 158,771,841
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	25.311	2,949,997
Peralta Community College District Pension Obligation Bonds	128,004,633	57.218	73,241,691
Oakland Unified School District Certificates of Participation	10,220,000	99.999	10,219,898
Castro Valley Unified School District Certificates of Participation	4,445,000	0.108	4,801
Total Overlapping General Fund Debt			245,188,228
Total Direct and Overlapping Debt			2,835,616,863
Overlapping Tax Increment Debt (Successor Agency)	225,010,000	100	225,010,000
Combined Total Debt			$ 3,060,626,863

Source: California Municipal Statistics, Inc. and City of Oakland.

Note: City of Oakland debt totals do not include obligations related to the Coliseum Authority. See Note II Part (I) - Joint Venture for additional information.

SCHEDULE 15

LEGAL DEBT MARGIN INFORMATION

(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Taxable Assessed Value (1)	$30,019,351	$31,171,373	$33,034,267	$35,491,114	$37,809,161	$54,647,389	$58,498,581	$63,137,107	$69,579,790	$73,726,093
Debt limit (2)	$ 1,125,726	$ 1,168,926	$ 1,238,785	$ 1,330,917	$ 1,417,844	$ 2,049,277	$ 2,193,697	$ 2,367,642	$ 2,609,242	$ 2,764,728
Total net debt applicable to limit	$ 309,792	$ 290,449	$ 206,530	$ 201,830	$ 216,665	$ 317,605	$ 301,655	$ 472,170	$ 450,075	$ 637,540
Legal debt margin	$ 815,934	$ 878,477	$ 1,032,255	$ 1,129,087	$ 1,201,179	$ 1,731,672	$ 1,892,042	$ 1,895,472	$ 2,159,167	$ 2,127,188
Total net debt applicable to the limit as a percentage of debt limit (%)	27.5 %	24.8 %	16.7 %	15.2 %	15.3 %	15.5 %	13.8 %	19.9 %	17.2 %	23.1 %

Sources: Alameda County Assessor and Notes to Basic Financial Statements, Note II, Part (G) - Long-Term and Other Obligations.

Notes:
(1) As of fiscal year 2018 reported assessed value includes former redevelopment areas.

(2) Government Code Section 43605 provides for a legal debt limit of 15% of gross assessed valuation. This provision was enacted when assessed valuation was based upon 25% of market value, however, effective with the 1981-82 fiscal year each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments. In combination, the 25% and 15% computations result in a debt limit that is 3.75% of taxable assessed value.

SCHEDULE 16

PLEDGED-REVENUE COVERAGE, CITY OF OAKLAND SEWER BONDS, PORT OF OAKLAND, OAKLAND REDEVELOPMENT AGENCY AND OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

(in thousands)

Fiscal Year	Net Revenue Available for Debt Service (1)	Debt Service	Coverage
SEWER BONDS (2)			
2014	$ 22,789	$ 2,450	9.30
2015	27,544	3,643	7.56
2016	26,668	3,645	7.32
2017	23,308	3,646	6.39
2018	24,039	3,644	6.60
2019	24,471	3,648	6.71
2020	26,456	3,643	7.26
2021	23,164	3,627	6.39
2022	32,006	3,650	8.77
PORT OF OAKLAND (3)			
2013	$ 170,128	$ 107,268	1.59
2014	160,769	98,191	1.64
2015	164,665	98,197	1.68
2016	158,982	98,880	1.61
2017	172,552	99,454	1.73
2018	180,422	98,902	1.82
2019	194,104	93,188	2.08
2020	165,301	93,160	1.77
2021	162,849	71,071	2.29
2022	235,846	70,520	3.34
OAKLAND REDEVELOPMENT AGENCY/OAKLAND REDEVELOPMENT SUCCESSOR AGENCY (4)			
2013	$ 83,057	$ 46,574	1.78

Notes:

(1) Net revenue available for debt service is defined in the indentures for each bond issuance and is generally based on operating revenues less operating expenses, excluding depreciation and amortization, plus interest and investment income.

(2) Amounts are not shown for years prior to 2014 as the refunding bonds were issued that year.

(3) Debt service amounts and coverage ratios reflect the Port's intermediate lien. In FY 2021-22 debt service amounts shown were reduced to reflect the use of $11.8 million of federal grants and debt proceeds for repayment. Additional details may be found in the Port's separately published Annual Comprehensive Financial Report.

(4) Following the dissolution of redevelopment, pledged revenues for outstanding tax allocation bonds are equal to 100% of the associated legal obligation and coverage amounts are no longer reported. Coverage ratios shown reflect all-in debt service coverage; for coverage by issue please refer to the City of Oakland's historical Annual Financial Information Statements.

Sources: City of Oakland Annual Financial Information Statements, Port of Oakland.

SCHEDULE 17

DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population (1)	Personal Income (thousands) (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (%) (5)
2013	409,180	$ 29,504,121	$ 71,255	46,486	9
2014	414,065	32,030,179	76,355	47,194	7.3
2015	419,490	35,098,292	82,639	48,077	5.9
2016	424,717	37,289,279	87,228	49,098	4.9
2017	427,493	39,944,451	93,165	49,760	4.2
2018	428,750	43,094,688	100,236	50,231	3.5
2019	429,932	45,360,302	104,921	50,202	3.4
2020	432,327	48,009,913	111,050	49,588	10.5
2021	435,514	48,009,913	111,050	48,704	7.7
2022	424,464	48,009,913	111,050	46,600	3.5

Sources and Notes:

(1) California Department of Finance.

(2) U.S. Department of Commerce, Bureau of Economic Analysis. Data are available only for the San Francisco-Oakland-Hayward Metropolitan Statistical Area (MSA) and have been adjusted by the proportion of the population within the City of Oakland. Data for 2021 and 2022 are not yet available; 2020 data are reported for these years instead.

(3) U.S. Department of Commerce, Bureau of Economic Analysis. Data are presented for the San Francisco-Oakland-Hayward Metropolitan Statistical Area. Data for 2021 and 2022 are not yet available; 2020 data are reported for these years instead.

(4) California Department of Education.

(5) California Employment Development Department. Annual data are not yet available for 2022 but June 2022 data are reported above.

SCHEDULE 18

PRINCIPAL EMPLOYERS

Employer	2022 Number of Employees	2022 Rank	2022 Percent of Total Employment	2013 Number of Employees	2013 Rank	2013 Percent of Total Employment
Kaiser Permanente Medical Group, Kaiser Foundation Hospitals and Health Plan	11,500+	1	5.7%	10,914	1	5.8%
County of Alameda	8,000+	2	4.0%	6,218	4	3.3%
Oakland Unified School District	5,000+	3	2.5%	7,664	2	4.1%
City of Oakland	4,000+	4	2.0%	5,082	5	2.7%
State of California	3,500+	5	1.7%	7,480	3	4.0%
San Francisco Bay Area Rapid Transit District	3,500+	6	1.7%			
United Parcel Service	2,500+	7	1.2%			
Alameda County Medical Center	2,500+	8	1.2%			
Southwest Airlines	2,000+	9	1.0%	2,100	9	1.1%
Children Hospital & Research Center	2,000+	10	1.0%	2,600	7	1.4%
Alta-Bates Summit Medical Center				3,623	6	1.9%
Peralta Community College District				1,420	10	0.8%
Internal Revenue Service				2,500	8	1.3%
Total, Ten Largest Employers	44,500			49,601		

Source: City of Oakland Economic & Workforce Development Department.
Note: Percent of total employment is based on June 2022 employment of 200,700 and 2013 annual employment of 187,800 as reported by the California Employment Development Department.

SCHEDULE 19

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Management services	280	169	205	224	239	235	235	234	248	233
Finance	55	124	128	134	132	136	138	138	145	126
Personnel resources	29	40	42	37	37	41	41	41	46	42
Information technology	55	59	54	70	76	72	72	72	71	68
Public safety										
Police										
Officers	621	633	710	760	761	731	748	750	734	658
Civilians	350	458	458	423	367	336	324	324	325	330
Fire										
Firefighters and officers	410	393	426	427	462	450	435	435	435	437
Civilians	68	96	67	102	72	79	86	86	85	110
Community & human services										
Library	138	139	136	132	154	153	184	184	221	189
Human services	219	219	214	213	187	178	192	193	185	161
Parks and recreation	84	82	85	88	85	79	81	81	92	83
Cultural arts/KTOP	8	8	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Neighborhood services	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Animal services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25
Violence prevention	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	2	29
Community & economic development										
Housing & community development	43	45	45	44	50	48	54	54	62	60
Planning & building	111	111	107	118	121	136	144	144	145	144
Economic & workforce development	N/A	46	44	42	43	46	43	43	41	43
Public works	588	611	623	622	632	467	468	467	445	492
Transportation	N/A	N/A	N/A	N/A	N/A	226	230	230	239	239
Total	3,063	3,233	3,352	3,436	3,418	3,413	3,475	3,477	3,521	3,469

Note: Missing values result from the reorganization of City departments over time.
Source: City of Oakland Payroll Division.

SCHEDULE 20

OPERATING INDICATORS BY FUNCTION/PROGRAM

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building permits issued	13,513	14,680	15,117	18,693	17,259	14,331	13,013	11,812	12,784	14,356
Building inspections conducted	55,951	58,844	56,414	39,947	41,771	67,494	57,125	53,096	42,177	41,950
Authorized new dwelling units	486	420	806	1,641	3,101	4,272	2,512	1,656	1,159	1,469
Commercial value (in thousands)	$ 65,152	$ 100,239	$ 238,592	$ 306,809	$ 211,874	$ 359,016	$ 260,822	$ 301,304	$ 322,408	$ 367,304
Residential value (in thousands) (1)	$ 253,516	$ 181,087	$ 246,776	$ 495,481	$ 638,944	$ 1,180,188	$ 827,832	$ 853,155	$ 380,814	$ 473,718
Police										
Dispatched calls	249,050	226,275	252,550	253,877	259,494	305,605	307,544	301,579	274,862	273,915
Field contacts	21,280	33,570	34,418	39,240	30,032	26,026	22,846	24,817	16,866	13,502
Physical arrests	7,908	7,577	12,224	12,911	12,047	11,194	9,484	7,215	6,989	6,564
Parking violations	326,030	331,692	323,542	330,615	313,222	306,000	317,175	267,923	259,026	333,435
Fire										
Emergency responses	55,334	55,284	58,413	59,254	55,144	55,200	54,362	52,374	53,351	56,991
Fires extinguished	1,108	1,783	1,282	1,782	1,469	1,743	1,778	2,120	3,210	3,102
Inspections (2)	3,292	3,292	2,398	2,862	3,143	3,467	7,541	10,751	30,587	33,119
Port of Oakland (3)										
Imports (tonnage, thousands)	14,610	14,478	15,204	15,155	16,436	17,166	17,942	18,155	18,372	19,297
Exports (tonnage, thousands)	18,371	18,474	17,663	15,848	17,720	17,580	17,066	17,576	17,534	16,270
Total tonnage (thousands)	32,981	32,952	32,868	31,003	34,157	34,746	35,008	35,731	35,906	35,567
Containers	1,328,379	1,325,855	1,359,195	1,294,532	1,336,298	1,364,358	1,439,652	1,410,677	1,377,296	1,353,882
Other public works										
Street resurfacing (miles)	3.95	16.95	9.6	9.4	8.8	15.4	N/A	30.73	44.1	42.0
Potholes repaired	12,005	9,719	13,751	14,117	17,733	13,550	18,629	12,299	12,460	13,387
Parks and recreation										
Athletic field permits issued	409	409	429	450	450	380	501	178	54	54
Community center admissions (4)	1,144,097	902,414	698,273	1,174,383	N/A	N/A	172,207	69,748	37,497	47,381
Library										
Volumes in collection	1,259,091	1,245,060	1,130,583	1,120,958	1,193,188	1,178,304	1,155,686	1,260,149	1,329,593	1,316,765
Total volumes borrowed	2,576,157	2,534,678	2,421,548	2,560,066	2,130,170	2,241,795	2,518,321	2,380,197	1,289,555	2,197,735
Wastewater										
Average daily sewage treatment (thousands of gallons)	61,000	56,000	55,000	57,000	67,000	53,000	60,900	54,400	50,260	55,070

Source: City of Oakland, Port of Oakland, and East Bay Municipal Utility District.

Notes:

(1) Decreased values for residential permits in fiscal year 2021 reflect delays in permit issuance for multi-unit dwellings, which were offset by growth in permits issued for lower-value residential projects, such as remodels and accessory dwelling units.

(2) Fire inspections for 2021 and 2022 reflect the addition of data on vegetation inspections, which is not available for prior years.

(3) Port of Oakland data based on prior calendar year; fiscal year data unavailable.

(4) Community center admissions data is not available after 2016 on a basis comparable to earlier years due to a change in Parks & Recreation data systems.

SCHEDULE 21

CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Aviation facilities										
Airports operated	1	1	1	1	1	1	1	1	1	1
Paved airport runways	4	4	4	4	4	4	4	4	4	4
Total length of runways (in feet)	25,038	25,038	25,038	25,038	25,038	25,038	25,038	25,038	25,038	25,038
Area of airport (in acres)	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
Public safety										
Police stations	7	7	7	7	7	7	7	7	7	7
Patrol units	610	600	619	697	745	715	692	743	671	667
Fire stations	25	25	25	25	25	25	25	25	25	25
Harbor facilities										
Miles at waterfront	19	19	19	19	19	19	19	19	19	19
Berthing length at wharves (in feet)	23,233	23,233	23,233	23,233	23,233	25,100	25,100	25,100	25,100	25,100
Harbor area (in acres)	779	779	779	779	779	779	779	779	779	779
Library branches	16	16	16	16	16	16	16	16	16	16
Museums	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (in lane miles)	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965
Streetlights	37,000	37,000	37,000	38,000	38,050	38,250	38,250	38,250	38,500	37,964
Traffic signals	632	635	639	642	643	646	646	692	695	703
Parks and recreation										
Acreage	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Swimming pools	4	4	4	6	6	6	6	6	6	6
Tennis courts	44	44	44	44	44	44	41	39	39	39
Playgrounds	106	106	106	106	106	106	106	106	106	106
Baseball/softball diamonds	40	40	40	40	40	40	40	40	40	42
Soccer/football fields	15	15	15	15	15	15	15	17	17	25
Community centers	33	33	33	33	33	33	33	33	33	33
Wastewater										
Sanitary sewers (miles)	29	29	29	29	29	29	29	29	29	29

Source: City of Oakland and Port of Oakland

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$52,475,000	**\$32,760,000**	**\$68,370,000**
City of Oakland	**City of Oakland**	**City of Oakland**
General Obligation Bonds	**General Obligation Bonds**	**General Obligation Bonds**
(Measure KK)	**(Measure U)**	**(Measure U)**
Series 2023D	**Series 2023A-1**	**Series 2023A-2**
(Tax-Exempt)	**(Tax-Exempt)**	**(Taxable) (Social Bonds)**

This Continuing Disclosure Certificate (the "Disclosure Certificate") dated October 18, 2023, is executed and delivered by the City of Oakland (the "City") in connection with the issuance of $153,605,000 aggregate principal amount of the above-named bonds (the "Bonds"). The Bonds are issued under provisions of the Constitution of the State of California (the "State"), the City's Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54, the Charter of the City, and other applicable laws of the State. The specific terms and conditions for issuance of the Bonds are contained in Resolution No. 89895 C.M.S. adopted by the City Council of the City on September 19, 2023 (the "Resolution"). The Bonds are being issued by the City pursuant to a Fiscal Agent Agreement, dated as of October 1, 2023 (the "Fiscal Agent Agreement"), between the City and U.S. Bank Trust Company, National Association, as fiscal agent (together with any successors, the "Fiscal Agent"). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter (as hereinafter defined) in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person, which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"Financial Obligation" shall have the meaning ascribed to it in the Rule, any other applicable federal securities laws and guidance provided by the SEC in its Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), any further amendments or written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the S.E.C., filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at *http://emma.msrb.org*.

"Official Statement" shall mean the official statement relating to the Bonds, dated October 3, 2023.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the City's fiscal year (currently ending June 30), commencing with the report for the 2022-23 Fiscal Year (which is due not later than March 31, 2024), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than 15 business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the City), file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the City for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the City's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the City, the Annual Report shall also include the following additional items for the prior fiscal year:

1. The assessed valuation of taxable property in the City;

2. Property taxes due, property taxes collected and property taxes delinquent;

3. Property tax levy rate per $1,000 (or other amount) of assessed valuation; and

4. Outstanding general obligation debt of the City.

(c) Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note: For the purposes of the event identified in subparagraph (9) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, ***if material***, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional fiscal agent or the change of name of a fiscal agent; or

8. Incurrence of a Financial Obligation of the City, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affects Holders of the Bonds.

(c) The City shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a), as provided in Section 3(b).

(d) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.

(e) If the City learns of the occurrence of a Listed Event described in Section 5(a) or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Fiscal Agent Agreement.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the City.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Alameda (the "County") or in U.S. Federal Court in or nearest to the County. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Certificate is not intended to create any monetary rights on behalf of any person based upon the Rule.

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IN WITNESS WHEREOF, the undersigned has executed and delivered this Continuing Disclosure Certificate on the date as first written above.

CITY OF OAKLAND, CALIFORNIA

By:_______________________________________

City Administrator

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of City:	CITY OF OAKLAND
Name of Bond Issue:	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE KK) SERIES 2023D (TAX-EXEMPT)
	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE U) SERIES 2023A-1 (TAX-EXEMPT)
	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE U) SERIES 2023A-2 (TAXABLE) (SOCIAL BONDS)
Date of Issuance:	October 18, 2023

NOTICE IS HEREBY GIVEN that the City of Oakland, California (the "City"), has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the City, dated the Date of Issuance. [The City anticipates that the Annual Report will be filed by _____________.]

Dated: ___________________

CITY OF OAKLAND, CALIFORNIA

By __________[to be signed only if filed]_________

APPENDIX D

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in numbered paragraphs 1 -10 of this APPENDIX D concerning The Depository Trust Company ("DTC") and DTC's book-entry system, has been furnished by DTC for use in securities offering documents, and the City and Underwriters take no responsibility for the accuracy or completeness thereof. The City and Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest or principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement including this APPENDIX D. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this APPENDIX D, "Securities" means the Bonds, "Issuer" means the City, and "Agent" means the Fiscal Agent.

1. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. (The information set forth on such website is not incorporated into this Official Statement by this reference.)

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their

purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Securities documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, principal, and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this APPENDIX D concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments with respect to the Bonds to Direct Participants, Indirect Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be. The City will not have any responsibility or obligation to Direct Participants and Indirect Participants or the persons for whom they act as nominees with respect to the Bonds.

THE CITY, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES FOR OWNERS TO ONLY DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS" IN THE FOREPART OF THIS OFFICIAL STATEMENT) SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). If the City determines not to continue the DTC book-entry only system, or DTC discontinues providing its services with respect to the Bonds and the City does not select another qualified securities depository, the City will deliver physical Bond certificates to the Beneficial Owners. The Bonds may thereafter be transferred upon the books of the Fiscal Agent in accordance with the Fiscal Agent Agreement.

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APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the City, proposes to render its opinion with respect to the Bonds in substantially the following form:

[Closing Date]

City of Oakland
Oakland, California

\$52,475,000 **City of Oakland** **General Obligation Bonds** **(Measure KK)** **Series 2023D** **(Tax-Exempt)**	**\$32,760,000** **City of Oakland** **General Obligation Bonds** **(Measure U)** **Series 2023A-1** **(Tax-Exempt)**	**\$68,370,000** **City of Oakland** **General Obligation Bonds** **(Measure U)** **Series 2023A-2** **(Taxable) (Social Bonds)**

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Oakland, California (the "City") in connection with the issuance of its \$52,475,000 City of Oakland General Obligation Bonds (Measure KK) Series 2023D (Tax-Exempt) (the "Series 2023D Bonds"), its \$32,760,000 City of Oakland General Obligation Bonds (Measure U) Series 2023A-1 (Tax-Exempt) (the "Series 2023A-1 Bonds," and together with the Series 2023D Bonds, the "Tax-Exempt Bonds"), and its \$68,370,000 City of Oakland General Obligation Bonds (Measure U) Series 2023A-2 (Taxable) (Social Bonds) (the "Taxable Bonds," and together with the Tax-Exempt Bonds, the "Bonds"), issued pursuant to the Bond Law, Ordinance No. 13755 C.M.S. adopted by the City Council of the City ("City Council") on September 19, 2023 (the "Ordinance"), Resolution No. 89895 C.M.S. adopted by the City Council on September 19, 2023 (the "Resolution"), and the Fiscal Agent Agreement, dated as of October 1, 2023 (the "Fiscal Agent Agreement"), between the City and U.S. Bank Trust Company, National Association, as fiscal agent. Capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to such terms in the Fiscal Agent Agreement.

In our capacity as Bond Counsel we have reviewed the Bond Law, the Ordinance, the Resolution, the Fiscal Agent Agreement, a tax certificate of the City relating to the Tax-Exempt Bonds, dated the date hereof (the "Tax Certificate"), certificates of the City and others, the opinion of the City Attorney of the City dated the date hereof, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof.

We call attention to the fact that the rights and obligations under the Bonds, the Fiscal Agent Agreement and the Tax Certificate, and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California (the "State"). We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto in this letter.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding obligations of the City.

2. The City Council has the power and is obligated to levy property taxes without limitation as to rate or amount upon all property within the City's boundaries subject to taxation by the City (except for certain personal property which is taxable at limited rates) for payment of the Bonds and interest thereon.

3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Tax-Exempt Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Bonds in order that, for federal income tax purposes, interest on the Tax-Exempt Bonds be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Tax-Exempt Bonds, restrictions on the investment of proceeds of the Tax-Exempt Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Tax-Exempt Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Tax-Exempt Bonds, the City will execute the Tax Certificate containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City covenants that the City will comply with the provisions and procedures set forth therein and that the City will do and perform all acts and things necessary or desirable to assure that the interest paid on the Tax-Exempt Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 3, we have relied upon and assumed (i) the material accuracy of the City's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Tax-Exempt Bonds, and (ii) compliance by the City with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

4. Interest and original issue discount on the Taxable Bonds is not excludable from gross income for federal income tax purposes.

5. Under existing statutes, interest on the Bonds is exempt from State personal income taxes.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 3, 4 and 5 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Respectfully submitted,