



# CITY OF OJAI

## Audited Financials

### Fiscal Year 2020-2021



**CITY OF OJAI  
CALIFORNIA**

**FINANCIAL STATEMENTS  
JUNE 30, 2021**

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# CITY OF OJAI

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## **FINANCIAL SECTION**

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*Independent Auditor's Report*

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**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ojai, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, 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.

***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 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, 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.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the City adopted provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 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.

*Rogers, Anderson, Maloof & Scott, LLP.*

San Bernardino, California  
January 10, 2022

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## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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This section of the City of Ojai's annual financial report presents management's discussion and analysis of the financial performance of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Basic Financial Statements and the Notes to Basic Financial Statements.

#### **Financial Highlights**

- The government-wide total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2021 by \$26.9 million (total net position). The net position invested in capital assets was approximately \$20.1 million (74.7%), the unrestricted net position was approximately \$710,000 (2.6%) and approximately \$6.1 million (22.6%) was restricted. The unrestricted total net position at June 30, 2021 increased approximately \$2.9 million from the prior year, and the restricted net position increased approximately \$3.1 million. The increase in the unrestricted and restricted net position is a result of a reclassification of special revenue funds from unrestricted to restricted funds, examples include the Housing Successor Agency fund, Street Lighting, Library, Plaza Maintenance, and other funds.
- At June 30, 2021, fund balances in the City's governmental funds totaled approximately \$14.2 million, an increase of approximately \$5.6 million from the prior year. Governmental fund assets totaled \$17.1 million, an increase of approximately \$6.0 million from the prior year balance, and governmental funds liabilities totaled \$3.0 million, an increase of approximately \$387,000 from the prior year balance.
- At June 30, 2021, the "Unassigned" fund balance in the City's General Fund was \$3.7 million (not including the \$1.1 million in COVID assistance funds), (approximately 34.7% of total budgeted General Fund operating expenditures for the current fiscal year). The balance increased by approximately \$873,000 from the \$2.9 million at June 30, 2020. Unassigned Fund Balance, (which in 2020 was approximately 31.1% of total General Fund operating expenditures). The 2021 beginning balance dropped due to the impacts of the COVID pandemic, but due to conservative fiscal management by the City Council, staff, and the reopening of businesses that had been closed due to COVID, the City's fund balance is on pace to meet the fifty percent fund balance target. Approximately \$188,000 of the fund balance increased is a result of the City Council's adoption of a cannabis tax policy to allocate all cannabis tax revenues to the General Fund reserve until the fifty (50%) percent reserve requirement has been met.

The \$1.1 million in COVID assistance funds is a combination of one-time COVID19 related pass-through grants from County of Ventura, State of California, CARES Act, and American Rescue Plan Act (ARPA), as well as the new Cannabis tax, totaling \$1.4 million. Without the above funding sources, the City's "unassigned" fund balance would be at about 34.7% of General Fund operating expenditures.

- As shown in table 1, non-current liabilities of the governmental and business-type activities total \$8.9 million, an increase of approximately \$459,000 from the prior year.
- As of June 30, 2021, governmental and business type revenues increased from prior year by \$4.0 million and \$0.6 million, respectively. The big three revenue sources, property tax, sales

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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tax increased by \$205,000, \$49,000, respectively; and TOT increased by \$2.1 million as a result of a full year of Measure C receipts.

- The City implemented Governmental Accounting Standards Board ("GASB") Statement 75 ("GASB 75") in FY 17-18, which increased the OPEB liability that is required to be included in the financial statements and City accounts. The discount rate on pension costs and liabilities have had a significant impact on the liabilities shown in the statements and notes. In FY 20-21, the Pension liability increased by \$264,000 and Other Post-Employment Benefits ("OPEB") liability increased by approximately \$188,000.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an overview of the City of Ojai's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference 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 government's net position changed during the current fiscal year. This statement reports all direct and indirect expenses reduced by program revenues, resulting in a measurement of "net revenue over (under) expenses" for each function. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and out-flows in future fiscal periods.

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 governmental activities of the City include general government, public safety, public works, community development, parks and recreation, libraries, and housing. The business-type activities of the City include public transit and a public cemetery. The government-wide financial statements can be found on pages 21 - 23 of this report.

**Fund Financial Statements:** A fund is a grouping of related accounts that is 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 of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government'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 fifteen (15) separate governmental funds. The basic governmental funds' financial statements are found on pages 24 and 28. The General Fund, Measure C Fund, Housing Successor Fund, and Capital Improvements Fund, are considered "major funds" and information for these funds is presented separately in the governmental funds statements.

Data from the other eleven (11) governmental funds are combined into a single aggregated amount and is shown under the caption of Other Governmental Funds. Data for each of these non-major governmental funds is provided in the form of combining statements and can be found on pages 92-99 in the Other Supplemental Information section of this report.

**Proprietary funds:** Enterprise funds are presented as business-type activities on pages 30-32 of this report. The City maintains two individual enterprise funds to account for its local transit services and its public cemetery operations.

Proprietary funds statements provide the same type of information as the government-wide financial statements, but in more detail. The proprietary funds' financial statements provide separate information for the transit and cemetery operations.

**Fiduciary funds:** Fiduciary funds are used to account for situations where the City's role is purely custodial. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The fiduciary funds' financial statements can be found on pages 33 and 34 of this report.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 35 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information can be found on pages 82-89 of this report.

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

##### **Statement of Net Position**

Table 1 provides information on the City's financial positions at June 30, 2021 and 2020. As noted earlier, the changes in net position may serve over time as a useful indicator of a government's financial position. The total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources for all city activities by approximately \$27.0 and \$21.8 million for the years ended June 30, 2021 and 2020, respectively. The City's total net financial position increased by approximately \$5.1 million from the previous year. This increase is a reclassification in FY 19-20 of a restricted Successor Agency Housing from an Agency Trust Fund to a Governmental fund. The Successor Agency Housing attributed \$1.9 million in restricted funds and \$1.7 million in Notes Receivable in FY 20-21.

Approximately 74.7% of the net position in the City's Governmental Activities is net investment in capital assets at the end of the current year. This net investment in capital assets (net of accumulated depreciation) decreased 4.2% (\$0.8 million) from the previous year. The decrease was the result of depreciation of assets and no additional infrastructure projects in FY 20-21. The City uses capital assets to provide services to citizens and they are not available for future spending. With the exception of business-type assets, most capital assets do not generate direct revenue for the City. Although the City's investment in capital assets is reported net of related debt, it should be noted that there is no debt associated with the capital assets of the governmental or business-type activities.

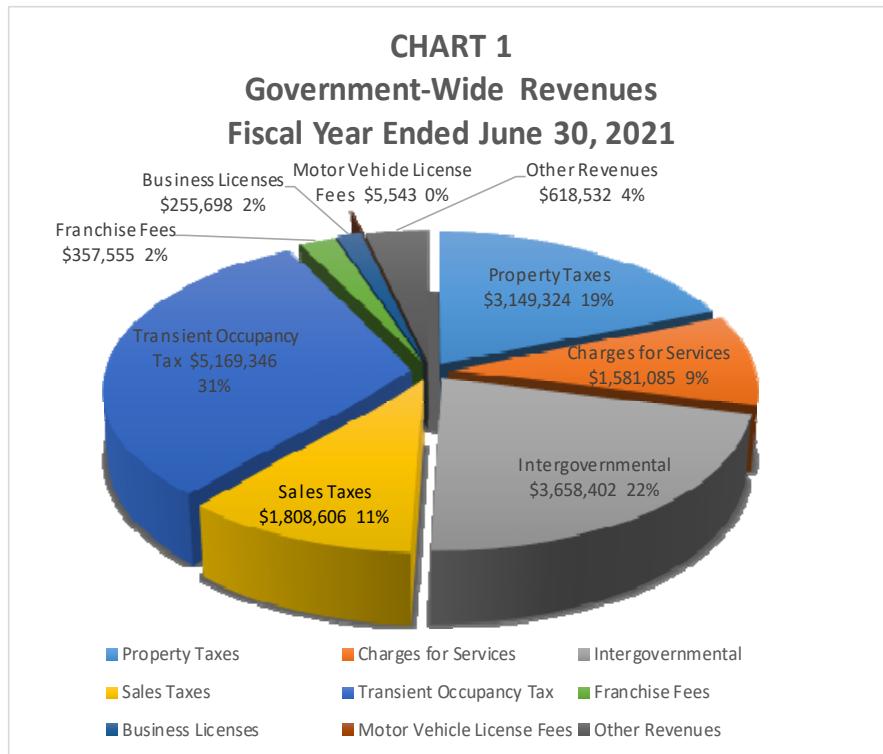
TABLE 1						
CITY OF OJAI STATEMENT OF NET POSITION JUNE 30, 2021 AND 2020						
ASSETS	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 15,472,901	\$ 8,997,644	\$ 827,192	\$ 387,720	\$ 16,300,093	\$ 9,385,364
Due from successor agency	1,663,344	2,020,620	-	-	1,663,344	2,020,620
Capital assets	19,275,550	20,061,107	869,937	964,833	20,145,487	21,025,940
Total assets	36,411,795	31,079,371	1,697,129	1,352,553	38,108,924	32,431,924
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	1,177,012	1,301,875	83,172	91,995	1,260,184	1,393,870
Related to OPEB	302,868	226,515	21,402	16,006	324,270	242,521
Total deferred outflows	1,479,880	1,528,390	104,574	108,001	1,584,454	1,636,391
<b>LIABILITIES</b>						
Long-Term liabilities	8,316,515	7,885,859	589,591	560,894	8,906,106	8,446,753
Other liabilities	2,950,611	2,456,689	53,548	73,101	3,004,159	2,529,790
Total liabilities	11,267,126	10,342,548	643,139	633,995	11,910,265	10,976,543
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	205,340	423,961	14,510	29,958	219,850	453,919
Related to OPEB	569,823	773,333	40,266	54,647	610,089	827,980
	775,163	1,197,294	54,776	84,605	829,939	1,281,899
<b>NET POSITIONS</b>						
Net investment in capital asset	19,275,550	20,061,107	869,937	964,833	20,145,487	21,025,940
Restricted	6,097,878	3,042,844	-	-	6,097,878	3,042,844
Unrestricted	475,958	(2,036,032)	233,851	(222,879)	709,809	(2,258,911)
Total net position	\$ 25,849,386	\$ 21,067,919	\$ 1,103,788	\$ 741,954	\$ 26,953,174	\$ 21,809,873

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

As shown in Table 1, approximately \$6.1 million restricted portion of the City's total net position in the governmental activities represents resources that are subject to external restrictions on how they may be used, and \$19.3 million in net investment in capital assets. The remaining portion of net position is unrestricted and represents resources that can be used to meet the government's ongoing obligations to citizens and creditors. The governmental activities unrestricted portion in FY 20-21 is approximately \$0.5 million. Total City's long-term liabilities amounted to \$8.9 million. Of the \$8.9 million, \$202,000 is due to compensated absences (i.e. vacation and sick leave), \$3.0 million is from OPEB retiree medical coverage (an increase of approximately \$188,000), and \$5.6 million is due to net pension liabilities (an increase of approximately \$264,000). The OPEB and pension liabilities are determined by actuarial studies based on many factors including: funds set aside in trust to pay future liabilities, the discount rate (assumed rate of return on investment plan assets) used in the computation, retiree longevity, current salaries of employees, benefit formulas, and actual investment returns on plan assets.

The City has taken several steps to reduce the liability for retiree-health benefits. As discussed in Note 10, City Council has changed the benefits for future retirees to reduce the OPEB liability. Additionally, the City began funding a trust to pay for future retiree-health benefits at a rate of \$100,000 per year beginning in fiscal year 2015. Due to the uncertainty of possible business closures due to the coronavirus pandemic and the effects on revenue, at the recommendation of staff, City Council did not fund the \$100,000 in FY 19-20 and in FY 20-21. At June 30, 2021, the balance in the trust totaled approximately \$616,000.



#### **Statement of Activities**

Table 2 provides information on the City's operations in the Statement of Activities for fiscal years ended June 30, 2021 and 2020.

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### Governmental Activities Revenue

Revenues of the Governmental Activities include charges for services, contributions and grants, taxes, intergovernmental revenues, and other revenues. Total revenue for Governmental Activities was approximately \$15.4 million, an increase of approximately (\$4.0 million) from the previous year's revenues. Tax revenues totaled \$10.1 million, an increase of \$2.4 million from the prior year. This increase is mostly due to a full year of collection of Measure "C" tax revenue. TOT, sales tax, and property tax ("Big Three") revenues accounted for approximately 61.0% of total revenues. TOT revenues accounted for approximately 31.1% of total revenues. Sales tax revenues increased by \$48,800 (2.8%) from the prior year. Property tax revenues accounted for approximately 19.0% of total revenues; property tax revenues increased \$205,000 (7.0%) from the prior year.

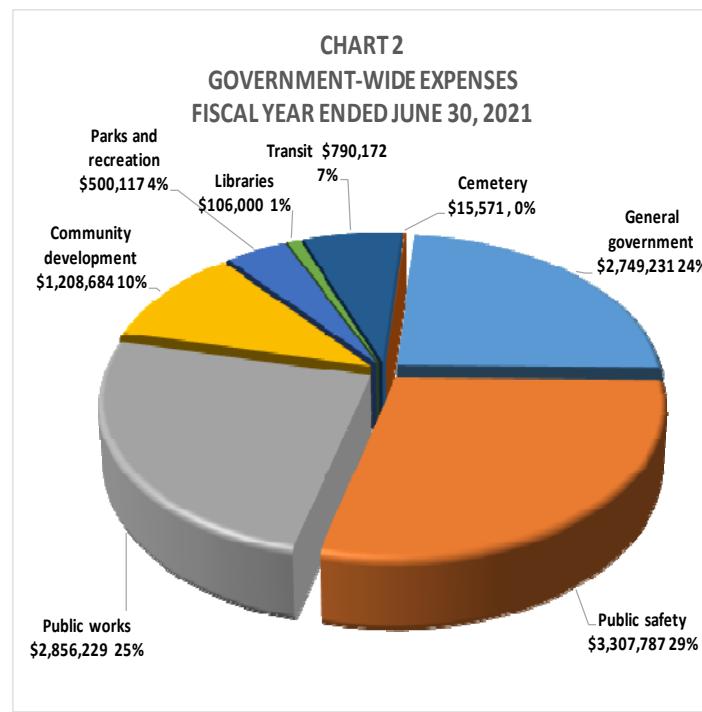
TABLE 2						
CITY OF OJAI STATEMENT OF ACTIVITIES JUNE 30, 2021 AND 2020						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Charges for services	\$ 1,524,744	\$ 1,720,237	\$ 56,341	\$ 117,404	\$ 1,581,085	\$ 1,837,641
Operating contributions and grants	1,300,008	248,861	1,110,863	467,023	2,410,871	715,884
Capital contributions and grants	1,247,531	873,884	-	-	1,247,531	873,884
Property taxes	3,149,324	2,944,504	-	-	3,149,324	2,944,504
Sales taxes	1,808,606	1,759,762	-	-	1,808,606	1,759,762
Transient occupancy taxes	5,169,346	3,026,997	-	-	5,169,346	3,026,997
Franchise fees	357,555	338,142	-	-	357,555	338,142
Business licenses	255,698	165,950	-	-	255,698	165,950
Motor vehicle license fees	5,543	6,149	-	-	5,543	6,149
Investment earnings	63,093	187,036	3,469	5,858	66,562	192,894
Miscellaneous	552,406	173,258	-	-	552,406	173,258
Gain (Loss) on disposal of assets	-	-	(436)	-	(436)	-
Total revenues	15,433,854	11,444,780	1,170,237	590,285	16,604,091	12,035,065
<b>Expenses:</b>						
General government	2,749,231	2,661,169	-	-	2,749,231	2,661,169
Public safety	3,307,787	3,478,922	-	-	3,307,787	3,478,922
Public works	2,856,229	4,334,550	-	-	2,856,229	4,334,550
Community development	1,208,684	1,028,710	-	-	1,208,684	1,028,710
Parks & recreation	500,117	940,206	-	-	500,117	940,206
Libraries	106,000	109,901	-	-	106,000	109,901
Transit activities	-	-	790,172	801,800	790,172	801,800
Cemetery activities	-	-	15,571	26,446	15,571	26,446
Total expenses	10,728,048	12,553,458	805,743	828,246	11,533,791	13,381,704
Net revenue over (under) expenses before transfers	4,705,806	(1,108,678)	364,494	(237,961)	5,070,300	(1,346,639)
Transfers	2,660	4,620	(2,660)	(4,620)	-	-
	4,708,466	(1,104,058)	361,834	(242,581)	5,070,300	(1,346,639)
Net position - beginning of year	21,067,919	19,264,460	741,954	984,535	21,809,873	20,248,995
Prior period adjustment	73,001	2,907,517	-	-	73,001	2,907,517
Net Position - beginning of fiscal year, restated	21,140,920	22,171,977	741,954	984,535	21,882,874	23,156,512
Net position - end of fiscal year	\$ 25,849,386	\$ 21,067,919	\$ 1,103,788	\$ 741,954	\$ 26,953,174	\$ 21,809,873

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### Governmental Activities Expenses

Expenses of Governmental Activities (excluding transfers) totaled approximately \$10.7 million, a decrease of \$1.8 million (-14.5%) from the prior year. **General government expenses** include the City Council, City Manager, City Treasurer, City Attorney, Finance, City Clerk, And Non-Departmental departments. General government expenses increased approximately \$88,000 (3.3%). The increase is due to increases to legal fees for water rights, several retirements and leave hour payout to employees moving to other job. **Public Safety expenses** decreased approximately \$171,000 (-4.9%) from the prior year. The decrease is a pass-through credit shared with contract Cities from a positive investment earnings from the County. **Public Works expenses** decreased by \$1.5 million (34.1%) due to no streets or road overlay projects in FY20-21. Public Works projects were focused on the Active Transportation Program (ATP), which was supported by grants, and spending on tree services, and maintenance utilities, less projects overall in FY20-21 than in prior year as staff and City Council prepared to ride out the unpredicted nature of COVID-19. Increase to Community Development of \$180,000 was from the General Plan updates in FY 20-21. The remaining decreases to other functional programs were affected by less contract services as staff and City Council prepared for possible closures of businesses as the City and the Nation tries to continue business during COVID pandemic.



**Business-type Activities:** The net position from the City's Business-type Activities increased by approximately \$362,000 from the prior year, this increase is due to more Operating contributions and grants received for COVID pandemic assistance and reduced Trolley routes, because City was challenged by available drivers during COVID. Trolley user revenues provided \$48,000 (4.1%) of the total revenues in the Transit Fund and remaining revenues came from federal, state, and local grants. Farebox revenues for the trolleys need to cover 20% of operating expenses in order to avoid a loss of grant funding for the City. Trolley fund advertising increased farebox

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

revenue by \$17,000 in the current year. The Gold Coast Transit district (GCTD) provides annual grant funding for the operation of our trolley service. Expenses for Transit activities decreased by approximately \$12,000 and Cemetery expenses decreased by approximately \$11,000 during the year.

#### FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the City of Ojai uses fund accounting to account for its revenues and expenditures. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As shown in Table 3, the total fund balance in the General Fund is approximately \$8.6 million at fiscal year-end, an increase of approximately \$2.8 million from the prior year. The total Non-spendable General Fund balance at June 30, 2021 is \$1.8 million, consisting almost entirely of the amount due from the Successor Agency (SA). This amount decreased approximately \$226,000 in the General Fund due to receipt of the annual loan repayment from the SA. Non-spendable Fund Balance was approximately 20.5% of the total fund balance in the General Fund and 12.4% of total governmental fund balance as of June 30, 2021. The Non-spendable fund balance is not available for spending.

TABLE 3						
CITY OF OJAI BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2021 AND 2020						
	General Fund		Other Governmental Funds		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Cash & investments	\$ 7,005,675	\$ 4,963,380	\$ 3,826,977	\$ 1,303,367	\$ 10,832,652	\$ 6,266,747
Accounts receivable	2,556,791	628,582	558,743	445,164	3,115,534	1,073,746
Due from other funds	-	318,362	-	-	-	318,362
Due from successor agency	1,663,344	1,969,083	-	51,537	1,663,344	2,020,620
Notes receivable	-	-	1,427,612	1,427,612	1,427,612	1,427,612
Prepads	97,103	17,718	-	-	97,103	17,718
Total assets	\$ 11,322,913	\$ 7,897,125	\$ 5,813,332	\$ 3,227,680	\$ 17,136,245	\$ 11,124,805
LIABILITIES						
Accounts payable	\$ 1,610,833	\$ 1,007,816	\$ 177,956	\$ 220,869	\$ 1,788,789	\$ 1,228,685
Other liabilities	1,143,260	1,150,229	18,562	184,316	1,161,822	1,334,545
Total liabilities	\$ 2,754,093	\$ 2,158,045	\$ 196,518	\$ 405,185	\$ 2,950,611	\$ 2,563,230
FUND BALANCES						
Nonspendable	1,760,447	1,986,801	-	-	1,760,447	1,986,801
Restricted	1,546,037	510,936	4,551,841	2,531,908	6,097,878	3,042,844
Committed	225,380	36,076	-	-	225,380	36,076
Assigned	152,226	330,440	1,064,973	402,214	1,217,199	732,654
Unassigned	4,884,730	2,874,827	-	(111,627)	4,884,730	2,763,200
Total fund balances	\$ 8,568,820	\$ 5,739,080	\$ 5,616,814	\$ 2,822,495	\$ 14,185,634	\$ 8,561,575
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,322,913	\$ 7,897,125	\$ 5,813,332	\$ 3,227,680	\$ 17,136,245	\$ 11,124,805

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The Restricted fund balances are legally restricted for specific purposes by legislation or requirements outside the control of the City and they are only available for specific purposes. At June 30, 2021, the restricted fund balance in the Governmental funds was approximately \$6.1 million, consisting almost entirely of fund balances in several Special Revenue Funds of the City. The total Assigned fund balance is \$1.2 million and Committed fund balance is at \$225,000 in the General Fund. The Unassigned fund balance in the City's General Fund is designated as a "Rainy Day Reserve" by the City Council. The unassigned fund balance is \$3.7 million (not including the \$1.1 million in COVID assistance funds). This unassigned reserve balance increased by approximately \$2.0 million in the current year. This increase was primarily from COVID pandemic assistance of \$1.1 million and \$188,000 in Cannabis tax.

TABLE 4						
CITY OF OJAI STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020						
	General Fund		Other Governmental Funds		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Property taxes	\$ 2,189,854	\$ 2,047,166	\$ -	\$ -	\$ 2,189,854	\$ 2,047,166
Sales taxes	1,808,606	1,759,762	-	-	1,808,606	1,759,762
Transient occupancy taxes	3,097,070	2,422,806	2,072,276	604,191	5,169,346	3,026,997
Other taxes and assessments	187,552	-	359,466	337,448	547,018	337,448
Licenses, permits, and fees	1,509,583	1,111,649	-	-	1,509,583	1,111,649
Fines and forfeitures	24,990	22,834	-	-	24,990	22,834
Use of money and property	49,146	151,802	16,546	38,384	65,692	190,186
Intergovernmental:						
Other	1,486,349	353,921	1,057,505	557,780	2,543,854	911,701
Motor vehicle in lieu	965,012	912,137	-	-	965,012	912,137
Charges for services	393,340	567,247	-	16,080	393,340	583,327
Other revenue	143,930	310,791	72,629	230,782	216,559	541,573
Total revenues	<u>11,855,432</u>	<u>9,660,115</u>	<u>3,578,422</u>	<u>1,784,665</u>	<u>15,433,854</u>	<u>11,444,780</u>
Expenditures:						
Current:						
General government	2,727,111	2,583,266	4,071	-	2,731,182	2,583,266
Public safety	3,265,590	3,430,645	-	-	3,265,590	3,430,645
Public works	1,531,525	1,656,391	131,041	95,843	1,662,566	1,752,234
Community development	1,039,289	866,902	155,085	140,606	1,194,374	1,007,508
Parks and recreation	301,920	771,671	-	-	301,920	771,671
Libraries	-	-	106,000	109,901	106,000	109,901
Non current:						
Capital outlay	26,485	1,429	597,339	2,085,425	623,824	2,086,854
Total expenditures	<u>8,891,920</u>	<u>9,310,304</u>	<u>993,536</u>	<u>2,431,775</u>	<u>9,885,456</u>	<u>11,742,079</u>
Excess of revenues over (under) expenditures	<u>2,963,512</u>	<u>349,811</u>	<u>2,584,886</u>	<u>(647,110)</u>	<u>5,548,398</u>	<u>(297,299)</u>
Transfers in	68,958	-	631,811	1,294,507	700,769	1,294,507
Transfers out	(202,730)	(457,369)	(495,379)	(832,518)	(698,109)	(1,289,887)
Total other financing sources (uses)	<u>(133,772)</u>	<u>(457,369)</u>	<u>136,432</u>	<u>461,989</u>	<u>2,660</u>	<u>4,620</u>
Net changes in fund balances	2,829,740	(107,558)	2,721,318	(185,121)	5,551,058	(292,679)
Fund balances - beginning of year, as restated	5,739,080	5,846,638	2,895,496	3,007,616	8,634,576	8,854,254
Fund balances - end of year	<u>\$ 8,568,820</u>	<u>\$ 5,739,080</u>	<u>\$ 5,616,814</u>	<u>\$ 2,822,495</u>	<u>\$ 14,185,634</u>	<u>\$ 8,561,575</u>

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

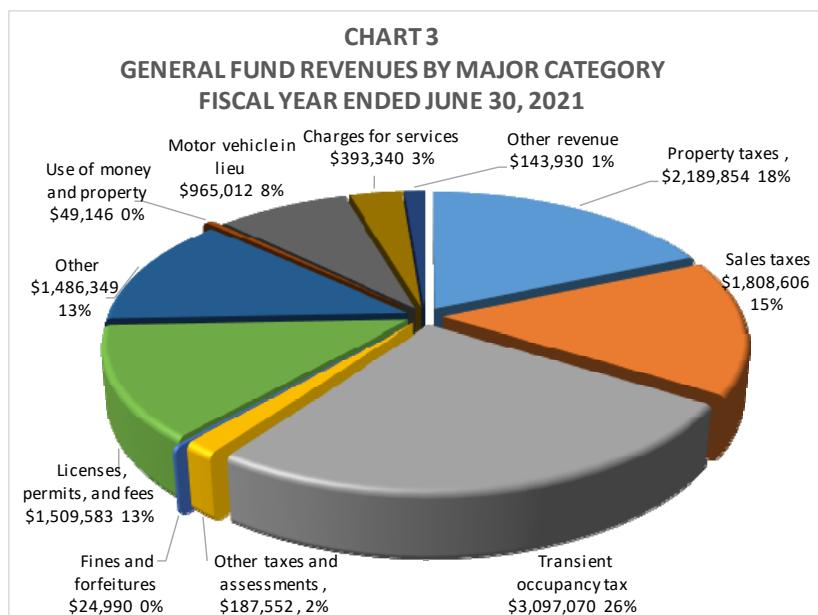
#### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

As shown in Table 4, total revenues in the Governmental funds increased approximately \$4.0 million. General Fund revenues increased approximately \$2.2 million while revenues from Other Governmental Funds increased approximately \$1.8 million. The increase in General Fund revenue is mostly from COVID funding assistance of \$1.1 million received at the end of the fiscal year, Cannabis tax revenues, a new funding source for the City, and TOT and Property Tax came in higher than budgeted. Other Governmental funds revenue increase was from Measure "C" tax of about \$1.5 million. Governmental expenditures decreased \$1.9 million. The reduction in Other Governmental funds was mostly because there were no capital outlay (road work) expenditure in FY 20-21. FY 20-21 capital outlay work included Stewart Canyon and ATP demonstration projects. General Fund expenditures decreased by \$418,000, the majority of this decrease was a combination of salary and benefits savings, reduced contract services, and reduced publication and program expenses for the Parks and recreation programs due to COVID social distancing orders.

#### Governmental Fund Revenues

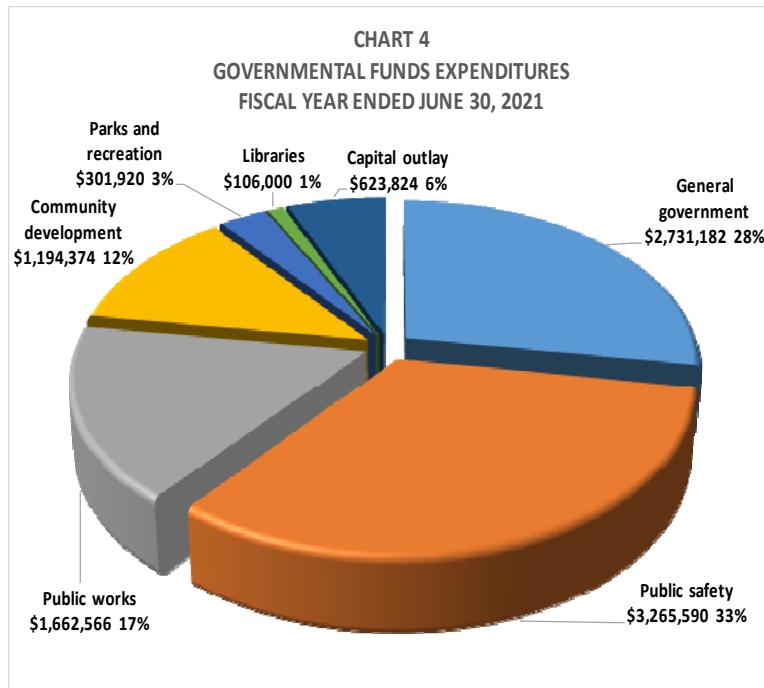
In the General Fund, Property tax revenues increased \$143,000 (7.0%), Transient Occupancy tax (TOT) revenues increased \$674,000 (27.8%) and Sales Tax revenues increased \$48,800 (2.8%).

Revenues in the Other Governmental funds increased approximately \$1.8 million, with the bigger impacts of \$1.5 million from Measure "C" tax and the remainder net amount was from additional Bike/Pedestrian grant funding. Over the past few years, there has been a trend in gas tax revenues at the state level and the amounts paid to the City of Ojai. To reverse this trend, the state legislature approved a measure to increase gas taxes and to repay local agencies for funds borrowed by the state from the gas tax accounts. However, due to the COVID pandemic, Gas tax resulted in a decrease of approximately \$18,000 to the City in the current fiscal year.



## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021



#### **Governmental Fund Expenditures**

Expenditures of the Governmental Funds decreased approximately \$1.9 million with General Fund expenditures decreasing \$418,000 (primarily due to salary savings and contract services for the Parks and recreation programs due to COVID social distancing orders) and expenditures in Other Governmental funds decreasing by approximately \$1.4 million primarily due to reduced expenses in contract services for road overlays and streets maintenance projects as well as a decreases in Public Safety costs reduced by a pass-through investment earnings shared by County of Ventura.

#### ***General Fund Expenditures***

##### **General Government-**

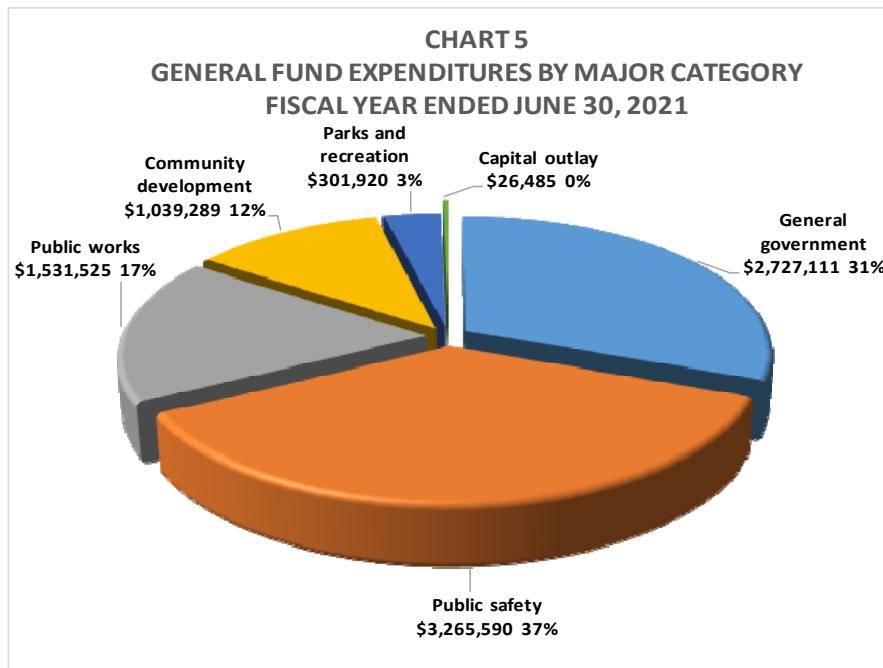
General government activities include the City Council, City Manager, City Treasurer, Finance, City Attorney, City Clerk, Non-Departmental, and Arts Commission. Expenditures in these departments increased by \$144,000. Some notable increases/decreases and savings in expenditures include the following: expenditures in the Non-Department increased by \$137,000 because of increased PERS Unfunded liability costs, retiree medical payments increased by \$13,000 due to increased rates and new retirees in FY 20 21, general liability increased by \$17,000 due to rate increase, IT security assessment audit in FY 20-21 by \$12,000, the net difference is an increase in property insurance and decrease in Community Outreach. This is expected as PERS lower discount rates, costs to Cities will increase. Savings in the Finance Department includes a reduction in contract services of \$29,000.

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### Other General Fund Departments-

**Public Safety** expenditures decreased \$165,000 (-4.8%) due to the net decrease in special events as a result of cancellations of large gathering such as concerts, Ojai day, 4<sup>th</sup> of July, and salary and health insurance savings due to an employee retirement. **Public Works** expenditures decreased \$125,000 in the current year mostly due to the COVID pandemic, resulting in a pausing use of some contract services. **Community Development** expenditures increased approximately \$172,000, primarily due to the majority of the General plan update work in FY 20-21 by \$112,000, a reduction in general contract by \$32,000, a reduction in salary savings due to delayed hiring of an associate planner by \$43,000, an increase in work related to trust funds, increase in code enforcement costs as well as an increase to building plan checks and permits, and increase in animal regulations expenditures. **Parks and Recreation** had the biggest impact in expenditure reductions in the amount of \$470,000. The reductions of expenses was a direct result of COVID social distancing closure of recreation classes and related salary savings by not employing part-time employees, related benefits expenses, recreation class expenses and related brochures and publications were not needed for classes. **Capital outlay** expenditures increased \$25,000, primarily due to an upgrade of the City's audio video recording system.



**General Fund Budgetary Highlights:** The City Council adopted a General Fund revenue and transfers in budget totaling approximately \$10.5 million. The adopted expenditure and transfers out budget total was \$10.5 million. Actual revenues collected were more than budgeted by approximately \$1.5 million. The General Fund's top three revenues are *Property Taxes*, *Sales Taxes* and *Transient Occupancy Taxes*, which generated approximately \$7.1 million total revenue, is 59.9% of the total General Fund revenues. Top three tax revenues collected were more than budgeted by \$533,000. Licenses, Permits, and Fees were more than budgeted amount by \$252,000.

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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Other revenues and Motor vehicle in lieu exceeded the budget by \$923,000 and \$357,000, respectively. During the COVID pandemic, staff anticipated less travel and motor vehicle transactions, but that was not the case. Those with a more secured finances took advantage of the low interest rates and gas tax prices increased. Use of money and property, Charges for Services and Other revenues came in less than budgeted by \$31,000, \$397,000, and \$374,000 respectively.

The Public Safety expenditures represent 36.7% of the total General Fund expenditures, while General Government services and Public Works expenditures account for 30.7% and 17.2% of General Fund Expenditures, respectively. Public Works and Parks and Recreation expenditures decreased by (-7.5%) and (-60.9%) respectively, Public Safety expenditures decreased by (4.8%) due to salary and benefits savings from an employee retirement and an expense reduction through a shared investment profit by County of Ventura.

#### **Other Governmental Funds**

Expenditures in the other governmental funds decreased by approximately \$1.5 million, which is entirely due to no road overlay project expenditures in the Capital Improvements Fund. With Measure "C" and grant funding, City can plan on possible road overlay projects in the coming year.

**Proprietary Funds:** The City's proprietary fund statements provide the same type of information that is found in the government-wide financial statements (see more detail on pages 30-32 of this report) because they are reported using the full accrual basis of accounting. The net position of the Transit enterprise fund is \$845,061 an increase of \$370,000 primarily due to support from state grants and COVID funding assistance.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** The City's investment in capital assets is reported in the financial statements for the government-wide and business-type activities but not in the governmental fund financial statements. The investment in capital assets includes non-depreciable assets (rights-of-way, land, artwork, and construction in progress) and depreciable assets (buildings & buildings improvements, land improvements, equipment and machinery, infrastructure, and vehicles). Table 5 provides a summary of the City's capital assets net of accumulated depreciation as of June 30, 2021 and 2020. Additional information on the City's capital assets is found in Note 7 on page 58 of this report.

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE 5

CITY OF OJAI CAPITAL ASSETS NET OF ACCUMULATED DEPRECIATION JUNE 30, 2021 AND 2020							
	Governmental Activities		Business-Type Activities		Total		
	2021	2020	2021	2020	2021	2020	
<b>Non-depreciable Assets</b>							
Rights of way	\$ 798,250	\$ 798,250	\$ -	\$ -	\$ 798,250	\$ 798,250	
Land	1,909,588	1,909,588	110,500	110,500	2,020,088	2,020,088	
Artwork	60,982	60,982	-	-	60,982	60,982	
Construction in progress	614,830	738,492	8,746	8,746	623,576	747,238	
<b>Depreciable Assets</b>							
Buildings & buildings improvements	15,452,183	15,452,183	54,183	54,183	15,506,366	15,506,366	
Land improvements	3,838,369	3,753,893	547,475	547,475	4,385,844	4,301,368	
Equipment and machinery	2,158,727	2,251,027	112,527	209,740	2,271,254	2,460,767	
Infrastructure	18,816,843	18,619,388	-	-	18,816,843	18,619,388	
Vehicles	573,054	573,054	1,232,525	1,232,525	1,805,579	1,805,579	
Public art	38,850	38,850	-	-	38,850	38,850	
Accumulated depreciation	(24,986,126)	(24,134,601)	(1,196,019)	(1,198,336)	(26,182,145)	(25,332,937)	
<b>Total capital assets, net</b>	<b>\$ 19,275,550</b>	<b>\$ 20,061,106</b>	<b>\$ 869,937</b>	<b>\$ 964,833</b>	<b>\$ 20,145,487</b>	<b>\$ 21,025,939</b>	

**Long-term Liabilities:** At June 30, 2021, the City had no loans or notes payable outstanding, but had a total of \$8.9 million in long-term liabilities with \$8.3 million in the governmental activities and \$589,591 in the business-type activities. Total long-term liabilities increased \$429,000 in the current fiscal year. Pension liabilities increased approximately \$264,000, OPEB liability increased \$188,000, while compensated absences decreased (\$23,000). The pension liability increase can be primarily attributed to a decrease in the CalPERS discount rate which is a significant part of the pension liability computation. The liability for compensated absences is total value of vacation, compensated absences, and sick leave time that will be required to be paid out or used by employees at a future date. The City has recorded the actuarially determined Net OPEB liability and implemented GASB 75 in 2018, the total net OPEB liability is \$3.0 million. Additional information on the City's compensated absences, Pension and OPEB is found in the Notes to Basic Financial Statements numbers 8, 9, and 10, pages 61-74 of this report.

TABLE 6

CITY OF OJAI LONG-TERM LIABILITIES JUNE 30, 2021 AND 2020							
	Governmental Activities		Business-Type Activities		Total		
	2021	2020	2021	2020	2021	2020	
Compensated absences	\$ 250,209	\$ 276,906	\$ 19,594	\$ 15,834	\$ 269,803	\$ 292,740	
Net pension liability	5,263,041	5,016,144	371,907	354,460	5,634,948	5,370,604	
Net OPEB liability	2,803,265	2,627,852	198,090	185,694	3,001,355	2,813,546	
<b>Total long-term liabilities</b>	<b>\$ 8,316,515</b>	<b>\$ 7,920,902</b>	<b>\$ 589,591</b>	<b>\$ 555,988</b>	<b>\$ 8,906,106</b>	<b>\$ 8,476,890</b>	

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

The City, as well as businesses and the community of Ojai, continues to navigate the changing climate of the unprecedented impacts of the COVID-19 pandemic. The coronavirus pandemic shelter-in-place order was enacted several times since March 2020 and continued into FY 20-21. The impacts of the pandemic such as increased unemployment, the decline in consumer discretionary spending, layoffs and furloughs, travel restrictions, and other restructuring activities further increased government intervention. On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by Congress in response to the economic fallout of the Coronavirus pandemic. ARPA provided \$350 billion in emergency funding for state, local, territorial, and tribal governments. ARPA appropriated \$19.53 billion to States for distribution to cities with a population of less than 50,000, also referred to as "non-entitlement units of local government (NEC)". The City was allocated \$1.8 million and will receive it in two installments. The City received the first installment of \$893,000 and expects to receive the second installment by July 2022.

The shelter-in-place, social distancing order impacted many businesses in the city, some decided to close their door permanently. One example of the ever-changing health order included outdoor dining only for restaurants and limiting indoor capacities for retailers. Despite the uncertainty, the City issued 270 new business licenses. The new licenses are mostly out-of-town businesses working within the City on home improvements and home-based businesses.

City management has historically budgeted revenue growth conservatively and to mitigate possible natural disaster-related revenue losses. In an effort to prepare for future economic downturns and natural disasters, management has placed additional emphasis on meeting the fifty (50) percent reserve requirement and conservatively budgeting for FY 20-21 and FY 21-22. Due to the uncertainty of the COVID pandemic, the City did not include the extra \$100,000 OPEB trust funding in FY 20-21 budget. Management conservatively opted to continue paying the annual pay-as-you-go funding of the retiree medical plan. The City also reduced the annual \$40,000 transfer to an Equipment replacement fund to \$20,010 for future equipment replacement and technology improvements from the General Fund. As of June 30, 2021, this fund has accumulated \$396,000 for this purpose, a reduction of \$6,000 due to small purchases of equipment and the IT assessment audit.

The City's internal policy is to hold 50% of the current year General Fund operating budget in reserves. The current internal 50% requirement may need to be re-visited, as history has shown economic downturns last 8 months or longer before showing signs of recovery. A 50% reserve would provide funding for approximately 6 months, which may not be adequate for an economic downturn. One current sign of an economic downturn is rising housing costs. With the coronavirus stalling economic recovery for almost two years now, the City should consider increasing the reserve requirement. On June 30, 2021, the City held \$4.9 million in unassigned fund balance (reserves) compared to a requirement of \$5.4 million, leaving the City \$518,000 under the internal reserve requirement. The increase in fund balance was specifically because of careful management of expenditures and delaying road and street maintenance, receiving grants from several sources, less use of General fund to support work, now supported by Measure C, and implementation of the "Cannabis" tax in FY2021.

## CITY OF OJAI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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Over the past few years, the City's top three priorities have been:

- 1) Bring General Fund reserves to the required level,
- 2) Perform deferred maintenance on the City's capital assets, and
- 3) Balance revenues and spending in order to position the City for increased pension costs and to pay down the unfunded pension and retiree medical liabilities of the City.

There are many demands on City resources and many "worthy" causes so City Council will need to exercise caution when considering funding requests if we are to make progress in building reserves and not overspending our limited resources as the nation is navigating COVID-19 and the associated effects on the economy.

The economy in the Ojai Valley has continued to grow at a modest rate over the past several years. Tourism significantly affects the City's economy and its annual TOT and sales tax revenue.

TOT revenue accounted for 26.1% of General Fund revenues and 33.5% of total city revenues in the fiscal year ended June 30, 2021, compared to 26.4% and 25.2% in the prior year. This heavy concentration of revenues from one source leaves the city vulnerable as we have witnessed in the past two years of a recession. Another "shelter-in-place" shutdown can completely eliminate financial sources for the City.

Citizens of Ojai passed Measure "C" on the March 2020 ballot, which will be a critical tool in helping the City to accomplish key projects. Measure "C" brought the City's TOT rate to 15% from 10%, with the additional 5% designated for capital improvement projects. This would also allow the City to catch up on deferred maintenance. Staff estimates that deferred maintenance costs may be over \$1.5 million at this time. The City has collected \$1.7 million by June 2021 and has used \$356,000.

However, this year shows that City Council should remain conservative to be prepared for an emergency. The "shelter-in-place" shut down due to COVID showed how prone the City can be to an emergency, and how quickly the City's finances can be impacted. It is unclear how long the effects of COVID-19 will last. Conservative decision and careful planning from City Council and management helped the City tread the shutdown orders these past two years, and positioned the City to quickly recover.

Staff projects that expenditures will continue to increase in the coming years due to two primary factors:

- 1) City staffing levels have been kept low to provide funds for the capital improvement program. These positions will be filled as the budget improves to begin enhancing the City's service levels.
- 2) Pension costs will continue to increase over the next six years as changes made by the CalPERS governing board will result in an estimated \$100,000 additional pension contributions annually.

## **CITY OF OJAI**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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#### **REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the City of Ojai's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Pamela Greer | Director of Finance  
City of Ojai  
401 S. Ventura St.  
Ojai, CA 93023  
[Pam.Greer@Ojai.Ca.Gov](mailto:Pam.Greer@Ojai.Ca.Gov)

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# CITY OF OJAI

## STATEMENT OF NET POSITION JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 10,832,652	\$ 368,750	\$ 11,201,402
Accounts receivable, net	3,115,534	456,889	3,572,423
Due from successor agency	1,663,344	-	1,663,344
Notes receivables	1,427,612	-	1,427,612
Prepays	97,103	1,553	98,656
Capital assets not being depreciated	3,383,650	119,246	3,502,896
Capital assets, net of accumulated depreciation	15,891,900	750,691	16,642,591
 Total assets	 36,411,795	 1,697,129	 38,108,924
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	1,177,012	83,172	1,260,184
Related to OPEB	302,868	21,402	324,270
 Total deferred outflows of resources	 1,479,880	 104,574	 1,584,454
<b>LIABILITIES</b>			
Accounts payable	1,788,789	17,387	1,806,176
Accrued liabilities	168,638	11,190	179,828
Deposits payable	20,434	-	20,434
Unearned revenue	972,750	24,971	997,721
Noncurrent liabilities:			
Due within one year			
Compensated absences	62,552	4,899	67,451
Due in more than one year			
Compensated absences	187,657	14,695	202,352
Net Pension liability	5,263,041	371,907	5,634,948
Net OPEB liability	2,803,265	198,090	3,001,355
 Total liabilities	 11,267,126	 643,139	 11,910,265
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	205,340	14,510	219,850
Related to OPEB	569,823	40,266	610,089
 Total deferred inflows of resources	 775,163	 54,776	 829,939
<b>NET POSITION</b>			
Net investment in capital assets	19,275,550	869,937	20,145,487
Restricted (See Note 13)	6,097,878	-	6,097,878
Unrestricted	475,958	233,851	709,809
 Total net position	 \$ 25,849,386	 \$ 1,103,788	 \$ 26,953,174

See Notes to Basic Financial Statements

# CITY OF OJAI

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Governmental Activities:</b>				
General government	\$ 2,749,231	\$ 384,713	\$ 5,961	\$ -
Public safety	3,307,787	359,374	156,727	-
Public works	2,856,229	6,610	-	627,131
Community development	1,208,684	474,386	1,137,320	620,400
Parks and recreation	500,117	185,665	-	-
Libraries	106,000	113,996	-	-
<b>Total governmental activities</b>	<b>10,728,048</b>	<b>1,524,744</b>	<b>1,300,008</b>	<b>1,247,531</b>
<b>Business-type Activities:</b>				
Transit	790,172	50,381	1,110,863	-
Cemetery	15,571	5,960	-	-
<b>Total business-type activities</b>	<b>805,743</b>	<b>56,341</b>	<b>1,110,863</b>	<b>-</b>
<b>Total government</b>	<b>\$ 11,533,791</b>	<b>\$ 1,581,085</b>	<b>\$ 2,410,871</b>	<b>\$ 1,247,531</b>
<b>General Revenues and Transfers:</b>				
Taxes:				
Property taxes				
Sales tax				
Transient occupancy tax				
Franchise fees				
Business licenses				
Motor vehicle license fees				
Unrestricted investment earnings				
Miscellaneous revenues				
Gain (Loss) on disposal of assets				
Transfers in (out)				
<b>Total general revenues and transfers</b>				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

See Notes to Basic Financial Statements

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Net (Expenses) Revenues and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,358,557)	\$ -	\$ (2,358,557)
(2,791,686)	-	(2,791,686)
(2,222,488)	-	(2,222,488)
1,023,422	-	1,023,422
(314,452)	-	(314,452)
7,996	-	7,996
<hr/>	<hr/>	<hr/>
(6,655,765)	-	(6,655,765)
<hr/>	<hr/>	<hr/>
-	371,072	371,072
-	(9,611)	(9,611)
<hr/>	<hr/>	<hr/>
-	361,461	361,461
<hr/>	<hr/>	<hr/>
(6,655,765)	361,461	(6,294,304)
<hr/>	<hr/>	<hr/>
3,149,324	-	3,149,324
1,808,606	-	1,808,606
5,169,346	-	5,169,346
357,555	-	357,555
255,698	-	255,698
5,543	-	5,543
63,093	3,469	66,562
552,406	-	552,406
-	(436)	(436)
2,660	(2,660)	-
<hr/>	<hr/>	<hr/>
11,364,231	373	11,364,604
<hr/>	<hr/>	<hr/>
4,708,466	361,834	5,070,300
<hr/>	<hr/>	<hr/>
21,140,920	741,954	21,882,874
<hr/>	<hr/>	<hr/>
\$ 25,849,386	\$ 1,103,788	\$ 26,953,174

**CITY OF OJAI**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	<b>Special Revenue Funds</b>		
	<b>General Fund</b>	<b>Measure C</b>	<b>Housing Successor</b>
<b>ASSETS</b>			
Cash and investments	\$ 7,005,675	\$ 946,989	\$ 471,598
Accounts receivable, net	2,556,791	455,800	-
Due from the successor agency	1,663,344	-	-
Notes receivable	-	-	1,427,612
Prepays	<u>97,103</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 11,322,913</u></b>	<b><u>\$ 1,402,789</u></b>	<b><u>\$ 1,899,210</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,610,833	\$ -	\$ -
Accrued liabilities	163,885	-	-
Deposits payable	6,625	-	-
Unearned revenue	<u>972,750</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>2,754,093</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund balances:			
Nonspendable	1,760,447	-	-
Restricted	1,546,037	1,402,789	1,899,210
Committed	225,380	-	-
Assigned	152,226	-	-
Unassigned	<u>4,884,730</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<b><u>8,568,820</u></b>	<b><u>1,402,789</u></b>	<b><u>1,899,210</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 11,322,913</u></b>	<b><u>\$ 1,402,789</u></b>	<b><u>\$ 1,899,210</u></b>

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Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ 653,093	\$ 1,755,297	\$ 10,832,652
71,845	31,098	3,115,534
-	-	1,663,344
-	-	1,427,612
-	-	97,103
<u>\$ 724,938</u>	<u>\$ 1,786,395</u>	<u>\$ 17,136,245</u>
\$ 97,942	\$ 80,014	\$ 1,788,789
-	4,753	168,638
13,809	-	20,434
-	-	972,750
<u>111,751</u>	<u>84,767</u>	<u>2,950,611</u>
-	-	1,760,447
-	1,249,842	6,097,878
-	-	225,380
613,187	451,786	1,217,199
-	-	4,884,730
<u>613,187</u>	<u>1,701,628</u>	<u>14,185,634</u>
<u>\$ 724,938</u>	<u>\$ 1,786,395</u>	<u>\$ 17,136,245</u>

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## CITY OF OJAI

### GOVERNMENTAL FUNDS

#### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2021

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Fund balances of governmental funds \$ 14,185,634

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds.

Capital assets at historical cost	\$ 44,261,676
Accumulated depreciation	<u>(24,986,126)</u>
	19,275,550

In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources are reported.

Deferred outflows of resources relating to:	
Pensions	1,177,012
OPEB	302,868
Deferred inflows of resources relating to:	
Pensions	(205,340)
OPEB	<u>(569,823)</u>
	704,717

Long-term obligations have not been included in the governmental funds.

Compensated absences	(250,209)
Net pension liability	(5,263,041)
Net OPEB liability	<u>(2,803,265)</u>
Net position of governmental activities	<u>\$ 25,849,386</u>

**CITY OF OJAI**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Funds		
		Measure C	Housing Successor	
<b>REVENUES</b>				
Property taxes	\$ 2,189,854	\$ -	\$ -	-
Sales taxes	1,808,606	-	-	-
Transient occupancy tax	3,097,070	1,705,886	-	-
Other taxes and assessments	187,552	-	-	-
Licenses, permits, and fees	1,509,583	-	-	-
Fines and forfeitures	24,990	-	-	-
Use of money and property	49,146	2,554	3,243	
Intergovernmental:				
Other	1,486,349	-	-	-
Motor vehicle in lieu	965,012	-	-	-
Charges for services	393,340	-	-	-
Other revenue	143,930	-	-	-
Total revenues	<u>11,855,432</u>	<u>1,708,440</u>	<u>3,243</u>	
<b>EXPENDITURES</b>				
Current:				
General government	2,727,111	757	969	
Public safety	3,265,590	-	-	-
Public works	1,531,525	38,108	-	-
Community development	1,039,289	-	24,617	
Parks and recreation	301,920	-	-	-
Libraries	-	-	-	-
Capital outlay	26,485	-	545	
Total expenditures	<u>8,891,920</u>	<u>38,865</u>	<u>26,131</u>	
Excess of revenues over (under) expenditures	<u>2,963,512</u>	<u>1,669,575</u>	<u>(22,888)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	68,958	-	-	-
Transfers out	(202,730)	(317,626)	-	-
Total other financing sources (uses)	<u>(133,772)</u>	<u>(317,626)</u>	<u>-</u>	
Net changes in fund balances	2,829,740	1,351,949	(22,888)	
Fund balances, beginning of year, as restated	<u>5,739,080</u>	<u>50,840</u>	<u>1,922,098</u>	
Fund balances, end of year	<u>\$ 8,568,820</u>	<u>\$ 1,402,789</u>	<u>\$ 1,899,210</u>	

See Notes to Basic Financial Statements

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Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,189,854
-	-	1,808,606
366,390	-	5,169,346
-	359,466	547,018
-	-	1,509,583
-	-	24,990
927	9,822	65,692
257,305	800,200	2,543,854
-	-	965,012
-	-	393,340
62,454	10,175	216,559
<u>687,076</u>	<u>1,179,663</u>	<u>15,433,854</u>
242	2,103	2,731,182
-	-	3,265,590
7,640	85,293	1,662,566
-	130,468	1,194,374
-	-	301,920
-	106,000	106,000
566,255	30,539	623,824
<u>574,137</u>	<u>354,403</u>	<u>9,885,456</u>
<u>112,939</u>	<u>825,260</u>	<u>5,548,398</u>
542,331	89,480	700,769
-	(177,753)	(698,109)
<u>542,331</u>	<u>(88,273)</u>	<u>2,660</u>
655,270	736,987	5,551,058
(42,083)	964,641	8,634,576
<u>\$ 613,187</u>	<u>\$ 1,701,628</u>	<u>\$ 14,185,634</u>

## CITY OF OJAI

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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Net change in fund balances - total governmental funds \$ 5,551,058

Amounts reported for governmental activities differ because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and disposals were exceeded by depreciation in the current period.

Capital outlay net of disposals	\$ 242,971
Depreciation expense not reported in governmental funds	<u>(1,028,527)</u> (785,556)

Governmental funds report all contributions for pensions and OPEB as expenditures; however, in the Statement of Activities, pension expense is actuarially determined.

Pension related net adjustments	(153,140)
OPEB related net adjustments	<u>104,450</u> (48,690)

Compensated absences are not a current period expense. This is the net change in compensated absences for the current period. (8,346)

Changes in net position of governmental activities \$ 4,708,466

**CITY OF OJAI**

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Totals
	Transit	Cemetery	
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 191,529	\$ 177,221	\$ 368,750
Accounts receivable, net	456,889	-	456,889
Prepays	1,553	-	1,553
Total current assets	<u>649,971</u>	<u>177,221</u>	<u>827,192</u>
Noncurrent Assets:			
Capital assets not being depreciated	1,600	117,646	119,246
Capital assets, net of accumulated depreciation	748,967	1,724	750,691
Total noncurrent assets	<u>750,567</u>	<u>119,370</u>	<u>869,937</u>
Total assets	<u>1,400,538</u>	<u>296,591</u>	<u>1,697,129</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension	80,652	2,520	83,172
Related to OPEB	20,753	649	21,402
Total deferred outflows of resources	<u>101,405</u>	<u>3,169</u>	<u>104,574</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	16,914	473	17,387
Accrued liabilities	10,917	273	11,190
Unearned revenue	4,560	20,411	24,971
Current portion of compensated absences	4,663	236	4,899
Total current liabilities	<u>37,054</u>	<u>21,393</u>	<u>58,447</u>
Noncurrent Liabilities:			
Compensated absences	13,988	707	14,695
Net pension liability	360,637	11,270	371,907
Net OPEB liability	192,087	6,003	198,090
Total noncurrent liabilities	<u>566,712</u>	<u>17,980</u>	<u>584,692</u>
Total liabilities	<u>603,766</u>	<u>39,373</u>	<u>643,139</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pension	14,070	440	14,510
Related to OPEB	39,046	1,220	40,266
Total deferred inflows of resources	<u>53,116</u>	<u>1,660</u>	<u>54,776</u>
<b>NET POSITION</b>			
Net investment in capital assets	750,567	119,370	869,937
Unrestricted	94,494	139,357	233,851
Total net position	<u>\$ 845,061</u>	<u>\$ 258,727</u>	<u>\$ 1,103,788</u>

See Notes to Basic Financial Statements

**CITY OF OJAI**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Totals
	Transit	Cemetery	
<b>Operating Revenues:</b>			
Charges for services (net of refunds)	\$ 50,381	\$ 5,960	\$ 56,341
Total operating revenues	<u>50,381</u>	<u>5,960</u>	<u>56,341</u>
<b>Operating Expenses:</b>			
Salaries and benefits	355,242	11,496	366,738
Material, supplies, and operational expenses	340,717	3,828	344,545
Depreciation	<u>94,213</u>	<u>247</u>	<u>94,460</u>
Total operating expenses	<u>790,172</u>	<u>15,571</u>	<u>805,743</u>
Operating income (loss)	<u>(739,791)</u>	<u>(9,611)</u>	<u>(749,402)</u>
<b>Non-Operating Revenues (Expenses):</b>			
Intergovernmental revenue	1,110,863	-	1,110,863
Interest income	2,304	1,165	3,469
Gain (loss) on disposal of assets	<u>(436)</u>	<u>-</u>	<u>(436)</u>
Total non-operating revenues (expenses)	<u>1,112,731</u>	<u>1,165</u>	<u>1,113,896</u>
Income (loss) before transfers	372,940	(8,446)	364,494
Transfers out	<u>(2,660)</u>	<u>-</u>	<u>(2,660)</u>
Changes in net position	370,280	(8,446)	361,834
Total net position, beginning of year	<u>474,781</u>	<u>267,173</u>	<u>741,954</u>
Total net position, end of year	<u>\$ 845,061</u>	<u>\$ 258,727</u>	<u>\$ 1,103,788</u>

**CITY OF OJAI**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Totals
	Transit	Cemetery	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 12,211	\$ 7,197	\$ 19,408
Cash paid to suppliers for goods and services	(365,785)	(3,698)	(369,483)
Cash paid to employees for services	(353,583)	(11,624)	(365,207)
Net cash used by operating activities	<u>(707,157)</u>	<u>(8,125)</u>	<u>(715,282)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating grants received	1,110,863	-	1,110,863
Repayments to other funds	(211,821)	-	(211,821)
Transfers (to)/from other funds	(2,660)	-	(2,660)
Net cash provided by noncapital financing activities	<u>896,382</u>	<u>-</u>	<u>896,382</u>
<b>Cash Flows from Investing Activities:</b>			
Interest received	2,304	1,165	3,469
Net cash provided by investing activities	<u>2,304</u>	<u>1,165</u>	<u>3,469</u>
Net increase (decrease) in cash and cash equivalents	191,529	(6,960)	184,569
Cash and Cash Equivalents at Beginning of Fiscal Year	-	184,181	184,181
Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 191,529</u>	<u>\$ 177,221</u>	<u>\$ 368,750</u>
<b>Reconciliation of Operating loss to Net Cash Used by Operating Activities:</b>			
Operating loss	\$ (739,791)	\$ (9,611)	\$ (749,402)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	94,213	247	94,460
(Increase) decrease in accounts receivable, net	(41,529)	-	(41,529)
(Increase) decrease in prepaids	(1,553)	-	(1,553)
(Increase) decrease in deferred outflows of resources	3,324	103	3,427
Increase (decrease) in accounts payable	(23,515)	130	(23,385)
Increase (decrease) in accrued liabilities	(844)	80	(764)
Increase (decrease) in unearned revenue	3,359	1,237	4,596
Increase (decrease) in compensated absences	(833)	(313)	(1,146)
Increase (decrease) in net pension liability	16,918	529	17,447
Increase (decrease) in net OPEB liability	12,020	376	12,396
Increase (decrease) in deferred inflows of resources	(28,926)	(903)	(29,829)
Total adjustments	<u>32,634</u>	<u>1,486</u>	<u>34,120</u>
Net cash used by operating activities	<u>\$ (707,157)</u>	<u>\$ (8,125)</u>	<u>\$ (715,282)</u>

**CITY OF OJAI****STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2021**

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	<u>Private Purpose Trust Fund</u>	<u>Successor Agency</u>
<b>ASSETS</b>		
Cash and investments	\$ 404,257	
Total assets	<u>404,257</u>	
<b>LIABILITIES</b>		
Account Payable	28,065	
Accrued interest payable - City of Ojai	1,663,344	
Unearned revenue	<u>393,632</u>	
Total liabilities	<u>2,085,041</u>	
<b>NET POSITION (DEFICIT)</b>		
Held in trust	<u>\$ (1,680,784)</u>	

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

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	<u>Private Purpose Trust Fund</u>	<u>Successor Agency</u>
<b>ADDITIONS:</b>		
Property taxes	\$ 345,749	
Use of money and property	<u>672</u>	
Total additions	<u>346,421</u>	
<b>DEDUCTIONS:</b>		
Community development	<u>35,998</u>	
Total deductions	<u>35,998</u>	
Change in net position	310,423	
Net position (deficit), beginning of year, as restated (See Note 15)	<u>(1,991,207)</u>	
Net position (deficit), end of year	<u>\$ (1,680,784)</u>	

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## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

The financial statements of the City of Ojai (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

##### A. Reporting Entity

The City of Ojai is a political subdivision provided for by the General Law of the State of California and, as such, can exercise the powers specified by the Constitution and laws of the State of California. The City operates under a council-manager form of government.

The City of Ojai is a municipal corporation governed by an elected five-member City Council. As of November 16, 2016, the Mayor is the elected leader of the Council. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The City has no blended component units as determined by GASB Statement No. 14, as amended by GASB Statement No. 3, GASB Statement No. 61, and GASB Statement No. 80.

##### B. Basis of Presentation

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

#### *Government-wide Statements*

The Statement of Net Position and the Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting or internal activities. Government activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### B. Basis of Presentation (Continued)

###### *Fund Financial Statements*

The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund *category-governmental, proprietary and fiduciary* are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary funds financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organization, other governmental units, and/or other funds.

##### C. Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

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

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### C. Major Funds (Continued)

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

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Measure "C" Fund is used to account for the receipt of an additional 5% special transient occupancy tax (hotel tax) on hotel guests to fund capital improvement and maintenance projects, including street paving, and fire mitigation, code enforcement, and climate change mitigation.

The Housing Successor Fund is used to account for the activities of the former Low- and Moderate-Income Housing Fund of the former Redevelopment Agency of the City assumed by the City on February 1, 2012.

The Capital Improvements Fund is used to account for costs associated with the five-year capital improvements plan.

The City reports the following proprietary funds:

The Transit Enterprise Fund accounts for the operation and maintenance of the transit operations.

The Cemetery Enterprise Fund accounts for the operation and maintenance of cemetery operations.

Additionally, the City reports the following fund type:

The Fiduciary Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### C. Major Funds (Continued)

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All 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, and then unrestricted resources as they are needed.

##### D. Basis of Accounting

The government-wide, proprietary funds, and fiduciary funds financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### D. Basis of Accounting (Continued)

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

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures/expenses. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

##### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position or Fund Balances

###### **Cash and Investments**

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represent that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on average three months balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms.

The City's investments are carried at fair value. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. The negotiable certificates of deposits are reported at fair value monthly. Changes are reported at fair value monthly and are allocated to each participating fund.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position or Fund Balances (Continued)

###### **Cash and Investments (Continued)**

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

###### **Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All trade and tax receivables are shown net of an allowance for uncollectible accounts, if applicable, and estimated refunds due.

###### **Property Taxes**

Property taxes in the State of California are administered for all local agencies at the County level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

*Property Valuations* - are established by the Assessor of the County of Ventura for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100 percent of purchase price or value in 1978, whichever is later. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

*Tax Levies* - are limited to one percent of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position or Fund Balances (Continued)

###### **Property Taxes (Continued)**

*Tax Levy Dates* - are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

*Tax Collections* - are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

The County of Ventura levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received, in the fiscal year of levy.

*Tax Levy Apportionments* - due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

*Property Tax Administration Fees* —the State of California Fiscal Year 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded net of administrative fees withheld during the fiscal year.

###### **Prepaid Items**

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are offset equally by a fund balance designation which indicates that they do not constitute expendable available resources and therefore are not available for appropriation. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position or Fund Balances (Continued)

###### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, streetlights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 (including infrastructure) or more and an estimated useful life in excess of three years. Such capital assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for constructed capital assets and improvements are capitalized during the construction period and is shown as construction in progress. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2021.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements other than buildings	20 to 50
Infrastructure	10 to 65
Vehicles	3 to 8
Computer equipment	5
Other equipment and furnishings	5 to 20

Periodic restoration and maintenance costs on particular items are charged to expense as incurred.

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## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position or Fund Balances (Continued)

###### **Compensated Absences**

The City accrues the liability for compensated absences in accordance with Generally Accepted Accounting Principles (GAAP).

The Compensated absences policy of the City is as follows:

- a) Vacation is accrued by full time employees who work either 36 or 40 hours per week and is based on years of service. 36 hours per week employees with up to 1 year of service accrue 79.2 hours per year and those with over 18 years of service accrue up to 144.0 hours per year. 40 hours per week employees with up to 1 year of service accrue 88.0 hours per year and those with over 18 years of service accrue up to 160.0 hours per year. Permanent part-time employees receive a pro-rata accrual based on hours worked exceeding 20 hours per week. Maximum accrual is 270 hours.
- b) Sick leave is accrued by employees who work 36 hours per week at a rate of 7.2 hours per month and employees who work 40 hours *per* week accrue at a rate of 8 hours per month. Permanent part time employees accrue a pro-rata share of these hours based on hours worked exceeding 20 hours per week. Maximum hours allowed as an accrual are 960, Employees can sell back up to 40 hours of sick leave every year, provided they maintain a balance of at least 300 hours. Upon death, retirement, and/or honorable separation from employment, the City will pay 50% of an employee's accumulated sick leave if the employee has at least 5 years of service.
- c) Effective July 1, 2015, for all persons employed by the City who work less than the minimum of twenty (20) hours per week but who work thirty (30) or more hours within a year from the date first hired, sick leave shall be earned at a rate of one (1) hour for every thirty (30) hours worked. For these employees, sick leave may not be used until an employee has been on the job for at least ninety (90) days. Such sick leave shall be earned immediately upon employment, subject to the employee having first been a resident of the State of California for at least thirty (30) days. The maximum amount of sick leave that may be taken by such employees shall not exceed 24 hours per fiscal year. Upon termination, the City shall maintain record of accumulating hours of the employee and shall make those hours available to the employee should the employee return to employment with the City within one year.

Compensated absences are paid, if matures out of the General Fund and the Transit Fund.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position or Fund Balances (Continued)

###### **Deferred Outflows and Inflows of Resources**

Pursuant GAAP, the City recognizes deferred outflows and deferred inflows of resources.

In addition to assets, the Statement of Net Position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The City has items which qualify for reporting in this category; refer to Notes 9 and 10 for a detailed listing of the deferred outflows of resources the City recognized.

In addition to liabilities, the Statement of Net Position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the City that is applicable to a future reporting period. The City has items which qualifies for reporting in this category; refer to Notes 9 and 10 for a detailed listing of the deferred inflows of resources the City has recognized.

###### **Pensions**

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position or Fund Balances (Continued)

###### **Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

###### **Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Amortization of bond premiums or discounts are included as part of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position or Fund Balances (Continued)

###### **Net Position and Fund Balances**

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments or by enabling legislation) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net position is temporarily restricted (ultimately expendable assets). All other net position is considered unrestricted.

In the fund financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- Non-spendable fund balance - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance - amounts that can only be used for specific purposes determined by formal action of the City's highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance - amounts that are constrained by the City Council's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance - the residual classification for the City's funds that include amounts not contained in the other classifications.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the fiscal year.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### F. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. AAP) requires City management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

##### G. Implementation of New GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*. The primary objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

As a result, activities previously reported as custodial funds (developer deposits and computer loan program) are now grouped with the General Fund. The City no longer has activities that meet the criteria to be reported as a custodial fund.

##### H. Future Accounting Pronouncements

The following new pronouncements may have an effect on the City when implemented:

###### *Government Accounting Standards Board Statement No. 87*

GASB Statement No. 87, *Leases*, is effective for fiscal years beginning after December 15, 2020.

###### *Government Accounting Standards Board Statement No. 89*

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, is effective for periods beginning after December 15, 2020.

###### *Government Accounting Standards Board Statement No. 91*

GASB Statement No. 91, *Conduit Debt Obligations* is effective for periods beginning after December 15, 2021.

###### *Government Accounting Standards Board Statement No. 92*

GASB Statement No. 92, *Omnibus 2020* is effective for periods beginning after June 15, 2021.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### H. Future Accounting Pronouncements (Continued)

*Government Accounting Standards Board Statement No. 93*

GASB Statement No. 93, *Replacement of Interbank Offered Rates* is effective for periods beginning after June 15, 2021.

*Government Accounting Standards Board Statement No. 94*

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for periods beginning after June 15, 2022.

*Government Accounting Standards Board Statement No. 96*

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is effective for periods beginning after June 15, 2022.

*Government Accounting Standards Board Statement No. 97*

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* is effective for fiscal years beginning after June 15, 2021.

#### NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

##### A. Budgetary Information

1. The budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the fiscal year. All amendments made during the fiscal year are included in the budgetary amounts reported herein. The "appropriated budget" covers all City expenditures. Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of budgetary control.
3. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, the City Council must approve any revisions that alter the total expenditures of any fund.
4. Formal budgetary integration is employed as a management control device during the fiscal year.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### **NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

##### **A. Budgetary Information (Continued)**

5. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.
6. Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for this type of fund.
7. Capital projects are budgeted through the Capital Projects Funds. Appropriations for authorized capital projects but not constructed or completed during the fiscal year, are carried forward as continuing appropriations into the following fiscal year's budget.
8. Under Article XIII-B of the California constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following fiscal year. For the fiscal year ended June 30, 2020, based on calculations by City staff, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIIIIB allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

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## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

##### B. Excess of Expenditures over Appropriation

Excess of expenditures over appropriations in individual funds are as follows:

<u>Major Fund</u>	<u>Budgeted amounts</u>	<u>Actual Amounts</u>	<u>(Excess) over budgeted amount</u>
<u>General Fund:</u>			
City attorney	\$ 230,297	\$ 295,834	\$ (65,537)
Non-departmental	1,036,044	1,062,226	(26,182)
Arts commission	52,561	52,804	(243)
Capital outlay	1,500	26,485	(24,985)
<u>Measure C</u>			
General government	-	757	(757)
<u>Housing Successor</u>			
General government	-	969	(969)
Capital outlay	-	545	(545)
<u>Capital Improvement Fund</u>			
General government	-	242	(242)
Public works	-	7,640	(7,640)
<u>Nonmajor Special Revenue Funds</u>			
<u>Gas Tax</u>			
General government	-	148	(148)
<u>Drainage</u>			
General government	-	113	(113)
<u>Bicycle and Pedestrian</u>			
General government	-	557	(557)
Transfers out	160,545	177,753	(17,208)
<u>Street Lighting</u>			
General government	-	285	(285)
Public works	75,100	84,643	(9,543)
<u>Library</u>			
General government	-	86	(86)
<u>Plaza Maintenance</u>			
General government	-	40	(40)
<u>Equipment Replacement Capital Project</u>			
General government	-	757	(757)
<u>Transit Equipment Replacement</u>			
General government	-	107	(107)

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 3 – CASH AND INVESTMENTS

At June 30, 2021, deposits and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 11,201,402
Statement of Fiduciary Net Position	
Cash and investments	<u>404,257</u>
Total cash and investments	<u><u>\$ 11,605,659</u></u>

Cash and investments as of June 30, 2021 consist of the following:

Deposit with financial institutions	\$ 2,991,892
Cash on hand	500
Investments	<u>8,613,267</u>
Total cash and investments	<u><u>\$ 11,605,659</u></u>

#### *Deposits with financial institutions*

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are held for, and in the name of, the local governmental agency.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### *Investments Authorized by the California Government Code and the City's Investment Policy*

The table below identifies the investment types that are authorized for the City by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	20%	None
California Local Agency Bonds	5 years	20%	None
Negotiable Certificates of Deposit	5 years	10%	5%
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	15%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 75,000,000
JPA Pools (other investment pools)	N/A	60%	None

##### *Investments in State Investment Pool*

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

##### *Fair Value*

Generally Accepted Accounting Principles (GAAP), establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not limit investments in Federal Agency Securities and Treasury Obligations to ratings issued by nationally recognized statistical rating organizations. Presented below are the City's investments and the actual rating as of fiscal year end for each investment type:

Investment Type	Total	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			Not Rated
				AAA	AA-f		
State Investment Pool	\$ 1,587,923	N/A	-	\$ -	\$ -		\$ 1,587,923
Negotiable certificates of deposit	4,577,000	N/A	-	-	-		4,577,000
Money market funds	2,448,344	N/A	-	-	-		2,448,344
Total	<u>\$ 8,613,267</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 8,613,267</u>

##### *Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment in LAIF is unrated.

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## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest 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 interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
State Investment Pool	\$ 1,587,923	\$ 1,587,923	\$ -	\$ -	\$ -
Negotiable certificates of deposit	4,577,000	-	1,478,000	3,099,000	-
Money market funds	2,448,344	2,448,344	-	-	-
Total	\$ 8,613,267	\$ 4,036,267	\$ 1,478,000	\$ 3,099,000	\$ -

##### *Concentration of Credit Risk*

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

##### *Fair Value Measurements*

Generally accepted accounting principles (GAAP), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: *Level 1 inputs* consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, *Level 2 inputs* that are observable for an asset or liability, either directly or indirectly, and *Level 3 inputs* have the lowest priority and consist of unobservable inputs for an asset or liability. The valuation technique used for level 2 investments include "inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly". *Level 2 inputs* include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active; interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### *Fair Value Measurements (continued)*

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2021:

Investment Type	Total	Level 1	Level 2	Level 3
<i>Investments at fair value:</i>				
Negotiable certificates of deposit	\$ 4,577,000	\$ -	\$ 4,577,000	\$ -
<i>Investments not subject to the fair value hierarchy:</i>				
State Investment Pool	1,587,923			
Money market funds	<u>2,448,344</u>			
Total investments	<u>\$ 8,613,267</u>			

#### **NOTE 4 – ACCOUNTS RECEIVABLE**

The following is a list of accounts receivable at June 30, 2021:

	Receivable	Allowance	Net
<i>Governmental Activities -</i>			
Accounts receivable, net	<u>\$ 3,213,486</u>	<u>\$ 97,952</u>	<u>\$ 3,115,534</u>
<i>Business-type Activities -</i>			
Accounts receivable, net	<u>\$ 456,889</u>	<u>\$ -</u>	<u>\$ 456,889</u>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 5 – INTER-FUND ACTIVITY

The following represents the inter-fund activity of the City for the fiscal year ended June 30, 2021:

##### A. Transfers

Transfers In	Transfers Out	Amount
General Fund	Measure C Fund	\$ 50,000
	Nonmajor Governmental Funds	18,958
		<hr/>
		68,958
Capital Improvements Fund	General Fund	115,910
	Measure C Fund	267,626
	Nonmajor Governmental Funds	158,795
		<hr/>
		542,331
Nonmajor Governmental Funds	General Fund	86,820
	Transit Fund	2,660
		<hr/>
		89,480
Total interfund transfers		\$ 700,769

The General Fund received transfers of \$50,000 from the Measure C Fund for code enforcement and \$18,958 from the TDA Art 3 of Fund for pedestrian and bike lane work.

The Capital Improvements Fund received transfers of \$115,910 from the General Fund and \$267,626 from the Measure C Fund to support capital improvement activities, and \$158,795 from the TDA Art 3 Fund for pedestrian and bike lane work.

The Equipment Replacement Fund received transfers from the General Fund of \$20,010 for its share of maintenance costs. The Street Lighting Fund received transfers of \$7,810 from the General Fund for its assessment and benefit use share. The Library Fund received transfers of \$6,000 from the General Fund to support library activities. The Plaza Maintenance Fund received transfers of \$53,000 from the General Fund for its share of maintenance costs and assessment shares.

The Vehicle Equipment Replacement Fund received transfers of \$2,660 from the Transit Fund for its share of maintenance costs.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### **NOTE 6 – NOTES RECEIVABLES AND DUE FROM THE SUCCESSOR AGENCY**

##### *Notes Receivable*

The former Redevelopment Agency's Low and Moderate Housing Fund entered into an agreement on December 21, 1991 to loan Montgomery Oaks Associates, a California limited partnership, the amount of \$250,000. As of June 30, 2021, the outstanding balance is \$250,000 plus accrued interest of \$168,913. The purpose of the loan was to provide financial assistance for the land acquisition and predevelopment expenses of a 21-unit affordable housing complex. The terms of the loan call for a repayment on December 23, 2064 for principal and simple interest of 3% per annum. The full amount is still outstanding as of June 30, 2021.

The former Redevelopment Agency's Low and Moderate Housing Fund has loaned \$300,000 to the Area Housing Authority at 0% interest with no specific due date. The full amount is still outstanding as of June 30, 2021.

The former Redevelopment Agency's Low and Moderate Housing Fund has loaned 6 individuals funds for housing rehabilitation in the amount of \$113,914 plus accrued interest of \$44,785. These loans carry interest at rates ranging from 0% to 6% and are normally due when the property is sold or refinanced. The full amounts are still outstanding as of June 30, 2021.

The former Redevelopment Agency's Low and Moderate Housing Fund entered into an agreement on October 10, 2000 and loaned \$550,000 to the Cabrillo Economic Development Corporation, a California nonprofit public benefit corporation at 0% interest. The terms of the loan call for a repayment at the end of 60 years. The full amount is still outstanding as of June 30, 2021.

On February 1, 2012, the Housing Successor Fund assumed these agreements previously held by the former Redevelopment Agency's Low and Moderate Housing Fund and are shown as Notes Receivable in the General Fund of the City for a total of \$1,663,344 as of June 30, 2021.

##### *Due from the Successor Agency*

On February 1, 2012, the Successor Agency assumed two loans due to the City of Ojai previously held by the former Redevelopment Agency. The loans are shown in the General Fund financial statements as Due from the Successor Agency for a total \$1,663,344 in accrued interest, as of June 30, 2021. The principal balance outstanding for the General Fund and the Housing Successor Fund were repaid in fiscal year 2021.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 7 – CAPITAL ASSETS

##### A. Governmental Activities

Governmental capital asset activity for the fiscal year ended June 30, 2021, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Right of way	\$ 798,250	\$ -	\$ -	\$ 798,250
Land	1,909,588	-	-	1,909,588
Artwork	60,982	-	-	60,982
Construction in progress	<u>738,492</u>	<u>375,396</u>	<u>(499,058)</u>	<u>614,830</u>
Total capital assets, not being depreciated	<u>3,507,312</u>	<u>375,396</u>	<u>(499,058)</u>	<u>3,383,650</u>
Capital assets, being depreciated:				
Buildings	15,452,183	-	-	15,452,183
Improvements other than buildings	3,753,893	119,000	(34,524)	3,838,369
Equipment and machinery	2,251,027	22,388	(114,688)	2,158,727
Infrastructure	18,619,388	197,455	-	18,816,843
Vehicles	573,054	-	-	573,054
Public art	<u>38,850</u>	<u>-</u>	<u>-</u>	<u>38,850</u>
Total capital assets being depreciated	<u>40,688,395</u>	<u>338,843</u>	<u>(149,212)</u>	<u>40,878,026</u>
Less accumulated depreciation for:				
Buildings	(6,541,195)	(318,022)	-	(6,859,217)
Improvements other than buildings	(2,541,986)	(152,256)	19,497	(2,674,745)
Equipment and machinery	(981,767)	(86,282)	100,794	(967,255)
Infrastructure	(13,668,160)	(437,951)	-	(14,106,111)
Vehicles	(397,602)	(32,074)	56,711	(372,965)
Public art	<u>(3,891)</u>	<u>(1,942)</u>	<u>-</u>	<u>(5,833)</u>
Total accumulated depreciation	<u>(24,134,601)</u>	<u>(1,028,527)</u>	<u>177,002</u>	<u>(24,986,126)</u>
Total capital assets being depreciated, net	<u>16,553,794</u>	<u>(689,684)</u>	<u>27,790</u>	<u>15,891,900</u>
Total capital assets, governmental activities	<u>\$ 20,061,106</u>	<u>\$ (314,288)</u>	<u>\$ (471,268)</u>	<u>\$ 19,275,550</u>

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

Public safety	\$ 39,159
Public works	837,918
Community development	3,128
Parks and recreation	148,322
Total	<u>\$ 1,028,527</u>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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

##### B. Business-Type Activities

Business-type capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Cemetery Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 108,900	\$ -	\$ -	\$ 108,900
Construction in progress	8,746	-	-	8,746
Total capital assets, not being depreciated	<u>117,646</u>	<u>-</u>	<u>-</u>	<u>117,646</u>
Capital assets, being depreciated:				
Land improvements	12,124	-	-	12,124
Equipment and machinery	17,641	-	-	17,641
Total capital assets being depreciated	<u>29,765</u>	<u>-</u>	<u>-</u>	<u>29,765</u>
Less accumulated depreciation for:				
Land improvements	(10,153)	(247)	-	(10,400)
Equipment and machinery	(17,641)	-	-	(17,641)
Total accumulated depreciation	<u>(27,794)</u>	<u>(247)</u>	<u>-</u>	<u>(28,041)</u>
Total capital assets being depreciated, net	<u>1,971</u>	<u>(247)</u>	<u>-</u>	<u>1,724</u>
Total capital assets, Cemetery Fund	<u>\$ 119,617</u>	<u>\$ (247)</u>	<u>\$ -</u>	<u>\$ 119,370</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<b>Transit Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,600	\$ -	\$ -	\$ 1,600
Total capital assets, not being depreciated	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>1,600</u>
Capital assets, being depreciated:				
Land improvements	535,351	-	-	535,351
Buildings improvements	54,183	-	-	54,183
Equipment and machinery	192,099	-	(97,213)	94,886
Vehicles	1,232,525	-	-	1,232,525
Total capital assets being depreciated	<u>2,014,158</u>	<u>-</u>	<u>(97,213)</u>	<u>1,916,945</u>
Less accumulated depreciation for:				
Land improvements	(218,690)	(22,694)	-	(241,384)
Buildings improvements	(1,087)	(1,084)	-	(2,171)
Equipment and machinery	(152,390)	(8,387)	96,777	(64,000)
Vehicles	(798,375)	(62,048)	-	(860,423)
Total accumulated depreciation	<u>(1,170,542)</u>	<u>(94,213)</u>	<u>96,777</u>	<u>(1,167,978)</u>
Total capital assets being depreciated, net	<u>843,616</u>	<u>(94,213)</u>	<u>(436)</u>	<u>748,967</u>
Total capital assets, Transit Fund	<u>\$ 845,216</u>	<u>\$ (94,213)</u>	<u>\$ (436)</u>	<u>\$ 750,567</u>

**CITY OF OJAI**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**B. Business-Type Activities (Continued)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Total Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 110,500	\$ -	\$ -	\$ 110,500
Construction in progress	8,746	-	-	8,746
Total capital assets, not being depreciated	<u>119,246</u>	<u>-</u>	<u>-</u>	<u>119,246</u>
Capital assets, being depreciated:				
Land improvements	547,475	-	-	547,475
Buildings improvements	54,183	-	-	54,183
Equipment and machinery	209,740	-	(97,213)	112,527
Vehicles	1,232,525	-	-	1,232,525
Total capital assets being depreciated	<u>2,043,923</u>	<u>-</u>	<u>(97,213)</u>	<u>1,946,710</u>
Less accumulated depreciation for:				
Land improvements	(228,843)	(22,941)	-	(251,784)
Buildings improvements	(1,087)	(1,084)	-	(2,171)
Equipment and machinery	(170,031)	(8,387)	96,777	(81,641)
Vehicles	(798,375)	(62,048)	-	(860,423)
Total accumulated depreciation	<u>(1,198,336)</u>	<u>(94,460)</u>	<u>96,777</u>	<u>(1,196,019)</u>
Total capital assets being depreciated, net	<u>845,587</u>	<u>(94,460)</u>	<u>(436)</u>	<u>750,691</u>
Total capital assets, business-type activities	<u>\$ 964,833</u>	<u>\$ (94,460)</u>	<u>\$ (436)</u>	<u>\$ 869,937</u>

Depreciation expense was charged to functions/programs of the City's Business-type activities as follows:

Business-type activities:	
Cemetery	\$ 247
Transit	94,213
Total	<u>\$ 94,460</u>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 8 – COMPENSATED ABSENCES

##### A. Summary

The following is a summary of changes in the City's compensated absences for the fiscal year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 241,863	\$ 143,768	\$ (135,422)	\$ 250,209	\$ 62,552
Total governmental	<u>\$ 241,863</u>	<u>\$ 143,768</u>	<u>\$ (135,422)</u>	<u>\$ 250,209</u>	<u>\$ 62,552</u>
<b>Business-type activities:</b>					
Compensated absences					
Transit	\$ 19,484	\$ 9,260	\$ (10,093)	\$ 18,651	\$ 4,663
Cemetery	1,256	197	(510)	943	236
Total business-type	<u>\$ 20,740</u>	<u>\$ 9,457</u>	<u>\$ (10,603)</u>	<u>\$ 19,594</u>	<u>\$ 4,899</u>

##### Compensated Absences

The City's liability for vested and unpaid compensated absences in the governmental and business-type activities has been accrued and amounts to \$269,803 as of June 30, 2021. These liabilities have been described in Note 1.

#### NOTE 9 – PENSION PLAN

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

###### *Plan Descriptions*

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERC) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors four rate plans (three miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 9 – PENSION PLAN (Continued)

##### A. General Information about the Pension Plan (Continued)

###### ***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plans' provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Miscellaneous		
	First Tier	Second Tier	PEPRA
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-67	50-67	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.00% to 2.50%
Required employee contribution rates	7.000%	7.000%	7.730%
Required employer contribution	11.031%	9.281%	6.750%

	Safety	
	Prior to	
Hire Date	January 1, 2013	
Benefit formula	2% @ 50	
Benefit vesting schedule	N/A	
Benefit payments	monthly for life	
Retirement age	50-55	
Monthly benefits, as a % of eligible compensation	N/A	
Required employee contribution rates	0.000%	
Required employer contribution	0.000%	

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 9 – PENSION PLAN (Continued)

##### A. General Information about the Pension Plan (Continued)

###### ***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and 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. Employer Contributions to the Plans for the fiscal year ended June 30, 2021 were \$718,164. The actual employer payments of \$667,202 made to CalPERS by the City during the measurement period ended June 30, 2020 differed from the City's proportionate share of the employer's contributions of \$671,393 by \$4,191, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

##### B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

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## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 9 – PENSION PLAN (Continued)

##### B. Net Pension Liability

###### ***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CALPERS' membership data for all funds
Post Retirement	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.
Benefit Increase	

<sup>(1)</sup> The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

###### ***Long-term Expected Rate of Return***

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

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

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 9 – PENSION PLAN (Continued)

##### B. Net Pension Liability (Continued)

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

Asset Class <sup>1</sup>	New Strategic Allocation	Real Return Years 1 - 10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	<u>100%</u>		

<sup>1</sup> In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.00% used for this period

<sup>3</sup>An expected inflation of 2.92% used for this period

#### *Change of Assumptions*

The Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019.

#### *Discount Rate*

The discount rate used to measure the total pension liability for PERF C was 7.15%. 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.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 9 – PENSION PLAN (Continued)

##### B. Net Pension Liability (Continued)

###### *Pension Plan Fiduciary Net Position*

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

##### C. Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2019 (VD)	\$ 19,963,960	\$ 14,593,356	\$ 5,370,604
Balance at: 6/30/2020 (MD)	20,545,172	14,910,224	5,634,948
Net changes during 2019-20	<u>\$ 581,212</u>	<u>\$ 316,868</u>	<u>\$ 264,344</u>

Valuation Date (VD), Measurement Date (MD).

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The City's proportionate share of the net pension liability for the miscellaneous and safety plans as of the June 30, 2019 and 2020 measurement dates was as follows:

	Miscellaneous	Safety
Proportionate share - June 30, 2019	0.12638%	0.00496%
Proportionate share - June 30, 2020	0.12700%	0.00417%
Change - Increase (Decrease)	<u>0.00062%</u>	<u>-0.00079%</u>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 9 – PENSION PLAN (Continued)

##### C. Proportionate Share of Net Pension Liability (Continued)

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

The following presents the City's proportionate share of the net pension liability of the Plans as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Plan's Net Pension Liability/(Asset)	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 7,956,197	\$ 5,357,022	\$ 3,209,405
Safety	415,577	277,926	164,970
<b>Total</b>	<b>\$ 8,371,774</b>	<b>\$ 5,634,948</b>	<b>\$ 3,374,375</b>

##### ***Subsequent Events***

There were no subsequent events that would materially affect the results presented in this disclosure.

##### ***Amortization of Deferred Outflows and Deferred Inflows of Resources***

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 9 – PENSION PLAN (Continued)

##### C. Proportionate Share of Net Pension Liability (Continued)

###### ***Amortization of Deferred Outflows and Deferred Inflows of Resources (Continued)***

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

##### D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources

As of the start of the measurement period (July 1, 2019), the City's net pension liability was \$5,370,604. For the measurement period ending June 30, 2020 (the measurement date), the City incurred a pension expense of \$882,123.

As of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 39,134
Differences between expected and actual experience	297,615	-
Differences between projected and actual investment earnings	165,179	-
Differences between employer's contributions and proportionate share of contributions	57,681	51,998
Change in employer's proportion	21,545	128,718
Pension contributions made subsequent to measurement date	718,164	-
<b>Totals</b>	<b>\$ 1,260,184</b>	<b>\$ 219,850</b>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 9 – PENSION PLAN (Continued)

##### D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources (Continued)

These amounts above are net of outflows and inflow recognized in the 2019-20 measurement period expense. Contributions after the measurement date of \$718,164 reported within deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ending June 30:	Miscellaneous	Safety	Total
2022	\$ 16,162	\$ (18,112)	\$ (1,950)
2023	134,319	(6,338)	127,981
2024	112,987	3,797	116,784
2025	76,327	3,028	79,355
2026	-	-	-
Thereafter	-	-	-
	<u>\$ 339,795</u>	<u>\$ (17,625)</u>	<u>\$ 322,170</u>

##### E. Payable to the Pension Plan

As of June 30, 2021, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

#### NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN

##### *Plan Description*

The City provides post-employment health care benefits through the Public Employees' Medical and Hospital Care Act (PEMHCA) plan, an agent, multiple employer plan. As a PEMHCA employer, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The City maintains an "equal" resolution with CalPERS (executed January 2011) defining the level of the City's contribution toward the cost of medical plan premiums for active retired employees to be the PEMHCA minimum employer contribution (MEC). The MEC was \$136 per month.

The City established a Health Savings Account (HSA) through the International City/County Management Association Retirement Corporation (ICMA-RC). Through this arrangement, the City provides a more generous contribution toward retiree medical premiums for certain retirees, based on their employment dates and years of service with the City.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### **NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)**

During the 2014-15 fiscal year, the City established an irrevocable trust through the CalPERS California Employers' retiree benefit trust (CERBT) to prefund its OPEB obligation.

All employees hired and council members elected prior to November 1, 2010 that have at least 5 years of PERS service credit with the City and retire from the City (inclusive of the MEC).

Employees hired and Council members elected on or after November 1, 2010 but prior to October 1, 2012 (November 1, 2012 for Council members) who complete 10 or more years of service with the City and retire from the City, and who meet PEMHCA eligibility requirements for medical coverage described above are eligible for the increased benefit (inclusive of the MEC).

Employees hired on or after October 1, 2012 and City Council members elected on or after November 1, 2012 are not eligible for an additional benefit beyond the MEC.

#### ***Contributions***

For those retirees satisfying the employment date and service requirements described on the preceding paragraph the City will contribute the following amounts in place of the PEMHCA minimum employer contribution.

- 100% of retiree's (Single coverage) premium, but no more than the current PERS Choice pre-Medicare premium rate (Los Angeles Area)
- Plus, if applicable, 80% of additional premiums for the retiree's spouse (including a surviving spouse receiving CalPERS retirement benefits) and/or other eligible dependents, but not more than 80% of the difference between:

The Los Angeles Area PERS Choice pre-Medicare Two-Party or Family premium rate (as applicable) and

The Los Angeles Area PERS Choice pre-Medicare Single premium rate.

#### ***Employees Covered***

At June 30, 2021 (the census date, the benefit terms covered the following employees:

Active employees	30
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	44
<b>Total</b>	<b>74</b>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### **NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)**

##### ***Net OPEB Liability***

The City's net OPEB liability was based on an actuarial valuation date of June 30, 2020 and a measurement date of June 30, 2020. The results of the June 30, 2019 actuarial valuation were rolled forward to the June 30, 2021 measurement date using standard actuarial methods. The Total OPEB Liability was determined using an actuarial valuation date of June 30, 2019, using the following actuarial assumptions:

##### **Actuarial Assumptions:**

Discount rate	7.04%
Inflation	0.75%
Salary increases	2.75%
Investment rate of return	5.85%
Mortality rate	Based on CalPERS Tables
Healthcare cost trend rates	6.5% Trending down to 3.84% over 54 years

The General Fund typically has been used in prior years to liquidate net OPEB liabilities.

The long-term expected rate of return (LTROR) on OPEB plan investments was determined by CERBT using a building-block method in which best-estimate ranges of 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 table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions):

Asset Class	Strategy 1 - Target Allocation	Long-term expected real rate of return
Global Equity	59%	4.80%
US Fixed Income	25%	1.10%
Treasury	5%	0.25%
REIT's	8%	3.20%
Commodities	3%	1.50%
Total	<u>100%</u>	

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)

##### ***Discount Rate***

The discount rate used to measure the total OPEB liability is 7.04%. This is the expected long-term rate of return on City assets using the 1 asset allocation provided by California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return. Employees do not contribute to trust funds.

##### ***Changes in Assumptions***

In measurement date 2021, the following assumptions changed from the prior valuation report:

- The discount rate and investment rate of return went from 7.55% to 7.04%.

##### ***Changes in the OPEB Liability***

	Total OPEB Liability(a)	Plan Fiduciary Net Position(b)	Net OPEB Liability (c)=(a)-(b)
Balance at June 30, 2019 (Valuation Date: June 30, 2019)	\$ 3,409,083	\$ 595,537	\$ 2,813,546
Changes recognized for the measurement period:			
Service cost	60,010	-	60,010
Interest	251,565	-	251,565
Differences between expected and actual experience	4,014	-	4,014
Changes of assumptions	167,177	-	167,177
Contributions:			
Employer - City Contributions	-	221,870	(221,870)
Employer - Implicit Subsidy	-	52,332	(52,332)
Net investment income	-	21,046	(21,046)
Benefit payments	(221,870)	(221,870)	-
Implicit Subsidy Credit	(52,332)	(52,332)	-
Administrative expense	-	(291)	291
Net changes	208,564	20,755	187,809
Balance at June 30, 2020 (Measurement Date)	<u>\$ 3,617,647</u>	<u>\$ 616,292</u>	<u>\$ 3,001,355</u>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### **NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)**

##### ***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

Sensitivity of the net OPEB liability to changes in the discount rate. The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher follows:

	1% Decrease 6.04%	Current Discount Rate 7.04%	1% Increase 8.04%
Net OPEB Liability	\$ 3,371,599	\$ 3,001,355	\$ 2,685,545

##### ***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates***

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates follows:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 2,624,496	\$ 3,001,355	\$ 3,447,516

##### ***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss.

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (4.8 Years at June 30, 2021)

##### ***OPEB Plan Fiduciary Net Position***

CalPERS issues a publicly available CERBT financial report that may be obtained from the CalPERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**CITY OF OJAI****NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)*****OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$97,753. As of fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes between expected and actual experience	\$ 3,177	\$ 337,499
Changes of assumptions	135,966	272,590
Net Difference Between Projected and Actual		
Earnings on OPEB Plan Investments	27,875	-
Contributions to OPEB plan subsequent to the measurement date	<u>157,252</u>	<u>-</u>
Total	<u>\$ 324,270</u>	<u>\$ 610,089</u>

The \$157,252 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2021.

Amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:	Deferred (Inflows) of Resources
2022	\$ (172,789)
2023	(172,589)
2024	(130,601)
2025	32,908
2026	-
Thereafter:	-
	<u>\$ (443,071)</u>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### **NOTE 11 – LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE**

##### *A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement*

The City of Ojai is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

##### *B. Primary Self-Insurance Programs of the Authority*

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

##### Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### **NOTE 11 – LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE (Continued)**

##### *B. Self-Insurance Programs of the Authority (Continued)*

###### Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

##### *C. Purchased Insurance*

###### Pollution Legal Liability Insurance

The City of Ojai participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Ojai. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

###### Property Insurance

The City of Ojai participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Ojai property is currently insured according to a schedule of covered property submitted by the City of Ojai to the Authority. City of Ojai property currently has all-risk property insurance protection in the amount of \$ 20,446,373. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### **NOTE 11 – LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE (Continued)**

##### *C. Purchased Insurance (Continued)*

###### Crime Insurance

The City of Ojai purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

##### *D. Adequacy of Protection*

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.

#### **NOTE 12 – CONTINGENCIES, COMMITMENTS AND SUBSEQUENT EVENTS**

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial statements of the City.

Proposition 218, which was approved by the voters in November 1996, regulates the City's ability to impose, increase and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the City's ability to finance the services for which the taxes, assessments, and fees were imposed may be significantly impaired.

On March 11, 2021, HR 1319, the American Rescue Plan Act of 2021 (ARPA), was signed into law. ARPA was designed to provide assistance to individuals, businesses and, state and local governments to assist in the economic recovery from the ongoing COVID-19 pandemic. The City of Ojai was granted an allocation of \$1,786,983, delivered in two tranches of \$893,492 in July 2021 and July 2022.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 13 – NET POSITION AND FUND BALANCES

GAAP requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

##### A. Net Position

Net position is divided into three categories under GASB Statement No. 63. These categories apply only to net position as determined at the government-wide level, and are described below:

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

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

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

##### B. Fund Balances

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are non-spendable, restricted, committed, assigned, and unassigned fund balance. The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

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

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

##### B. Fund Balances (Continued)

The constraints placed on fund balance for the major governmental funds and all other governmental funds as of June 30, 2021 are as follows:

	General Fund	Measure C	Housing Successor	Capital Improvements Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>						
Due from successor agency	\$ 1,663,344	\$ -	\$ -	\$ -	\$ -	\$ 1,663,344
Prepays	97,103	-	-	-	-	97,103
<b>Total Nonspendable</b>	<b>1,760,447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,760,447</b>
<u>Restricted for:</u>						
Community development	1,325,842	1,402,789	-	-	967,185	3,695,816
Housing	45,852	-	1,899,210	-	-	1,945,062
Libraries	-	-	-	-	44,973	44,973
Street lighting & Plaza maintenance	-	-	-	-	237,684	237,684
Recreation, scholarships/grants	36,884	-	-	-	-	36,884
General Plan maintenance	137,459	-	-	-	-	137,459
<b>Total Restricted*</b>	<b>1,546,037</b>	<b>1,402,789</b>	<b>1,899,210</b>	<b>-</b>	<b>1,249,842</b>	<b>6,097,878</b>
<u>Committed for:</u>						
Capital improvement deposits	2,513	-	-	-	-	2,513
Community development	222,867	-	-	-	-	222,867
<b>Total Committed</b>	<b>225,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,380</b>
<u>Assigned for:</u>						
Capital improvements	-	-	-	613,187	-	613,187
Document maintenance	50,000	-	-	-	-	50,000
Community arts	95,032	-	-	-	-	95,032
Community safety	7,194	-	-	-	-	7,194
Equipment replacement	-	-	-	-	451,786	451,786
<b>Total Assigned</b>	<b>152,226</b>	<b>-</b>	<b>-</b>	<b>613,187</b>	<b>451,786</b>	<b>1,217,199</b>
<u>Unassigned:</u>						
Unassigned	4,884,730	-	-	-	-	4,884,730
<b>Total Unassigned</b>	<b>4,884,730</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,884,730</b>
<b>Total Fund Balances</b>	<b>\$ 8,568,820</b>	<b>\$ 1,402,789</b>	<b>\$ 1,899,210</b>	<b>\$ 613,187</b>	<b>\$ 1,701,628</b>	<b>\$ 14,185,634</b>

\* Restricted Net Position in the Statement of Net Position, Governmental Activities column.

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 14 – SUCCESSOR AGENCY

##### *Loans Payable*

On February 1, 2012, the Successor Agency assumed loans due to the City of Ojai previously held by the former Redevelopment Agency. The amount due to the City of Ojai as of June 30, 2021 was \$1,663,344 which includes \$1,663,344 in accrued interest.

Loans payable activity for the fiscal year ended June 30, 2021, was as follows:

Loan Payable - City of Ojai	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Fund	\$ 1,969,083	\$ 7,731	\$ (313,470)	\$ 1,663,344	\$ 292,005
Housing Successor Fund	51,537	-	(51,537)	-	-
Total	<u>\$ 2,020,620</u>	<u>\$ 7,731</u>	<u>\$ (365,007)</u>	<u>\$ 1,663,344</u>	<u>\$ 292,005</u>

##### *Operating Lease*

The Successor Agency to the Redevelopment Agency has entered into an operating lease agreement for property used for the Park and Ride. The lessor is the Ojai Unified School District, and the termination date of the lease is December 31, 2023. The lease may be canceled at any time by consent of both parties. The annual rent for the Park and Ride is based on available parking spaces (49). As of June 30, 2021, the amount was \$270 per space which increases annually by the Consumer Price Index (CPI). The annual lease for the Park and Ride, for the fiscal year ending June 30, 2021, was \$28,605, which will also increase annually by the CPI.

Future annual lease payments are as follows:

Operating Lease	
Fiscal Year	
Ending June 30,	Amount
2022	\$ 28,626
2023	29,199
2024	29,783
Total	<u>\$ 87,608</u>

## CITY OF OJAI

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### NOTE 15 – PRIOR-PERIOD RESTATEMENTS

##### *Government-Wide Statements, Governmental Funds Statements, Proprietary Funds Statements*

During fiscal year a prior period restatement was needed to adjust the beginning balance of the City's net position and fund balances of certain funds. The amount of adjustment affecting the cumulative results of operations was due to errors and omissions that occurred in the prior years.

The effects of the prior-period restatements in each statement affected is shown below:

<i>Government-wide Statements - Statement of Activities</i>	<i>Governmental Activities</i>
Net position, beginning of year, prior to restatement	\$ 21,067,919
Prior period restatement	<u>73,001</u>
Net position, beginning of year, as restated	<u>\$ 21,140,920</u>
<i>Governmental Funds Statements - Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds</i>	<i>Housing Successor Fund</i>
Fund balance, beginning of year, prior to restatement	\$ 1,849,097
Prior period restatement	<u>73,001</u>
Fund balance, beginning of year, as restated	<u>\$ 1,922,098</u>
<i>Fiduciary Funds Statements - Statement of Changes in Net Position</i>	<i>Private Purpose Trust Fund - Successor Agency</i>
Net position (deficit), beginning of year, prior to restatement	\$ (1,961,134)
Prior period restatement	<u>(30,073)</u>
Net position (deficit), beginning of year, as restated	<u>\$ (1,991,207)</u>

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**REQUIRED SUPPLEMENTARY INFORMATION SECTION**

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 2,068,070	\$ 2,068,070	\$ 2,189,854	\$ 121,784
Sales	1,660,000	1,660,000	1,808,606	148,606
Transient occupancy	2,834,108	2,834,108	3,097,070	262,962
Other taxes and assessments	-	-	187,552	187,552
Licenses, permits, and fees	1,257,620	1,257,620	1,509,583	251,963
Fines and forfeitures	25,140	25,140	24,990	(150)
Use of money and property	80,330	80,330	49,146	(31,184)
Intergovernmental:				
Other	563,080	563,080	1,486,349	923,269
Motor vehicle in lieu	608,092	608,092	965,012	356,920
Charges for services	790,529	790,529	393,340	(397,189)
Other revenue	518,080	518,080	143,930	(374,150)
Total revenues	<u>10,405,049</u>	<u>10,405,049</u>	<u>11,855,432</u>	<u>1,450,383</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
City council	123,937	123,937	113,128	10,809
City manager	665,259	665,259	392,084	273,175
City treasurer	5,434	5,434	5,273	161
City finance	685,054	685,054	627,429	57,625
City attorney	230,297	230,297	295,834	(65,537)
City clerk	207,890	207,890	178,333	29,557
Non-departmental	1,036,044	1,036,044	1,062,226	(26,182)
Arts commision	52,561	52,561	52,804	(243)
Total general government	<u>3,006,476</u>	<u>3,006,476</u>	<u>2,727,111</u>	<u>279,365</u>
Public safety:				
Police	<u>3,503,103</u>	<u>3,503,103</u>	<u>3,265,590</u>	<u>237,513</u>
Total public safety	<u>3,503,103</u>	<u>3,503,103</u>	<u>3,265,590</u>	<u>237,513</u>
Public works	<u>1,770,129</u>	<u>1,770,129</u>	<u>1,531,525</u>	<u>238,604</u>
Community development	<u>1,113,983</u>	<u>1,113,983</u>	<u>1,039,289</u>	<u>74,694</u>
Parks and recreation	<u>862,988</u>	<u>862,988</u>	<u>301,920</u>	<u>561,068</u>
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>26,485</u>	<u>(24,985)</u>
Total expenditures	<u>10,258,179</u>	<u>10,258,179</u>	<u>8,891,920</u>	<u>1,366,259</u>
Excess of revenues over (under) expenditures	<u>146,870</u>	<u>146,870</u>	<u>2,963,512</u>	<u>2,816,642</u>

(continued)

**CITY OF OJAI****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL (Continued)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

<b>OTHER FINANCING SOURCES (USES)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Transfers in	\$ 50,000	\$ 50,000	\$ 68,958	\$ 18,958
Transfers out	<u>(202,730)</u>	<u>(202,730)</u>	<u>(202,730)</u>	<u>-</u>
Total other financing sources (uses)	<u>(152,730)</u>	<u>(152,730)</u>	<u>(133,772)</u>	<u>18,958</u>
Net change in fund balance	(5,860)	(5,860)	2,829,740	2,835,600
Fund balance, beginning of year	<u>5,739,080</u>	<u>5,739,080</u>	<u>5,739,080</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,733,220</u>	<u>\$ 5,733,220</u>	<u>\$ 8,568,820</u>	<u>\$ 2,835,600</u>

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MEASURE "C" SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Transient occupancy tax	\$ 1,578,500	\$ 1,578,500	\$ 1,705,886	\$ 127,386
Use of money and property	-	-	2,554	2,554
Total revenues	<u>1,578,500</u>	<u>1,578,500</u>	<u>1,708,440</u>	<u>129,940</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	757	(757)
Public works	150,500	150,500	38,108	112,392
Total expenditures	<u>150,500</u>	<u>150,500</u>	<u>38,865</u>	<u>111,635</u>
Excess of revenues over (under) expenditures	<u>1,428,000</u>	<u>1,428,000</u>	<u>1,669,575</u>	<u>241,575</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,339,500)	(1,339,500)	(317,626)	1,021,874
Total other financing sources (uses)	<u>(1,339,500)</u>	<u>(1,339,500)</u>	<u>(317,626)</u>	<u>1,021,874</u>
Net change in fund balance	88,500	88,500	1,351,949	1,263,449
Fund balance, beginning of year	50,840	50,840	50,840	-
Fund balance, end of year	<u>\$ 139,340</u>	<u>\$ 139,340</u>	<u>\$ 1,402,789</u>	<u>\$ 1,263,449</u>

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HOUSING SUCCESSOR SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 3,243	\$ 3,243
Other revenue	24,770	24,770	-	(24,770)
Total revenues	24,770	24,770	3,243	(21,527)
<b>EXPENDITURES</b>				
Current:				
General government	-	-	969	(969)
Community development	24,770	24,770	24,617	153
Capital outlay	-	-	545	(545)
Total expenditures	24,770	24,770	26,131	(1,361)
Net change in fund balance	-	-	(22,888)	(22,888)
Fund balance, beginning of year, as restated	1,922,098	1,922,098	1,922,098	-
Fund balance, end of year	\$ 1,922,098	\$ 1,922,098	\$ 1,899,210	\$ (22,888)

**CITY OF OJAI****SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND  
RELATED RATIOS  
LAST 10 YEARS\*  
AS OF JUNE 30, 2021**

---

Measurement Date	Employer's Proportion of the Collective Net Pension Liability <sup>1</sup>	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	0.06463%	\$ 4,021,490	\$ 1,729,126	232.57%	79.82%
6/30/2015	0.05755%	3,949,970	1,920,727	205.65%	78.40%
6/30/2016	0.05620%	4,862,637	1,832,505	265.35%	74.06%
6/30/2017	0.05440%	5,394,751	1,855,753	290.70%	73.31%
6/30/2018	0.05343%	5,148,840	2,024,387	254.34%	75.26%
6/30/2019	0.05241%	5,370,604	2,228,644	240.98%	73.10%
6/30/2020	0.05179%	5,634,948	2,100,039	268.33%	72.57%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

<sup>1</sup> Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

## CITY OF OJAI

### SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS LAST 10 YEARS\* AS OF JUNE 30, 2021

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 546,420	\$ (546,420)	\$ -	\$ 1,920,727	28.45%
6/30/2016	502,006	(502,006)	-	1,832,505	27.39%
6/30/2017	535,288	(535,288)	-	1,855,753	28.84%
6/30/2018	586,485	(586,485)	-	2,024,387	28.97%
6/30/2019	597,954	(597,954)	-	2,228,644	26.83%
6/30/2020	667,202	(667,202)	-	2,100,039	31.77%
6/30/2021	718,164	(718,164)	-	1,994,993	36.00%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

#### **Notes to Schedule:**

Change in Benefit Terms: None

Changes in Assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**CITY OF OJAI**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
LAST 10 YEARS\***  
AS OF JUNE 30, 2021

<b>Measurement Date (June 30)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>				
Service cost	\$ 60,010	\$ 108,589	\$ 105,971	\$ 103,009
Interest	251,565	310,773	299,827	290,203
Differences between expected and actual experience	4,014	(578,571)	-	-
Changes of assumptions	167,177	(467,300)	6,909	-
Benefit payments	(221,870)	(207,716)	(214,993)	(222,046)
Implicit subsidy credit	(52,332)	(41,664)	(51,736)	(48,225)
Net change in total OPEB liability	208,564	(875,889)	145,978	122,941
Total OPEB liability - beginning	3,409,083	4,284,972	4,138,994	4,016,053
Total OPEB liability - ending (a)	<u>3,617,647</u>	<u>3,409,083</u>	<u>4,284,972</u>	<u>4,138,994</u>
<b>Plan Fiduciary Net Position</b>				
Net investment income	21,046	30,596	28,047	27,832
Employer — City's Contribution	221,870	307,716	314,993	322,046
Employer — Implicit Subsidy	52,332	41,664	51,736	48,225
Benefit payments	(221,870)	(207,716)	(214,993)	(222,046)
Implicit subsidy credit	(52,332)	(41,664)	(51,736)	(48,225)
Administrative expense	(291)	(104)	(644)	(129)
Net change in plan fiduciary net position	20,755	130,492	127,403	127,703
Plan fiduciary net position - beginning	595,537	465,045	337,642	209,939
Plan fiduciary net position - ending (b)	<u>616,292</u>	<u>595,537</u>	<u>465,045</u>	<u>337,642</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 3,001,355</u>	<u>\$ 2,813,546</u>	<u>\$ 3,819,927</u>	<u>\$ 3,801,352</u>
Plan fiduciary net position as a percentage of the total OPEB liability	17.0%	17.5%	10.9%	8.2%
Covered-employee payroll	\$ 1,889,428	\$ 1,783,551	\$ 2,254,260	\$ 2,193,927
Net OPEB liability as a percentage of covered payroll	158.8%	157.7%	169.5%	173.3%

\* Measurement date 6/30/2017 (fiscal year 2018) was the first year of implementation. Additional years will be presented as information becomes available.

## CITY OF OJAI

### SCHEDULE OF OPEB CONTRIBUTIONS LAST 10 YEARS\* AS OF JUNE 30, 2021

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<b>Fiscal year ended June 30:</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially Determined Contribution (ADC)	\$ 314,711	\$ 340,409	\$ 366,729	\$ 370,271
Contributions in relation to the ADC	<u>(157,252)</u>	<u>(221,870)</u>	<u>(366,729)</u>	<u>(370,271)</u>
Contribution deficiency (excess)	<u>\$ 157,459</u>	<u>\$ 118,539</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 1,889,428	 \$ 1,783,551	 \$ 2,254,260	 \$ 2,193,927
Contributions as a percentage of covered payroll	8.32%	19.59%	16.27%	16.88%

#### Notes to Schedule:

#### Assumptions and Methods:

Actuarial Cost Method	Entry-age normal, level percent of pay
Amortization Method	Closed period, level percent of pay
Amortization Period	20 years
Inflation	0.75%
Assumed Payroll Growth	2.75%
Healthcare Trend Rates	6.5%, trending down to 3.84%
Rate of Return on Assets	5.85%
Mortality Rate	CalPERS Rates
Retirement Rates	CalPERS Rates

\* Measurement date 6/30/2017 (fiscal year 2018) was the first year of implementation. Additional years will be presented as information becomes available.

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**OTHER SUPPLEMENTAL INFORMATION SECTION**

## CITY OF OJAI

### DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

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#### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds derived from specific revenue sources {other than special assessments or major capital projects} that are legally restricted to expenditures for specified purposes. These funds are required by statute, charter provisions, or ordinance to finance functions or activities of government. The specific special revenue funds utilized by the City are shown below:

The **Libbey Bowl Maintenance Fund** is used to account for the receipt of the ticket surcharge for facility maintenance.

The **Gas Tax Fund** is used to account for State revenue received pursuant to Street and Highway Code Sections 2103, 2105, 2107, and 2107.5 to fund maintenance and construction of streets and roads that are not funded through another source.

The **Drainage Fund** is used to account for fees collected to assist the City for future drainage maintenance and projects.

The **Bicycle and Pedestrian Fund** is used to account for the revenue received through Gold Coast Transit and VCTC. These are Article 3 funds to be used for projects and maintenance for bicycle and pedestrian right of ways.

The **Street Lighting Fund** is used to account for assessments received from residents to assist in the operation and repair of the City's street lights.

The **Community Development Block Grant Fund** is used to account for federal revenue from the Community Development Block grant. The City does not present a Budget versus Actual schedule for this fund.

The **Library Special Tax Fund** is used to account for assessments received from residents to assist in the operations and maintenance of the City's library and its expenditures.

The **Plaza Maintenance Fund** is used to account for assessments received from the district property owners for the maintenance of downtown plaza.

## CITY OF OJAI

### DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (continued) JUNE 30, 2021

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#### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used for the accumulation of the financial resources needed for the acquisition of equipment and technology (other than those financed by the proprietary funds). The specific capital projects fund utilized by the City are shown below:

The **Park Acquisition Fund** is used to account for developer fees for the acquisition, development, and enhancement of neighborhood and community park and recreation facilities. The City does not present a Budget versus Actual schedule for this fund.

The **Equipment Replacement Fund** is used to account for costs associated with the replacement of vehicles, technology, and efficiency-enhancing equipment.

The **Transit Equipment Replacement Fund** is used to account for the maintenance and replacement of transit equipment. The City does not present a Budget versus Actual schedule for this fund.

**CITY OF OJAI****COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

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	Special Revenue Funds		
	Libbey Bowl Maintenance	Gas Tax	Drainage
<b>ASSETS</b>			
Cash and investments	\$ 63,954	\$ 235,445	\$ 58,540
Accounts receivable, net	<u>-</u>	<u>13,657</u>	<u>-</u>
<b>Total assets</b>	<b>\$ 63,954</b>	<b>\$ 249,102</b>	<b>\$ 58,540</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:			
Restricted	63,954	249,102	58,540
Assigned	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances (deficit)</b>	<b>63,954</b>	<b>249,102</b>	<b>58,540</b>
<b>Total liabilities and fund balances</b>	<b>\$ 63,954</b>	<b>\$ 249,102</b>	<b>\$ 58,540</b>

Continued

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Special Revenue Funds

Bicycle and Pedestrian	Street Lighting	Community Development Block Grant	Library Special Tax	Plaza Maintenance
\$ 634,538	\$ 162,675	\$ 246	\$ 67,568	\$ 75,276
-	<u>2,899</u>	-	<u>3,905</u>	<u>10,637</u>
<u>\$ 634,538</u>	<u>\$ 165,574</u>	<u>\$ 246</u>	<u>\$ 71,473</u>	<u>\$ 85,913</u>
\$ 44,463	\$ 5,520	\$ -	\$ 26,500	\$ 3,531
-	-	-	-	<u>4,753</u>
<u>44,463</u>	<u>5,520</u>	<u>-</u>	<u>26,500</u>	<u>8,284</u>
590,075	160,054	246	44,973	77,629
-	-	-	-	-
<u>590,075</u>	<u>160,054</u>	<u>246</u>	<u>44,973</u>	<u>77,629</u>
<u>\$ 634,538</u>	<u>\$ 165,574</u>	<u>\$ 246</u>	<u>\$ 71,473</u>	<u>\$ 85,913</u>

**CITY OF OJAI**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<b>Capital Projects Funds</b>			<b>Transit Equipment Replacement</b>
	<b>Park Acquisition</b>	<b>Equipment Replacement</b>		
<b>ASSETS</b>				
Cash and investments	\$ 5,269	\$ 396,125	\$ 55,661	
Accounts receivable, net	-	-	-	
<b>Total assets</b>	<b>\$ 5,269</b>	<b>\$ 396,125</b>	<b>\$ 55,661</b>	
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	
Accrued liabilities	-	-	-	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Fund balances:				
Restricted	5,269	-	-	
Assigned	-	396,125	55,661	
<b>Total fund balances (deficit)</b>	<b>5,269</b>	<b>396,125</b>	<b>55,661</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 5,269</b>	<b>\$ 396,125</b>	<b>\$ 55,661</b>	

Totals

\$ 1,755,297  
31,098  
\$ 1,786,395

\$ 80,014  
4,753  
84,767

1,249,842  
451,786  
1,701,628  
\$ 1,786,395

**CITY OF OJAI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Special Revenue Funds</u>					
	Libbey Bowl Maintenance	Gas Tax	Drainage		
<b>REVENUES</b>					
Other taxes and assessments	\$ -	\$ -	\$ -		
Use of money and property	- -	521		378	
Intergovernmental:					
Other	- -	307,372			
Other revenue	- -	- -			
 Total revenues	 - -	 307,893		 378	
<b>EXPENDITURES</b>					
Current:					
General government	- -	148		113	
Public works	- -	- -		650	
Community development	- -	- -			
Libraries	- -	- -			
Capital outlay	- -	- -			
 Total expenditures	 - -	 148		 763	
 Excess of revenues over (under) expenditures	 - -	 307,745		 (385)	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	- -	- -			
Transfers out	- -	- -			
 Total other financial sources (uses)	 - -	 - -		 - -	
 Net change in fund balances	 - -	 307,745		 (385)	
 Fund balances (deficit), beginning of year	 63,954	 (58,643)		 58,925	
 Fund balances (deficit), end of year	 \$ 63,954	 \$ 249,102		 \$ 58,540	

Continued

Special Revenue Funds					
Bicycle and Pedestrian	Street Lighting	Community Development Block Grant	Library Special Tax	Plaza Maintenance	
\$ - 1,910	\$ 92,393 983	\$ - -	\$ 113,996 317	\$ 153,077 2,786	
492,828	- - -	- - -	- - -	- - -	10,175
<u>494,738</u>	<u>93,376</u>	<u>-</u>	<u>114,313</u>	<u>166,038</u>	
557	285	-	86	40	
-	84,643	-	-	-	
-	-	-	-	130,468	
-	-	-	106,000	-	
-	-	-	-	-	
<u>557</u>	<u>84,928</u>	<u>-</u>	<u>106,086</u>	<u>130,508</u>	
<u>494,181</u>	<u>8,448</u>	<u>-</u>	<u>8,227</u>	<u>35,530</u>	
-	7,810	-	6,000	53,000	
<u>(177,753)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>(177,753)</u>	<u>7,810</u>	<u>-</u>	<u>6,000</u>	<u>53,000</u>	
316,428	16,258	-	14,227	88,530	
<u>273,647</u>	<u>143,796</u>	<u>246</u>	<u>30,746</u>	<u>(10,901)</u>	
<u>\$ 590,075</u>	<u>\$ 160,054</u>	<u>\$ 246</u>	<u>\$ 44,973</u>	<u>\$ 77,629</u>	

**CITY OF OJAI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Capital Projects Funds		
	Park Acquisition	Equipment Replacement	Transit Equipment Replacement
	\$	\$	\$
<b>REVENUES</b>			
Other taxes and assessments	\$ -	\$ -	\$ -
Use of money and property	33	2,537	357
Intergovernmental:			
Other	-	-	-
Other revenue	-	-	-
<b>Total revenues</b>	<b>33</b>	<b>2,537</b>	<b>357</b>
<b>EXPENDITURES</b>			
Current:			
General government	10	757	107
Public works	-	-	-
Community development	-	-	-
Libraries	-	-	-
Capital outlay	-	30,539	-
<b>Total expenditures</b>	<b>10</b>	<b>31,296</b>	<b>107</b>
Excess of revenues over (under) expenditures	23	(28,759)	250
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	22,670	-
Transfers out	-	-	-
<b>Total other financial sources (uses)</b>	<b>-</b>	<b>22,670</b>	<b>-</b>
Net change in fund balances	23	(6,089)	250
Fund balances, beginning of year, as restated	5,246	402,214	55,411
<b>Fund balances (deficit), end of year</b>	<b>\$ 5,269</b>	<b>\$ 396,125</b>	<b>\$ 55,661</b>

Totals

\$ 359,466  
9,822

800,200  
10,175

1,179,663

2,103  
85,293  
130,468  
106,000  
30,539

354,403

825,260

89,480  
(177,753)

(88,273)

736,987

964,641

\$ 1,701,628

**CITY OF OJAI****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
LIBBEY BOWL MAINTENANCE SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 28,000	\$ 28,000	\$ -	\$ (28,000)
Total revenues	28,000	28,000	-	(28,000)
<b>EXPENDITURES</b>				
Excess of revenues over (under) expenditures	28,000	28,000	-	(28,000)
Net change in fund balance	28,000	28,000	-	(28,000)
Fund balance, beginning of year	63,954	63,954	63,954	-
Fund balance, end of year	\$ 91,954	\$ 91,954	\$ 63,954	\$ (28,000)

**CITY OF OJAI****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GAS TAX SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$	-	\$	\$
Intergovernmental:				
Other	323,246		323,246	307,372
				(15,874)
Total revenues	323,246		323,246	307,893
				(15,353)
<b>EXPENDITURES</b>				
Current:				
General government	-		-	148
				(148)
Total expenditures	-		-	148
				(148)
Excess of revenues over (under) expenditures	323,246		323,246	307,745
				(15,501)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(120,000)		(120,000)	-
				120,000
Total other financing sources (uses)	(120,000)		(120,000)	-
				120,000
Net change in fund balance	203,246		203,246	307,745
				104,499
Fund balance (deficit), beginning of year	(58,643)		(58,643)	(58,643)
				-
Fund balance, end of year	\$ 144,603		\$ 144,603	\$ 249,102
				\$ 104,499

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
DRAINAGE SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 378	\$ 378
Total revenues	-	-	378	378
<b>EXPENDITURES</b>				
Current:				
General government	-	-	113	(113)
Public works	23,650	23,650	650	23,000
Total expenditures	23,650	23,650	763	22,887
Excess of revenues over (under) expenditures	(23,650)	(23,650)	(385)	23,265
Net change in fund balance	(23,650)	(23,650)	(385)	23,265
Fund balance, beginning of year	58,925	58,925	58,925	-
Fund balance, end of year	\$ 35,275	\$ 35,275	\$ 58,540	\$ 23,265

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
BICYCLE AND PEDESTRIAN SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$	-	\$ 1,910	\$ 1,910
Intergovernmental:				
Other			492,828	492,828
Total revenues			494,738	494,738
<b>EXPENDITURES</b>				
Current:				
General government			557	(557)
Total expenditures			557	(557)
Excess of revenues over (under) expenditures			494,181	494,181
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(160,545)	(160,545)	(177,753)	(17,208)
Total other financing sources (uses)	(160,545)	(160,545)	(177,753)	(17,208)
Net change in fund balance	(160,545)	(160,545)	316,428	476,973
Fund balance, beginning of year	273,647	273,647	273,647	-
Fund balance, end of year	\$ 113,102	\$ 113,102	\$ 590,075	\$ 476,973

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STREET LIGHTING SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other taxes and assessments	\$ 95,600	\$ 95,600	\$ 92,393	\$ (3,207)
Use of money and property	100	100	983	883
Total revenues	95,700	95,700	93,376	(2,324)
<b>EXPENDITURES</b>				
Current:				
General government	-	-	285	(285)
Public works	75,100	75,100	84,643	(9,543)
Total expenditures	75,100	75,100	84,928	(9,828)
Excess of revenues over (under) expenditures	20,600	20,600	8,448	(12,152)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,800	7,800	7,810	10
Total other financing sources (uses)	7,800	7,800	7,810	10
Net change in fund balance	28,400	28,400	16,258	(12,142)
Fund balance, beginning of year	143,796	143,796	143,796	-
Fund balance, end of year	\$ 172,196	\$ 172,196	\$ 160,054	\$ (12,142)

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
LIBRARY SPECIAL TAX SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other taxes and assessments	\$ 113,600	\$ 113,600	\$ 113,996	\$ 396
Use of money and property	98	98	317	219
Total revenues	<u>113,698</u>	<u>113,698</u>	<u>114,313</u>	<u>615</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	86	(86)
Libraries	106,000	106,000	106,000	-
Total expenditures	<u>106,000</u>	<u>106,000</u>	<u>106,086</u>	<u>(86)</u>
Excess of revenues over (under) expenditures	<u>7,698</u>	<u>7,698</u>	<u>8,227</u>	<u>529</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,000	6,000	6,000	-
Total other financing sources (uses)	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Net change in fund balance	13,698	13,698	14,227	529
Fund balance, beginning of year	<u>30,746</u>	<u>30,746</u>	<u>30,746</u>	<u>-</u>
Fund balance, end of year	<u>\$ 44,444</u>	<u>\$ 44,444</u>	<u>\$ 44,973</u>	<u>\$ 529</u>

**CITY OF OJAI****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PLAZA MAINTENANCE SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other taxes and assessments	\$ 144,430	\$ 144,430	\$ 153,077	\$ 8,647
Use of money and property	2,719	2,719	2,786	67
Other revenue	-	-	10,175	10,175
Total revenues	<u>147,149</u>	<u>147,149</u>	<u>166,038</u>	<u>18,889</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	40	(40)
Community development	<u>146,609</u>	<u>146,609</u>	<u>130,468</u>	<u>16,141</u>
Total expenditures	<u>146,609</u>	<u>146,609</u>	<u>130,508</u>	<u>16,101</u>
Excess of revenues over (under) expenditures	<u>540</u>	<u>540</u>	<u>35,530</u>	<u>34,990</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	<u>-</u>
Total other financing sources (uses)	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	<u>-</u>
Net change in fund balance	<u>53,540</u>	<u>53,540</u>	<u>88,530</u>	<u>34,990</u>
Fund balance (deficit), beginning of year	<u>(10,901)</u>	<u>(10,901)</u>	<u>(10,901)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 42,639</u>	<u>\$ 42,639</u>	<u>\$ 77,629</u>	<u>\$ 34,990</u>

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 40	\$ 40	\$ 2,537	\$ 2,497
Total revenues	40	40	2,537	2,497
<b>EXPENDITURES</b>				
Current:				
General government	-	-	757	(757)
Capital outlay	214,178	214,178	30,539	183,639
Total expenditures	214,178	214,178	31,296	182,882
Excess of revenues over (under) expenditures	(214,138)	(214,138)	(28,759)	185,379
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	22,650	22,650	22,670	20
Total other financing sources (uses)	22,650	22,650	22,670	20
Net change in fund balance	(191,488)	(191,488)	(6,089)	185,399
Fund balance, beginning of year	402,214	402,214	402,214	-
Fund balance, end of year	\$ 210,726	\$ 210,726	\$ 396,125	\$ 185,399

**CITY OF OJAI****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
TRANSIT EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$	-	\$	\$
Intergovernmental:				
Other	25,000		25,000	-
Total revenues	25,000		25,000	357
				(24,643)
<b>EXPENDITURES</b>				
Current:				
General government	-		107	(107)
Total expenditures	-		107	(107)
Excess of revenues over (under) expenditures	25,000		250	(24,750)
Net change in fund balance	25,000		250	(24,750)
Fund balance, beginning of year	55,411		55,411	-
Fund balance, end of year	\$ 80,411	\$ 80,411	\$ 55,661	\$ (24,750)

**CITY OF OJAI**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL IMPROVEMENTS – MAJOR CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Transient occupancy tax	\$ 366,392	\$ 366,392	\$ 366,390	\$ (2)
Use of money and property	-	-	927	927
Intergovernmental:				
Other	430,000	430,000	257,305	(172,695)
Other revenue	1,234,402	1,234,402	62,454	(1,171,948)
 Total revenues	 2,030,794	 2,030,794	 687,076	 (1,343,718)
<b>EXPENDITURES</b>				
Current:				
General government	-	-	242	(242)
Public works	-	-	7,640	(7,640)
Capital outlay	3,268,314	3,268,314	566,255	2,702,059
 Total expenditures	 3,268,314	 3,268,314	 574,137	 2,694,177
 Excess of revenues over (under) expenditures	 (1,237,520)	 (1,237,520)	 112,939	 1,350,459
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,708,955	1,708,955	542,331	(1,166,624)
 Total other financing sources (uses)	 1,708,955	 1,708,955	 542,331	 (1,166,624)
Net change in fund balance	471,435	471,435	655,270	183,835
Fund balance (deficit), beginning of year	(42,083)	(42,083)	(42,083)	-
 Fund balance, end of year	 \$ 429,352	 \$ 429,352	 \$ 613,187	 \$ 183,835

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