

City of
OCEANSIDE
CALIFORNIA



Annual Comprehensive Financial Report
For the year ended June 30, 2022
[www.CI.OCEANSIDE.CA.US](http://www.ci.oceanside.ca.us)



CITY OF OCEANSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

Prepared by: Finance Department

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF OCEANSIDE, CALIFORNIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
List of Principal Officials	vi
GFOA Certificate of Achievement for Excellence in Financial Reporting	vii
Organization Chart	viii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Proprietary Fund Financial Statements:	
Statement of Net Position - Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	40
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	44
Statement of Changes in Fiduciary Net Position	45
Notes to Financial Statements	47

CITY OF OCEANSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Notes to Required Supplementary Information	97
Budgetary Comparison Schedule	
General Fund	98
Grants - Special Revenue Fund.....	99
American Rescue Plan – Special Revenue Fund.....	100
Housing Assistance Program - Special Revenue Fund.....	101
Schedule of Changes in Net Pension Liability and Related Ratios	
Miscellaneous Plan	102
Safety Plan.....	104
Schedule of Plan Contributions - Pension Plans.....	106
Schedule of Changes in Total OPEB Liability and Related Ratios	108
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet - Nonmajor Governmental Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	112
Budgetary Comparison Schedules (Budgetary Basis) - Special Revenue Funds:	
Asset Seizure	114
Gas Tax and Transportation	115
Community Development Block Grant.....	116
Maintenance Districts.....	117
State and Local Asset Seizure.....	118
Budgetary Comparison Schedules (Budgetary Basis) - Capital Project Funds:	
General Improvement	119
Budget Comparison Schedule (Budgetary Basis) - Debt Service Fund:	
General Debt Service	120
Oceanside Lighting District	121
Combining Statement of Net Position - Internal Service Funds	124
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds.....	125
Combining Statement of Cash Flows - Internal Service Funds.....	126
Combining Statement of Fiduciary Net Position - All Custodial Funds	128
Combining Statement of Changes in Fiduciary Net Position - All Custodial Funds	129

CITY OF OCEANSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
STATISTICAL SECTION	
Net Position by Component – Last Ten Fiscal Years	132
Changes in Net Position – Last Ten Fiscal Years	134
Fund Balances, Governmental Funds – Last Ten Fiscal Years	138
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	140
Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	143
Schedule of Assessed Valuation – Last Ten Fiscal Years	144
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	146
Principal Property Owners – Current Year and Nine Years Ago	147
Property Tax Levies and Collections – Last Ten Fiscal Years	149
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	150
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	152
Direct and Overlapping Governmental Activities Debt.....	153
Legal Debt Margin Information – Last Ten Years	154
Pledged-Revenue Coverage – Last Ten Years	156
Demographic and Economic Statistics – Last Ten Years	157
Top 25 Sales Tax Producers – Current Year and Nine Years Ago	158
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	159
Operating Indicators by Function/Program – Last Ten Fiscal Years	161
Capital Asset Statistics by Function – Last Ten Fiscal Years.....	162

THIS PAGE INTENTIONALLY LEFT BLANK



City of Oceanside
Financial Services Department
300 N. Coast Hwy, Oceanside, CA 92054
Telephone: (760) 435-3850

January 31, 2023

Honorable Mayor, Members of the City Council, and Residents of the City of Oceanside:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Oceanside (City) for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the City of Oceanside. As such, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is presented as the first component of the financial section of this report.

The City is also required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance. Information related to this single audit, including a schedule of expenditures of federal awards, along with the independent auditors' reports on internal controls and compliance with applicable laws, can be found in a separately issued single audit report.

The Financial Section includes the Management's Discussion & Analysis (MD&A). GAAP requires that management provide a narrative, introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Oceanside's MD&A can be found immediately following the report of the independent auditors.

City of Oceanside Profile

The City of Oceanside is a charter city that was incorporated on January 3, 1888. It is located 35 miles north of San Diego and 83 miles south of Los Angeles. The City is located on the Pacific Ocean, offering a moderate climate that ranks as one of the most desirable in the nation. Oceanside boasts 3.5 miles of coastline, a harbor with 1,000 boat slips, and one of the longest wooden piers on the West Coast, measuring 1,954 feet in length. The City occupies a land area of 42 square miles and provides a full range of services, including police, fire, library, water, sewer, street and other infrastructure construction and maintenance, parks, and recreation services. The City also maintains an airport and a small craft harbor.

Per the California Department of Finance, the population of Oceanside is 173,048, making it the third largest city in San Diego County. The median household income for the City is \$84,842 per Claritas, LLC.

The City operates under the council-manager form of government. The City Council is responsible, among other things, for setting policy, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies of the Council, overseeing the day-to-day operations of the City, and appointing Executive Management personnel who oversee the various departments.

The financial activities of the three legally separate entities for which the City serves as the governing body are also included in this report: the Oceanside Community Development Commission, the Oceanside Small Craft Harbor District, and the Oceanside Public Financing Authority. The City also serves as the Successor Agency for the former Redevelopment Agency. Additional information on these entities is contained in Note 1 and 17 to the Financial Statements.

Economic Outlook

The City of Oceanside has fared well through the effects of the COVID-19 pandemic. Property tax, sales and use taxes, and occupancy taxes all exceed revenue projections and General Fund expenses were lower than anticipated, resulting in a General Fund surplus.

Property taxes increased compared to the prior year and are expected to continue to increase as the City continues to grow with new homes being built and increasing housing prices, along with new commercial properties and hotels. The property tax revenue increase is consistent with the projected increase in overall assessed values of properties in Oceanside. Continued building development and increasing housing prices are expected to continue into FY 2022-23.

Sales tax also increased from the prior year. The City also saw a significant increase in the sales tax from local service stations as the Russian invasion of Ukraine resulted in higher gasoline prices. Casual dining restaurants continued to rebound from the pandemic, and new hotel openings further bolstered the local tourism and hospitality industry. Sales tax

is expected to continue to increase due to increased priced resulting from inflation and continued growth and development within the city. The City also collected an additional \$18.2 million of sales tax during the fiscal year from Measure X, a 7-year one-half percent transaction and use tax, that went into effect April 1, 2019. Revenues generated by Measure X are committed by the City Council for improved public safety services including programs to address homelessness, emergency response, and infrastructure improvements focused on roads, public safety, and beachfront improvements.

The City’s transient occupancy tax (TOT) was significantly impacted by the COVID-19 pandemic in prior years due to temporary closure of hotels and short-term rentals and decreased traveling. The City has experienced a notable recovery in this area during the current fiscal year, collecting record high revenues.

While the City’s property tax revenue, sales tax revenue, and TOT have increased over the last couple years, the US economy is showing signs of slowing down and some economist have warned that the US economy may be entering into a recession. The US economy continues to face struggles such as a sharp increase in prices with inflation currently at 7.1%. The Federal Reserve responded with interest rate hikes, which has had drastic effects on the asset markets and slowed the US real estate markets. There have been layoffs on the tech industry. However, Beacon Economics’ forecasters assert that these are not drivers of a coming recession, but rather symptoms of the stimulus hangover the nation is currently suffering from. The UCLA Anderson School of Management forecast noted “the national economy has proved resilient as consumers continue to spend and businesses continue to invest.”

Per the UCLA Anderson School of Management’s December 2022 Economic Outlook, any economic recession in 2023 will be milder in California compared to the rest of the country. “There are economic forces that will lead the state to a more moderate outcome. These include construction, non-information technology and the defense buildup,” the UCLA economists said. The forecasters predict that the US economy will either continue to grow but at slower rate, or experience a mild short-live recession. If the economy does not go into a recession in 2023 they expect economic growth to slow in the first quarter of 2023 and then pick up in the last half of 2023. However, the UCLA economists expect California to be spared the worst of any potential recession do to job growth within the state. According to their December 2022 economic forecast, “With growth in greentech, medtech, aerospace tech and construction employment fueled by the infrastructure and defense budgets and a healthy rainy-day fund in Sacramento, the 2023 forecast for California is for ... faster growth — or, in the case of recession, a milder downturn than for the U.S.”

It is important to note that these forecasts are for the overall economy and may not mirror the forecast for Oceanside. Although future economic conditions are hard to predict, the City anticipates to continue to see increases in property tax, transient occupancy tax, and sales tax revenues in the future given the continued development, increases in assessed property values, growth of the tourism sector including restaurants and hotels, and the addition of Measure X.

Long-term Financial Planning

Each year the City develops a Five-Year Forecast (Forecast), which is the guiding document for long-term financial planning and is used to develop the City's annual budget. The Forecast incorporates a range of information on items that influence projected revenues and expenses over the next five fiscal years. The Forecast is intended to help the City maintain financial sustainability and provide sufficient long-term information to guide financial decisions. The revenue projections in the Forecast are conservatively estimated based on the best available information at the time of preparation. The Forecast is updated as additional information is made available, so that the fiscal projections incorporate the latest information to guide financial decisions.

CalPERS retirement costs continue to play a dominant role in expense forecasting. The City's pension cost is projected to increase an average of \$1.4 million each year over the next five years in the general fund. The City has implemented a plan to help mitigate growing employee costs. Employee bargaining groups are being asked to pay a higher percentage of the total costs and the City has capped the City contribution to employee health care. The City is also paying down the pension unfunded liability with one-time funds and has directed a portion of the interest income to pay down the unfunded liability.

Additionally, \$5.1 million of the General Fund balance has been assigned to CalPERS pension costs should there be an unexpected increase in rates or a reduction in General Fund revenues. An IRS Section 115 Trust was also created to earmark funds to be used only for CalPERS expenses. The market value at June 30, 2022 of the assets held in the trust was \$15.7 million. No funds have been withdrawn from the trust.

Financial Policies

Budgeting - The annual budget serves as the foundation for the City's financial planning and control. The City Manager presents the proposed budget to the City Council for review prior to the beginning of the fiscal year. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The budget appropriations are prepared according to fund and department (e.g., police) annually for all government funds. The City Manager is authorized to transfer funds appropriated within the same fund and department. Revisions that alter the total appropriations of any department or fund must be approved by City Council.

Appropriations Limit – Proposition 4, known as the Gann Initiative, was passed in 1979 to limit government spending by capping the total proceeds of taxes that may be appropriated in a fiscal year. When a city exceeds the limit, excess tax revenue must be returned to the citizens through refunds, rebates, or other means. The City is well below the established Gann limit of \$459,640,369

Debt Administration – As of June 30, 2022 the City had a total of \$145,088,934 in long-term debt.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both the Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and publication of this report would not have been possible without the dedication and teamwork of the entire staff of the Financial Services and Treasury Department. The City Council has continued to extend its support to the Financial Services Department in the planning of responsible and progressive financial operations. I would like to thank the Mayor, City Council and City Manager for their continued support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Jill Moya, CPA
Financial Services Director

PRINCIPAL OFFICIALS

JUNE 30, 2022

CITY COUNCIL

Esther Sanchez, Mayor
Ryan Keim, Deputy Mayor
Kori Jensen, Council Member
Christopher Rodriguez, Council Member
Peter Weiss, Council Member

ADMINISTRATION AND DEPARTMENT HEADS

Interim City Manager	Jonathan Borrego
City Attorney	John P. Mullen
City Clerk	Zeb Navarro
City Treasurer	Victor Roy
Assistant City Manager	Michael Gossman
Interim Deputy City Manager/Human Resources Director	Robert O'Brien
Interim Development Services Director	Darlene Nicandro
Financial Services Director	Jill Moya
Fire Chief	Rick Robinson
Housing & Neighborhood Services Director	Leilani Hines
Library Services Director	CJ DiMento
Police Chief	Fred Armijo
Public Works Director	Hamid Bahadori
Water Utilities Director	Cari Dale



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

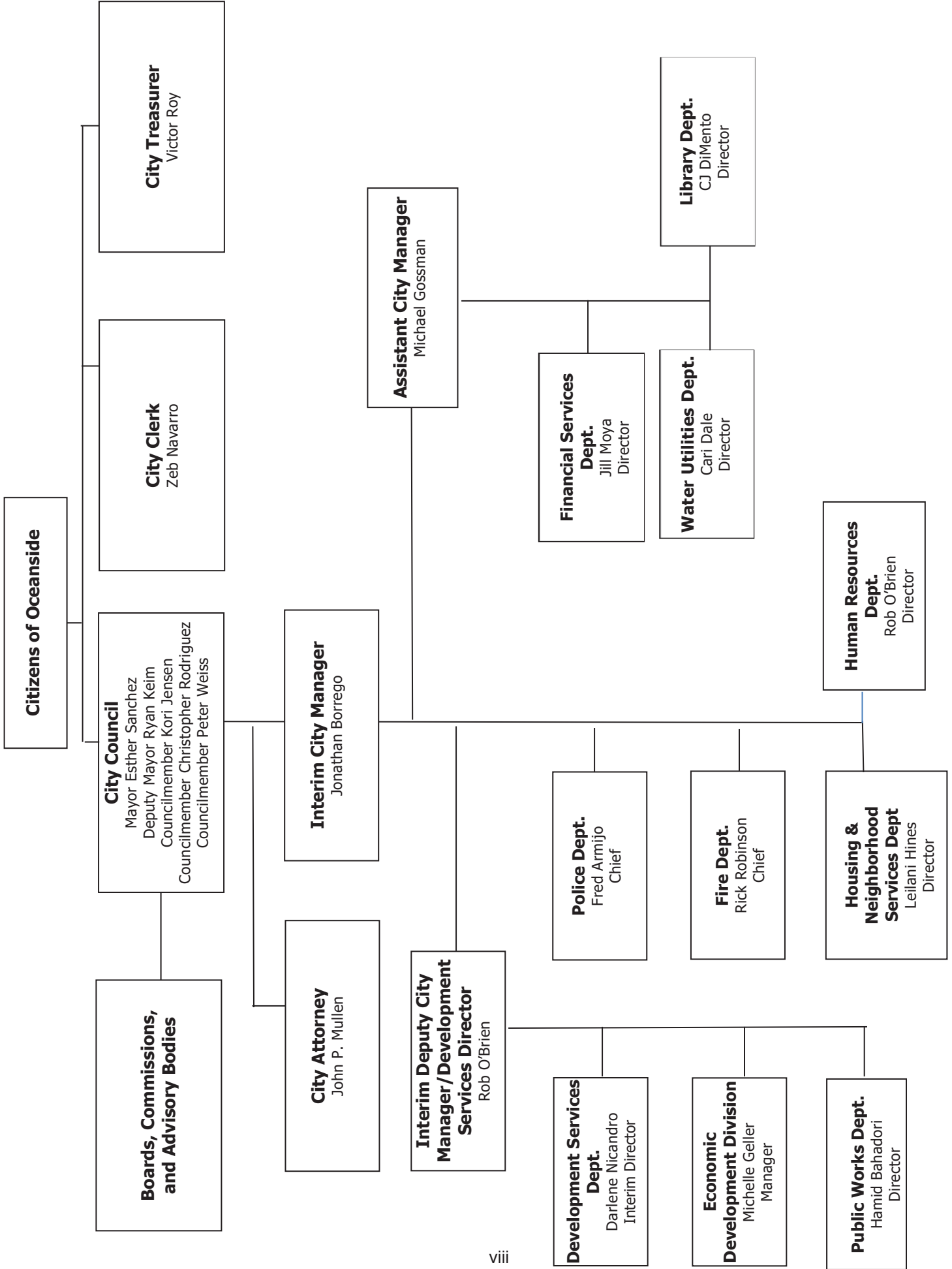
**City of Oceanside
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Oceanside, California

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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.



To the Honorable Mayor and Members of the City Council
City of Oceanside, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Reporting Responsibilities

Required Supplementary Information

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



To the Honorable Mayor and Members of the City Council
City of Oceanside, California

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 combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
January 31, 2023

THIS PAGE INTENTIONALLY LEFT BLANK



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2022

This discussion and analysis of the City of Oceanside's (City) financial performance provides an overview of the fiscal year ended June 30, 2022. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements. A glossary has been provided at the end of this analysis to assist the reader in understanding the terminology used within.

FINANCIAL HIGHLIGHTS

- The City has fared well through the effects of the COVID-19 pandemic as demonstrated by:
 - A \$5.6 million increase in Transient Occupancy Taxes from the prior year.
 - Sales tax was up \$5.6 million from prior year, due in part to the return of tourism to Oceanside's economy.
 - The City received \$16.2 million of American Rescue Plan Act (ARPA) funds in June 2022 for a total allocation of \$32.4 million. The city has implemented a spending plan for these funds. Funds must be spent or committed by December 31, 2024 and projects with committed funds must be completed no later than December 31, 2026.
- With the addition of GASB 87 pronouncement relating to the accounting treatment for leases the City recorded \$51.7M of Lease Receivables for Governmental Activities and \$18.3 of Lease Receivables for Business-type Activities.
- The City's Total Assets increased overall by \$153.2 million. This is comprised of a \$93.9 million increase in Governmental activities assets and \$59.3 million increase in Business-Type activities assets.
- The City's Total Net Position increased overall by \$90.7 million. Governmental activities net position increased \$67.6 million and Business-Type activities net position increased \$23.1 million.
- The City's total revenues increased \$21.7 million from 2021.
 - Governmental activities revenues increased \$26.6 million. Property tax revenues increased \$4.0 million, sales tax revenue increased by \$5.6 million, and other taxes (including TOT) increased by \$0.9 million. Charges for services and revenues from operating and capital grants and contributions increased by \$11.4 million and \$15.3 million respectively. These increases were offset by a decrease in use of money and property of \$14.3 million, in part due to the unrealized loss on investments.
 - Business-Type activities revenues decreased \$4.8 million due to a decrease in use of money and property of \$8.5 million, in part due to the unrealized loss on investments. Revenues from charges for services had an increase of \$2.4 million.

- The City’s total expenses decreased \$19.2 million from 2021.
 - Governmental activities expenses decreased \$15.8 million. These decreases were in large part from Public Safety and Public Works due to a decrease in the PERS liability offset by an increase in General Government expenses.
 - Business-Type activities expenses decreased \$3.4 million. These decreases were from Water and Sewer expenses.

- General Fund had a surplus of \$8.1 million in one-time funds for the year ending June 30, 2022. Of this surplus, \$1.5 million goes to Measure X reserves. The remaining \$6.6 million have been assigned by the Financial Services Director per council policy for the following:
 - PERS Unfunded Liability payment - \$3.3 million
 - Assigned - Infrastructure - \$3.3 million

THE FINANCIAL STATEMENTS

The financial statements presented herein include all the activities of the City of Oceanside and the component units using the integrated approach as prescribed by GASB Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present Governmental activities and Business-Type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The Fund Financial Statements include statements for each of the three categories of activities – Governmental, Business-Type (Proprietary) and Fiduciary. The Governmental activities (other than internal service activities) are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The Business-Type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The Fiduciary activities include a private purpose trust and custodial funds which only report a balance sheet and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City’s assets and deferred outflows and liabilities and deferred inflows, with the difference between the four reported as Net Position, which is one way to measure the City’s financial health. Over time, increases or decreases in the City’s Net Position is one indicator of whether its financial health is improving or deteriorating.

The Statement of Activities presents information showing how the City's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

In both the Statement of Net Position and the Statement of Activities, we separate the City activities as follows:

Governmental activities - Most of the City's basic services are reported in this category, including General Government, Public Safety, Public Works, Community Development and Community/Cultural Services (including Parks and Recreation and Library). Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business-Type activities - The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water, Sewer, Waste Disposal, Special Aviation and Harbor District activities are reported in this category.

Reporting the City's Most Significant Funds

Fund Financial Statements - The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State Law or by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds - Most of the City's basic services are reported in Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental fund financial statements and those in the Government-Wide financial statements are explained in a reconciliation following each Governmental fund financial statement.

Proprietary funds - When the City charges customers for the services it provides (whether to outside customers or to other units of the City), these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City's enterprise funds are the same as the Business-Type activities we report in the Government-Wide statements but provide more detail and additional information, such as cash flows. We use internal service funds (such as the City's Self-Insurance, Fleet Operations and Information Technology funds) to report activities that provide supplies and services to the City's other programs and activities. The Internal Service funds are reported with Governmental activities in the Government-Wide financial statements.

Fiduciary funds - The City is the trustee, or fiduciary, for certain funds held on behalf of other agencies and organizations. The City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Liabilities. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Net Position - The City’s combined Net Position (i.e. inclusive of all City funds) for the fiscal year ended June 30, 2022 is compared to results for June 30, 2021 in Table 1.

Table 1

City of Oceanside Statement of Net Position						
(in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current & other assets	\$ 456.9	\$ 373.7	\$ 286.1	\$ 250.0	\$ 743.0	\$ 623.7
Capital assets	335.0	324.3	564.6	541.3	899.6	865.6
Total assets	\$ 791.9	\$ 698.0	\$ 850.7	\$ 791.3	\$ 1,642.6	\$ 1,489.3
Deferred Outflows of Resources	\$ 41.9	\$ 46.3	\$ 3.2	\$ 4.3	\$ 45.1	\$ 50.6
Long-term debt outstanding	\$ 212.4	\$ 324.1	\$ 106.6	\$ 99.6	\$ 319.0	\$ 423.7
Other liabilities	47.1	38.1	26.0	29.2	73.1	67.3
Total liabilities	\$ 259.5	\$ 362.2	\$ 132.6	\$ 128.8	\$ 392.1	\$ 491.0
Deferred Inflows of Resources	\$ 127.5	\$ 2.9	\$ 31.9	\$ 0.5	\$ 159.4	\$ 3.4
Net Position						
Net investment in capital assets	\$ 304.9	\$ 292.8	\$ 462.0	\$ 464.2	\$ 766.9	\$ 757.0
Restricted	109.7	100.6	13.2	30.7	122.9	131.3
Unrestricted	32.2	(14.2)	214.2	171.4	246.4	157.2
Total Net Position	\$ 446.8	\$ 379.2	\$ 689.4	\$ 666.3	\$ 1,136.2	\$ 1,045.5

- Net Position represents the simplest test of financial health for the City, indicating the excess (or deficit) of assets and deferred outflows of resources over liabilities and deferred inflows of resources. Net Position for the City as a whole increased \$90.7 million for a total of \$1,136.2 million at June 30, 2022 from \$1,045.5 million at June 30, 2021 for an 8.7 % increase of Total Net Position.
- The overall increase in total assets is \$153.2 million. The Governmental Activities total assets increased \$93.9 million due to the addition of \$51.7 million in Lease Receivable resulting from GASB Statement No. 87 Lease Accounting implementation. Additionally, there was an increase of \$30.4 million in cash and investments and increase of \$10.9 million in capital assets. The Business-Type Activities total assets activities increased \$59.3 due to an increase of \$17.9 million in cash and investments, an increase in \$23.2 million in capital assets, and the addition of \$18.3 million in Lease Receivable resulting from GASB Statement No. 87 Lease Accounting implementation.

- The overall decrease in total liabilities is \$99 million. The Governmental Activities total liabilities decreased \$102.7 million mostly due to a decrease of \$105.7 million in pension liability as calculated by the current year’s actuarial report and a decrease of \$5.7 million in bonds and notes payable due paying down the principal over the year and not issuing additional debt. These decreases were offset by a \$7.8 million increase in unearned revenue from the ARPA funds that were received in May 2021 and June 2022 but had not all been spent by June 30, 2022. The Business-Type Activities total liabilities increased by \$3.7 million due to an increase of \$26.1 million in long-term debt mainly from drawn downs from the WIFIA Loan during the fiscal year, which was offset by a \$18.3 decrease in pension liability as calculated by the current year’s actuarial report and a decrease of \$3.7 million in accounts payable due to timing of payments.
- Deferred outflows of resources decreased by \$5.5 million. Governmental Activities decreased \$4.4 million and Business-Type Activities decreased \$1.1 million due to changes in pension related items.
- Deferred inflows of resources increased by \$156 million. Governmental Activities increased \$124.6 million and Business-Type Activities increased \$31.4 million due to changes in pension related items.

As illustrated in Table 2, Total Net Position is comprised of three categories, Net Investment in Capital Assets, Restricted and Unrestricted. The City’s net investment in capital assets makes up 69.3% of the City’s Total Net Position. The City’s total Restricted Net Position decreased \$8.6 million from 2021 while the Unrestricted Net Position increased by \$89.2 million, with a \$46.4 million increase in the Governmental Activity Unrestricted Net Position and a \$42.8 million increase in Business-Type Activity Unrestricted Net Position.

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Investment in Capital Assets	\$621.9	\$597.2	\$ 634.2	\$658.8	\$685.8	\$708.9	\$734.5	\$716.4	\$ 757.0	\$ 766.9
Restricted	140.4	125.1	112.9	129.4	132.9	144.6	169.2	282.7	131.3	122.9
Unrestricted	<u>139.2</u>	<u>207.8</u>	<u>10.5</u>	<u>12.0</u>	<u>33.7</u>	<u>56.1</u>	<u>58.4</u>	<u>(3.9)</u>	<u>157.2</u>	<u>246.4</u>
Total Net Position	\$901.5	\$930.1	\$ 757.6	\$800.2	\$852.4	\$909.6	\$962.1	\$995.2	\$1,045.5	\$1,136.2
\$ increase (decrease) from prior year	\$ 28.4	\$ 28.6	\$(172.5)	\$ 42.6	\$ 52.2	\$ 57.2	\$ 52.5	\$ 33.1	\$ 50.3	\$ 90.7
% increase (decrease) from prior year	3.3%	3.2%	-18.5%	5.6%	6.5%	6.7%	5.8%	3.4%	5.1%	8.7%

Total City Activities - The City’s combined Activities for the fiscal year ended June 30, 2022 is compared to results for June 30, 2021 in Table 3. The Statement of Activities reveals an increase of revenues of \$21.5 million from 2021 and expenses decreased \$19.2 million. For 2022, total revenues less expenditures increased Net Position by \$90.9 million. Governmental activities increased by \$67.7 million and Business-Type Activities increased by \$23.2 million.

Governmental Activities - Net Position (including transfers) increased by \$67.7 million in 2022. Program Revenues increased \$23.7 million as a result of increased funding of operating grants and contributions. General Revenues increased \$2.5 million due to increases charges for services, operating grants and contributions, transient occupancy taxes, and sales and property tax. Total Government expenses decreased by \$15.8 million in 2022. General Government expenses increased \$9.7 million, Public Safety decreased \$14.7 million, Public Works decreased \$8.1 million, Community Development decreased \$0.8 and Community/Cultural Services decreased \$1.8 million. Interest on long-term debt decreased \$0.2 million due to paying down the debt principle. Transfers to Government Activities increased \$0.4 million.

Table 3

City of Oceanside Activities						
(in thousands of dollars)						
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Revenues						
<i>Program Revenues</i>						
Charges for services	\$ 54,791	\$ 43,706	\$ 163,332	\$ 162,047	\$ 218,123	\$ 205,753
Operating grants and contributions	60,791	45,478	-	-	60,791	45,478
Capital grants and contributions	281	2,939	-	-	281	2,939
<i>General Revenues</i>						
Property taxes	76,746	72,750	-	-	76,746	72,750
Sales taxes	48,981	43,376	-	-	48,981	43,376
Other taxes	24,100	17,815	-	-	24,100	17,815
Use of money and property	(204)	14,058	(6,929)	1,583	(7,133)	15,641
Other	6,834	5,921	7,907	5,501	14,741	11,422
Total Revenues	\$ 272,320	\$ 246,043	\$ 164,310	\$ 169,131	\$ 436,630	\$ 415,174
Expenses						
General government	\$ 36,611	\$ 26,938	\$ -	\$ -	\$ 36,611	\$ 26,938
Public safety	97,186	111,843	-	-	97,186	111,843
Public works	29,939	37,990	-	-	29,939	37,990
Community development	36,491	37,290	-	-	36,491	37,290
Community/cultural services	17,325	19,155	-	-	17,325	19,155
Interest on long-term debt	694	869	-	-	694	869
Water	-	-	65,951	68,474	65,951	68,474
Sewer	-	-	35,361	37,389	35,361	37,389
Waste disposal	-	-	24,721	23,576	24,721	23,576
Other	-	-	1,484	1,462	1,484	1,462
Total Expenses	\$ 218,246	\$ 234,085	\$ 127,517	\$ 130,901	\$ 345,763	\$ 364,986
Increase (decrease) in net position before transfers and gain on sale of assets	\$ 54,074	\$ 11,958	\$ 36,793	\$ 38,230	\$ 90,867	\$ 50,188
Transfers	13,611	13,202	(13,611)	(13,202)	-	-
Gain on sale of assets	-	-	-	-	-	-
Increase in net position	\$ 67,685	\$ 25,160	\$ 23,182	\$ 25,028	\$ 90,867	\$ 50,188
Beginning net position as restated	379,151	353,991	666,261	641,233	1,045,412	995,224
Ending net position	\$ 446,836	\$ 379,151	\$ 689,443	\$ 666,261	\$ 1,136,279	\$ 1,045,412

Chart 1 depicts the financial strength of the various City programs, or the extent to which these programs generate revenue from fees and grants. The City's programs include General Government, Public Safety (Fire and Police), Public Works, Community Development, and Community/Cultural Services (Recreation & Library). Each program's net cost (total cost less revenues generated by the activities) is presented in the Statement of Activities.

Chart 1

**Expenses versus Program Revenues for Governmental Activities
(in thousands of dollars)**

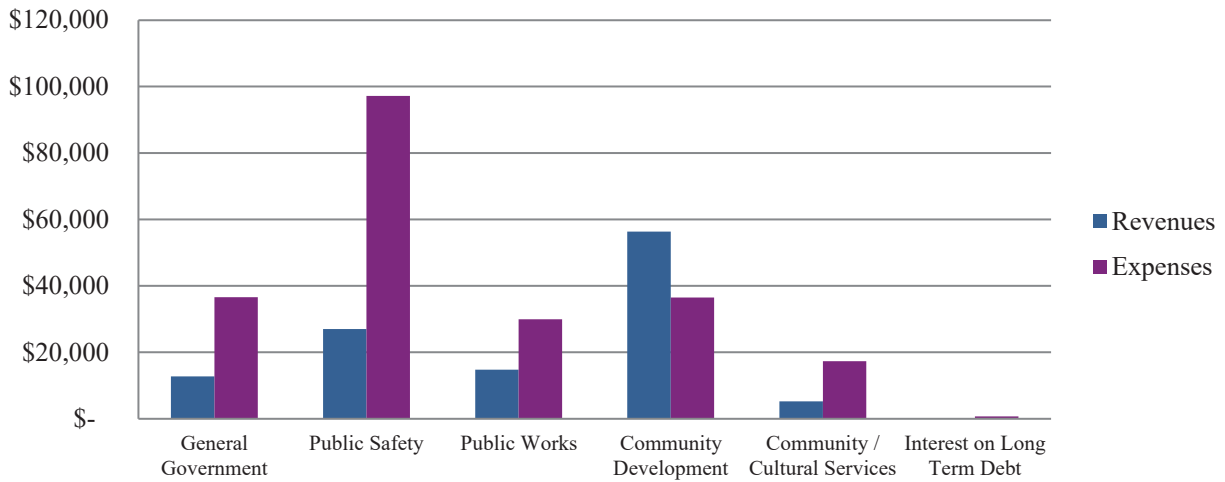
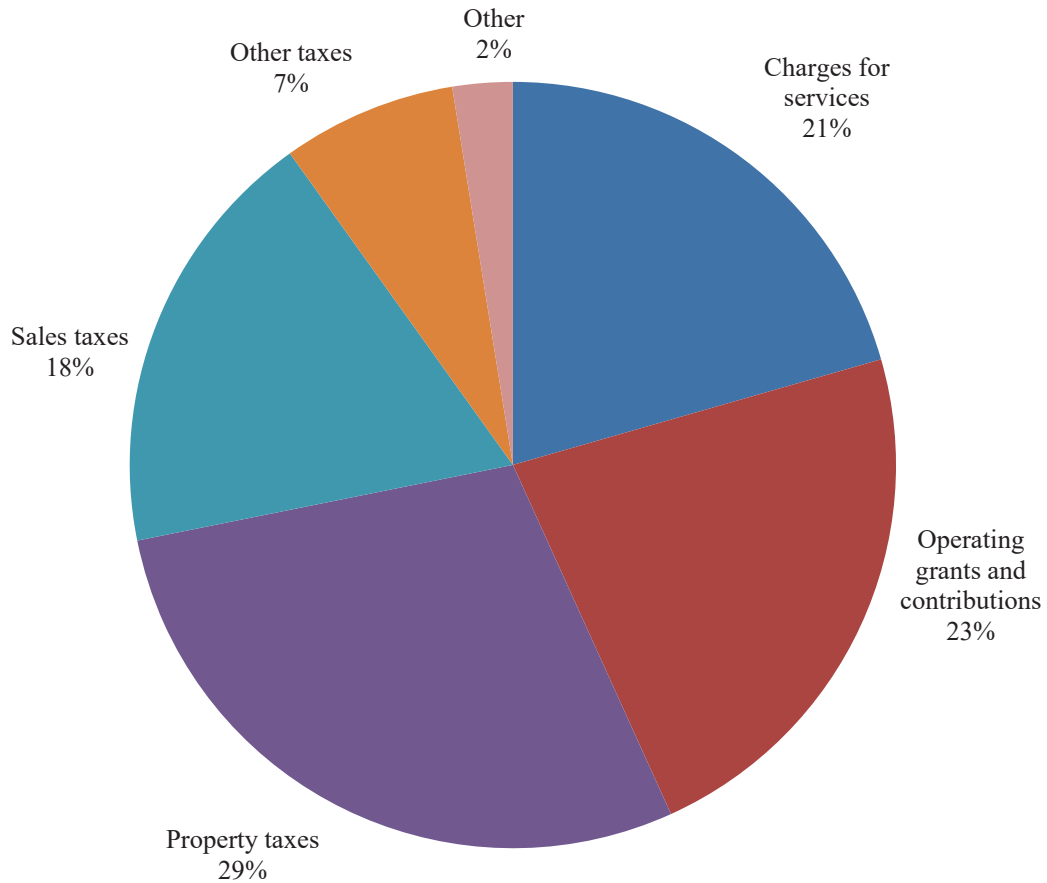


Chart 2 shows that Property Tax, Charges for Services, Sales Tax, and Operating Grants and Contributions and are the top four categories of revenue and comprise 91% of funding for Government activities. The Other Taxes category includes Transient Occupancy Taxes, Franchise Taxes, and Business License Tax. The Other category includes proceeds from the disposition of City real property, intergovernmental administrative fees, developer contributions, and miscellaneous revenues.

Chart 2

Governmental Revenues



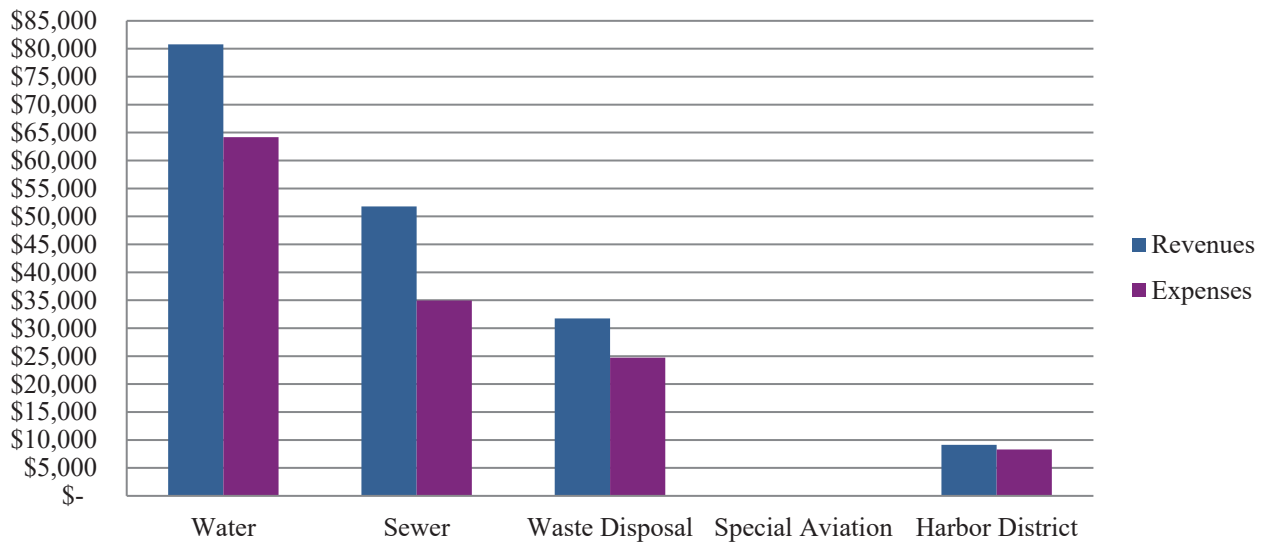
Business-Type Activities for the City of Oceanside include Water, Sewer, Solid Waste, Harbor, and Special Aviation. The Net Position (including transfers) increased \$23.2 million over last fiscal year as noted on Table 3. Revenues decreased \$4.8 million due to the unrealized loss on investments. Expenses decreased \$3.4 million compared to 2021. Transfers out to other funds (a deduction to Net Position) increased \$0.4 million as compared to the prior year.

The Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds reflect an increase of \$3.7 million in total operating revenues from the previous year. The Water operating revenue increased \$2.1 million and Sewer operating revenue increased \$1.2 million. Waste Disposal operating revenue increased \$1.1 million and Harbor revenues decreased \$0.6 million. Operating expenses for Water decreased \$2.1 million and Sewer decreased \$2.1 million. In Water, administrative costs decreased \$1.2 million, the cost of purchased water increased \$0.6 million and maintenance and operations costs decreased by \$1.4 million. Sewer administrative costs decreased \$2.1 million and maintenance and operations costs remained fairly static with a marginal increase of \$0.1 million. In Waste Disposal, maintenance and operations costs increased \$1.2 million. Harbor maintenance and operations costs remained static. The City’s General Fund pays the Harbor administrative, maintenance and police functions and the City’s General Fund is reimbursed by the Harbor. These costs increased \$0.3 million from 2021.

Overall, the Business-Type activities operating revenue exceeded operating expenses (before transfers and contributions) for fiscal year 2021-22 with a total net operating income of \$47 million.

Chart 3 below compares program revenues from Business-Type activities to program expenses. All business-type activities operated at a profit, as referenced in the Statement of Activities.

Chart 3
Expenses versus Program Revenues for Business-type Activities
(in thousands of dollars)



Financial Analysis of the City's Funds

The City's General Fund had a total fund balance of \$115.5 million at year-end, as shown on the Balance Sheet. This is an increase of \$8.1 million from 2021 and is mostly due to increases in sales tax, property tax, and other taxes such as transient occupancy tax. Of this total amount, \$2.7 million is nonspendable, \$15.7 million is restricted, \$23.8 million is committed, \$55.9 million is assigned, and \$17.4 million is unassigned. The unassigned fund balance is available for future expenditure allocation as defined in City Council Policy 200-13.

The Statement of Revenues, Expenditures and Changes in Fund Balances also reflects the \$8.1 million increase in the General Fund balance. General Fund revenues increased approximately \$8.8 million from 2021. General Fund expenditures increased overall \$23.3 million. Other Financing Sources includes a transfer in of \$16.2 million of which \$7.0 million came from the Harbor fund for harbor administrative, maintenance and police services, and \$6.6 million from Water and Waste Disposal funds for administrative services. Other Financing uses also includes a transfer out of \$14.5 million for general improvement capital projects and grants.

The fund balance of the Grants Special Revenue Fund increased \$5.4 million. Revenues increased \$11.5 million due to increases in reimbursements for intergovernmental grants. Expenditures increased \$4.0 million as compared to 2021 due to increased capital outlay expenditures.

Debt Administration

Governmental activities debt outstanding at year-end decreased \$103.2 million as noted in Table 4. The most significant decrease to long-term liabilities was to the pension liability which decreased \$98.1 million from prior year due to change in actuarial valuation. Additionally, the total outstanding long-term debt decreased \$6.3 million from prior year. The decrease was the result of debt service payments made on bonds and notes payable. More detail about the City's long-term liabilities, including retirement plans, is presented in Note 9, 10, 12, 13, and 14 to the financial statements.

Table 4

City of Oceanside				
Governmental Debt Outstanding				
	Balance at June 30, 2021	Incurred or Issued	Satisfied or Matured	Balance at June 30, 2022
Governmental Activities				
Certificates of Participation	\$ 3,435,291	\$ -	\$ (1,688,153)	\$ 1,747,138
Capital Leases Payable	1,909,895	-	(476,219)	1,433,676
Notes Payable	1,961,041	-	(208,301)	1,752,740
Pension Obligation Bonds	17,050,000	-	(3,720,000)	13,330,000
Lease Revenue Bonds	22,745,000	-	(191,000)	22,554,000
Claims Payable	20,792,985	12,120,057	(10,982,571)	21,930,471
Compensated Absences	14,773,817	6,133,062	(6,322,852)	14,584,027
Net Pension Liability	227,504,415	-	(98,068,342)	121,818,549
Total OPEB Liability	10,588,753	-	(1,880)	10,586,873
Unamortized Bond Premiums	3,373,117	-	(19,276)	3,258,759
Total Governmental Activities	\$324,134,314	\$18,253,119	\$(121,678,594)	\$212,996,233

Business-Type debt activities increased in the fiscal year ending 2022 by \$7 million. The most significant decrease to long-term liabilities was to the net pension liability due to the \$18.3 million reduction due to change in actuarial valuation. Additionally, the direct borrowings increased due to \$31.1 being drawn from the WIFIA Loan during the fiscal year.

Table 5

City of Oceanside				
Business-Type Activities Debt Outstanding				
	Balance at June 30, 2021	Incurred or Issued	Satisfied, Adjusted or Matured	Balance at June 30, 2022
Business-Type Activities				
Bonds Payable	\$ 40,610,000	\$ -	(2,630,000)	\$ 37,980,000
Notes Payable	30,430,000	31,068,287	(2,676,268)	58,822,019
Net Pension Liability	20,324,958	-	(18,306,721)	2,018,237
Compensated Absences	2,484,464	876,528	(1,047,285)	2,313,707
Unamortized Bond Premiums	5,746,590	-	(293,312)	5,453,278
Total Business-Type Activities	\$ 99,596,012	\$ 31,944,815	\$(24,953,586)	\$106,587,241

Capital Assets

The capital assets of the City are those assets that are used in the performance of the City's functions, including land, buildings and infrastructure. Table 6 identifies that at June 30, 2022, net capital assets of the Governmental activities totaled \$335 million and the net capital assets of the Business-Type activities totaled \$564.6 million. Depreciation on capital assets is recognized in the Government-Wide financial statements.

Table 6

City of Oceanside				
Capital Assets				
Description	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
Land	\$ 62,246,590	\$ 62,246,590	\$ 29,613,703	\$ 29,613,703
Buildings	137,229,144	135,950,140	243,474,747	243,474,747
Improvements	84,220,653	83,877,612	569,594,236	569,594,236
Equipment	78,161,451	76,850,327	28,952,705	28,952,705
Right to Use Asset	516,380	-	-	-
Construction in Progress	42,836,060	19,981,212	156,230,980	115,531,967
Infrastructure	312,585,729	312,585,729	-	-
Capital Assets	\$ 717,796,007	\$ 691,491,610	\$1,027,866,371	\$ 987,167,358
Accumulated Depreciation	(382,825,139)	(367,182,183)	(463,316,350)	(445,827,706)
Total Capital Assets	\$ 334,970,868	\$ 324,309,427	\$ 564,550,021	\$ 541,339,652

Additional information on Capital Assets can be found in Note 7 of this report.

Budgets and Budgetary Accounting

The City Council sets the direction of the City, through the budget, allocating its resources and establishing its priorities. The City Council adopts an annual operating budget and capital budget. All appropriations are as originally adopted or as amended by the City Council, and budgeted amounts lapse at year-end. Budgetary control is exercised at the fund level. The City Manager is authorized to transfer monies appropriated within the same fund and same department provided the total amount within a fund has not changed. A budget adjustment to increase a fund's total, or to transfer monies between funds, requires City Council approval. The City of Oceanside does not distinguish between Basis of Budgeting and Basis of Accounting. The principles set forth as the Basis of Accounting are strictly observed in the budgeting process.

General Fund Budget – Table 7 is a comparison of actual revenues/expenditures versus the amended budget. It is inclusive of Fund 101 (General Fund), Fund 102 (Investment Clearing Fund), Fund 103 (Measure X Fund), and Fund 104 (COVID Small Business Loan Program Fund). It is important to remember that the budget to actual variance of \$21.3 million shown in Table 7 does not represent available one-time funds. The actual excess of resources over charges of \$8.4 million is available as one-time funds and has been assigned by the Financial Services Director per council policy for specific uses. Revenues received were approximately \$11.3 million more than the amended budget. Because of the uncertainty of the economic impacts of the COVID-19 Pandemic, the FY 2021-22 General Fund budget was fiscally conservative and did not include any restorations from the adjustments made in the previous year as a response to the onset of the pandemic. Fortunately, the impact of the pandemic to the city's tax revenue was not significant and the actual tax revenue exceeded budgeted revenue by \$18.7 million. Charges to appropriations were in line with the amended budget. Overall, actual revenues exceeded expenditures and transfers by approximately \$8.4 million which increased the General Fund balance. Of this amount \$3.3 million was assigned by the Financial Services Director per council policy for PERS Unfunded Liability payment and \$3.3 million was assigned for infrastructure projects.

Table 7

City of Oceanside			
General Fund Comparison – Actual and Budget Year Ended June 30, 2022			
	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Pos/(Neg)</u>
Resources (inflows)			
Taxes	\$131,092,563	\$149,827,575	\$18,735,012
Licenses and permits	4,042,481	4,703,367	660,886
Intergovernmental	277,637	373,055	95,418
Charges for services	19,734,137	19,827,449	93,312
Use of money and property	8,987,812	(532,729)	(9,520,541)
Fines and forfeitures	3,547,136	4,328,201	781,065
Administrative and in lieu charges	7,217,180	7,213,356	(3,824)
Miscellaneous	376,315	493,914	117,599
Transfers in	16,149,033	16,202,890	53,857
<i>Amount Available for Appropriations</i>	<u>\$191,424,294</u>	<u>\$202,437,078</u>	<u>\$11,012,784</u>
Charges to Appropriations (outflows)			
General Government	\$ 36,378,317	\$ 36,435,705	\$ (57,388)
Public Safety	105,493,965	100,804,763	4,689,202
Community Development	13,290,598	10,923,060	2,367,538
Community/Cultural Services	16,175,940	14,429,446	1,746,494
Public Works	18,178,433	17,175,384	1,003,049
Capital Outlay	97,104	300,796	(203,692)
Debt Service	15,654	910	14,744
Transfers Out	14,775,984	14,497,190	278,794
Total Charges to Appropriations	<u>\$204,405,995</u>	<u>\$194,567,254</u>	<u>\$ 9,838,741</u>
Excess of Resources Over (Under)			
Charges to Appropriations as of June 30, 2022	<u>\$(12,981,701)</u>	<u>\$ 7,869,824</u>	<u>\$20,851,525</u>

Table 8 compares the General Fund (inclusive of Fund 101 General Fund, Fund 102 Investment Clearing Fund, Fund 103 Measure X, and Fund 104 COVID Small Business Loan Program Fund) original adopted budget of \$188.2 million to the final budget amount of \$204.3 million which shows an overall amended increase of \$16.1 million as delineated below. The variance between the adopted and amended budget includes increases for continuing appropriations and one-time capital expenditures approved by City Council.

Table 8

City of Oceanside			
General Fund Budget Comparison As Adopted and Amended Year Ended June 30, 2022			
	<u>Adopted</u>	<u>Amended</u>	<u>Increase/ (Decrease)</u>
General Government			
Operational	\$ 18,756,127	\$ 19,026,462	\$ 270,335
Non-Departmental	5,507,606	17,351,855	11,844,249
Public Safety			
Police	67,180,768	68,605,316	1,424,548
Fire	36,350,443	36,888,649	538,206
Public Works	18,081,531	18,178,433	96,902
Community Development			
Planning	2,738,154	4,997,843	2,259,689
Building	3,031,774	3,156,774	125,000
Engineering	5,063,981	5,135,981	72,000
Community and Cultural Services			
Economic and Community Development	625,644	705,644	80,000
Library	5,751,535	5,756,261	4,726
Neighborhood Services	10,108,336	8,379,045	(1,729,291)
Property Management	1,314,813	1,334,990	20,177
Transfers/Capital Outlay/Debt	13,673,595	14,791,638	1,118,043
Total Budget	<u>\$ 188,184,307</u>	<u>\$ 204,308,891</u>	<u>\$ 16,124,584</u>

GLOSSARY

- **Business-Type Activities:** in the context of the government-wide financial statements, activities of the City that are intended to totally or partially recover costs through user charges. Examples include Water Utilities, Wastewater Utilities, Waste Disposal, Special Aviation and Small Craft Harbor District.
- **Capital Assets:** assets used in operations that are not available for spending (i.e. land, buildings, structures and improvements other than buildings, machinery and equipment, infrastructure, and construction in progress).
- **Fiduciary Funds:** funds used to account for resources held for the benefit of outside parties as an agent, and therefore not available to support the City's own programs.
- **Fund Balance:** the difference between assets and liabilities reported in a governmental fund.
- **Governmental Activities:** in the context of the government-wide financial statements, activities of the City that are supported by taxes. Examples include General Fund, Housing Assistance Program Special Revenue Fund, Redevelopment Agency Debt Service Fund, Redevelopment Agency Capital Projects Fund, General Improvement Capital Projects Fund, and Other Governmental Funds such as additional "minor" special revenue funds and debt service funds.
- **Governmental Funds:** funds generally used to account for tax-supported activities.
- **Net Investment in Capital Assets:** the portion of net position reflecting equity in capital assets (i.e. capital assets minus related debt).
- **Net Position:** the difference between assets and liabilities in proprietary funds and government-wide financial statements.
- **Proprietary Funds:** funds used to account for Business-Type activities.
- **Restricted Net Position:** the portion of net position equal to resources whose use is legally restricted minus any non-capital-related liabilities payable from those same resources.
- **Unrestricted Net Position:** the residual balance of net position after the elimination of net investment in in capital assets and restricted net position.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Office of the Director of Financial Services at 300 North Coast Highway, Oceanside, California, 92054 or phone (760) 435-3850.

THIS PAGE INTENTIONALLY LEFT BLANK

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments (Note 3)	\$ 268,401,935	\$ 245,693,437	\$ 514,095,372
Restricted assets:			
Cash and investments (Note 3)	16,444,000	-	16,444,000
Cash and investments held with fiscal agents (Note 3)	3,511,015	418,673	3,929,688
Receivables:			
Accounts	9,600,741	16,222,969	25,823,710
Taxes	9,944,510	-	9,944,510
Notes and loans (Note 5)	91,393,276	-	91,393,276
Accrued interest	1,724,724	18,430	1,743,154
Other	2,320,479	-	2,320,479
Leases (Note 8)	51,656,675	18,300,211	69,956,886
Internal balances (Note 6)	(4,988,159)	4,988,159	-
Due from other governments	4,845,514	-	4,845,514
Inventories	349,187	498,260	847,447
Land held for resale	700,000	-	700,000
Prepaid costs	1,002,363	677	1,003,040
Capital assets (Note 7):			
Capital assets, not being depreciated	105,082,650	185,844,683	290,927,333
Capital assets, net of depreciation/amortization	229,888,218	378,705,338	608,593,556
Total Assets	791,877,128	850,690,837	1,642,567,965
Deferred Outflows of Resources:			
Deferred charge on refunding	-	82,410	82,410
Pension deferrals (Note 13)	37,854,448	3,118,281	40,972,729
Other post-employment benefit deferrals (Note 14)	4,022,498	-	4,022,498
Total Deferred Outflows of Resources	41,876,946	3,200,691	45,077,637
Liabilities:			
Accounts payable	12,026,215	22,818,425	34,844,640
Accrued liabilities	7,417,462	1,113,323	8,530,785
Due to other governments	405,444	-	405,444
Accrued interest	403,821	305,714	709,535
Unearned revenue	25,932,454	269,306	26,201,760
Deposits payable	871,681	1,448,642	2,320,323
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 9)	5,307,752	975,484	6,283,236
Claims and judgments (Note 12)	9,831,980	-	9,831,980
Leases (Note 8)	332,781	-	332,781
Bonds and notes payable (Note 10)	5,981,793	4,714,521	10,696,314
Due in more than one year:			
Compensated absences (Note 9)	9,276,275	1,338,223	10,614,498
Claims and judgments (Note 12)	12,098,491	-	12,098,491
Leases (Note 8)	292,585	-	292,585
Bonds and notes payable (Note 10)	36,851,844	97,540,776	134,392,620
Net pension liability (Note 13)	121,818,549	2,018,237	123,836,786
Other post-employment benefits liability (Note 14)	10,586,873	-	10,586,873
Total Liabilities	259,436,000	132,542,651	391,978,651
Deferred Inflows of Resources:			
Deferred charge on refunding	114,473	422,943	537,416
Deferred inflows - Leases (Note 8)	51,494,148	18,187,908	69,682,056
Pension deferrals (Note 13)	75,198,276	13,296,605	88,494,881
Other post-employment benefit deferrals (Note 14)	673,432	-	673,432
Total Deferred Inflows of Resources	127,480,329	31,907,456	159,387,785
Net Position:			
Net investment in capital assets	304,897,452	461,954,191	766,851,643
Restricted:			
Community development projects	11,417,177	-	11,417,177
Public safety	1,034,328	-	1,034,328
Pension stabilization (Section 115 Trust)	15,730,926	-	15,730,926
Debt service	2,252,837	-	2,252,837
Street lighting and landscape maintenance	2,199,221	-	2,199,221
Highways	5,111,124	-	5,111,124
Housing assistance program	5,204,954	-	5,204,954
Capital projects	66,794,232	4,856,154	71,650,386
Rate stabilization	-	8,424,127	8,424,127
Unrestricted	32,195,494	214,206,949	246,402,443
Total Net Position	\$ 446,837,745	\$ 689,441,421	\$ 1,136,279,166

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

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 36,610,788	\$ 11,725,407	\$ 1,028,778	\$ -
Public safety	97,185,812	9,835,472	17,110,788	62,789
Community development	36,490,981	23,192,525	32,877,833	-
Community/cultural services	17,325,112	3,233,794	2,013,233	-
Public works	29,937,041	6,804,014	7,760,617	218,618
Interest on long-term debt	696,160	-	-	-
Total Governmental Activities	218,245,894	54,791,212	60,791,249	281,407
Business-Type Activities:				
Water	65,951,480	75,603,704	-	-
Sewer	35,361,055	49,220,381	-	-
Waste Disposal	24,721,163	31,736,901	-	-
Special Aviation	164,244	10,307	-	-
Oceanside Small Craft Harbor District	1,320,804	6,761,134	-	-
Total Business-Type Activities	127,518,746	163,332,427	-	-
Total Primary Government	\$ 345,764,640	\$ 218,123,639	\$ 60,791,249	\$ 281,407

General Revenues:

Taxes:

Property taxes, general purpose levy (Note 4)

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Use of money and property

Other

Transfers (Note 6)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Restatements

Net Position at the Beginning of the Year,
as Restated

Net Position - Ending

**Net (Expenses) Revenues and Changes in Net
Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (23,856,603)	\$ -	\$ (23,856,603)
(70,176,763)	-	(70,176,763)
19,579,377	-	19,579,377
(12,078,085)	-	(12,078,085)
(15,153,792)	-	(15,153,792)
(696,160)	-	(696,160)
(102,382,026)	-	(102,382,026)
-	9,652,224	9,652,224
-	13,859,326	13,859,326
-	7,015,738	7,015,738
-	(153,937)	(153,937)
-	5,440,330	5,440,330
-	35,813,681	35,813,681
(102,382,026)	35,813,681	(66,568,345)
76,746,092	-	76,746,092
14,841,517	-	14,841,517
48,981,223	-	48,981,223
4,334,418	-	4,334,418
3,734,018	-	3,734,018
1,190,307	-	1,190,307
(204,031)	(6,929,120)	(7,133,151)
6,833,557	7,906,794	14,740,351
13,611,056	(13,611,056)	-
170,068,157	(12,633,382)	157,434,775
67,686,131	23,180,299	90,866,430
379,151,614	666,261,122	1,045,412,736
-	-	-
379,151,614	666,261,122	1,045,412,736
\$ 446,837,745	\$ 689,441,421	\$ 1,136,279,166

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

THIS PAGE INTENTIONALLY LEFT BLANK

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City reports the following major governmental funds:

The **General Fund** is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund.

The **Grants Fund** is used to account for funds received from federal, state and county governments for use on approved projects.

The **American Rescue Plan Fund** is used to account for funds received from the federal government as part of the American Rescue Plan Act authorizing the U.S. Department of the Treasury's Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program to use on local economic recovery and costs incurred due to the coronavirus pandemic.

The **Housing Assistance Program Special Revenue Fund** is used to account for the operation of the City's housing program. Financing is provided by HUD (Section 8), Community Development Block Grants, and service fees on mortgage revenue bonds.

The **General Improvement Capital Projects Fund** is used to account for general purpose capital projects funded primarily from developer impact fees and bond proceeds.

The **Other Governmental Funds** are the aggregate of all the other governmental funds.

CITY OF OCEANSIDE, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	General	Grants	American Rescue Plan	Housing Assistance Program
Assets:				
Cash and investments (Note 3):	\$ 91,481,659	\$ 14,681,134	\$ 23,824,089	\$ 5,623,831
Cash and investments	-	408,016	-	-
Restricted cash and investments	15,730,926	-	-	413,074
Receivables:				
Accounts	9,361,838	-	-	67,035
Taxes	9,000,495	-	-	-
Notes and loans (Note 5)	107,669	74,063,814	-	16,555,981
Accrued interest	1,708,146	-	-	-
Leases (Note 8)	51,656,675	-	-	-
Other	2,320,479	-	-	-
Due from other funds (Note 6)	2,098,920	-	-	-
Due from other governments	-	4,191,990	-	312,394
Inventories	17,124	-	-	-
Land held for resale	700,000	-	-	-
Prepaid costs	288,303	-	-	-
Advances to other funds (Note 6)	1,654,086	-	-	-
Total Assets	\$ 186,126,320	\$ 93,344,954	\$ 23,824,089	\$ 22,972,315
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 4,034,763	\$ 1,576,052	\$ 346,057	\$ 40,547
Accrued liabilities	6,755,082	58,363	16,912	56,067
Deposits payable	710,971	-	-	113,882
Due to other governments	-	-	-	405,444
Due to other funds (Note 6)	-	1,865,524	-	71,788
Unearned revenues	11,249	829,220	23,461,120	480,513
Total Liabilities	11,512,065	4,329,159	23,824,089	1,168,241
Deferred Inflows of Resources:				
Unavailable revenues	7,909,046	77,435,529	-	16,599,120
Deferred inflows - Leases (Note 8)	51,494,148	-	-	-
Total Deferred Inflows of Resources	59,403,194	77,435,529	-	16,599,120
Fund Balances:				
Nonspendable:				
Inventories	17,124	-	-	-
Land held for resale	700,000	-	-	-
Prepaid costs	288,303	-	-	-
Long-term interfund advances	1,654,086	-	-	-
Restricted:				
Community development projects	-	11,417,177	-	-
Public safety	-	163,089	-	-
Pension stabilization (Section 115 Trust)	15,730,926	-	-	-
Debt service	-	-	-	-
Street lighting and landscape maintenance	-	-	-	-
Highways	-	-	-	-
Housing assistance program	-	-	-	5,204,954
Capital projects	-	-	-	-
Committed:				
Community development projects	23,815,200	-	-	-
Assigned:				
Post-employment leave	1,369,179	-	-	-
Employee compensation	452,390	-	-	-
Workers compensation	7,633,000	-	-	-
Infrastructure	12,516,805	-	-	-
Revenue/economic stabilization	10,078,800	-	-	-
PERS supplemental reserve	5,043,112	-	-	-
Measure X	11,880,739	-	-	-
Long-term planning	980,682	-	-	-
Pier maintenance	4,207,070	-	-	-
COVID-19 small business loan program	190,475	-	-	-
Other	1,541,388	-	-	-
Unassigned	17,111,782	-	-	-
Total Fund Balances	115,211,061	11,580,266	-	5,204,954
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 186,126,320	\$ 93,344,954	\$ 23,824,089	\$ 22,972,315

CITY OF OCEANSIDE, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Capital Projects Fund</u>		
	<u>General Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments (Note 3):	\$ 66,656,697	\$ 11,210,450	\$ 213,477,860
Cash and investments	3,102,814	-	3,510,830
Restricted cash and investments	-	185	16,144,185
Receivables:			
Accounts	-	-	9,428,873
Taxes	-	944,015	9,944,510
Notes and loans (Note 5)	135,625	530,187	91,393,276
Accrued interest	-	-	1,708,146
Leases (Note 8)	-	-	51,656,675
Other	-	-	2,320,479
Due from other funds (Note 6)	-	-	2,098,920
Due from other governments	84,171	256,959	4,845,514
Inventories	-	-	17,124
Land held for resale	-	-	700,000
Prepaid costs	5,392	-	293,695
Advances to other funds (Note 6)	-	-	1,654,086
Total Assets	\$ 69,984,699	\$ 12,941,796	\$ 409,194,173
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,467,127	\$ 1,761,857	\$ 9,226,403
Accrued liabilities	16,885	77,320	6,980,629
Deposits payable	46,828	-	871,681
Due to other governments	-	-	405,444
Due to other funds (Note 6)	-	161,608	2,098,920
Unearned revenues	1,150,352	-	25,932,454
Total Liabilities	2,681,192	2,000,785	45,515,531
Deferred Inflows of Resources:			
Unavailable revenues	503,883	530,187	102,977,765
Deferred inflows - Leases (Note 8)	-	-	51,494,148
Total Deferred Inflows of Resources	503,883	530,187	154,471,913
Fund Balances:			
Nonspendable:			
Inventories	-	-	17,124
Land held for resale	-	-	700,000
Prepaid costs	5,392	-	293,695
Long-term interfund advances	-	-	1,654,086
Restricted:			
Community development projects	-	-	11,417,177
Public safety	-	871,239	1,034,328
Pension stabilization (Section 115 Trust)	-	-	15,730,926
Debt service	-	2,252,837	2,252,837
Street lighting and landscape maintenance	-	2,199,221	2,199,221
Highways	-	5,111,124	5,111,124
Housing assistance program	-	-	5,204,954
Capital projects	66,794,232	-	66,794,232
Committed:			
Community development projects	-	-	23,815,200
Assigned:			
Post-employment leave	-	-	1,369,179
Employee compensation	-	-	452,390
Workers compensation	-	-	7,633,000
Infrastructure	-	-	12,516,805
Revenue/economic stabilization	-	-	10,078,800
PERS supplemental reserve	-	-	5,043,112
Measure X	-	-	11,880,739
Long-term planning	-	-	980,682
Pier maintenance	-	-	4,207,070
COVID-19 small business loan program	-	-	190,475
Other	-	-	1,541,388
Unassigned	-	(23,597)	17,088,185
Total Fund Balances	66,799,624	10,410,824	209,206,729
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 69,984,699	\$ 12,941,796	\$ 409,194,173

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF OCEANSIDE, CALIFORNIA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds		\$ 209,206,729
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. The details of this \$325,725,672 are as follows:		
Capital assets, not being depreciated/amortized	\$ 104,086,352	
Capital assets, being depreciated/amortized	579,166,757	
Less: accumulated depreciation/amortization	<u>(357,527,437)</u>	
Net adjustment to increase Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		325,725,672
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		102,977,765
Internal Service Funds are used by management to charge the cost of loss prevention and general services to individual funds. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position. The details of this \$28,831,938 difference are as follows:		
Net Position of the Internal Service Funds	35,835,139	
Less: internal payable representing charges in excess of cost to business-type activities - prior years	(6,887,103)	
Less: internal payable representing charges in excess of cost to business-type activities - current year	<u>(116,098)</u>	
Net adjustment to increase Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		28,831,938
Deferred outflows of resources related to pensions and other post-employment benefits are a consumption of resources applicable to a future period and, therefore, are not reported in the funds. The details of this \$40,940,651 are as follows:		
Pensions:		
Employer pension contributions made subsequent to the measurement date	34,512,850	
Changes of assumptions	39,084	
Differences between expected and actual experience	2,366,219	
Other Post-Employment Benefits:		
Changes of assumptions	1,962,954	
Differences between expected and actual experience	<u>2,059,544</u>	
Net adjustment to increase Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		40,940,651
Long-term liabilities and assets, including bonds payable and leases, are not due and payable in the current period, and, therefore, are not reported in the funds. The details of this (\$189,361,618) are as follows:		
Bonds payable	(37,631,138)	
Add: Deferred gain on refunding (to be amortized over life of debt)	(114,473)	
Add: Issuance premium (to be amortized over life of debt)	(3,258,759)	
Loans payable	(2,801,907)	
Leases payable	(625,366)	
Accrued interest receivable	16,578	
Compensated absences	(13,748,573)	
Accrued interest payable	(403,821)	
Net pension liability	(120,207,286)	
Other post-employment benefits obligations	<u>(10,586,873)</u>	
Net adjustment to decrease Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		(189,361,618)
Deferred inflows of resources related to pensions and other post-employment benefits are an acquisition of net position applicable to a future period and, therefore, are not reported in the funds. The details of this (\$71,483,392) are as follows:		
Pensions:		
Changes of assumptions	(234,529)	
Differences between expected and actual experience	(732,378)	
Net difference between projected and actual earnings on pension plan investments	(69,843,053)	
Other Post-Employment Benefits:		
Changes of assumptions	<u>(673,432)</u>	
Net adjustment to decrease Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		<u>(71,483,392)</u>
Net Position of Governmental Activities		<u>\$ 446,837,745</u>

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	General	Grants	American Rescue Plan	Housing Assistance Program
Revenues:				
Taxes	\$ 149,827,575	\$ -	\$ -	\$ -
Licenses and permits	4,703,367	-	-	329,085
Intergovernmental	373,055	20,777,506	8,628,665	22,127,684
Charges for services	19,827,449	29,800	-	75,514
Use of money and property (Note 3)	(532,729)	478,441	-	917,171
Fines and forfeitures	4,328,201	-	-	-
Developer participation	-	3,623,487	-	-
Administrative and in lieu charges	7,213,356	-	-	-
Miscellaneous	493,914	3,310	-	264,947
Total Revenues	186,234,188	24,912,544	8,628,665	23,714,401
Expenditures:				
Current:				
General government	36,435,705	-	-	-
Public safety	100,804,763	4,615,091	6,846,495	-
Community development	10,923,060	3,515,677	689,882	22,866,606
Community/cultural services	14,429,446	192,420	-	-
Public works	17,175,384	44,140	-	-
Capital outlay	300,796	11,298,318	1,092,288	-
Debt service:				
Principal retirement (Note 10)	-	-	-	-
Lease principal (Note 8)	-	29,023	-	-
Interest and fiscal charges	910	439	-	-
Total Expenditures	180,070,064	19,695,108	8,628,665	22,866,606
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,164,124	5,217,436	-	847,795
Other Financing Sources (Uses):				
Transfers in (Note 6)	16,202,890	1,344,166	-	-
Transfers out (Note 6)	(14,497,190)	(1,296,124)	-	(1,000,000)
Lease financing	-	99,218	-	-
Total Other Financing Sources (Uses)	1,705,700	147,260	-	(1,000,000)
Net Change in Fund Balances	7,869,824	5,364,696	-	(152,205)
Fund Balances - Beginning	107,341,237	6,215,570	-	5,357,159
Fund Balances - Ending	\$ 115,211,061	\$ 11,580,266	\$ -	\$ 5,204,954

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Capital Projects Fund		
	General Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 149,827,575
Licenses and permits	-	-	5,032,452
Intergovernmental	-	9,588,702	61,495,612
Charges for services	369,371	-	20,302,134
Use of money and property (Note 3)	(1,530,557)	704,177	36,503
Fines and forfeitures	-	-	4,328,201
Developer participation	9,647,498	-	13,270,985
Administrative and in lieu charges	-	2,993,592	10,206,948
Miscellaneous	1,830,870	5,725,595	8,318,636
Total Revenues	10,317,182	19,012,066	272,819,046
Expenditures:			
Current:			
General government	2,877,566	-	39,313,271
Public safety	-	191,805	112,458,154
Community development	474,234	-	38,469,459
Community/cultural services	-	1,639,981	16,261,847
Public works	1,765,674	8,657,298	27,642,496
Capital outlay	6,822,775	371,117	19,885,294
Debt service:			
Principal retirement (Note 10)	-	6,018,487	6,018,487
Lease principal (Note 8)	-	-	29,023
Interest and fiscal charges	627	903,698	905,674
Total Expenditures	11,940,876	17,782,386	260,983,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,623,694)	1,229,680	11,835,341
Other Financing Sources (Uses):			
Transfers in (Note 6)	14,054,981	4,579	31,606,616
Transfers out (Note 6)	(411,064)	(1,157,130)	(18,361,508)
Lease financing	172,474	-	271,692
Total Other Financing Sources (Uses)	13,816,391	(1,152,551)	13,516,800
Net Change in Fund Balances	12,192,697	77,129	25,352,141
Fund Balances - Beginning	54,606,927	10,333,695	183,854,588
Fund Balances - Ending	\$ 66,799,624	\$ 10,410,824	\$ 209,206,729

CITY OF OCEANSIDE, CALIFORNIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 25,352,141
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. The details of this \$10,437,919 difference are as follows:</p>	
Capital outlay	\$ 24,328,104
Loss on disposal of capital assets	(244,912)
Depreciation expense	<u>(13,645,273)</u>
Net adjustment to increase Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities	10,437,919
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(633,040)
<p>The issuance of long-term liabilities (e.g. bonds, loans) provides current financial resources to Governmental Funds, while the repayment of the principal of long-term liabilities consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of premiums, discounts, and similar items when the liability is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term liabilities and related items. The details of this \$6,051,194 difference are as follows:</p>	
Principal repayments:	
Bonds payable	5,599,153
Loans payable	206,871
Leases payable	<u>245,170</u>
Net adjustment to decrease Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities	6,051,194
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds. The details of this \$27,134,108 difference are as follows:</p>	
Compensated absences	199,911
Pension liability	27,072,768
Other post-employment benefits obligation	(348,085)
Accrued interest	37,920
Amortization of bond premiums	114,358
Amortization of deferred gains on refunding	<u>57,236</u>
Net adjustment to decrease Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities	27,134,108
<p>The Internal Service Funds are used by management to charge the cost of loss prevention and general services to individual funds. The net revenue of certain activities of Internal Service Funds is reported with Governmental Activities. The details of this (\$656,191) difference are as follows:</p>	
Change in Net Position of the Internal Service Funds	(539,835)
Less: Gain from charges to Business-Type Activities	<u>(116,356)</u>
Net adjustment to increase Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities	<u>(656,191)</u>
Change in Net Position of Governmental Activities	<u>\$ 67,686,131</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

The City reports the following major proprietary funds:

The **Water Fund** is used to account for the operation of the City's water utility, a self-supporting activity which provides services on a user charge basis.

The **Sewer Fund** is used to account for the operation (including wastewater treatment) of the City's sewer facility, a self-supporting activity which provides services on a user charge basis.

The **Waste Disposal Fund** is used to account for the collection and disposal of solid waste (including waste collected from street sweeping). Monthly service charges to all Oceanside property owners fund the above services.

The **Special Aviation Fund** is used to account for the operation of the Oceanside (General Aviation) Airport. Funding for operating expenses is provided by rents and leases.

The **Oceanside Small Craft Harbor District Fund** is used to account for the operation and maintenance of the Oceanside Small Craft Harbor. Funding for operating expenses is provided by user charges.

The **Internal Service Funds** account for risk management services (including workers' compensation, general liability, and property damage), fleet management, information technology, building services, and employee benefits provided to other departments of the City on a cost-reimbursement basis.

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Waste Disposal	Special Aviation
Assets:				
Current Assets:				
Cash and investments (Note 3)	\$ 96,936,969	\$ 133,970,290	\$ 8,377,454	\$ 893,094
Restricted cash and investments (Note 3)	20,700	397,973	-	-
Accounts receivable	9,315,213	5,514,425	956,427	-
Leases receivable (Note 8)	-	-	-	44,316
Prepaid costs	-	677	-	-
Inventories	249,316	248,944	-	-
Accrued interest - leases	-	-	-	3,130
Total Current Assets	106,522,198	140,132,309	9,333,881	940,540
Noncurrent Assets:				
Advances to other funds (Note 6)	-	-	-	-
Leases receivable (Note 8)	-	-	-	2,234,732
Capital assets, not being depreciated (Note 7)	139,475,069	39,447,265	35,328	3,835,398
Capital assets, being depreciated/amortized (Note 7)	369,523,128	434,868,603	3,320,922	2,105,071
Less accumulated depreciation/amortization (Note 7)	(198,758,973)	(237,290,702)	(796,042)	(1,500,153)
Total Noncurrent Assets	310,239,224	237,025,166	2,560,208	6,675,048
Total Assets	416,761,422	377,157,475	11,894,089	7,615,588
Deferred Outflows of Resources:				
Deferred charge on refunding	-	82,410	-	-
Pension deferrals (Note 13)	1,515,917	1,489,764	112,600	-
Total Deferred Outflows of Resources	1,515,917	1,572,174	112,600	-
Liabilities:				
Current Liabilities:				
Accounts payable	17,166,460	3,460,980	2,033,391	-
Accrued liabilities	574,065	519,858	19,400	-
Accrued interest	191,132	112,874	-	-
Unearned revenues	5,000	897	-	-
Deposits payable	1,017,541	-	-	-
Leases payable (Note 8)	-	-	-	-
Compensated absences (Note 9)	489,506	459,323	26,655	-
Accrued claims and judgments (Note 12)	-	-	-	-
Bonds and notes payable (Note 10)	1,295,000	3,319,521	-	-
Total Current Liabilities	20,738,704	7,873,453	2,079,446	-
Noncurrent Liabilities:				
Advances from other funds (Note 6)	-	-	-	1,654,086
Compensated absences (Note 9)	621,714	700,429	16,080	-
Accrued claims and judgments (Note 12)	-	-	-	-
Bonds and notes payable (Note 10)	84,826,953	12,608,823	-	-
Net pension liability (Note 13)	476,845	1,457,109	84,283	-
Total Noncurrent Liabilities	85,925,512	14,766,361	100,363	1,654,086
Total Liabilities	106,664,216	22,639,814	2,179,809	1,654,086
Deferred Inflows of Resources:				
Pension deferrals (Note 13)	6,468,643	6,456,998	370,964	-
Deferred charge on refunding	422,943	-	-	-
Deferred inflows - Leases (Note 8)	-	-	-	2,264,421
Total Deferred Inflows of Resources	6,891,586	6,456,998	370,964	2,264,421
Net Position:				
Net investment in capital assets	223,694,328	221,179,232	2,560,208	4,440,316
Restricted for capital projects	4,856,154	-	-	-
Restricted for rate stabilization	1,528,419	-	6,895,708	-
Unrestricted	74,642,636	128,453,605	-	(743,235)
Total Net Position	\$ 304,721,537	\$ 349,632,837	\$ 9,455,916	\$ 3,697,081

Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds

Net Position of Business-Type Activities

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Oceanside Small Craft Harbor District	Totals	
Assets:			
Current Assets:			
Cash and investments (Note 3)	\$ 5,515,630	\$ 245,693,437	\$ 54,924,075
Restricted cash and investments (Note 3)	-	418,673	300,000
Accounts receivable	436,904	16,222,969	171,868
Leases receivable (Note 8)	806,513	850,829	-
Prepaid costs	-	677	708,668
Inventories	-	498,260	332,063
Accrued interest - leases	15,300	18,430	-
Total Current Assets	6,774,347	263,703,275	56,436,674
Noncurrent Assets:			
Advances to other funds (Note 6)	-	-	361,214
Leases receivable (Note 8)	15,214,650	17,449,382	-
Capital assets, not being depreciated (Note 7)	3,051,623	185,844,683	996,298
Capital assets, being depreciated/amortized (Note 7)	32,203,968	842,021,692	33,975,617
Less accumulated depreciation/amortization (Note 7)	(24,970,484)	(463,316,354)	(25,488,376)
Total Noncurrent Assets	25,499,757	581,999,403	9,844,753
Total Assets	32,274,104	845,702,678	66,281,427
Deferred Outflows of Resources:			
Deferred charge on refunding	-	82,410	-
Pension deferrals (Note 13)	-	3,118,281	936,295
Total Deferred Outflows of Resources	-	3,200,691	936,295
Liabilities:			
Current Liabilities:			
Accounts payable	157,594	22,818,425	1,934,617
Accrued liabilities	-	1,113,323	436,833
Accrued interest	1,708	305,714	42
Unearned revenues	263,409	269,306	-
Deposits payable	431,101	1,448,642	-
Leases payable (Note 8)	-	-	238,559
Compensated absences (Note 9)	-	975,484	304,058
Accrued claims and judgments (Note 12)	-	-	9,831,980
Bonds and notes payable (Note 10)	100,000	4,714,521	1,430
Total Current Liabilities	953,812	31,645,415	12,747,519
Noncurrent Liabilities:			
Advances from other funds (Note 6)	361,214	2,015,300	-
Compensated absences (Note 9)	-	1,338,223	531,396
Accrued claims and judgments (Note 12)	-	-	12,098,491
Bonds and notes payable (Note 10)	105,000	97,540,776	5,598
Net pension liability (Note 13)	-	2,018,237	1,611,263
Total Noncurrent Liabilities	466,214	102,912,536	14,246,748
Total Liabilities	1,420,026	134,557,951	26,994,267
Deferred Inflows of Resources:			
Pension deferrals (Note 13)	-	13,296,605	4,388,316
Deferred charge on refunding	-	422,943	-
Deferred inflows - Leases (Note 8)	15,923,487	18,187,908	-
Total Deferred Inflows of Resources	15,923,487	31,907,456	4,388,316
Net Position:			
Net investment in capital assets	10,080,107	461,954,191	9,237,952
Restricted for capital projects	-	4,856,154	-
Restricted for rate stabilization	-	8,424,127	-
Unrestricted	4,850,484	207,203,490	26,597,187
Total Net Position	\$ 14,930,591	682,437,962	\$ 35,835,139
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds		7,003,459	
Net Position of Business-Type Activities		\$ 689,441,421	

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Waste Disposal	Special Aviation
Operating Revenues:				
Sales and service charges	\$ 75,603,704	\$ 49,220,381	\$ 31,736,901	\$ 10,307
Fines, forfeitures, and penalties	444,366	3,422	-	-
Lease revenue	-	-	-	100,017
Developer fees	2,118,086	1,958,786	-	-
Slip rentals and other related fees	-	-	-	-
Parking	-	-	-	-
Miscellaneous	2,610,129	601,127	-	-
Total Operating Revenues	80,776,285	51,783,716	31,736,901	110,324
Operating Expenses:				
Administration and general	8,416,852	7,906,156	433,169	-
Maintenance and operations	12,038,768	18,004,669	24,109,512	4,284
Cost of purchased water	35,998,731	-	-	-
Depreciation/amortization expense	7,725,808	9,056,446	178,482	76,047
Total Operating Expenses	64,180,159	34,967,271	24,721,163	80,331
Operating Income	16,596,126	16,816,445	7,015,738	29,993
Nonoperating Revenues (Expenses):				
Investment income/(losses)	(4,548,365)	(4,474,153)	-	(37,940)
Interest expense	(1,839,205)	(442,256)	-	(83,913)
Gain on disposal of capital assets	-	-	-	-
Total Nonoperating Revenues (Expenses)	(6,387,570)	(4,916,409)	-	(121,853)
Income before Transfers	10,208,556	11,900,036	7,015,738	(91,860)
Transfers in (Note 6)	22,303	-	-	-
Transfers out (Note 6)	(810,287)	-	(5,827,345)	-
Changes in Net Position	9,420,572	11,900,036	1,188,393	(91,860)
Net Position - Beginning	295,300,965	337,732,801	8,267,523	3,788,941
Net Position - Ending	\$ 304,721,537	\$ 349,632,837	\$ 9,455,916	\$ 3,697,081
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds				
Change in Net Position of Business-Type Activities				

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Oceanside Small Craft Harbor District	Totals	
Operating Revenues:			
Sales and service charges	\$ 30,453	\$ 156,601,746	\$ 75,055,977
Fines, forfeitures, and penalties	116,256	564,044	-
Lease revenue	1,146,615	1,246,632	-
Developer fees	-	4,076,872	-
Slip rentals and other related fees	6,638,791	6,638,791	-
Parking	1,159,617	1,159,617	-
Miscellaneous	50,609	3,261,865	4,399,358
Total Operating Revenues	9,142,341	173,549,567	79,455,335
Operating Expenses:			
Administration and general	-	16,756,177	50,806,212
Maintenance and operations	860,441	55,017,674	27,017,363
Cost of purchased water	-	35,998,731	-
Depreciation/amortization expense	451,861	17,488,644	2,655,219
Total Operating Expenses	1,312,302	125,261,226	80,478,794
Operating Income	7,830,039	48,288,341	(1,023,459)
Nonoperating Revenues (Expenses):			
Investment income/(losses)	(179,008)	(9,239,466)	4,235
Interest expense	(8,502)	(2,373,876)	(709)
Gain on disposal of capital assets	-	-	114,150
Total Nonoperating Revenues (Expenses)	(187,510)	(11,613,342)	117,676
Income before Transfers	7,642,529	36,674,999	(905,783)
Transfers in (Note 6)	-	22,303	506,055
Transfers out (Note 6)	(6,995,727)	(13,633,359)	(140,107)
Changes in Net Position	646,802	23,063,943	(539,835)
Net Position - Beginning	14,283,789		36,374,974
Net Position - Ending	\$ 14,930,591		\$ 35,835,139
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds		116,356	
Change in Net Position of Business-Type Activities		\$ 23,180,299	

CITY OF OCEANSIDE, CALIFORNIA

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

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Waste Disposal	Special Aviation
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 77,098,850	\$ 52,639,931	\$ 31,761,932	\$ 10,307
Receipts from interfund services and charges	-	-	-	-
Other receipts	2,610,129	601,127	-	-
Payments to suppliers and service providers	(39,222,513)	(17,953,750)	(23,981,562)	(4,284)
Payments to employees for salaries and benefits	(22,448,452)	(9,722,303)	(559,041)	-
Net Cash Provided by Operating Activities	18,038,014	25,565,005	7,221,329	6,023
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from other funds	22,303	-	-	-
Cash transfers to other funds	(810,287)	-	(5,827,345)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(787,984)	-	(5,827,345)	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(31,339,524)	(9,133,888)	-	-
Proceeds from disposal of capital assets	-	-	-	-
Repayment made on advances from other funds	-	-	-	-
Advance received from/(provided to) other funds	-	-	-	(5,285)
Principal paid on capital debt	(1,975,394)	(3,230,874)	-	-
Interest paid on capital debt	(2,031,136)	(583,566)	-	(83,913)
Net Cash (Used for) Capital and Related Financing Activities	(4,277,768)	(12,948,328)	-	(89,198)
Cash Flows from Investing Activities:				
Investment income/(loss)	(4,548,370)	(4,484,547)	-	44,320
Net Cash Provided by (Used for) Investing Activities	(4,548,370)	(4,484,547)	-	44,320
Net Increase (Decrease) in Cash and Cash Equivalents	8,423,892	8,132,130	1,393,984	(38,855)
Cash and Cash Equivalents, July 1	88,533,777	126,236,133	6,983,470	931,949
Cash and Cash Equivalents, June 30	\$ 96,957,669	\$ 134,368,263	\$ 8,377,454	\$ 893,094
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:				
Cash and investments	\$ 96,936,969	\$ 133,970,290	\$ 8,377,454	\$ 893,094
Restricted cash and investments	20,700	397,973	-	-
Cash and Cash Equivalents, June 30	\$ 96,957,669	\$ 134,368,263	\$ 8,377,454	\$ 893,094
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ 16,596,126	\$ 16,816,445	\$ 7,015,738	\$ 29,993
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	7,725,808	9,056,446	178,482	76,047
(Increase) decrease in accounts receivable	(1,059,973)	1,456,445	25,031	-
(Increase) decrease in prepaid costs	4,943	(132)	-	-
(Increase) decrease in inventories	-	182	-	-
Increase (decrease) in accounts payable	(3,228,729)	50,869	127,950	-
Increase (decrease) in accrued liabilities	108,467	75,997	(5,745)	-
Increase (decrease) in unearned revenues	-	897	-	-
Increase (decrease) in deposits payable	(7,333)	-	-	-
Increase (decrease) in compensated absences	(97,738)	(73,781)	762	-
Increase (decrease) in accrued claims and judgments	-	-	-	-
Increase (decrease) in pensions and related items	(2,003,557)	(1,818,363)	(120,889)	-
Total Adjustments	1,441,888	8,748,560	205,591	76,047
Net Cash Provided by (Used for) Operating Activities	\$ 18,038,014	\$ 25,565,005	\$ 7,221,329	\$ 106,040
Non-Cash Investing, Capital, and Financing Activities:				
Amortization of bond premium/discounts	\$ 1,501,210	\$ 130,623	\$ -	\$ -
Amortization of deferred charge on bond refundings	-	14,127	-	-
Unrealized loss on investments	(5,712,003)	(5,519,909)	-	(45,472)

CITY OF OCEANSIDE, CALIFORNIA

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

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Oceanside Small Craft Harbor District	Totals	
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 8,968,902	\$ 170,479,922	\$ -
Receipts from interfund services and charges	-	-	75,056,153
Other receipts	50,609	3,261,865	5,536,844
Payments to suppliers and service providers	(1,477,200)	(82,639,309)	(27,481,039)
Payments to employees for salaries and benefits	-	(32,729,796)	(52,107,522)
Net Cash Provided by Operating Activities	7,542,311	58,372,682	1,004,436
Cash Flows from Non-Capital Financing Activities:			
Cash transfers from other funds	-	22,303	506,055
Cash transfers to other funds	(6,995,727)	(13,633,359)	(140,107)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(6,995,727)	(13,611,056)	365,948
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(225,601)	(40,699,013)	(2,688,068)
Proceeds from disposal of capital assets	-	-	114,150
Repayment made on advances from other funds	(23,767)	(23,767)	-
Advance received from/(provided to) other funds	-	(5,285)	23,769
Principal paid on capital debt	(100,000)	(5,306,268)	(1,430)
Interest paid on capital debt	(9,336)	(2,707,951)	-
Net Cash (Used for) Capital and Related Financing Activities	(358,704)	(17,673,998)	(2,551,579)
Cash Flows from Investing Activities:			
Investment income/(loss)	(179,008)	(9,167,605)	4,235
Net Cash Provided by (Used for) Investing Activities	(179,008)	(9,167,605)	4,235
Net Increase (Decrease) in Cash and Cash Equivalents	8,872	17,920,023	(1,176,960)
Cash and Cash Equivalents, July 1	5,506,758	228,192,087	56,401,035
Cash and Cash Equivalents, June 30	\$ 5,515,630	\$ 246,112,110	\$ 55,224,075
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:			
Cash and investments	\$ 5,515,630	\$ 245,693,437	\$ 54,924,075
Restricted cash and investments	-	418,673	300,000
Cash and Cash Equivalents, June 30	<u>\$ 5,515,630</u>	<u>\$ 246,112,110</u>	<u>\$ 55,224,075</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 7,830,039	\$ 48,288,341	\$ (1,023,459)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	451,861	17,488,644	2,655,219
(Increase) decrease in accounts receivable	789,522	1,211,025	(190,949)
(Increase) decrease in prepaid costs	-	4,811	(411,350)
(Increase) decrease in inventories	-	182	(12,983)
Increase (decrease) in accounts payable	(616,759)	(3,666,669)	151,782
Increase (decrease) in accrued liabilities	-	178,719	82,784
Increase (decrease) in unearned revenues	214,722	215,619	-
Increase (decrease) in deposits payable	19,541	12,208	-
Increase (decrease) in compensated absences	-	(170,757)	10,121
Increase (decrease) in accrued claims and judgments	-	-	1,137,486
Increase (decrease) in pensions and related items	-	(3,942,809)	(1,394,215)
Total Adjustments	858,887	11,330,973	2,027,895
Net Cash Provided by (Used for) Operating Activities	\$ 8,688,926	\$ 59,619,314	\$ 1,004,436
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of bond premium/discounts	\$ -	\$ 1,631,833	\$ -
Amortization of deferred charge on bond refundings	-	14,127	-
Unrealized loss on investments	(214,982)	(11,492,366)	-

THIS PAGE INTENTIONALLY LEFT BLANK

FIDUCIARY FUND FINANCIAL STATEMENTS

Fiduciary fund types are accounted for according to the nature of the fund.

The **Successor Agency of the Former Redevelopment Activities of the CDC Private Purpose Trust Fund** is used to account for the activities related to the dissolution of the former redevelopment activities of the Oceanside Community Development Commission.

The **Custodial Funds** are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2022

	Private-Purpose Trust Fund	
	Successor Agency	Custodial Funds
Assets:		
Cash and cash equivalents	\$ 3,345,823	\$ 10,181,086
Receivables:		
Taxes for assessment districts	-	7,572
Total Receivables	-	7,572
Investments at fair value:		
Money market mutual funds	1,549,403	9,343,880
Total Investments	1,549,403	9,343,880
Prepaid costs	70,771	-
Total Assets	4,965,997	19,532,538
Liabilities:		
Accounts payable	-	12,553
Accrued interest payable	194,104	-
Bonds payable - due within one year	3,355,000	-
Bonds payable - due in more than one year	10,409,785	-
Total Liabilities	13,958,889	12,553
Net Position:		
Restricted for:		
Individuals, organizations, and other governments	(8,992,892)	19,519,985
Total Net Position	\$ (8,992,892)	\$ 19,519,985

CITY OF OCEANSIDE, CALIFORNIA

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

	Private-Purpose Trust Fund	
	Successor Agency	Custodial Funds
Additions:		
Investment earnings:		
Net decrease in fair value of investments	\$ (9,816)	\$ (7,211)
Interest	290,234	13,817
Total Investment Earnings	280,418	6,606
Property taxes	3,973,558	-
Taxes and special assessments collections	-	3,874,165
Miscellaneous income	-	3,870,453
Total Additions	4,253,976	7,751,224
Deductions:		
Administrative expenses	22,240	109,296
Contractual services	-	253,900
Interest expense	641,745	1,795,375
Total Deductions	663,985	2,158,571
Net Increase in Fiduciary Net Position	3,589,991	5,592,653
Net Position - Beginning	(12,582,883)	(28,650,938)
Restatements (Note 18)	-	42,578,270
Net Position - Beginning, as Restated	(12,582,883)	13,927,332
Net Position - Ending	\$ (8,992,892)	\$ 19,519,985

THIS PAGE INTENTIONALLY LEFT BLANK

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

The basic financial statements of the City of Oceanside, California (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's most significant accounting policies are described below.

a. Financial Reporting Entity

The City was incorporated on January 3, 1888. On July 8, 2010, the voters ratified Oceanside to become a charter city. The City operates under a Council-Manager form of government and provides basic local governmental services including public safety (police, fire, and beach lifeguard), maintenance and construction of public improvements, cultural, recreation planning, zoning, and general administration. In addition, the City operates five enterprise activities: water, sewer, waste disposal, general aviation airport and a harbor district.

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is financially accountable. The following blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with the data of the City. They are reported as blended for the following reasons: (1) the governing board is substantively the same as the primary government and there is a financial benefit or burden relationship between the primary government and the component unit; (2) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it; and (3) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with the resources of the primary government. Each blended component unit has a June 30 year-end. The following entities are reported as blended component units:

Oceanside Community Development Commission - The Oceanside Community Development Commission (the Commission) was established on July 16, 1980, and includes all activities previously performed by the Oceanside Redevelopment Agency and the Oceanside Housing Authority. The Oceanside Redevelopment Agency was originally established on February 20, 1974 and dissolved January 31, 2012, due to AB 1X 26. The Oceanside Housing Authority was originally established on February 24, 1971, and dissolved April 9, 1975, due to inactivity. It was reactivated on April 9, 1980, pursuant to the State of California Health and Safety Code. This department is responsible for all assisted housing projects within the City. The operations of the Commission are reported as governmental funds of the City. The members of the governing board of the Commission are the members of the City Council and the Commission provides services exclusively for the benefit of the City.

Oceanside Small Craft Harbor District - The Oceanside Small Craft Harbor District (the Harbor District) was established on July 6, 1959, pursuant to the State of California Harbor and Navigation Code, Part 7, Section 7000 entitled "Small Craft Harbor District". Its purpose is to finance, construct, organize and operate a small craft berthing facility and leaseholds within the harbor area. The operations of the Harbor District are reported as business-type activity and are a proprietary fund of the City. The members of the governing board of the Harbor District are the members of the City Council and the Harbor operates entirely for the benefit of the City.

Note 1: Summary of Significant Accounting Policies (Continued)

Oceanside Public Financing Authority - The Oceanside Public Financing Authority (the Financing Authority) was established January 23, 2002, under the Joint Exercise of Powers Law of the State of California (constituting Chapter 5 of Division 7 of Title 1 of the California Government Code) to assist in the financing of public capital improvements to be owned by any of its members (the City and the Commission). The operations of the Financing Authority are reported as governmental funds of the City.

Complete financial statements for the above entities may be obtained from the Financial Services Department, 300 North Coast Highway, Oceanside, California 92054.

b. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City, the primary government, accompanied by a total column. All fiduciary activities are reported only in the fund financial statements.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the City's assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in 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 the liability is incurred. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Note 1: Summary of Significant Accounting Policies (Continued)

Eliminations have been made as prescribed by GASB Statement No. 34 regarding interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and other governmental funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria. The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented.

All governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) and recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, transient occupancy tax, intergovernmental revenues, and other taxes. Expenditures are generally recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term liabilities, and compensated absences which are recognized as expenditures only when payment is due.

Unavailable revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue is removed from the balance sheet and revenue is recognized.

Note 1: Summary of Significant Accounting Policies (Continued)

The Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The City reports the following major governmental funds:

The General Fund is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund.

The Grants Fund is used to account for funds received from federal, state and county governments for use on approved projects.

The American Rescue Plan Fund is used to account for funds received from the federal government as part of the American Rescue Plan Act which authorized the U.S. Department of the Treasury's Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program. This program funds local economic recovery and costs incurred due to the coronavirus pandemic.

The Housing Assistance Program Special Revenue Fund is used to account for the operation of the City's housing program. Financing is provided by HUD (Section 8), Community Development Block Grants, and service fees on mortgage revenue bonds.

The General Improvement Capital Projects Fund is used to account for general purpose capital projects funded primarily from developer impact fees and bond proceeds.

Additionally, the government reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets.

Debt service funds are used for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Fund Financial Statements

Proprietary fund 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.

Note 1: Summary of Significant Accounting Policies (Continued)

A separate column representing internal service funds is also presented in these statements. Internal service funds account for activities involved in rendering risk management, automotive equipment maintenance, City building maintenance and central technology and communication services provided to other departments of the City on a cost-reimbursement basis. Because the principal users of the internal service funds are the City's governmental entities, the assets and liabilities of the internal service funds are consolidated into the governmental activities column of the Government-wide Statement of Net Position.

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 noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in 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 operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations for the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major enterprise funds:

The Water Fund is used to account for the operation of the City's water utility, a self-supporting activity which provides services on a user charge basis.

The Sewer Fund is used to account for the operation (including wastewater treatment) of the City's sewer facility, a self-supporting activity which provides services on a user charge basis.

The Waste Disposal Fund is used to account for the collection and disposal of solid waste (including waste collected from street sweeping). Monthly service charges to all Oceanside property owners fund the above services.

The Special Aviation Fund is used to account for the operation of the Oceanside (General Aviation) Airport. Funding for operating expenses is provided by rents and leases.

The Oceanside Small Craft Harbor District Fund is used to account for the operation and maintenance of the Oceanside Small Craft Harbor. Funding for operating expenses is provided by user charges.

Additionally, the government reports the following internal service funds:

The Loss Prevention Fund account for risk management services (including workers' compensation, general liability, and property damage) provided to other departments of the City on a cost-reimbursement basis.

The General Services Fund is used to account for fleet management, information technology, building services and employee benefits provided to other departments of the City on a cost-reimbursement basis.

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary Fund Financial Statements

Fiduciary fund types are accounted for according to the nature of the fund. The custodial funds and the private-purpose trust funds are reported using the economic resources measurement and the accrual basis of accounting.

The custodial funds are purely custodial in nature and are used to account for (1) the receipt of special taxes and assessments used to pay principal and interest on related bonds with no direct City liability as well as receipt and disbursement of capital project bond proceeds related to bonds for which the City has no direct liability and (2) money and property held by the City as trustee or custodian.

Private-purpose trust funds are used to account for the assets and liabilities of the former redevelopment activities of the Community Development Commission and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment activities of the Community Development Commission are paid in full.

c. Use of Restricted and Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to apply restricted net position first.

d. Cash, Cash Equivalents, and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

Investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

e. Inventory

Inventory is recorded at cost, which approximates market, using the first-in, first-out (FIFO) method. Inventory in the General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual items are used. Inventories in the proprietary funds are recorded at cost, which approximates market, and include various accessories used for repair and maintenance of equipment.

f. Land and Buildings Held for Resale

Land and buildings held for resale is carried at the lower of cost or market, but not greater than the net realizable value.

Note 1: Summary of Significant Accounting Policies (Continued)

g. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the time of acquisition by the City. City policy has set the capitalization threshold for reporting infrastructure at \$100,000, leases at \$50,000, and all other capital assets are set at \$10,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	20 - 60 years
Improvements other than buildings	30 - 60 years
Machinery and equipment	5 - 20 years
Infrastructure	15 - 50 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, storm drains, park lands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

For all infrastructure systems, the City elected to use the basic approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 2002. As of June 30, 2009, the Water Fund and Sewer Fund had an appraisal of its infrastructure. Both appraisals have been incorporated into this report.

h. Net Pension Liability

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 City's California Employees' Retirement System (CalPERS) plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability is typically liquidated through the funds that the employees' benefits are charged, primarily the General, Water, Sewer, and Waste Disposal funds.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

i. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oceanside Retiree Benefits Plan (“OPEB Plan”) and additions/deductions from OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit term. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are 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 amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all eligible and inactive employees at the beginning of the measurement period. The OPEB liability is liquidated through the City’s General Fund.

j. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position and the Governmental Fund Balance Sheet report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for pension contributions made after the actuarial measurement date, for the differences between expected and actual experiences in pension and OPEB liabilities, and changes in actuarial assumptions used in calculating the pension and OPEB liabilities, and the net difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized on a straight-line basis over the expected average remaining service life of plan participants. The government also reports deferred outflows of resources for charges on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Note 1: Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues, ambulance billings, and developer deposits. These amounts are deferred and recognized as an inflow of resources in the period when the amounts become available. In addition, the government has deferred inflows of resources relating to the net pension and total OPEB obligations reported in the government-wide statement of net position and the proprietary funds. These deferred inflows of resources are the result of actuarially determined differences between expected and actual plan experiences for pensions, and changes in actuarial assumptions related to pensions and OPEB. These amounts are deferred and amortized over the expected average remaining service life of plan participants, with the exception of the net difference between expected and actual earnings on pension plan investments which is amortized over five years.

k. Long-Term Liabilities

Government-wide Financial Statements

Long-term debt and other financed obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable premium or discount.

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt. Therefore, it is shown in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.

l. Fund Balance and Net Position

Government-wide and Proprietary Financial Statements

The net position reported on the Statement of Net Position in the government-wide financial statements and proprietary fund financial statements consist of the following three categories:

Net Investment in Capital Assets - This amount consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position".

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Fund Financial Statements

The fund balances reported on the governmental fund statements consist of the following categories:

Nonspendable Fund Balance - This includes amounts that cannot be spent because they are either not in spendable form or must be maintained intact pursuant to legal or contractual requirements, such as prepaids, inventory, or endowments.

Restricted Fund Balance - This includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of the other governments through enabling litigations.

Committed Fund Balance - This includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is Council resolution.

Assigned Fund Balance - This includes amounts that are designated by the City Council or City Manager for specific purposes and do not meet the criteria to be classified as restricted or committed. The City Manager is authorized to assign amounts to a specific purpose, which was established by the governing body by resolution.

Unassigned Fund Balance - This is the residual classification that includes all spendable amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

m. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 1: Summary of Significant Accounting Policies (Continued)

n. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

o. Compensated Absences

Government-wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. The City Council has established a post-employment leave reserve fund in the general fund based on 8% of the prior year's compensated absences balance for governmental funds. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund. Vested or accumulated compensated absences of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. Compensated absences are liquidated by the fund that has recorded the liability, primarily the General Fund.

p. Use of Estimates

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

q. New Accounting Pronouncement

In FY 2021/22, the City of Oceanside adopted the provisions of GASB Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Note 2: Stewardship, Compliance, and Accountability

Deficit Fund Balances

The Community Development Block Grant nonmajor special revenue fund reported a deficit in fund balance in the amount of \$23,597 at June 30, 2022. This deficit is due to the timing of grant reimbursements and will be eliminated through future years' receipt of grant funding for previously incurred expenditures.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the City Treasurer invests to enhance interest earnings. The pooled interest earned net of expenses, is allocated to the funds based on average month-end cash and investment balances in these funds.

The following is a summary of cash and investments at June 30, 2022:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 268,401,935	\$ 245,693,437	\$ 13,526,909	\$ 527,622,281
Restricted cash and investments	16,444,000	-	-	16,444,000
Cash and investments held with fiscal agents	3,511,015	418,673	10,893,283	14,822,971
	<u>\$ 288,356,950</u>	<u>\$ 246,112,110</u>	<u>\$ 24,420,192</u>	<u>\$ 558,889,252</u>

Cash and investments at June 30, 2022 consisted of the following:

Demand deposits	\$ 42,129,115
Petty cash	6,770
Pension stabilization trust	15,730,926
Investments	<u>501,022,441</u>
	<u>\$ 558,889,252</u>

Demand Deposits

At June 30, 2022, the carrying amount of the City's deposits was \$42,129,115 and the bank balance was \$37,954,823. The \$4,174,292 difference represents outstanding checks and other reconciling items.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022
Note 3: Cash and Investments (Continued)

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 a City's 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 that are 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 considered to be held for, and in the name of, the local governmental agency.

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 (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of bond indentures of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Bills, Bonds, and Notes	5 years	None	None
Federal Agency-Issued Obligations	5 years	None	25%
United States Government-Sponsored Enterprise Obligations	5 years	None	25%
Supranational Obligations	5 years	15%	None
Non-negotiable Certificates of Deposit	3 years	5%	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	30 days	30%	None
Reverse Repurchase Agreements	60 days	15%	None
Bankers' Acceptances	180 days	20%	5%
Commercial Paper	270 days	15%	5%
Medium Term Corporate Notes	5 years	30%	2%
Municipal Bonds	5 years	30%	2%
Local Agency Investment Fund (LAIF)	N/A	None	N/A
County Pooled Investment Fund	N/A	15%	N/A

N/A - Not Applicable

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 3: Cash and Investments (Continued)**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements 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
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Enterprise Obligations	5 years	None	None
Bankers' Acceptances	180 days	20%	5%
Certificates of Deposit	3 years	None	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Commercial Paper	270 days	25%	None
Investment Agreements	N/A	None	N/A
Money Market Mutual Funds	N/A	None	None
Municipal Bonds	5 years	None	None
Local Agency Investment Fund	N/A	None	None

Disclosures Relating to 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 longer-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 flow and liquidity needed for operations.

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

Investment Type	<i>Remaining Maturity (In Months)</i>				Total
	12 Months or Less	13 to 36 Months	36 to 48 Months	48 to 60 Months	
United States Treasury Obligations	\$ 42,917,840	\$ 65,770,310	\$ 20,175,450	\$ 29,310,640	\$ 158,174,240
United States Government Sponsored Enterprise Securities	7,949,020	26,366,306	52,506,326	21,832,702	108,654,354
Medium Term Notes	22,658,227	35,705,157	8,337,383	4,090,569	70,791,336
Negotiable Certificates of Deposit	7,090,705	10,827,786	-	903,497	18,821,988
Supranational Obligations	-	-	-	4,628,000	4,628,000
Municipal Bonds	15,505,011	26,291,304	12,285,079	11,820,633	65,902,027
Local Agency Investment Fund	59,227,525	-	-	-	59,227,525
Restricted Investments:					
Money Market Mutual Funds	15,730,926	-	-	-	15,730,926
Held by Fiscal Agents:					
Money Market Mutual Funds	14,822,971	-	-	-	14,822,971
	\$ 185,902,225	\$ 164,960,863	\$ 93,304,238	\$ 72,586,041	\$ 516,753,367

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 3: Cash and Investments (Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City holds investments in callable federal agency securities that are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2022, is \$108,654,354 or 21.03% of the City's portfolio (excluding held by fiscal agents).

Disclosures Relating to 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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, by Standards and Poor and Moody's, as of year-end for each investment type:

Investment Type	Total as of June 30, 2022	Minimum Legal Rating	Exempt from Disclosure	AAA/Aaa	AA to AA-/ Aa1 to Aa3	A+ to A-/ A1 to A3	Unrated
United States Treasury Obligations	\$ 158,174,240	N/A	\$ -	\$ 130,094,260	\$ -	\$ -	\$ 28,079,980
United States Government Sponsored							
Enterprise Securities	108,654,354	N/A	4,674,250	89,344,094	12,756,109	-	1,879,900
Medium Term Notes	70,791,336	A	-	3,530,441	19,918,240	47,117,407	225,249
Negotiable Certificates of Deposit	18,821,988	N/A	-	-	-	-	18,821,988
Supranational Obligations	4,628,000	A	-	4,628,000	-	-	-
Municipal Bonds	65,902,027	A1	-	21,283,335	35,635,800	7,329,664	1,653,228
Local Agency Investment Fund	59,227,525	N/A	59,227,525	-	-	-	-
Restricted Investments:							
Money Market Mutual Funds	15,730,926	N/A	15,730,926	-	-	-	-
Held by Fiscal Agents:							
Money Market Mutual Funds	14,822,971	N/A	14,822,971	-	-	-	-
	<u>\$ 516,753,367</u>		<u>\$ 94,455,672</u>	<u>\$ 248,880,130</u>	<u>\$ 68,310,149</u>	<u>\$ 54,447,071</u>	<u>\$ 50,660,345</u>

Concentration of Credit Risk

The investment policy of the City limits the amount that can be invested in any one issuer of the United States Government Sponsored Enterprise Securities. The limit has been set at 25% of the cost value of the portfolio in any single issuer of United States Government Sponsored Enterprise Securities. All other investments contain no limitations beyond that stipulated by the California Government Code. Investments in any one issuer (other than United States Treasury Obligations, mutual funds, and external investment pools) that represent 5% or more of total City's investments (excluding held by fiscal agents) are as follows:

Issuer	Investment Type	Reported Amount	Percent of Investment
Federal Home Loan Banks	United States Government Sponsored Enterprise Securities	\$ 61,921,806	14.5%

Note 3: Cash and Investments (Continued)

Custodial Credit Risk

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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2022, none of the City's deposits or investments were exposed to custodial credit risk.

Investment in State Investment Pool (LAIF)

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

Pension Stabilization Trust

During the period from April 5, 2018, to May 29, 2018, the City deposited a total of \$10,000,000 into an IRS Section 115 Trust for the purpose of setting funding aside for the unfunded pension liability. In September 2020, the City deposited another \$6,000,000 into the Trust. At June 30, 2022, the market value of the assets held in trust is \$15,730,926. The assets of the trust are reported as restricted cash and investments in the City's General Fund, with a corresponding restriction in the General Fund's fund balance.

Fair Value Measurement of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 2 inputs utilized by the City to determine fair market value include: matrix pricing, market corroborated pricing, and other inputs such as yield curves and indices. Level 3 inputs are significant unobservable inputs.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 3: Cash and Investments (Continued)

The City has the following recurring fair market value measurements as of June 30, 2022:

Investment Type	Fair Value	Level		
		1	2	Uncategorized
United States Treasury Obligations	\$ 158,174,240	\$ 158,174,240	\$ -	\$ -
United States Government Sponsored				
Enterprise Securities	108,654,354	-	108,654,354	-
Medium Term Notes	70,791,336	-	70,791,336	-
Negotiable Certificates of Deposit	18,821,988	-	18,821,988	-
Supranational Obligations	4,628,000	-	4,628,000	-
Municipal Bonds	65,902,027	-	65,902,027	-
Local Agency Investment Fund	59,227,525	-	-	59,227,525
Restricted Investments:				
Money Market Mutual Funds	15,730,926	-	15,730,926	-
Held by Fiscal Agents:				
Money Market Mutual Funds	14,822,971	-	14,822,971	-
	<u>\$ 516,753,367</u>	<u>\$ 158,174,240</u>	<u>\$ 299,351,602</u>	<u>\$ 59,227,525</u>

For the year ended June 30, 2022, the City reported the following amounts for use of money and property on the Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balance.

	Statement of Activities - Governmental Activities	Statement of Activities - Business- Type Activities	Statement of Revenues, Expenditures and Changes in Fund Balances
Use of Money and Property			
Interest earned	\$ 806,396	\$ 614,456	\$ 806,396
Investment earnings	6,596,762	1,920,416	6,596,762
Rents & leases	10,500,246	2,028,374	10,740,780
Unrealized gain/loss on investments	(18,107,435)	(11,492,366)	(18,107,435)
Total use of money and property	<u>\$ (204,031)</u>	<u>\$ (6,929,120)</u>	<u>\$ 36,503</u>

Note 4: Property Taxes

Property taxes attach a legally enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of San Diego (the County) bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when an enforceable legal lien is attached to the property. The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property assessed value not more than 2% per year.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 5: Notes Receivable

At June 30, 2022, the City had notes receivable reported in the following funds:

General Fund	\$	107,669
Grants Fund		74,063,814
Housing Assistance Program		16,555,981
Community Development Block Grant		530,187
General Improvement		135,625
		<u>91,393,276</u>
	\$	<u>91,393,276</u>

The General Fund has made various loans to small businesses as part of the COVID-19 Business Loan Program. The notes are payable no later than 120 days after the City affirmatively declares that the state of local emergency regarding the novel coronavirus is over. As of June 30, 2022, the outstanding balance of all loans is \$107,669.

The Grants Special Revenue Fund has made various low or noninterest bearing loans to property owners for the rehabilitation of property and first-time home buyer program within the City. The notes are payable upon the sale of the property or upon the death of the current property owner. As of June 30, 2022, the outstanding balance is \$74,063,814.

The Housing Assistance Program Special Revenue Fund has made various low or noninterest bearing loans to property owners for the rehabilitation of property and first-time home buyer program within the City. The notes are payable upon the sale of the property or upon the death of the current property owner. As of June 30, 2022, the outstanding balance is \$16,555,981.

The Community Development Block Grant Fund loaned Mental Health Systems, Inc. \$655,000 on July 1, 2012, for the acquisition and rehabilitation of an apartment complex. The balance outstanding at June 30, 2022 is \$530,187.

The General Improvement Fund provided a loan to SoCal SC, L.P. on March 5, 2014 to aid the acceleration of construction of a recreational complex. The balance outstanding, including accrued interest, at June 30, 2022 is \$135,625.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 6: Interfund Transactions

a. Interfund Receivables and Payables

The purpose of the interfund transactions is to make short-term and long-term interfund loans from the General Fund to various funds. These interfund loans are to provide for negative cash balances at year-end and/or operating cash flow. Due to/from amounts are short-term financing, which are paid within one year, and the advances are for longer term financing.

Due to/from Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Grants	\$ 1,865,524
General Fund	Nonmajor Governmental Funds	161,608
General Fund	Housing Assistance Program	71,788
	Total	<u>\$ 2,098,920</u>

Loan to/from Other Funds		
Advances From	Advances To	Amount
General Fund	Special Aviation	\$ 1,654,086
Internal Service Funds	Oceanside Small Craft Harbor District	361,214
	Total	<u>\$ 2,015,300</u>

The General Fund advanced funds to the Special Aviation Enterprise Fund for operational purposes. As of June 30, 2022, the outstanding balance of the loans were \$1,654,086. The General Services Internal Service Fund advanced funds to the Oceanside Small Craft Harbor District for the purpose of purchasing a new police vessel for harbor patrol. As of June 30, 2022, the outstanding balance of the loan was \$361,214.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 6: Interfund Transactions (Continued)

b. Transfers In/Out

Transfers in and out for the year ended June 30, 2022, are as follows:

Transfers In	Transfers Out									Total
	General Fund	Grants	Housing Assistance Program	General Improvement	Other Governmental Funds	Water	Waste Disposal	Oceanside Small Craft Harbor District	Internal Service Funds	
General Fund	\$ -	\$ 1,296,124	\$ -	\$ 55,064	\$ 1,157,130	\$ 810,287	\$ 5,827,345	\$ 6,995,727	\$ 61,213	\$ 16,202,890
Grants	344,166	-	1,000,000	-	-	-	-	-	-	1,344,166
General Improvement	14,054,981	-	-	-	-	-	-	-	-	14,054,981
Other Governmental Funds	-	-	-	-	-	-	-	-	4,579	4,579
Water	-	-	-	-	-	-	-	-	22,303	22,303
Internal Service Funds	98,043	-	-	356,000	-	-	-	-	52,012	506,055
	<u>\$ 14,497,190</u>	<u>\$ 1,296,124</u>	<u>\$ 1,000,000</u>	<u>\$ 411,064</u>	<u>\$ 1,157,130</u>	<u>\$ 810,287</u>	<u>\$ 5,827,345</u>	<u>\$ 6,995,727</u>	<u>\$ 140,107</u>	<u>\$ 32,134,974</u>

The General Fund transferred \$344,166 to the Grants Fund to support costs associated with grants and housing assistance programs and transferred \$14,054,981 to the General Improvement Fund for maintenance and capital expenditures. The General Fund also transferred \$98,043 to the Internal Service Funds for costs related to building services.

The Grants Fund transferred \$1,296,124 to the General Fund to cover NCTD overhead costs.

The Housing Assistance Program transferred \$1,000,000 to the Grants Fund to support costs associated with grants and housing assistance programs.

The General Improvement Fund transferred \$55,064 to the General Fund and \$356,000 to the Internal Service Funds to cover general and administrative costs.

The Other Governmental Funds transferred \$1,157,130 to the General Fund to support streetlight and traffic control operating costs.

The Water Fund transferred \$810,287 to the General Fund for maintenance of the City's flood control and storm drain systems.

The Waste Disposal Fund transferred \$5,827,345 to the General Fund to support street sweeping, code enforcement, and related waste disposal costs.

The Oceanside Small Craft Harbor District transferred \$6,995,727 to the General Fund to provide for harbor administrative, maintenance, and police services.

The Internal Service Funds transferred \$140,107 to various City funds, including \$61,213 to the General Fund, for costs made by the Funds towards the City's unfunded pension liability. The Internal Service Funds also transferred \$52,012 for costs related to the City's risk management and self-insurance programs, and \$26,882 to the Water Fund and Other Governmental Funds for maintenance costs.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 7: Capital Assets

a. Governmental Activities Capital Assets

A summary of changes in the governmental activities capital assets at June 30, 2022, is as follows:

<u>Governmental Activities</u>	Balance July 1, 2021	CIP Transfers	Additions	Deletions	Balance June 30, 2022
Capital assets, non-depreciable:					
Land	\$ 62,246,590	\$ -	\$ -	\$ -	\$ 62,246,590
Construction in progress	19,981,212	(1,898,934)	24,998,694	(244,912)	42,836,060
Total capital assets, non-depreciable	<u>82,227,802</u>	<u>(1,898,934)</u>	<u>24,998,694</u>	<u>(244,912)</u>	<u>105,082,650</u>
Capital assets, depreciable/amortizable:					
Buildings and improvements	135,950,142	1,279,002	-	-	137,229,144
Improvements other than buildings	83,877,613	343,040	-	-	84,220,653
Machinery and equipment	76,850,324	276,892	1,691,770	(657,535)	78,161,451
Right to use assets	-	-	516,380	-	516,380
Infrastructure	312,585,729	-	-	-	312,585,729
Total capital assets, depreciable/amortizable	<u>609,263,808</u>	<u>1,898,934</u>	<u>2,208,150</u>	<u>(657,535)</u>	<u>612,713,357</u>
Less accumulated depreciation/amortization:					
Buildings and improvements	56,641,060	-	3,359,382	-	60,000,442
Improvements other than buildings	33,747,328	-	4,299,839	-	38,047,167
Machinery and equipment	58,350,704	-	3,607,910	(657,535)	61,301,079
Right to use assets	-	-	125,427	-	125,427
Infrastructure	218,443,090	-	4,907,934	-	223,351,024
Total accumulated depreciation/amortization	<u>367,182,182</u>	<u>-</u>	<u>16,300,492</u>	<u>(657,535)</u>	<u>382,825,139</u>
Net capital assets, depreciable/amortizable	<u>242,081,626</u>	<u>1,898,934</u>	<u>(14,092,342)</u>	<u>-</u>	<u>229,888,218</u>
Capital assets - governmental	<u>\$ 324,309,428</u>	<u>\$ -</u>	<u>\$ 10,906,352</u>	<u>\$ (244,912)</u>	<u>\$ 334,970,868</u>

Depreciation/amortization expense was charged to functions/programs of the governmental activities as follows:

General Government	\$ 107,443
Public Safety	1,715,197
Public Works	695,351
Community Development	2,367,647
Community/Cultural Services	8,759,635
Internal Service Funds	<u>2,655,219</u>
Total Depreciation/Amortization Expense-Governmental Activities	<u>\$ 16,300,492</u>

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 7: Capital Assets (Continued)

b. Business-Type Activities Capital Assets

A summary of changes in the business-type activities capital assets at June 30, 2022, is as follows:

<u>Business-Type Activities</u>	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, non-depreciable:				
Land	\$ 29,613,703	\$ -	\$ -	\$ 29,613,703
Construction in progress	115,531,967	40,699,013	-	156,230,980
Total capital assets, non-depreciable	<u>145,145,670</u>	<u>40,699,013</u>	<u>-</u>	<u>185,844,683</u>
Capital assets, depreciable:				
Buildings and improvements	243,474,747	-	-	243,474,747
Improvements other than buildings	569,594,236	-	-	569,594,236
Machinery and equipment	28,952,705	-	-	28,952,705
Total capital assets, depreciable	<u>842,021,688</u>	<u>-</u>	<u>-</u>	<u>842,021,688</u>
Less accumulated depreciation:				
Buildings and improvements	81,940,400	4,991,737	-	86,932,137
Improvements other than buildings	348,915,822	10,672,405	-	359,588,227
Machinery and equipment	14,971,484	1,824,502	-	16,795,986
Total accumulated depreciation	<u>445,827,706</u>	<u>17,488,644</u>	<u>-</u>	<u>463,316,350</u>
Net capital assets, depreciable	<u>396,193,982</u>	<u>(17,488,644)</u>	<u>-</u>	<u>378,705,338</u>
Capital assets - governmental	<u>\$ 541,339,652</u>	<u>\$ 23,210,369</u>	<u>\$ -</u>	<u>\$ 564,550,021</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Water	\$ 7,725,808
Sewer	9,056,446
Waste Disposal	178,482
Special Aviation	76,047
Oceanside Small Craft Harbor District	451,861
Total depreciation expense-business type activities	<u>\$ 17,488,644</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 8: Leases

The City implemented GASB Statement No. 87 in the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

a. Leases Receivable and Deferred Inflows of Resources

The City leases infrastructure, land and buildings to various companies. The terms by lease type are listed in the table below. An initial lease receivable was recorded in the amount of \$72,195,857. As of June 30, 2022, the value of the lease receivable is \$69,956,886. The value of the deferred inflow of resources as of June 30, 2022, was \$69,682,056, and the amortization of the deferred inflow during the year totaled \$2,513,802. The City recognized lease revenue of \$5,760,376 during the fiscal year which included \$2,513,802 related to the amortization of the deferred inflow and \$3,246,574 for variable and other payments, including short term leases, not included in the measurement of the lease receivable under GASB 87.

	Term Range	Lease Receivable as of Commencement Date	Lease Receivable as of June 30, 2022
Land - Cell Towers	2.67 to 40.83	\$ 12,986,977	\$ 12,223,640
Buildings	2.25 to 52.50	59,032,459	57,568,551
Infrastructure	14.08	176,421	164,695
		<u>\$ 72,195,857</u>	<u>\$ 69,956,886</u>

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 8: Leases (Continued)

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 1,413,167	\$ 201,630	\$ 1,614,797
2024	1,399,495	192,392	1,591,886
2025	1,410,474	182,913	1,593,387
2026	1,433,193	173,237	1,606,429
2027	1,440,370	163,326	1,603,696
2028 - 2032	7,006,774	669,938	7,676,712
2033 - 2037	6,311,172	432,440	6,743,612
2038 - 2042	4,142,992	327,029	4,470,021
2043 - 2047	4,194,554	280,217	4,474,771
2048 - 2052	4,242,460	232,562	4,475,021
2053 - 2057	4,295,774	183,997	4,479,771
2058 - 2062	4,343,508	134,513	4,478,021
2063 - 2067	4,358,841	85,931	4,444,772
2068 - 2072	4,406,607	38,164	4,444,772
2073 - 2075	1,257,295	2,057	1,259,352
Total	\$ 51,656,675	\$ 3,300,347	\$ 54,957,022

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 850,829	\$ 273,051	\$ 1,123,880
2024	829,743	262,531	1,092,274
2025	794,709	252,039	1,046,748
2026	754,240	241,523	995,763
2027	730,163	231,065	961,228
2028 - 2032	3,796,586	994,309	4,790,895
2033 - 2037	3,564,582	718,010	4,282,592
2038 - 2042	1,650,779	515,642	2,166,421
2043 - 2047	1,174,286	405,298	1,579,584
2048 - 2052	1,266,935	301,817	1,568,752
2053 - 2057	1,342,108	189,290	1,531,398
2058 - 2062	869,039	91,494	960,533
2063 - 2067	676,212	26,753	702,965
Total	\$ 18,300,211	\$ 4,502,822	\$ 22,803,033

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 8: Leases (Continued)

b. Leases Payable and Lease Assets

The City leases buildings, vehicles, and equipment from various entities. The terms by lease type are listed in the table below. An initial lease payable was recorded in the amount of \$945,397. The gross value of the lease assets as of June 30, 2022 was \$516,380, and the amortization of the assets the year totaled \$125,427. The City recognized lease expense of \$128,322 during the fiscal year which included \$125,427 related to the amortization of the assets and \$2,895 for interest, including short term leases not included in the measurement of the lease receivable under GASB 87.

	Term Range	Lease Asset Value as of June 30, 2022	Accumulated Amortization as of June 30, 2022
Buildings	3.75 to 4.33	\$ 417,162	\$ 104,612
Equipment	4.92	99,218	20,815
		<u>\$ 516,380</u>	<u>\$ 125,427</u>

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 322,781	\$ 1,967	\$ 324,748
2024	182,937	1,010	183,947
2025	104,463	343	104,806
2026	15,185	12	15,197
Total	<u>\$ 625,366</u>	<u>\$ 3,332</u>	<u>\$ 628,698</u>

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 9: Compensated Absences

The following is a summary of changes in compensated absences for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Governmental Activities	\$ 14,773,817	\$ 6,133,062	\$ 6,322,852	\$ 14,584,027	\$ 5,307,752	\$ 9,276,275
Business-Type Activities	2,484,464	876,528	1,047,285	2,313,707	975,484	1,338,223
Total	\$ 17,258,281	\$ 7,009,590	\$ 7,370,137	\$ 16,897,734	\$ 6,283,236	\$ 10,614,498

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) amounts to \$16,897,734 at June 30, 2022. The liability is typically liquidated from the funds that the employees are charged to, primarily the General, Water, Sewer, and Waste Disposal funds. Compensated absences have no repayment schedule and are payable as employees utilize earned leave time.

Note 10: Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

Description	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year	Due in More than One Year
<u>Governmental Activities:</u>						
Bonds Payable:						
2011 Refunding COP	\$ 1,635,000	\$ -	\$ 795,000	\$ 840,000	\$ 840,000	\$ -
2013 Refunding COP, Series A	1,800,291	-	893,153	907,138	907,138	-
2015 Taxable Pension Obligation Bond	17,050,000	-	3,720,000	13,330,000	4,015,000	9,315,000
2019 Lease Revenue Bond	22,745,000	-	-	22,745,000	-	22,745,000
Unamortized Bond Premium/(Discount)	3,373,117	-	114,358	3,258,759	-	3,258,759
Direct Borrowings and Direct Placements:						
2016 San Diego Gas & Electric Loan	100,041	-	17,301	82,740	17,655	65,085
2019 HUD Section 108 Refunding Loan	1,861,000	-	191,000	1,670,000	202,000	1,468,000
Subtotal - Governmental Activities	48,564,449	-	5,730,812	42,833,637	5,981,793	36,851,844
<u>Business-Type Activities:</u>						
Bonds Payable:						
2013A Water Revenue Refunding Bonds	1,880,000	-	1,280,000	600,000	600,000	-
2013A Sewer Revenue Refunding Bonds	4,535,000	-	565,000	3,970,000	595,000	3,375,000
2020A Water Revenue Bonds	24,940,000	-	445,000	24,495,000	465,000	24,030,000
2021A Water Revenue Refunding Bonds	8,950,000	-	240,000	8,710,000	230,000	8,480,000
Unamortized Bond Premium/(Discount)	5,746,590	-	293,312	5,453,278	-	5,453,278
Direct Borrowings and Direct Placements:						
2013 Gross Revenue Refunding Bonds	305,000	-	100,000	205,000	100,000	105,000
State Water Resources Control Board Loan	13,872,645	-	2,676,268	11,196,377	2,724,521	8,471,856
WIFIA Loan	16,557,355	31,068,287	-	47,625,642	-	47,625,642
Subtotal - Business-Type Activities	76,786,590	31,068,287	5,599,580	102,255,297	4,714,521	97,540,776
Total Long-Term Debt	\$ 125,351,039	\$ 31,068,287	\$ 11,330,392	\$ 145,088,934	\$ 10,696,314	\$ 134,392,620

a. Governmental Activities – Bonds Payable

2011 Refunding Certificates of Participation - Original Issue \$7,725,000

The 2011 Refunding Certificates of Participation were issued by the Oceanside Public Financing Authority (the Financing Authority) to refund the 1998 Certificates of Participation, which were issued by the Financing Authority for the purpose of reimbursing the City for costs of acquisition of certain real property and improvements to be used as police and library facilities. The certificates consist of serial certificates in the amount of \$7,725,000. Interest rates range from 2.19% to 4.77% and are payable semiannually on December 1 and June 1. At June 30, 2022, the outstanding balance of these certificates was \$840,000.

Note 10: Long-Term Debt (Continued)

2013 Refunding Certificates of Participation Series A - Original Issue \$12,126,893

The 2013 Refunding Certificates of Participation were issued by the Financing Authority to refund the 2003 Certificates of Participation, which were issued by the Financing Authority to refinance the outstanding 1993 Series A Refunding Certificates of Participation and to lease certain facilities and projects. The certificates consist of serial certificates in the amount of \$12,500,000. Interest rate is 1.776% and payments are payable semiannually on October 1 and April 1. As of June 30, 2022, the outstanding balance of these certificates was \$907,138.

2015 Taxable Pension Obligation Refunding Bonds - Original Issuance \$32,020,000

On August 11, 2015, the City issued \$32,020,000 Taxable Pension Obligation Refunding Bonds, Series 2015 for the purpose of refunding the 2005 Taxable Pension Obligation Bonds. Interest rates range from 1.406% to 4.275% and are payable semiannually on February 15 and August 15. As of June 30, 2022, the outstanding balance was \$13,330,000 and unamortized bond discount was \$20,940.

2019 Lease Revenue Bonds - Original Issuance \$22,745,000

On November 1, 2019, the Financing Authority issued the 2019 Lease Revenue Bonds (El Corazon Aquatics Center Project) for a par amount of \$22,745,000. The net proceeds of the sale of the Series 2019 Bonds will be used to (i) finance the costs of the acquisition, construction, and installation of certain capital improvements constituting the El Corazon Aquatics Center and related improvements, facilities and equipment, and (ii) pay the costs incurred in connection with the issuance of the 2019 Bonds. The Series 2019 Bonds are equally and ratably payable from and secured by base rental payments and certain amounts on deposit in the funds and accounts established under the bond indenture. In the event of default, the bond trustee may terminate the lease agreement and recover certain damages from the City or may retain the lease agreement and hold the City liable for all base rental payments thereunder. There is no acceleration in the event of default. The bonds are payable commencing on November 1, 2023, in principal amounts ranging from \$455,000 to \$1,355,000 at interest rates ranging from 4 percent to 5 percent, and mature November 1, 2049. As of June 30, 2022, the outstanding balance was \$22,554,000 and unamortized bond premium was \$3,279,699.

b. Governmental Activities – Direct Borrowings and Direct Placements

2016 San Diego Gas & Electric Financing Loan Agreement

In May 2016, the City entered into eleven individual contracts with San Diego Gas & Electric to finance a portion of the City-wide LED streetlight retrofit project. The various loans are due in monthly installments ranging from \$38 to \$454. The loans are for a term of 115 months and carry a zero-percent interest rate. At June 30, 2022, the outstanding balance of the loans was \$82,740.

2019 HUD 108 Refunding Loans – Original Issue \$2,213,000

In January 2019, the City entered into a contract with the United States Department of Housing and Urban Development for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5308, to refinance the 2008 HUD 108 Loans. The loans are due in annual installments ranging from \$171,000 to \$279,000. Interest is payable quarterly at a rate of 4.8 percent. The outstanding balance at June 30, 2022, was \$1,670,000. The City pledged grant allocations and program income as security for the loan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**Note 10: Long-Term Debt (Continued)****c. Governmental Activities – Debt Service Requirements to Maturity**

The annual debt service requirements to maturity on the governmental activities' long-term debts are as follows:

Year Ending June 30,	Governmental Activities					
	Bonds Payable		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	5,762,138	1,453,408	219,655	87,268	5,981,793	1,540,676
2024	4,800,000	1,244,970	230,656	68,171	5,030,656	1,313,141
2025	5,175,000	1,033,380	242,656	48,211	5,417,656	1,081,591
2026	770,000	902,771	254,656	28,677	1,024,656	931,448
2027	525,000	871,375	262,116	19,480	787,116	890,855
2027-2032	2,985,000	3,990,200	543,000	16,281	3,528,000	4,006,481
2032-2037	3,740,000	3,214,525	-	-	3,740,000	3,214,525
2037-2042	4,580,000	2,369,400	-	-	4,580,000	2,369,400
2042-2047	5,580,000	1,356,600	-	-	5,580,000	1,356,600
2047-2052	3,714,000	238,500	-	-	3,714,000	238,500
	<u>\$ 37,631,138</u>	<u>\$ 16,675,129</u>	<u>\$ 1,752,739</u>	<u>\$ 268,088</u>	<u>\$ 39,383,877</u>	<u>\$ 16,943,217</u>

d. Business-Type Activities – Bonds Payable**2013A Water Revenue Refunding Bonds - Original Issue \$19,490,000**

The bonds were issued by the City to (a) prepay all of City of Oceanside Water Revenue Refunding Bonds (1998 Water Refunding Project) and City of Oceanside Revenue Certificates of Participation (1993 Water System Refunding Project) Series 2003; (b) finance certain improvements to the City's Water System; and (c) pay the costs of issuing the 2013A Bonds. The bonds are due in annual installments ranging from \$600,000 to \$1,475,000 through May 2033. Interest rates range from 2.0% to 5.25% and are payable semiannually on May 1 and November 1. Bonds are subject to optional redemption prior to maturity. As of June 30, 2022, the outstanding balance was \$600,000.

If any event of default shall occur, then the Trustee may, and at the written direction of the bond owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding shall, upon notice in writing to the City, declare the principal of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

The City issued \$8,950,000 in Water Revenue Refunding Bonds to deliver a portion of the proceeds to be placed in an escrow account invested in Federal Securities for the purpose of generating resources for all future debt service payments of \$11,173,650 of the 2013A Water Revenue Refunding Bonds. As a result, the refunded bonds are considered to be partially defeased and the \$7,940,000 of the liability has been removed from the financial statements. The net carrying value exceeded the reacquisition price of the old debt by \$461,974. This amount is being netted against the new debt and amortized over the remaining life of the new debt issued, which is the same as the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next six years by \$1,055,560 and resulted in an economic gain of \$941,367.

Note 10: Long-Term Debt (Continued)

2013A Sewer Revenue Refunding Bonds - Original Issue \$15,135,000

The bonds were issued by the City to (a) prepay all of City of Oceanside Revenue Certificates of Participation (1993 Wastewater System Refunding Project) Series 2003 and City of Oceanside Revenue Refunding Certificates of Participation, Series 2008; (b) prepay all amounts due under the 1993 State Loan; (c) finance certain improvements to the City's Sewer System; and (d) pay the costs of issuing the 2013A Bonds. The bond principal is due in semi-annual installments ranging from \$565,000 to \$1,255,000 through May 2028. Interest rates range from 2.0% to 5.0% and are payable semiannually on May 1 and November 1. Bonds are subject to optional redemption prior to maturity. As of June 30, 2022, the outstanding balance was \$3,970,000 and unamortized bond premium was \$761,967.

If any event of default shall occur, then the Trustee may, and at the written direction of the bond owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding shall, upon notice in writing to the Issuer, declare the principal of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

2020A Water Revenue Bonds - Original Issue \$25,275,000

On July 9, 2020, the City issued the Water Revenue Bonds, Series 2020A in an amount of \$25,275,000. The net proceeds of the sale of the Series 2019 Bonds will be used to (i) finance a portion of the acquisition and construction of certain capital improvements to the water system of the City, and (ii) pay the costs of issuance of the 2020 Bonds. The bonds are limited obligations of the City payable solely from net revenues, which consist of revenues of the City's water system remaining after the payment of operation and maintenance costs, and from amounts on deposit in certain funds and accounts created under the bond indenture. In the event of default, the bond trustee may, at the direction of the majority of the bondholders, declare the outstanding principal and interest accrued thereon due and payable immediately. There is no acceleration in the event of default. The bonds were payable commencing on November 1, 2020, in principal amounts ranging from \$335,000 to \$1,385,000 at an interest rate of 4 percent mature May 1, 2051. As of June 30, 2022, the outstanding balance was \$24,495,000 and unamortized bond premium was \$4,691,311.

2021A Water Revenue Refunding Bonds – Original Issue \$8,950,000

On May 11, 2021, the City issued the Water Revenue Refunding Bonds, Series 2021A in an amount of \$8,950,000. The Bonds were issued to provide moneys: (i) to refund a portion of the outstanding Water Revenue Refunding Bonds, Series 2013A; and (ii) to pay costs of issuance of the Bonds. The bonds are limited obligations of the City payable solely from net revenues, which consist of revenues of the City's water system remaining after the payment of operation and maintenance costs, and from amounts on deposit in certain funds and accounts created under the bond indenture. In the event of default, the bond trustee may, at the direction of the majority of the bondholders, declare the outstanding principal and interest accrued thereon due and payable immediately. There is no acceleration in the event of default. The bonds are payable commencing on May 1, 2022, in principal amounts ranging from \$240,000 to \$915,000 and mature May 1, 2051. Interest rates range from 0.209% to 2.324% and are payable semiannually on May 1 and November 1. As of June 30, 2022, the outstanding balance was \$8,710,000.

Note 10: Long-Term Debt (Continued)

e. Business-Type Activities – Direct Borrowings and Direct Placements

2013 Gross Revenue Refunding Bonds - Original Issue \$1,965,000

The bonds were issued by the City to prepay all of the Oceanside Small Craft Harbor District loans payable to the Department of Boating and Waterways. The bonds are due in annual installments ranging from \$95,000 to \$320,000 through August 2023. The interest rate is 2% and is payable semi-annually on February 1 and August 1. Bonds are not subject to optional redemption prior to maturity. As of June 30, 2022, the outstanding balance of these bonds was \$205,000.

State Water Resources Control Board Loan for the San Luis Rey Wastewater Treatment Plant Interim Expansion - Original Issue \$58,527,824

This loan is a State Revolving Loan Fund Program contract between the State Water Resources Control Board and the City with a maximum loan amount of \$60,000,000 to fund the San Luis Rey Wastewater Treatment Plant generally consisting of upgrades to control odors and improve process performance. The loan is due in installments of \$2,926,391 commencing in January 2007 through 2026. The interest rate is 1.803% payable annually on January 26. As of June 30, 2022, the outstanding balance of these notes was \$11,196,377.

Environmental Protection Agency Water Infrastructure Finance and Innovation Act (WIFIA) Loan for the Pure Water and Upper and Lower Recycled Water Distribution System Project - Original Issue \$69,115,487

On September 16, 2020, the City executed a Water Infrastructure Finance and Innovation Act loan (WIFIA loan) agreement with the United States Environmental Protection Agency for the Pure Water and Upper and Lower Recycled Water Distribution System Project. The City has drawn a total of \$47,625,642 from the WIFIA loan of June 30, 2022. The WIFIA loan amount up to \$69,115,487 will be drawn upon the project completion. The loan has a fixed interest rate of 1.19 percent and is payable commencing on May 1, 2023, in principal amounts ranging from \$1,692,082 to \$2,500,126. Loan maturity is scheduled to be May 1, 2056. In the event of default, the EPA may suspend or terminate all its obligations, may debar the City from further participation in any other EPA programs, and may declare the unpaid principal amount of the WIFIA note to be immediately due and payable along with all interest accrued.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 10: Long-Term Debt (Continued)

f. Business-Type Activities – Debt Service Requirements to Maturity

The annual debt service requirements to maturity on the business-type activities' long-term debts are as follows:

Year Ending June 30,	Business-Type Activities					
	Bonds Payable		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	1,890,000	1,319,361	2,824,521	769,651	4,714,521	2,089,012
2024	1,900,000	1,246,250	4,035,064	704,682	5,935,064	1,950,932
2025	1,950,000	1,197,810	3,993,949	639,663	5,943,949	1,837,473
2026	2,005,000	1,138,901	4,058,901	574,625	6,063,901	1,713,526
2027	2,070,000	1,075,417	1,198,552	508,499	3,268,552	1,583,916
2027-2032	8,105,000	4,560,186	6,211,985	2,321,959	14,316,985	6,882,145
2032-2037	4,620,000	3,524,465	6,593,758	1,937,896	11,213,758	5,462,361
2037-2042	4,510,000	2,700,200	6,998,993	1,530,230	11,508,993	4,230,430
2042-2047	5,490,000	1,722,800	7,429,133	1,097,509	12,919,133	2,820,309
2047-2052	5,235,000	533,600	7,885,708	638,195	13,120,708	1,171,795
2052-2057	-	-	7,796,455	160,937	7,796,455	160,937
	<u>\$ 37,775,000</u>	<u>\$ 19,018,990</u>	<u>\$ 59,027,019</u>	<u>\$ 10,883,846</u>	<u>\$ 96,802,019</u>	<u>\$ 29,902,836</u>

Note 11: Debt Without City Commitment

The following bearing the City's name were issued to finance various projects; however, neither the faith and credit nor the general taxing power of the City or Commission have been pledged to the payment of the bonds. Furthermore, neither the City nor the Commission have any obligation for the payment of the bonds in the case of default.

Issuer	Date of Issue	Amount of Issue	Balance at June 30, 2022
CFD 2000-1 Ocean Ranch 2013 Refunding	June 13, 2013	\$ 11,175,000	\$ 8,390,000
CFD 2000-1 Ocean Ranch 2014 Refunding	June 4, 2014	\$ 11,755,000	\$ 9,950,000
CFD 2001-1 Morro Hills 2013 Refunding	June 13, 2013	\$ 6,710,000	\$ 3,930,000
CFD 2001-1 Morro Hills Refunding 2014A	February 14, 2014	\$ 10,885,000	\$ 6,975,000
CFD 2001-1 Morro Hills Imp Area 1 Refunding 2014A	February 14, 2014	\$ 7,025,000	\$ 4,485,000
CFD 2006-1 Pacific Coast Bus Park Refunding 2017	January 26, 2017	\$ 9,060,000	\$ 8,260,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Risk Management

Public Risk Innovation, Solutions, and Management (PRISM), formerly known as CSAC - Excess Insurance Authority, is a member-directed risk sharing pool of counties and public entities. With the dissolution of SANDPIPA, the City elected to join the PRISM pool as a new member and procured all lines of insurance coverage for the City. With the assistance of the City's broker, Alliant, coverage includes General Liability, Workers Compensation, First Party Property, Automobile, Vessel and Cyber Liability coverages. The financial strength of the City has allowed itself a risk tolerance level of a self-insured retention up to \$750,000. Through the PRISM pooled layer, the City is insured up to \$25,000,000, with excess coverage purchased bringing the total limit to \$50,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The workers' compensation and general/auto liability claims payable of \$3,703,471 and \$18,227,000, respectively, reported at June 30, 2022, are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Of these amounts, general/auto liability and workers' compensation claims due within one year were \$1,810,000 and \$4,635,000, respectively, at June 30, 2022.

Changes in the claims liability amounts were as follows:

Year Ended June 30	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30	Estimated Due Within One Year
2020	\$ 19,636,212	\$ 5,723,420	\$ 4,775,982	\$ 20,583,650	\$ 4,077,754
2021	20,583,650	4,287,089	4,077,754	20,792,985	10,982,571
2022	20,792,985	12,120,057	10,982,571	21,930,471	6,445,000

PRISM was formed as a Joint Powers Authority (JPA) in 1979 and recognized as a leader in the pooling and risk management community within the state of California as well as nationwide, and headquartered in Folsom, CA. The membership consists of 55 counties and 268 public entity organizations comprised of cities, school districts, special districts and other JPA's. A key component of PRISM is its membership participation. Members provide their time, expertise, and leadership serving on the Board of Directors and on one or more of the 16 committees. Presently, more than 120 individuals are participating in the governance of the organization. The Board of Directors is comprised of 62 members; 1 representative from each member county and 7 members elected by the public entity membership. The Executive Committee consists of 11 members elected by the Board of Directors. Thereafter appointments are made by the Executive Committee from members' participation in the specific coverage program or based upon background and expertise.

Annual premiums and assessments are approved by the Board of Directors and are adjusted each year based on the following criteria:

- Each city's incurred losses;
- Each city's share of such losses and other expense as a proportion of all such losses;
- Each city's contribution to reserves, including reserves for incurred-but-not-reported losses;

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 12: Risk Management (Continued)

Liabilities are recorded when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liability include an amount for claims that have been incurred but not reported. The ultimate amount of losses incurred is dependent on future developments. The amounts reported in the accompanying financial statement have been determined based upon actuarial analysis and information from the City's legal counsel and Risk Management.

Note 13: Retirement Plans

a. General Information about the Pension Plans

Plan Descriptions

The Miscellaneous and Safety Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plans' respective June 30, 2021 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. These reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Miscellaneous Plan			Safety Plan	
	Prior to January 1, 2011*	January 1, 2011 to January 1, 2013*	January 1, 2013 and Thereafter	Prior to January 1, 2013*	January 1, 2013 and Thereafter
Hire Date:					
Benefit Formula:	2.7% @ 55	2% @ 60	2% @ 62	3% @ 50	2.7% @ 57
Benefit Vesting Schedule:	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service
Benefit Payments:	Monthly for life	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement Age:	Minimum 50 years	Minimum 50 years	Minimum 52 years	Minimum 50 years	Minimum 50 years
Monthly Benefits, as a % of Eligible Compensation:	2.0% - 2.7%, 50 - 63+ years, respectively	1.092% - 2.418%, 50 - 63+ years, respectively	1.0% - 2.5%, 52 - 67+ years, respectively	3% 50 - 55+ years	2.0% - 2.7%, 50 - 63+ years, respectively
Required Employee Contribution Rates:	8.000%	7.000%	7.500%	9.000%	13.500%
Required Employer Contribution Rates:	26.370%	27.370%	26.870%	37.530%	33.030%
Total Contribution:	34.370%	34.370%	34.370%	46.530%	46.530%

* Closed to new entrants

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 13: Retirement Plans (Continued)

At June 30, 2020 (the valuation date), the following employees were covered by the benefit terms of the plan:

Description	Number of Members	
	Miscellaneous	Safety
Active members	568	321
Transferred members	430	78
Terminated members	364	66
Retired members and beneficiaries	968	498
Total	2,330	963

b. Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2022, the employer contributions recognized as a reduction to the net pension liability for all the Miscellaneous Plan and Safety Plan were \$14,997,947 and \$17,528,188, respectively.

c. Net Pension Liability

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 13: Retirement Plans (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	7.00%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of a contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

¹ 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 information 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 13: Retirement Plans (Continued)

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

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1-10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

¹ In the CalPERS 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.

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability 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 OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 13: Retirement Plans (Continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
<u>Miscellaneous Plan</u>			
Balance at 6/30/2020	\$ 464,693,498	\$ 349,779,947	\$ 114,913,551
Changes Recognized for the Measurement Period:			
Service Cost	7,348,514	-	7,348,514
Interest on Total Pension Liability	32,655,269	-	32,655,269
Differences Between Expected and Actual Experience	610,655	-	610,655
Contributions - Employer	-	14,997,947	(14,997,947)
Contributions - Employees	-	3,208,630	(3,208,630)
Net Investment Income	-	78,946,437	(78,946,437)
Benefit Payments, Including Refunds of Employee Contributions	(24,522,705)	(24,522,705)	-
Administrative Expense	-	(349,409)	349,409
Net Changes During 2020-21	16,091,733	72,280,900	(56,189,167)
Balance at 6/30/2021	480,785,231	422,060,847	58,724,384
<u>Safety Plan</u>			
Balance at 6/30/2020	568,918,595	436,002,773	132,915,822
Changes Recognized for the Measurement Period:			
Service Cost	11,065,722	-	11,065,722
Interest on Total Pension Liability	40,068,656	-	40,068,656
Differences Between Expected and Actual Experience	195,605	-	195,605
Contributions - Employer	-	17,528,188	(17,528,188)
Contributions - Employees	-	3,816,016	(3,816,016)
Net Investment Income	-	98,224,739	(98,224,739)
Benefit Payments, Including Refunds of Employee Contributions	(28,492,575)	(28,492,575)	-
Administrative Expense	-	(435,540)	435,540
Net Changes During 2020-21	22,837,408	90,640,828	(67,803,420)
Balance at 6/30/2021	591,756,003	526,643,601	65,112,402
Total - Miscellaneous and Safety Plans	\$1,072,541,234	\$ 948,704,448	\$ 123,836,786

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 13: Retirement Plans (Continued)

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan 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:

	Discount Rate (-1%) 6.15%	Current Discount Rate 7.15%	Discount Rate (+1%) 8.15%
Miscellaneous Plan	\$ 119,816,359	\$ 58,724,384	\$ 8,060,495
Safety Plan	145,065,967	65,112,402	(554,989)
Total	<u>\$ 264,882,326</u>	<u>\$ 123,836,786</u>	<u>\$ 7,505,506</u>

d. Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves.

e. IRS Section 115 Pension Trust

The City holds investments in an IRS Section 115 Trust for pension stabilization. The current market value of the trust is \$15,730,926. This trust fund is not included in the calculation of the net pension liability, as the assets are not in the custody of the plan administrator, CalPERS. Refer to Note 3 for additional information.

f. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense as follows:

Miscellaneous	Safety	Total
\$ 12,433,866	\$ 15,243,144	\$ 27,677,010

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 13: Retirement Plans (Continued)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions made Subsequent to the Measurement Date	\$ 14,324,909	\$ -
Differences between Expected and Actual Experience	356,215	509,403
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	39,320,082
Subtotal - Miscellaneous Plan	14,681,124	39,829,485
<u>Safety Plan</u>		
Employer Contributions made Subsequent to the Measurement Date	24,285,015	-
Differences between Expected and Actual Experience	2,006,590	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	48,665,396
Subtotal - Safety Plan	26,291,605	48,665,396
Total	\$ 40,972,729	\$ 88,494,881

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 lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The EARSL for the Plan for the measurement period ending June 30, 2021, is 2.4 years, which was obtained by dividing the total service years of 5,348 (the sum of remaining service lifetimes of the active employees) by 2,251 (the total number of participants: active, inactive, and retired). 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 13: Retirement Plans (Continued)

The EARSL for the Plan for the measurement period ending June 30, 2021 is 4.0 years, which was obtained by dividing the total service years of 3,799 (the sum of remaining service lifetimes of the active employees) by 948 (the total number of participants: active, inactive, and retired). 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.

The \$38,609,924 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2023	\$ (10,188,180)	\$ (10,451,426)	\$ (20,639,606)
2024	(9,002,041)	(11,113,794)	(20,115,835)
2025	(9,437,137)	(11,624,282)	(21,061,419)
2026	(10,845,912)	(13,469,304)	(24,315,216)

Note 14: Post-Employment Benefits Other Than Pensions**a. General Information about the OPEB Plan**Plan Description

The City's defined benefit OPEB plan, Retiree Health Plan (the Plan), provides healthcare insurance for all eligible retirees and their covered dependents, other than those retirees belonging to the Oceanside Firefighters Association (OFA), through the City's group health insurance plans. The Plan is a single employer defined benefit OPEB plan administered by the City. The authority to establish and amend the Plan's benefit terms and financing requirements rests with the City Council. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Note 14: Post-Employment Benefits Other Than Pensions (Continued)

Benefits Provided

The City makes no direct payments towards retiree health benefits except for a small group of grandfathered retirees. All liability is generated by an implied rate subsidy created by granting pre-Medicare retirees access to the active medical plan options. The table below summarizes the benefits and terms to be eligible for benefits:

	<u>All Groups</u>
Benefit Types Provided	Medical
Duration of Benefits	One year per year of service. Lifetime if 15+ years of service.
Required Service	Retirement
Minimum Age	Retirement
Dependent Coverage	Yes
City Contribution %	0%
City Cap	All benefits are self-pay except for a limited group of grandfathered retirees (\$112 per month for this group)

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by benefit terms:

<u>Description</u>	<u>Number of Members</u>
Active employees eligible for future benefits	850
Retirees currently receiving benefits	94
Total	<u>944</u>

b. Total OPEB Liability

The City's total OPEB liability of \$10,586,873 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14: Post-Employment Benefits Other Than Pensions (Continued)Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent
Healthcare cost trend rates	4.00 percent per year

A discount rate of 2.20% was applied in the measurement of the total OPEB liability. The discount rate is based on the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality and retirement rates were based on the 2017 CalPERS Experience Study. All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of the 2017 CalPERS Experience Study for the period of 1997 through 2015.

c. Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at June 30, 2020 Measurement Date	\$ 10,588,753
Changes Recognized for the Measurement Period	
Service Cost	536,099
Interest on Total OPEB Liability	230,984
Benefit Payments	(715,064)
Experience (Gains)/Losses	580,073
Changes in Assumptions	(633,972)
Net Changes During 2020-21	(1,880)
Balance at June 30, 2021 Measurement Date	\$ 10,586,873

Changes of assumptions and other inputs reflect a change in the discount rate from 2.20% at measurement date June 30, 2020 to 2.16% at measurement date June 30, 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	Discount Rate (-1%) 1.16%	Current Discount Rate 2.16%	Discount Rate (+1%) 3.16%
Total OPEB Liability	\$ 11,343,230	\$ 10,586,873	\$ 9,883,879

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14: Post-Employment Benefits Other Than Pensions (Continued)Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current healthcare cost trend rates (dollar amounts in thousands):

	Trend Rate (-1%) 3.00%	Current Trend Rate 4.00%	Trend Rate (+1%) 5.00%
Total OPEB Liability	\$ 9,562,382	\$ 10,586,873	\$ 11,786,713

d. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,063,149. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,962,954	\$ (673,432)
Differences between Expected and Actual Experience	2,059,544	-
Total	\$ 4,022,498	\$ (673,432)

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

Fiscal Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2023	\$ 296,066
2024	277,241
2025	333,709
2026	333,710
2027	333,710
Thereafter	1,774,630
Total	\$ 3,349,066

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 15: Commitments and Contingencies

Commitments

The following material construction commitments existed at June 30, 2022:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2022	Remaining Commitments
Construction Support	\$ 5,425,763	\$ 2,214,114	\$ 3,211,649
Plan & Design Lower SLRWRF	4,942,531	3,922,951	1,019,580
Seismic Retrofit	4,222,350	1,264,925	2,957,425
Condition Assessment & Access Imprvmnt	4,425,634	3,521,179	904,455
RRXing Safety	4,882,660	4,804,359	78,301
AWPF Final Design	3,658,571	3,274,719	383,852
J-Dock	3,105,334	3,052,367	52,967
OBlvd Lift Stnt Relocation	9,786,508	8,218,108	1,568,400
Pure Water OSide AWPF	57,931,973	54,662,316	3,269,657
Pure Water OSide AWPF- Contingency	2,325,247	-	2,325,247
Phase 2 - General Plan Update	3,194,337	1,608,824	1,585,513
OOP & Tracer Study	2,358,105	1,550,757	807,347
Beachfront Imprvmnts	10,766,419	9,886,040	880,379
Lower 1 Recycled Water Conveyance System	2,434,778	2,315,758	119,021
Lower 1 Recycled Water Conveyance System	16,819,156	14,910,076	1,909,080
Pure Water Oceanside Conveyance	8,248,705	7,662,273	586,431
MBGPF- Well Expnsn	2,422,640	913,280	1,509,360
Street Restoration	5,445,309	5,410,102	35,208
AMI - Prime	11,118,829	10,145,893	972,936
Jones Road Tenant Imprvmnts	2,656,220	1,692,974	963,246
Hennie Hills & Steiger Reservoir Repairs	6,493,522	4,127,777	2,365,745
SLRWRF Building Construction	11,519,332	87,562	11,431,770
Fire Station #8	2,576,200	-	2,576,200
Lift Station Technical & Project Support	6,997,070	-	6,997,070
Fire Station #1 Construction	14,936,900	-	14,936,900
	\$208,694,094	\$145,246,355	\$ 63,447,738

Contingent Liabilities

The City is involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome be realized.

Note 16: Tax Abatement Agreement

On September 10, 2014, the City entered into a transient occupancy tax abatement agreement with a local developer. This agreement allows for a 100 percent transient occupancy tax abatement during the first three years after Phase I hotel is open, a 100 percent transient occupancy tax abatement during the first three years after Phase II hotel is open, and then the City and developer will share transient occupancy taxes at varying levels for a period of fifteen years on the Phase I hotel and fourteen years on the Phase II hotel. The total amount of transient occupancy tax to be abated under this agreement amounts to \$11,335,250. As part of this agreement, the City also agreed to subsidize the developer by abating off-site mitigation fees in the amount of \$609,750, and development impact fees in the amount of \$1,743,267. This agreement expires on September 10, 2029. For the fiscal year ended June 30, 2022 the amount of transient occupancy tax abated under this agreement amounts to \$2,300,111.

On November 28, 2018, the City entered into a sales tax abatement agreement with a local developer. This agreement allows for an abatement of new taxable gross retail sales tax above \$100,000, increasing by 3 percent per year, within each fiscal year up to an aggregate of \$5,000,000 or the 10-year term of the agreement, whichever comes first. New taxable gross sales tax excludes revenues generated by Measure X, the one-half percent transaction and use tax. This agreement expires November 28, 2028. For the fiscal year ended June 30, 2022, the amount of sales tax abated under this agreement amounts to \$0.

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Oceanside that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-R0058-1.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2022

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

The Successor Agency to the former Redevelopment Agency is reported as a fiduciary fund (private purpose trust fund).

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 3,345,823
Cash and investments with fiscal agent	<u>1,549,403</u>
	<u>\$ 4,895,226</u>

b. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2022, were as follows.

Description	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year	Due in More than One Year
Bonds Payable:						
2015A Tax Allocation Refunding Bonds	\$ 10,745,000	\$ -	\$ 2,210,000	\$ 8,535,000	\$ 2,320,000	\$ 6,215,000
2015B Tax Allocation Refunding Bonds	5,360,000	-	1,005,000	4,355,000	1,035,000	3,320,000
Unamortized Bond Premium/(Discount)	1,150,790	-	276,005	874,785	-	874,785
Total	<u>\$ 17,255,790</u>	<u>\$ -</u>	<u>\$ 3,491,005</u>	<u>\$ 13,764,785</u>	<u>\$ 3,355,000</u>	<u>\$ 10,409,785</u>

Bonds Payable

2015A Tax Allocation Refunding Bonds - Original Issue \$20,370,000

The 2015 Tax Allocation Refunding Bonds Series A were issued to refund the Commission's outstanding 2002, 2003, and 2004 Tax Allocation Series bonds. The bonds mature annually through 2025, in amounts ranging from \$1,225,000 to \$2,555,000. Interest rates vary from 2.0% to a maximum of 5.0% and are payable semiannually on March 1 and September 1, commencing September 1, 2016. As of June 30, 2022, the outstanding balance of the bonds is \$6,215,000. If an event of default has occurred, the bond trustee may declare the principal amount of the bonds, together with the accrued interest thereon, to be due and payable immediately.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)2015B Tax Allocation Refunding Bonds - Original Issue \$10,080,000

The 2015 Tax Allocation Refunding Bonds Series B were issued to refund the Commission's outstanding 2002, 2003, and 2004 Tax Allocation Series bonds. The bonds mature annually through 2025, in amounts ranging from \$915,000 to \$1,145,000. Interest rates vary from 1.0% to a maximum of 4.0% and are payable semiannually on March 1 and September 1, commencing September 1, 2016. As of June 30, 2022, the outstanding balance of the bonds is \$3,320,000. If an event of default has occurred, the bond trustee may declare the principal amount of the bonds, together with the accrued interest thereon, to be due and payable immediately.

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it received. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the redevelopment activities of the Community Development Commission, property taxes allocated to redevelopment activities no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt as of June 30, 2022, is \$11,460,981 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$3,973,558 and the debt service obligation on the bonds was \$3,856,745.

Debt Service Requirements to Maturity

On the following table are the debt service requirements on the Successor Agency's long-term debts to maturity:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,355,000	\$ 507,494	\$ 3,862,494
2024	3,505,000	353,075	3,858,075
2025	3,660,000	190,263	3,850,263
2026	2,370,000	53,525	2,423,525
	<u>\$ 12,890,000</u>	<u>\$ 1,104,357</u>	<u>\$ 13,994,357</u>

c. Insurance

The Successor Agency is covered under the City of Oceanside's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 12.

d. Commitments and Contingencies

As of June 30, 2022, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 18: Prior Period Adjustment

For the fiscal year ended June 30, 2022, the City restated the beginning net position of the Custodial Funds by \$42,578,270. This prior period adjustment was made to correct the implementation of GASB Statement No. 84, done during the prior year. Interpretation of GASB Statement No. 84, was ambiguous regarding the treatment of conduit debts for which the City operates as the custodian of the collections for and payments of those debts through the Custodial Funds. Further clarifications received from the GASB Board subsequent to the issuance of the prior year's financial statements resulted in the removal of the conduit debts from the Custodial Funds.

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Note 1: Budgetary Information

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

- During May of each fiscal year, the City Manager submits to the City Council a proposed annual operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at City Council meetings to obtain taxpayer comments prior to and after May.
- Prior to July 1, the budget is legally adopted through passage of an appropriation resolution.

The City of Oceanside does not distinguish between Basis of Budgeting and Basis of Accounting. The principles set forth as the Basis of Accounting are strictly observed in the budgeting process. A fund's Basis of Budgeting and Basis of Accounting determines when a transaction or event is recognized; refer to *Note 1 Summary of Significant Accounting Policies* in the Notes to the Basic Financial Statements for more information. Only revenues and expenditures anticipated during the fiscal year are included in the budget. Unexpended operating budget funds revert to fund balance at the close of a fiscal year. Unexpended capital and grant funds are carried forward from year to year until projects are officially closed.

Budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is at the fund level. Council and Administrative policies provide guidelines on budget transfers and the authorization necessary to implement transfers. Generally, there are two types of budget transfers:

- *Budget adjustment:* This is a transfer which does not change the total appropriated amount within a fund and does not require Council action. Approval is granted at the City Manager level.
- *Budget amendment:* This is an adjustment to the total appropriated amount within a fund or business unit which was not included in the original budget. These supplemental appropriations are presented to City Council in an agenda report and require the passage of a simple majority of the City Council for approval.

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 107,341,237	\$ 107,341,237	\$ 107,341,237	\$ -
Resources (Inflows):				
Taxes	129,213,517	131,092,563	149,827,575	18,735,012
Licenses and permits	3,695,481	4,042,481	4,703,367	660,886
Intergovernmental	277,637	277,637	373,055	95,418
Contribution from property owners	-	-	-	-
Charges for services	19,529,964	19,734,137	19,827,449	93,312
Use of money and property	8,862,306	8,987,812	(532,729)	(9,520,541)
Fines and forfeitures	3,547,136	3,547,136	4,328,201	781,065
Administrative and in lieu charges	7,217,180	7,217,180	7,213,356	(3,824)
Miscellaneous	154,164	376,315	493,914	117,599
Transfers in	14,898,329	16,149,033	16,202,890	53,857
Amounts Available for Appropriations	294,736,951	298,765,530	309,778,315	11,012,785
Charges to Appropriations (Outflows):				
General government				
City Council	1,299,699	1,254,699	888,401	366,298
City Clerk	1,461,509	1,461,509	1,179,211	282,298
City Treasurer	1,456,778	1,456,778	1,420,919	35,859
City Manager	5,475,152	5,740,691	4,671,435	1,069,256
City Attorney	2,054,040	2,099,438	2,073,802	25,636
Financial Services	5,703,706	5,722,250	5,173,002	549,248
Human Resources	740,724	726,578	648,645	77,933
Budget Activities/Services	564,519	564,519	558,737	5,782
Pension Stabilization Trust	-	-	54,139	(54,139)
Nondepartmental	5,507,606	17,351,855	19,767,414	(2,415,559)
Public safety				
Police	67,180,768	68,605,316	65,136,304	3,469,012
Fire	36,350,443	36,888,649	35,668,459	1,220,190
Community development				
Engineering	5,063,981	5,135,981	4,204,947	931,034
Planning	2,738,154	4,997,843	3,882,185	1,115,658
Building	3,031,774	3,156,774	2,835,928	320,846
Community/cultural services				
Library	5,751,535	5,756,261	5,499,075	257,186
Neighborhood Services Department	10,108,336	8,379,045	7,361,113	1,017,932
Economic and Community Development	625,644	705,644	610,838	94,806
Property Management	1,292,255	1,312,432	935,862	376,570
Block 20 Lease Assessment	22,558	22,558	22,558	-
Public works				
Public Works	18,081,531	18,178,433	17,175,384	1,003,049
Capital outlay	-	97,104	300,796	(203,692)
Debt service:				
Principal retirement	15,654	15,654	-	15,654
Interest and fiscal charges	-	-	910	(910)
Transfers out	13,657,941	14,775,984	14,497,190	278,794
Total Charges to Appropriations	188,184,307	204,405,994	194,567,254	9,838,740
Budgetary Fund Balance, June 30	\$ 106,552,644	\$ 94,359,536	\$ 115,211,061	\$ 20,851,525

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GRANTS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 6,215,570	\$ 6,215,570	\$ 6,215,570	\$ -
Resources (Inflows):				
Intergovernmental	18,871,885	48,106,795	20,777,506	(27,329,289)
Charges for services	18,978	18,978	29,800	10,822
Use of money and property	289,642	290,592	478,441	187,849
Developer participation	1,289,685	1,289,685	3,623,487	2,333,802
Lease financing	-	-	99,218	99,218
Miscellaneous	9,500	9,500	3,310	(6,190)
Transfers in	444,954	1,916,311	1,344,166	(572,145)
Amounts Available for Appropriations	27,140,214	57,847,431	32,571,498	(25,275,933)
Charges to Appropriations (Outflows):				
General government	-	-	-	-
Public safety	4,750,828	6,403,323	4,615,091	1,788,232
Community development	4,960,310	19,175,395	3,515,677	15,659,718
Parks and recreation	8,537	1,046,216	192,420	853,796
Community/cultural services	-	129,259	44,140	85,119
Capital outlay	9,915,000	25,398,153	11,298,318	14,099,835
Debt service:				
Lease principal	-	-	29,023	(29,023)
Interest and fiscal charges	-	-	439	(439)
Transfers out	178,000	2,000,585	1,296,124	704,461
Total Charges to Appropriations	19,812,675	54,152,931	20,991,232	33,161,699
Budgetary Fund Balance, June 30	\$ 7,327,539	\$ 3,694,500	\$ 11,580,266	\$ 7,885,766

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 AMERICAN RESCUE PLAN
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	-	8,628,665	8,628,665
Amounts Available for Appropriations	-	-	8,628,665	8,628,665
Charges to Appropriations (Outflows):				
Public safety	-	21,398,951	6,846,495	14,552,456
Community development	-	5,000,000	689,882	4,310,118
Capital outlay	-	5,172,131	1,092,288	4,079,843
Total Charges to Appropriations	-	31,571,082	8,628,665	22,942,417
Budgetary Fund Balance (Deficit), June 30	\$ -	\$ (31,571,082)	\$ -	\$ 31,571,082

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
HOUSING ASSISTANCE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,357,159	\$ 5,357,159	\$ 5,357,159	\$ -
Resources (Inflows):				
Licenses and permits	319,115	319,115	329,085	9,970
Intergovernmental	23,415,065	23,415,065	22,127,684	(1,287,381)
Charges for services	66,634	66,634	75,514	8,880
Use of money and property	1,569,921	1,530,755	917,171	(613,584)
Miscellaneous	506,941	506,941	264,947	(241,994)
Amounts Available for Appropriations	31,234,835	31,195,669	29,071,560	(2,124,109)
Charges to Appropriations (Outflows):				
Community development	26,348,785	26,158,133	22,866,606	3,291,527
Transfers out	-	1,000,000	1,000,000	-
Total Charges to Appropriations	26,348,785	27,158,133	23,866,606	3,291,527
Budgetary Fund Balance, June 30	\$ 4,886,050	\$ 4,037,536	\$ 5,204,954	\$ 1,167,418

CITY OF OCEANSIDE, CALIFORNIA

**MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2022	2021	2020
Measurement Date	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability:			
Service cost	\$ 7,348,514	\$ 7,413,674	\$ 7,426,005
Interest on total pension liability	32,655,269	31,525,103	30,606,708
Changes in assumptions	-	-	-
Difference between expected and actual experience	610,655	(3,056,423)	5,627,027
Benefit payments, including refunds of employee contributions	(24,522,705)	(22,897,930)	(21,352,977)
Net change in total pension liability	16,091,733	12,984,424	22,306,763
Total pension liability - beginning	464,693,498	451,709,074	429,402,311
Total pension liability - ending (a)	480,785,231	464,693,498	451,709,074
Plan Fiduciary Net Position:			
Contributions - employer	14,997,947	14,923,305	13,180,051
Contributions - employee	3,208,630	3,198,437	3,308,094
Net investment income	78,946,437	16,878,900	21,113,253
Benefit payments, including refunds of employee contributions	(24,522,705)	(22,897,930)	(21,352,977)
Net plan to plan resource movement	-	-	-
Administrative expense	(349,409)	(476,714)	(229,882)
Other miscellaneous expense	-	-	747
Net change in fiduciary net position	72,280,900	11,625,998	16,019,286
Plan fiduciary net position - beginning	349,779,947	338,153,949	322,134,663
Plan fiduciary net position - ending (b)	422,060,847	349,779,947	338,153,949
Net Pension Liability - Ending (a) - (b)	\$ 58,724,384	\$ 114,913,551	\$ 113,555,125
Plan fiduciary net position as a percentage of the total pension liability	87.8%	75.3%	74.9%
Covered payroll	\$ 41,276,150	\$ 40,160,749	\$ 39,732,503
Plan net pension liability as a percentage of covered payroll	142.3%	286.1%	285.8%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2020 or 2021. In 2019, 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 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, 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 2015, amounts reported were based on the 7.5 percent discount rate.

⁽¹⁾ Fiscal Year 2015 was the first year of implementation; therefore, only eight years are shown.

	2019	2018	2017	2016	2015
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
\$	7,214,699	\$ 7,296,794	\$ 6,246,675	\$ 6,352,501	\$ 6,739,488
	29,093,082	28,371,378	27,718,396	26,777,993	25,673,047
	(2,660,542)	23,417,305	-	(6,534,185)	-
	(3,191,600)	(5,058,524)	(3,305,967)	(1,673,895)	-
	<u>(20,388,752)</u>	<u>(18,973,677)</u>	<u>(17,783,125)</u>	<u>(17,174,366)</u>	<u>(15,383,934)</u>
	10,066,887	35,053,276	12,875,979	7,748,048	17,028,601
	<u>419,335,424</u>	<u>384,282,148</u>	<u>371,406,169</u>	<u>363,658,121</u>	<u>346,629,520</u>
	<u>429,402,311</u>	<u>419,335,424</u>	<u>384,282,148</u>	<u>371,406,169</u>	<u>363,658,121</u>
	11,789,763	9,315,364	8,640,705	7,450,463	7,232,808
	3,237,718	2,974,072	2,897,160	2,960,994	3,121,902
	25,523,656	31,453,369	1,462,692	6,337,368	42,691,113
	<u>(20,388,752)</u>	<u>(18,973,677)</u>	<u>(17,783,125)</u>	<u>(17,174,366)</u>	<u>(15,383,934)</u>
	(747)	38,869	(1,431)	(255)	-
	(472,693)	(411,847)	(173,025)	(327,880)	-
	<u>(897,651)</u>	-	-	-	-
	18,791,294	24,396,150	(4,957,024)	(753,676)	37,661,889
	<u>303,343,369</u>	<u>278,947,219</u>	<u>283,904,243</u>	<u>284,657,919</u>	<u>246,996,030</u>
	<u>322,134,663</u>	<u>303,343,369</u>	<u>278,947,219</u>	<u>283,904,243</u>	<u>284,657,919</u>
\$	<u>107,267,648</u>	<u>115,992,055</u>	<u>105,334,929</u>	<u>87,501,926</u>	<u>79,000,202</u>
	75.0%	72.3%	72.6%	76.4%	78.3%
\$	38,280,356	\$ 37,729,027	\$ 35,805,773	\$ 35,092,814	\$ 35,409,488
	280.2%	307.4%	294.2%	249.3%	223.1%

CITY OF OCEANSIDE, CALIFORNIA

**SAFETY PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2022	2021	2020
Measurement Date	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability:			
Service cost	\$ 11,065,722	\$ 11,010,401	\$ 10,774,961
Interest on total pension liability	40,068,656	38,503,013	36,940,765
Changes in assumptions	-	-	-
Difference between expected and actual experience	195,605	332,595	6,774,359
Benefit payments, including refunds of employee contributions	<u>(28,492,575)</u>	<u>(27,186,576)</u>	<u>(25,446,261)</u>
Net change in total pension liability	22,837,408	22,659,433	29,043,824
Total pension liability - beginning	<u>568,918,595</u>	<u>546,259,162</u>	<u>517,215,338</u>
Total pension liability - ending (a)	<u>591,756,003</u>	<u>568,918,595</u>	<u>546,259,162</u>
Plan Fiduciary Net Position:			
Contributions - employer	17,528,188	19,810,064	19,254,700
Contributions - employee	3,816,016	3,795,384	3,462,100
Net investment income	98,224,739	20,831,413	26,072,873
Benefit payments, including refunds of employee contributions	<u>(28,492,575)</u>	<u>(27,186,576)</u>	<u>(25,446,261)</u>
Net plan to plan resource movement	-	-	-
Administrative expense	(435,540)	(591,172)	(282,795)
Other miscellaneous expense	-	-	922
Net change in fiduciary net position	90,640,828	16,659,113	23,061,539
Plan fiduciary net position - beginning	<u>436,002,773</u>	<u>419,343,660</u>	<u>396,282,121</u>
Plan fiduciary net position - ending (b)	<u>526,643,601</u>	<u>436,002,773</u>	<u>419,343,660</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 65,112,402</u>	<u>\$ 132,915,822</u>	<u>\$ 126,915,502</u>
Plan fiduciary net position as a percentage of the total pension liability	89.0%	76.6%	76.8%
Covered payroll	\$ 36,455,146	\$ 35,551,829	\$ 34,414,901
Plan net pension liability as a percentage of covered payroll	178.6%	373.9%	368.8%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2021 or 2020. In 2019, 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 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, 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 2015, amounts reported were based on the 7.5 percent discount rate.

⁽¹⁾ Fiscal Year 2015 was the first year of implementation; therefore, only eight years are shown.

	2019	2018	2017	2016	2015
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
\$	10,500,340	\$ 10,249,556	\$ 9,035,445	\$ 9,471,721	\$ 10,028,996
	34,962,160	33,447,072	32,392,557	31,362,885	30,432,000
	(2,502,783)	28,562,622	-	(7,872,461)	-
	3,117,388	(4,296,754)	(6,539,562)	(8,658,602)	-
	<u>(23,956,522)</u>	<u>(22,536,630)</u>	<u>(21,347,011)</u>	<u>(19,887,274)</u>	<u>(18,990,595)</u>
	22,120,583	45,425,866	13,541,429	4,416,269	21,470,401
	<u>495,094,755</u>	<u>449,668,889</u>	<u>436,127,460</u>	<u>431,711,191</u>	<u>410,240,790</u>
	<u>517,215,338</u>	<u>495,094,755</u>	<u>449,668,889</u>	<u>436,127,460</u>	<u>431,711,191</u>
	20,124,316	11,829,794	11,179,323	9,726,446	9,044,122
	3,546,100	3,270,225	2,987,703	2,946,540	2,972,544
	31,306,694	37,865,971	1,715,660	7,570,596	51,514,504
	(23,956,522)	(22,536,630)	(21,347,011)	(19,887,274)	(18,990,595)
	(922)	(38,869)	1,431	255	-
	(571,762)	(497,598)	(208,857)	(385,706)	-
	<u>(1,085,787)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	29,362,117	29,892,893	(5,671,751)	(29,143)	44,540,575
	<u>366,920,004</u>	<u>337,027,111</u>	<u>342,698,862</u>	<u>342,728,005</u>	<u>298,187,430</u>
	<u>396,282,121</u>	<u>366,920,004</u>	<u>337,027,111</u>	<u>342,698,862</u>	<u>342,728,005</u>
\$	<u>120,933,217</u>	<u>128,174,751</u>	<u>112,641,778</u>	<u>93,428,598</u>	<u>88,983,186</u>
	76.6%	74.1%	75.0%	78.6%	79.4%
\$	33,295,304	\$ 32,433,252	\$ 31,451,701	\$ 32,835,473	\$ 33,220,696
	363.2%	395.2%	358.1%	284.5%	267.9%

CITY OF OCEANSIDE, CALIFORNIA

**MISCELLANEOUS AND SAFETY PLANS
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Miscellaneous Plan:</u>			
Actuarially Determined Contribution	\$ 12,433,866	\$ 14,285,139	\$ 12,891,460
Contribution in Relation to the Actuarially Determined Contribution	<u>(14,324,909)</u>	<u>(15,357,182)</u>	<u>(15,489,718)</u>
Contribution Deficiency (Excess)	<u>\$ (1,891,043)</u>	<u>\$ (1,072,043)</u>	<u>\$ (2,598,258)</u>
Covered Payroll	\$ 41,376,768	\$ 41,276,150	\$ 40,160,749
Contributions as a Percentage of Covered Payroll	34.6%	37.2%	38.6%
<u>Safety Plan:</u>			
Actuarially Determined Contribution	\$ 15,243,144	\$ 16,536,302	\$ 15,307,154
Contribution in Relation to the Actuarially Determined Contribution	<u>(24,285,015)</u>	<u>(18,215,233)</u>	<u>(20,523,475)</u>
Contribution Deficiency (Excess)	<u>\$ (9,041,871)</u>	<u>\$ (1,678,931)</u>	<u>\$ (5,216,321)</u>
Covered Payroll	\$ 36,364,515	\$ 36,455,146	\$ 35,551,829
Contributions as a Percentage of Covered Payroll	66.8%	50.0%	57.7%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period: For details, see June 30, 2018 Funding Valuation Report

Asset Valuation Method: Fair Value of Assets. For details, see June 30, 2018 Funding Valuation Report

Inflation: 2.50%

Salary Increases: Varies by Entry Age and Service

Payroll Growth: 2.75%

Investment Rate of Return: 7.00% (net of administrative expenses)

Retirement Age: The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.

Mortality: The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries.

For previous years' information, refer to past Annual Comprehensive Financial Reports.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Data was available for Fiscal Year 2014 going forward, therefore only nine years are shown.

2019	2018	2017	2016	2015	2014
\$ 11,356,512	\$ 10,360,741	\$ 9,315,364	\$ 8,640,705	\$ 7,450,463	\$ 7,232,808
(13,180,051)	(11,789,763)	(9,315,364)	(8,640,705)	(7,450,463)	(7,232,808)
<u>\$ (1,823,539)</u>	<u>\$ (1,429,022)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 39,732,503	\$ 38,280,356	\$ 37,729,027	\$ 35,805,773	\$ 35,092,814	\$ 35,409,488
33.2%	30.8%	24.7%	24.1%	21.2%	20.4%
\$ 13,478,019	\$ 12,911,210	\$ 11,829,794	\$ 11,179,323	\$ 9,726,446	\$ 9,044,122
(19,254,700)	(20,124,316)	(11,829,794)	(11,179,323)	(9,726,446)	(9,044,122)
<u>\$ (5,776,681)</u>	<u>\$ (7,213,106)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 34,414,901	\$ 33,295,304	\$ 32,433,252	\$ 31,451,701	\$ 32,835,473	\$ 33,220,696
55.9%	60.4%	36.5%	35.5%	29.6%	27.2%

CITY OF OCEANSIDE, CALIFORNIA

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

Measurement Date	2022	2021	2020	2019	2018
	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:					
Service cost	\$ 536,099	\$ 418,290	\$ 384,631	\$ 373,428	\$ 362,551
Interest on the total OPEB liability	230,984	329,520	211,448	175,549	166,455
Actual and expected experience difference	580,073	-	1,983,780	-	-
Changes in assumptions	(633,972)	983,188	1,465,479	(244,689)	-
Benefit payments ⁽²⁾	(715,064)	(695,903)	(280,948)	(245,347)	(231,628)
Net change in total OPEB liability	(1,880)	1,035,095	3,764,390	58,941	297,378
Total OPEB liability - beginning	10,588,753	9,553,658	5,789,268	5,730,327	5,432,949
Total OPEB liability - ending	\$ 10,586,873	\$ 10,588,753	\$ 9,553,658	\$ 5,789,268	\$ 5,730,327
Plan fiduciary net position as a percentage of the total OPEB liability ⁽³⁾	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 90,410,467	\$ 81,603,109	\$ 79,567,557	\$ 76,704,358	\$ 63,197,046
Net OPEB liability as a percentage of covered-employee payroll	11.7%	13.0%	12.0%	7.5%	9.1%

Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios:

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

⁽²⁾ Includes value of implicit subsidy

⁽³⁾ The plan is not funded through a qualifying trust; therefore, there is no fiduciary net position to offset the total OPEB liability.

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

The **Asset Seizure Fund** is used to account for funds received from the federal government as a result of seizure of assets from those convicted of violations of drug laws. Funds are used to enhance law enforcement services and activities.

The **Gas Tax and Transportation Fund** is used to account for the maintenance and capital improvements associated with motor vehicle travel. Financing is provided primarily from the City's share of State gasoline taxes.

The **Community Development Block Grant Fund** is used to account for funds received from the Federal Government for use on federally approved projects.

The **Maintenance Districts Fund** is used to account for street lighting and landscape maintenance services. Financing is provided by service charges to benefiting properties.

The **State & Local Asset Seizure Fund** is used to account for funds received from state and local governments as a result of seizure of assets from those convicted of violations of drug laws. Funds are used to enhance law enforcement services and activities.

Debt Service Funds

The **General Debt Service Fund** is used to account for payment of interest and principal on debt incurred by the City of Oceanside.

The **Oceanside Lighting District** is used to account for payment of interest and principal on capital lease debt incurred by the City of Oceanside.

CITY OF OCEANSIDE, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Asset Seizure	Gas Tax and Transportation	Community Development Block Grant	Maintenance Districts
Assets:				
Cash and investments	\$ 879,905	\$ 5,706,249	\$ -	\$ 2,247,427
Restricted cash and investments held by fiscal agents	-	-	-	-
Taxes receivable	-	932,797	-	11,218
Notes and loans receivable	-	-	530,187	-
Due from other governments	-	-	256,959	-
Total Assets	\$ 879,905	\$ 6,639,046	\$ 787,146	\$ 2,258,645
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 39,298	\$ 1,466,345	\$ 196,790	\$ 59,424
Accrued liabilities	-	61,577	15,743	-
Due to other funds	-	-	68,023	-
Total Liabilities	39,298	1,527,922	280,556	59,424
Deferred Inflows of Resources:				
Unavailable revenues	-	-	530,187	-
Total Deferred Inflows of Resources	-	-	530,187	-
Fund Balances (Deficits):				
Restricted:				
Public safety	840,607	-	-	-
Debt service	-	-	-	-
Street lighting and landscape maintenance	-	-	-	2,199,221
Highways	-	5,111,124	-	-
Unassigned	-	-	(23,597)	-
Total Fund Balances (Deficits)	840,607	5,111,124	(23,597)	2,199,221
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 879,905	\$ 6,639,046	\$ 787,146	\$ 2,258,645

CITY OF OCEANSIDE, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Fund	Debt Service Funds		Total Nonmajor Governmental Funds
	State & Local Asset Seizure	General Debt Service	Oceanside Lighting District	
Assets:				
Cash and investments	\$ 30,632	\$ 2,313,808	\$ 32,429	\$ 11,210,450
Restricted cash and investments held by fiscal agents	-	185	-	185
Taxes receivable	-	-	-	944,015
Notes and loans receivable	-	-	-	530,187
Due from other governments	-	-	-	256,959
Total Assets	\$ 30,632	\$ 2,313,993	\$ 32,429	\$ 12,941,796
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,761,857
Accrued liabilities	-	-	-	77,320
Due to other funds	-	93,585	-	161,608
Total Liabilities	-	93,585	-	2,000,785
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	530,187
Total Deferred Inflows of Resources	-	-	-	530,187
Fund Balances (Deficits):				
Restricted:				
Public safety	30,632	-	-	871,239
Debt service	-	2,220,408	32,429	2,252,837
Street lighting and landscape maintenance	-	-	-	2,199,221
Highways	-	-	-	5,111,124
Unassigned	-	-	-	(23,597)
Total Fund Balances (Deficits)	30,632	2,220,408	32,429	10,410,824
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 30,632	\$ 2,313,993	\$ 32,429	\$ 12,941,796

CITY OF OCEANSIDE, CALIFORNIA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds			
	Asset Seizure	Gas Tax and Transportation	Community Development Block Grant	Maintenance Districts
Revenues:				
Intergovernmental	\$ 2,672	\$ 7,733,579	\$ 1,837,922	\$ -
Use of money and property	6,492	(150,349)	41,003	(76,746)
Administrative and in lieu charges	-	-	-	2,993,592
Miscellaneous	-	-	-	951
Total Revenues	9,164	7,583,230	1,878,925	2,917,797
Expenditures:				
Current:				
Public safety	191,805	-	-	-
Community/cultural services	-	-	1,639,981	-
Public works	-	6,313,908	-	2,343,390
Capital outlay	-	371,117	-	-
Debt service:				
Principal retirement	-	-	191,000	-
Interest and fiscal charges	-	-	48,723	-
Total Expenditures	191,805	6,685,025	1,879,704	2,343,390
Excess (Deficiency) of Revenues over (under) Expenditures	(182,641)	898,205	(779)	574,407
Other Financing Sources (Uses):				
Transfers in	-	4,020	-	559
Transfers out	-	(535,000)	-	(622,130)
Total Other Financing Sources (Uses)	-	(530,980)	-	(621,571)
Net Change in Fund Balances	(182,641)	367,225	(779)	(47,164)
Fund Balances (Deficit) - Beginning	1,023,248	4,743,899	(22,818)	2,246,385
Fund Balances (Deficit) - Ending	\$ 840,607	\$ 5,111,124	\$ (23,597)	\$ 2,199,221

CITY OF OCEANSIDE, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special			Total Nonmajor Governmental Funds
	Revenue Fund	Debt Service Funds		
	State & Local Asset Seizure	General Debt Service	Oceanside Lighting District	
Revenues:				
Intergovernmental	\$ 14,529	\$ -	\$ -	\$ 9,588,702
Use of money and property	(1,086)	884,863	-	704,177
Administrative and in lieu charges	-	-	-	2,993,592
Miscellaneous	-	5,248,425	476,219	5,725,595
Total Revenues	13,443	6,133,288	476,219	19,012,066
Expenditures:				
Current:				
Public safety	-	-	-	191,805
Community/cultural services	-	-	-	1,639,981
Public works	-	-	-	8,657,298
Capital outlay	-	-	-	371,117
Debt service:				
Principal retirement	-	5,408,153	419,334	6,018,487
Interest and fiscal charges	-	798,090	56,885	903,698
Total Expenditures	-	6,206,243	476,219	17,782,386
Excess (Deficiency) of Revenues over (under) Expenditures	13,443	(72,955)	-	1,229,680
Other Financing Sources (Uses):				
Transfers in	-	-	-	4,579
Transfers out	-	-	-	(1,157,130)
Total Other Financing Sources (Uses)	-	-	-	(1,152,551)
Net Change in Fund Balances	13,443	(72,955)	-	77,129
Fund Balances (Deficit) - Beginning	17,189	2,293,363	32,429	10,333,695
Fund Balances (Deficit) - Ending	\$ 30,632	\$ 2,220,408	\$ 32,429	\$ 10,410,824

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 ASSET SEIZURE
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,023,248	\$ 1,023,248	\$ 1,023,248	\$ -
Resources (Inflows):				
Intergovernmental	10,000	10,000	2,672	(7,328)
Use of money and property	7,000	7,000	6,492	(508)
Amounts Available for Appropriations	1,040,248	1,040,248	1,032,412	(7,836)
Charges to Appropriations (Outflows):				
Public safety	347,000	355,102	191,805	163,297
Total Charges to Appropriations	347,000	355,102	191,805	163,297
Budgetary Fund Balance, June 30	\$ 693,248	\$ 685,146	\$ 840,607	\$ 155,461

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 GAS TAX AND TRANSPORTATION
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,743,899	\$ 4,743,899	\$ 4,743,899	\$ -
Resources (Inflows):				
Intergovernmental	14,195,944	14,195,944	7,733,579	(6,462,365)
Use of money and property	22,526	22,526	(150,349)	(172,875)
Transfers in	-	-	4,020	4,020
Amounts Available for Appropriations	18,962,369	18,962,369	12,331,149	(6,631,220)
Charges to Appropriations (Outflows):				
Community/cultural services	8,060,143	11,021,233	6,313,908	4,707,325
Capital outlay	1,721,000	3,821,343	371,117	3,450,226
Transfers out	535,000	535,000	535,000	-
Total Charges to Appropriations	10,316,143	15,377,576	7,220,025	8,157,551
Budgetary Fund Balance, June 30	\$ 8,646,226	\$ 3,584,793	\$ 5,111,124	\$ 1,526,331

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund (Deficit), July 1	\$ (22,818)	\$ (22,818)	\$ (22,818)	\$ -
Resources (Inflows):				
Intergovernmental	2,528,947	3,921,697	1,837,922	(2,083,775)
Use of money and property	41,001	41,001	41,003	2
Amounts Available for Appropriations	2,547,130	3,939,880	1,856,107	(2,083,773)
Charges to Appropriations (Outflows):				
Community development	2,324,939	3,622,562	1,639,981	1,982,581
Debt service:				
Principal retirement	191,000	191,000	191,000	-
Interest and fiscal charges	48,723	48,723	48,723	-
Total Charges to Appropriations	2,564,662	3,862,285	1,879,704	1,982,581
Budgetary Fund (Deficit), June 30	\$ (17,532)	\$ 77,595	\$ (23,597)	\$ (101,192)

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
MAINTENANCE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,246,385	\$ 2,246,385	\$ 2,246,385	\$ -
Resources (Inflows):				
Assessments	2,957,820	2,957,820	2,993,592	35,772
Use of money and property	8,586	8,586	(76,746)	(85,332)
Miscellaneous	-	-	951	951
Transfers in	-	-	559	559
Amounts Available for Appropriations	5,212,791	5,212,791	5,164,741	(48,050)
Charges to Appropriations (Outflows):				
Community/cultural services	2,556,883	2,556,883	2,343,390	213,493
Debt service:				
Principal retirement	572	572	-	572
Transfers out	622,130	622,130	622,130	-
Total Charges to Appropriations	3,179,585	3,179,585	2,965,520	214,065
Budgetary Fund Balance, June 30	\$ 2,033,206	\$ 2,033,206	\$ 2,199,221	\$ 166,015

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 STATE & LOCAL ASSET SEIZURE
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,189	\$ 17,189	\$ 17,189	\$ -
Resources (Inflows):				
Intergovernmental	4,000	4,000	14,529	10,529
Use of money and property	-	-	(1,086)	(1,086)
Amounts Available for Appropriations	21,189	21,189	30,632	9,443
Charges to Appropriations (Outflows):				
Public safety	4,000	4,000	-	4,000
Total Charges to Appropriations	4,000	4,000	-	4,000
Budgetary Fund Balance, June 30	\$ 17,189	\$ 17,189	\$ 30,632	\$ 13,443

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL IMPROVEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 54,606,927	\$ 54,606,927	\$ 54,606,927	\$ -
Resources (Inflows):				
Charges for services	379,200	379,200	369,371	(9,829)
Use of money and property	329,575	529,575	(1,530,557)	(2,060,132)
Lease financing	-	-	172,474	172,474
Developer participation	8,550,715	8,604,259	9,647,498	1,043,239
Miscellaneous	1,046,994	1,121,994	1,830,870	708,876
Transfers in	13,195,000	14,015,000	14,054,981	39,981
Amounts Available for Appropriations	78,108,411	79,256,955	79,151,564	(105,391)
Charges to Appropriations (Outflows):				
General government	4,215,994	7,528,736	2,877,566	4,651,170
Community development	986,953	1,617,613	474,234	1,143,379
Public works	2,815,971	4,664,681	1,765,674	2,899,007
Capital outlay	13,061,000	37,508,796	6,822,775	30,686,021
Debt service:				
Interest and fiscal charges	-	-	627	(627)
Transfers out	50,000	408,476	411,064	(2,588)
Total Charges to Appropriations	21,129,918	51,728,302	12,351,940	39,376,362
Budgetary Fund Balance, June 30	\$ 56,978,493	\$ 27,528,653	\$ 66,799,624	\$ 39,270,971

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 2,293,363	\$ 2,293,363	\$ 2,293,363	\$ -
Resources (Inflows):				
Use of money and property	958,200	958,200	884,863	(73,337)
Miscellaneous	5,248,420	5,248,420	5,248,425	5
Amounts Available for Appropriations	8,499,983	8,499,983	8,426,651	(73,332)
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	5,408,153	5,408,153	5,408,153	-
Interest and fiscal charges	798,467	798,467	798,090	377
Total Charges to Appropriations	6,206,620	6,206,620	6,206,243	377
Budgetary Fund Balance, June 30	\$ 2,293,363	\$ 2,293,363	\$ 2,220,408	\$ (72,955)

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
OCEANSIDE LIGHTING DISTRICT
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 32,429	\$ 32,429	\$ 32,429	\$ -
Resources (Inflows):				
Miscellaneous	476,219	476,219	476,219	-
Amounts Available for Appropriations	508,648	508,648	508,648	-
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	419,334	419,334	419,334	-
Interest and fiscal charges	56,885	56,885	56,885	-
Total Charges to Appropriations	476,219	476,219	476,219	-
Budgetary Fund Balance, June 30	\$ 32,429	\$ 32,429	\$ 32,429	\$ -

THIS PAGE INTENTIONALLY LEFT BLANK

INTERNAL SERVICE FUNDS

The **Loss Prevention Fund** is used to account for the costs of the City's risk management and self-insurance programs. Funds are provided primarily from charges to programs and projects.

The **General Services Fund** is used to account for the costs of maintenance of automotive equipment, City buildings, and the costs of technology and communication operations. Funds are provided from charges to programs and projects.

CITY OF OCEANSIDE, CALIFORNIA

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

	Loss Prevention	General Services	Total
Assets:			
Current Assets:			
Cash and investments	\$ 24,490,065	\$ 30,434,010	\$ 54,924,075
Restricted cash and investments	300,000	-	300,000
Accounts receivable	162,528	9,340	171,868
Prepaid costs	33,551	675,117	708,668
Inventories	-	332,063	332,063
Total Current Assets	<u>24,986,144</u>	<u>31,450,530</u>	<u>56,436,674</u>
Noncurrent Assets:			
Advances to other funds	-	361,214	361,214
Capital assets, not being depreciated	-	996,298	996,298
Capital assets, being depreciated	212,802	33,762,815	33,975,617
Less accumulated depreciation	<u>(212,802)</u>	<u>(25,275,574)</u>	<u>(25,488,376)</u>
Total Noncurrent Assets	<u>-</u>	<u>9,844,753</u>	<u>9,844,753</u>
Total Assets	<u>24,986,144</u>	<u>41,295,283</u>	<u>66,281,427</u>
Deferred Outflows of Resources:			
Pension deferrals	102,260	834,035	936,295
Total Deferred Outflows of Resources	<u>102,260</u>	<u>834,035</u>	<u>936,295</u>
Liabilities:			
Current Liabilities:			
Accounts payable	448,557	1,486,060	1,934,617
Accrued liabilities	28,174	408,659	436,833
Accrued interest	-	42	42
Lease payable	-	238,559	238,559
Compensated absences	18,547	285,511	304,058
Accrued claims and judgments	9,831,980	-	9,831,980
Notes payable	-	1,430	1,430
Total Current Liabilities	<u>10,327,258</u>	<u>2,420,261</u>	<u>12,747,519</u>
Noncurrent Liabilities:			
Compensated absences	32,414	498,982	531,396
Accrued claims and judgments	12,098,491	-	12,098,491
Notes payable	-	5,598	5,598
Net pension liability	64,303	1,546,960	1,611,263
Total Noncurrent Liabilities	<u>12,195,208</u>	<u>2,051,540</u>	<u>14,246,748</u>
Total Liabilities	<u>22,522,466</u>	<u>4,471,801</u>	<u>26,994,267</u>
Deferred Inflows of Resources:			
Pension deferrals	414,191	3,974,125	4,388,316
Total Deferred Inflows of Resources	<u>414,191</u>	<u>3,974,125</u>	<u>4,388,316</u>
Net Position:			
Net investment in capital assets	-	9,237,952	9,237,952
Unrestricted	2,151,747	24,445,440	26,597,187
Total Net Position	<u>\$ 2,151,747</u>	<u>\$ 33,683,392</u>	<u>\$ 35,835,139</u>

CITY OF OCEANSIDE, CALIFORNIA

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

	Loss Prevention	General Services	Total
Operating Revenues:			
Sales and service charges	\$ 9,148,539	\$ 65,907,438	\$ 75,055,977
Miscellaneous	4,347,069	52,289	4,399,358
Total Operating Revenues	13,495,608	65,959,727	79,455,335
Operating Expenses:			
Personnel services	516,382	50,289,830	50,806,212
Maintenance and operations	15,687,373	11,329,990	27,017,363
Depreciation expense	-	2,655,219	2,655,219
Total Operating Expenses	16,203,755	64,275,039	80,478,794
Operating Income	(2,708,147)	1,684,688	(1,023,459)
Investment income	-	4,235	4,235
Interest expense	-	(709)	(709)
Gain on disposal of capital assets	-	114,150	114,150
Total Nonoperating Income	-	117,676	117,676
Income Before Transfers	(2,708,147)	1,802,364	(905,783)
Transfers in	-	506,055	506,055
Transfers out	(140,107)	-	(140,107)
Change in Net Position	(2,848,254)	2,308,419	(539,835)
Net Position - Beginning	5,000,001	31,374,973	36,374,974
Net Position - Ending	\$ 2,151,747	\$ 33,683,392	\$ 35,835,139

CITY OF OCEANSIDE, CALIFORNIA

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

	Loss Prevention	General Services	Total
Cash Flows from Operating Activities:			
Receipts from interfund charges	\$ 9,145,796	\$ 65,910,357	\$ 75,056,153
Other receipts	5,484,555	52,289	5,536,844
Payments to suppliers and providers	(15,583,080)	(11,897,959)	(27,481,039)
Payments to employees for salaries and benefits	(627,056)	(51,480,466)	(52,107,522)
Net Cash Provided by (Used for) Operating Activities	(1,579,785)	2,584,221	1,004,436
Cash Flows from Non-Capital Financing Activities:			
Cash transfers from other funds	-	506,055	506,055
Cash transfers to other funds	(140,107)	-	(140,107)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(140,107)	506,055	365,948
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(2,688,068)	(2,688,068)
Proceeds from disposal of capital assets	-	114,150	114,150
Principal paid on capital debt	-	(1,430)	(1,430)
Repayment received on advance to other funds	-	23,769	23,769
Net Cash (Used for) Capital and Related Financing Activities	-	(2,551,579)	(2,551,579)
Cash Flows from Investing Activities:			
Investment income	-	4,235	4,235
Net Cash Provided by Investing Activities	-	4,235	4,235
Net Increase in Cash and Cash Equivalents	(1,719,892)	542,932	(1,176,960)
Cash and Cash Equivalents, July 1 (including \$300,000 for the Loss Prevention Fund reported in restricted accounts)	26,509,957	29,891,078	56,401,035
Cash and Cash Equivalents, June 30 (including \$300,000 for the Loss Prevention Fund reported in restricted accounts)	\$ 24,790,065	\$ 30,434,010	\$ 55,224,075
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (2,708,147)	\$ 1,684,688	\$ (1,023,459)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	2,655,219	2,655,219
(Increase) decrease in accounts receivable	(2,743)	(188,206)	(190,949)
(Increase) decrease in prepaid costs	(33,551)	(377,799)	(411,350)
(Increase) decrease in inventories	-	(12,983)	(12,983)
Increase (decrease) in accounts payable	137,844	13,938	151,782
Increase (decrease) in accrued liabilities	9,258	73,526	82,784
Increase (decrease) in compensated absences	16,688	(6,567)	10,121
Increase (decrease) in claims and judgments	1,137,486	-	1,137,486
Increase (decrease) in pensions and related items	(136,620)	(1,257,595)	(1,394,215)
Total Adjustments	1,128,362	899,533	2,027,895
Net Cash Provided by Operating Activities	\$ (1,579,785)	\$ 2,584,221	\$ 1,004,436

CUSTODIAL FUNDS

The **Special Assessment District Fund** is used to account for special assessment collections and their disbursement to bondholders.

The **Deposit Fund** is used to account for assets received and held by the City as an agent for individuals, developers, private organizations, and other governmental agencies.

CITY OF OCEANSIDE, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2022

	Special Assessment District	Deposit	Total
Assets:			
Cash and cash equivalents	\$ 230,591	\$ 9,950,495	\$ 10,181,086
Receivables:			
Taxes for assessment districts	7,572	-	7,572
Total Receivables	7,572	-	7,572
Investments at fair value:			
Money market mutual funds	9,343,880	-	9,343,880
Total Investments	9,343,880	-	9,343,880
Total Assets	9,582,043	9,950,495	19,532,538
Liabilities:			
Accounts payable	-	12,553	12,553
Total Liabilities	-	12,553	12,553
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	9,582,043	9,937,942	19,519,985
Total Net Position	\$ 9,582,043	\$ 9,937,942	\$ 19,519,985

CITY OF OCEANSIDE, CALIFORNIA

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

	Special Assessment District	Deposit	Total
Additions:			
Investment earnings:			
Net increase/(decrease) in fair value of investments	\$ (7,211)	\$ -	\$ (7,211)
Interest	13,817	-	13,817
Total Investment Earnings	6,606	-	6,606
Taxes and special assessments collections	3,874,165	-	3,874,165
Miscellaneous income	215,000	3,655,453	3,870,453
Total Additions	4,095,771	3,655,453	7,751,224
Deductions:			
Administrative expenses	109,296	-	109,296
Contractual services	253,900	-	253,900
Interest expense	1,795,375	-	1,795,375
Total Deductions	2,158,571	-	2,158,571
Net Increase (Decrease) in Fiduciary Net Position	1,937,200	3,655,453	5,592,653
Net Position - Beginning	(34,933,427)	6,282,489	(28,650,938)
Restatements	42,578,270	-	42,578,270
Net Position - Beginning, as Restated	7,644,843	6,282,489	13,927,332
Net Position - Ending	\$ 9,582,043	\$ 9,937,942	\$ 19,519,985

THIS PAGE INTENTIONALLY LEFT BLANK

DESCRIPTION OF STATISTICAL SECTION CONTENTS

JUNE 30, 2022

This part of the City of Oceanside's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents:

Financial Trends these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

City of Oceanside

Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities				
Net investment in capital assets	\$ 241,149,904	\$ 246,144,971	\$ 266,146,413	\$ 271,158,974
Restricted for:				
Debt Service	2,256,658	2,237,378	2,256,538	2,595,789
Capital Projects	28,708,355	29,702,850	33,941,840	41,373,208
Specific Projects and Programs	82,545,895	85,489,088	21,814,282	21,637,543
Total Restricted	113,510,908	117,429,316	58,012,660	65,606,540
Unrestricted	59,194,764	58,259,611	(82,447,190)	(73,967,078)
Total governmental activities net position	\$ 413,855,576	\$ 421,833,898	\$ 241,711,883	\$ 262,798,436
Business-type Activities				
Net investment in capital assets	\$ 380,748,031	\$ 364,159,043	\$ 368,135,588	\$ 387,599,614
Restricted for:				
Capital projects	23,556,608	56,127,650	47,783,461	56,933,570
Debt service	1,019,886	1,000,178	961,741	769,774
Rate stabilization	2,318,667	0	6,078,455	6,078,455
Unrestricted	79,945,483	86,994,807	92,909,730	85,997,831
Total business-type activities net position	\$ 487,588,675	\$ 508,281,678	\$ 515,868,975	\$ 537,379,244
Primary Government				
Net investment in capital assets	\$ 621,897,935	\$ 610,304,014	\$ 634,282,001	\$ 658,758,588
Restricted	140,406,069	174,557,144	109,926,675	129,388,339
Unrestricted	138,201,395	145,254,418	13,372,182	12,030,753
Total Primary Government net position	\$ 900,505,399	\$ 930,115,576	\$ 757,580,858	\$ 800,177,680

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 282,775,916	\$ 284,435,863	\$ 292,804,444	\$ 273,355,507	\$ 292,811,112	\$ 304,897,452	
2,588,474	2,602,920	2,679,104	2,312,694	2,325,792	2,252,837	
33,510,793	39,454,169	40,657,178	71,204,587	54,690,174	66,794,232	
17,373,883	26,071,742	31,716,726	35,348,199	43,567,128	40,697,730	
<u>53,473,150</u>	<u>68,128,831</u>	<u>75,053,008</u>	<u>108,865,480</u>	<u>100,583,094</u>	<u>109,744,799</u>	
(50,292,346)	(37,820,563)	(28,675,795)	(28,229,714)	(14,242,592)	32,195,494	
\$ 285,956,720	\$ 314,744,131	\$ 339,181,657	\$ 353,991,273	\$ 379,151,614	\$ 446,837,745	
\$ 403,023,876	\$ 424,457,531	\$ 441,719,343	\$ 443,147,841	\$ 464,187,625	\$ 461,954,191	
74,021,628	71,303,919	90,962,906	169,779,265	23,607,629	4,856,154	
81,447						
5,276,131	5,216,020	3,093,211	4,013,180	7,057,251	8,424,127	
<u>84,047,668</u>	<u>93,865,168</u>	<u>87,136,684</u>	<u>24,292,711</u>	<u>171,408,617</u>	<u>214,206,949</u>	
\$ 566,450,750	\$ 594,842,638	\$ 622,912,144	\$ 641,232,997	\$ 666,261,122	\$ 689,441,421	
\$ 685,799,792	\$ 708,893,394	\$ 734,523,787	\$ 716,503,348	\$ 756,998,737	\$ 766,851,643	
132,852,356	144,648,770	169,109,125	282,657,925	131,247,974	123,025,080	
33,755,322	56,044,605	58,460,889	(3,937,003)	157,166,025	246,402,443	
<u>\$ 852,407,470</u>	<u>\$ 909,586,769</u>	<u>\$ 962,093,801</u>	<u>\$ 995,224,270</u>	<u>\$ 1,045,412,736</u>	<u>\$ 1,136,279,166</u>	

City of Oceanside

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 14,830,050	\$ 16,455,355	\$ 16,671,736	\$ 15,552,936
Public safety	76,558,916	76,486,996	80,525,772	83,064,936
Community development	25,082,898	24,559,378	30,564,852	32,224,969
Community/cultural services	11,910,768	14,051,321	12,941,427	13,545,812
Public works	28,329,168	30,469,085	37,084,193	30,968,801
Interest on long-term debt	2,861,072	2,151,302	2,078,438	1,645,159
Total governmental activities	<u>\$ 159,572,872</u>	<u>\$ 164,173,437</u>	<u>\$ 179,866,418</u>	<u>\$ 177,002,613</u>
Business-type activities:				
Water	51,800,928	56,800,583	56,314,612	55,292,508
Sewer	31,340,700	31,537,700	31,516,720	31,470,309
Waste disposal	19,217,767	18,745,866	19,323,265	19,240,727
Special aviation	90,609	86,988	83,305	92,086
Oceanside Small Craft Harbor District	1,312,457	1,372,653	1,366,092	1,363,913
Total business-type activities	<u>103,762,461</u>	<u>108,543,790</u>	<u>108,603,994</u>	<u>107,459,543</u>
Total primary government expenses	<u>\$ 263,335,333</u>	<u>\$ 272,717,227</u>	<u>\$ 288,470,412</u>	<u>\$ 284,462,156</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,479,719	\$ 5,039,215	\$ 9,642,667	\$ 10,588,709
Public safety	6,514,143	6,673,108	8,867,434	7,008,828
Community development	6,864,969	6,687,509	8,400,755	11,865,536
Community/cultural services	974,234	1,126,533	840,123	1,912,587
Public works	6,984,599	7,365,266	5,359,055	5,716,976
Operating Grants and Contributions	31,216,913	34,768,831	31,943,724	40,680,408
Capital Grants and Contributions	5,593,000	732,237	2,328,368	10,857,618
Total governmental activities program revenues	<u>60,627,577</u>	<u>62,392,699</u>	<u>67,382,126</u>	<u>88,630,662</u>
Business-type activities:				
Charges for services:				
Water	57,469,143	62,320,181	59,703,297	58,870,606
Sewer	39,670,129	44,210,556	46,181,396	44,918,587
Waste disposal	23,568,208	23,706,070	24,473,562	25,093,298
Special aviation	102,084	104,298	96,131	123,129
Oceanside Small Craft Harbor District	6,099,713	6,095,895	6,267,995	6,339,274
Operating Grants and Contributions	586,367	-	118,470	-
Capital Grants and Contributions	-	-	939,000	-
Total business-type activities program revenues	<u>127,495,644</u>	<u>136,437,000</u>	<u>137,779,851</u>	<u>135,344,894</u>
Total primary government program revenues	<u>\$ 188,123,221</u>	<u>\$ 198,829,699</u>	<u>\$ 205,161,977</u>	<u>\$ 223,975,556</u>
Net (Expense)/Revenue				
Governmental activities	\$ (98,945,295)	\$ (101,780,738)	\$ (112,484,292)	\$ (88,371,951)
Business-type activities	23,733,183	27,893,210	29,175,857	27,885,351
Total primary government net expense	<u>\$ (75,212,112)</u>	<u>\$ (73,887,528)</u>	<u>\$ (83,308,435)</u>	<u>\$ (60,486,600)</u>

							Fiscal Year					
							2017	2018	2019	2020	2021	2022
\$	15,296,527	\$	25,402,641	\$	23,705,007	\$	28,450,401	\$	26,937,456	\$	36,610,788	
	84,872,862		88,194,832		95,275,203		104,131,430		111,843,498		97,185,812	
	33,709,839		30,724,146		32,323,593		37,266,131		37,290,469		36,490,981	
	14,776,797		18,330,643		16,494,113		18,567,090		19,154,809		17,325,112	
	35,778,483		45,262,298		41,646,397		33,537,113		37,989,756		29,939,017	
	802,656		649,868		389,984		1,075,255		869,099		694,184	
\$	<u>185,237,164</u>	\$	<u>208,564,428</u>	\$	<u>209,834,297</u>	\$	<u>223,027,420</u>	\$	<u>234,085,087</u>	\$	<u>218,245,894</u>	
	55,915,076		61,368,335		62,055,388		64,549,971		68,473,713		65,951,480	
	30,604,682		27,395,744		33,235,157		41,018,989		37,389,306		35,361,055	
	19,684,911		20,251,509		21,150,326		23,187,100		23,575,875		24,721,163	
	104,671		84,677		177,315		163,004		162,563		164,244	
	1,210,663		1,188,233		1,799,482		1,645,462		1,299,613		1,320,804	
	107,520,003		110,288,498		118,417,668		130,564,526		130,901,070		127,518,746	
\$	<u>292,757,167</u>	\$	<u>318,852,926</u>	\$	<u>328,251,965</u>	\$	<u>353,591,946</u>	\$	<u>364,986,157</u>	\$	<u>345,764,640</u>	
\$	12,750,353	\$	10,468,701	\$	10,248,702	\$	10,542,631	\$	13,528,004	\$	11,725,407	
	7,661,652		8,062,777		8,147,742		7,686,860		9,221,437		9,835,472	
	17,649,387		16,112,696		16,493,180		15,106,948		13,395,807		23,192,525	
	2,097,115		2,192,652		2,292,387		2,167,597		2,222,685		3,233,794	
	5,368,106		5,536,544		5,755,385		6,135,002		5,337,965		6,804,014	
	29,965,637		48,126,396		30,434,781		35,845,311		45,478,142		60,791,249	
	8,319,217		10,733,561		12,978,753		2,938,495		2,939,236		281,407	
	<u>83,811,467</u>		<u>101,233,327</u>		<u>86,350,930</u>		<u>80,422,844</u>		<u>92,123,276</u>		<u>115,863,868</u>	
	65,750,944		70,911,470		65,950,368		67,368,304		74,905,652		75,603,704	
	45,395,610		44,986,466		48,212,072		46,188,366		49,050,370		49,220,381	
	25,505,957		25,901,726		27,066,874		29,392,540		30,664,852		31,736,901	
	113,913		74,644		-		-		93,553		10,307	
	6,627,547		6,653,343		7,155,443		6,893,952		7,332,074		6,761,134	
	-		-		75,000		-		-		-	
	-		-		-		-		-		-	
	143,393,971		148,527,649		148,459,757		149,843,162		162,046,501		163,332,427	
\$	<u>227,205,438</u>	\$	<u>249,760,976</u>	\$	<u>234,810,687</u>	\$	<u>230,266,006</u>	\$	<u>254,169,777</u>	\$	<u>279,196,295</u>	
\$	(101,425,697)	\$	(107,331,101)	\$	(123,483,367)	\$	(142,604,576)	\$	(141,961,811)	\$	(102,382,026)	
	35,873,968		38,239,151		30,042,089		19,278,636		31,145,431		35,813,681	
\$	<u>(65,551,729)</u>	\$	<u>(69,091,950)</u>	\$	<u>(93,441,278)</u>	\$	<u>(123,325,940)</u>	\$	<u>(110,816,380)</u>	\$	<u>(66,568,345)</u>	

City of Oceanside

Net Position by Component (continued)
Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 49,143,021	\$ 49,142,577	\$ 51,170,308	\$ 54,205,419
Sales taxes	20,716,764	20,960,270	21,748,689	22,150,105
Other taxes	16,565,848	12,405,237	14,344,548	14,928,000
Total taxes	<u>86,425,633</u>	<u>82,508,084</u>	<u>87,263,545</u>	<u>91,283,524</u>
Intergovernmental unrestricted				
Investment Earnings	-	-	-	-
Developer contributions	-	-	-	-
Miscellaneous	13,889,663	15,946,986	14,949,969	14,856,503
Loss on sale of assets	-	-	130,127	-
Extraordinary gain(loss)	-	104,999	33,177,247	-
Transfers	10,740,736	11,286,667	10,910,791	12,218,129
Total Governmental activities	<u>111,056,032</u>	<u>109,846,736</u>	<u>146,431,679</u>	<u>118,358,156</u>
Business-type activities:				
Investment Earnings	(536,263)	1,959,130	1,574,239	1,914,261
Miscellaneous	3,654,356	2,024,680	2,966,379	3,928,786
Loss on sale of assets	-	6,357	-	-
Transfers	(10,740,736)	(11,286,667)	(10,910,791)	(12,218,129)
Total business-type activities:	<u>(7,622,643)</u>	<u>(7,296,500)</u>	<u>(6,370,173)</u>	<u>(6,375,082)</u>
Total primary government	<u>\$ 103,433,389</u>	<u>\$ 102,550,236</u>	<u>\$ 140,061,506</u>	<u>\$ 111,983,074</u>
Change in Net Position				
Governmental activities	12,110,737	8,065,998	33,947,387	29,986,205
Business-type activities:	16,110,540	20,596,710	22,805,684	21,510,269
Total primary government	<u>\$ 28,221,277</u>	<u>\$ 28,662,708</u>	<u>\$ 56,753,071</u>	<u>\$ 51,496,474</u>

		Fiscal Year					
		2017	2018	2019	2020	2021	2022
\$	57,600,747	\$ 61,606,355	\$ 64,970,213	\$ 68,425,495	\$ 72,749,276	\$ 76,746,092	
	22,130,638	22,671,662	26,892,609	37,051,161	43,376,175	48,981,223	
	15,261,245	16,412,384	17,180,512	15,730,984	17,814,915	24,100,260	
	<u>94,992,630</u>	<u>100,690,401</u>	<u>109,043,334</u>	<u>121,207,640</u>	<u>133,940,366</u>	<u>149,827,575</u>	
	-						
	-						
	16,737,491	19,955,645	25,125,242	23,702,739	19,979,544	6,629,526	
	-	-	-	-	-	-	
	165,162	-	-	-	-	-	
	<u>13,403,896</u>	<u>17,149,010</u>	<u>13,752,317</u>	<u>12,503,813</u>	<u>13,202,242</u>	<u>13,611,056</u>	
	<u>125,299,179</u>	<u>137,795,056</u>	<u>147,920,893</u>	<u>157,414,192</u>	<u>167,122,152</u>	<u>170,068,157</u>	
	934,405	1,595,238	6,508,995	7,035,432	1,583,481	(6,929,120)	
	5,667,029	5,706,509	5,270,739	4,510,598	5,501,455	7,906,794	
	-	-	-	-	-	-	
	<u>(13,403,896)</u>	<u>(17,149,010)</u>	<u>(13,752,317)</u>	<u>(12,503,813)</u>	<u>(13,202,242)</u>	<u>(13,611,056)</u>	
	<u>(6,802,462)</u>	<u>(9,847,263)</u>	<u>(1,972,583)</u>	<u>(957,783)</u>	<u>(6,117,306)</u>	<u>(12,633,382)</u>	
\$	<u>118,496,717</u>	<u>127,947,793</u>	<u>145,948,310</u>	<u>156,456,409</u>	<u>161,004,846</u>	<u>157,434,775</u>	
	23,873,482	30,463,955	24,437,526	14,809,616	25,160,341	67,686,131	
	29,071,506	28,391,888	28,069,506	18,320,853	25,028,125	23,180,299	
\$	<u>52,944,988</u>	<u>58,855,843</u>	<u>52,507,032</u>	<u>33,130,469</u>	<u>50,188,466</u>	<u>90,866,430</u>	

City of Oceanside

Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 11,280,586	\$ 11,168,901	\$ 11,113,123	\$ 2,317,462
Restricted	-	-	-	-
Committed	16,213,781	17,526,258	17,160,366	19,516,594
Assigned	12,712,663	15,679,811	18,835,653	33,527,796
Unassigned	8,490,329	8,352,469	11,844,123	2,129,908
Total General Fund	\$ 48,697,359	\$ 52,727,439	\$ 58,953,265	\$ 57,491,760
All Other Governmental Funds				
Nonspendable				
Special revenue funds	\$ 5,366,479	\$ -	\$ -	\$ -
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	4,449	-	-	-
Restricted				
Special revenue funds	7,469,221	13,229,318	13,030,490	14,045,390
Debt service funds	2,224,229	-	-	2,563,360
Capital projects funds	-	-	-	41,373,208
Other Governmental Funds	43,500,742	46,547,909	44,982,170	7,624,582
Committed				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	-	-	-	-
Assigned				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	909,617	4,213,824	-	-
Unassigned				
Special revenue funds	(744,030)	-	-	(2,718,367)
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	(53,807)	(93,079)	(60,012)	(100,689)
Total all other Governmental Funds	\$ 58,676,900	\$ 63,897,972	\$ 57,952,648	\$ 62,787,484
All Governmental Funds	\$ 107,374,259	\$ 116,625,411	\$ 116,905,913	\$ 120,279,244

Note: The City implemented GASB No. 54 in the fiscal year ended June 30, 2009

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 2,389,107	\$ 2,657,521	\$ 2,546,455	\$ 2,482,989	\$ 2,601,047	\$ 2,659,513
-	9,993,649	10,537,671	11,148,456	18,614,390	15,730,926
19,765,583	22,303,807	20,413,909	20,424,871	21,917,199	23,815,200
42,489,683	33,134,264	44,579,611	49,106,457	47,731,933	55,893,640
2,099,212	1,107,192	1,541,510	259,140	16,476,668	17,111,782
<u>\$ 66,743,585</u>	<u>\$ 69,196,433</u>	<u>\$ 79,619,156</u>	<u>\$ 83,421,913</u>	<u>\$ 107,341,237</u>	<u>\$ 115,211,061</u>
\$ 8,169	\$ 936	\$ 8,180	\$ 6,936	\$ 2,444	\$ -
-	-	-	-	-	-
585,000	-	-	-	-	5,392
-	208,807	-	-	-	-
10,691,295	12,552,874	12,000,511	12,622,021	11,570,285	16,785,220
-	-	-	-	-	-
33,510,793	-	-	70,584,494	54,181,861	66,794,232
9,271,062	45,582,308	49,265,781	10,760,835	10,356,513	10,434,421
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	425,066	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(139,423)	(19,556)	(15,789)	(22,836)	(22,818)	(23,597)
<u>\$ 53,926,896</u>	<u>\$ 58,325,369</u>	<u>\$ 61,258,683</u>	<u>\$ 93,951,450</u>	<u>\$ 76,513,351</u>	<u>\$ 93,995,668</u>
<u>\$ 120,670,481</u>	<u>\$ 127,521,802</u>	<u>\$ 140,877,839</u>	<u>\$ 177,373,363</u>	<u>\$ 183,854,588</u>	<u>\$ 209,206,729</u>

City of Oceanside

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Taxes	\$ 81,307,547	\$ 82,818,776	\$ 86,981,734	\$ 92,398,458
Licenses and permits	2,201,628	2,171,960	2,205,931	3,002,897
Intergovernmental	28,709,782	27,038,190	30,517,109	38,274,496
Charges for services	11,649,934	15,145,486	15,745,425	16,484,313
Interest and rentals	4,828,626	6,715,747	8,306,216	10,153,764
Fines and forfeitures	4,289,750	4,211,163	3,947,380	3,636,224
Lease revenue	-	-	-	-
Developer fees	2,775,907	2,498,169	2,068,849	3,278,143
Special assessments	-	-	-	-
Administrative and in lieu charges	8,872,886	9,197,686	9,273,016	9,402,106
Contribution from Successor Agency	-	-	-	6,000,000
Other	14,468,524	8,652,117	9,155,313	9,551,724
Total Revenues	159,104,584	158,449,294	168,200,973	192,182,125
Expenditures:				
General government	14,102,273	15,557,074	15,770,645	15,743,065
Public safety	74,771,213	76,446,617	82,300,876	86,435,756
Community development	25,064,042	24,700,043	28,324,390	32,366,663
Community/cultural services	9,847,644	11,837,141	12,360,663	12,500,483
Public works	16,715,563	19,123,912	20,150,010	21,905,999
Capital outlay	6,899,316	9,609,187	16,402,049	15,235,160
Debt service				
Principal	21,152,400	5,533,197	5,978,373	46,762,743
Interest	3,127,280	2,289,860	2,213,452	1,730,103
Lease principal	-	-	-	-
Bond issuance costs	-	-	-	494,230
Total Expenditures	171,679,731	165,097,031	183,500,458	233,174,202
Excess of Revenues over (under) expenditures	(12,575,147)	(6,647,737)	(15,299,485)	(40,992,077)
Other Financing Sources (Uses)				
Issuance of long-term debt	12,126,893	4,731,027	-	-
Issuance of refunding debt	-	-	-	40,355,000
Bond premium	-	-	-	606,016
Payment of unfunded pension liability	-	-	-	-
Redemption of refunded debt	-	-	-	-
Loan proceeds	-	-	-	-
Proceed from sale of real property	-	-	786,000	-
Transfers in	15,831,614	18,173,810	20,692,139	17,429,585
Transfers out	(4,360,792)	(6,918,272)	(5,898,152)	(5,125,541)
Lease financing	-	-	-	-
Total other financing sources (uses)	23,597,715	15,986,565	15,579,987	53,265,060
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-
Special Items	-	-	-	-
Net change in fund balances	\$ 11,022,568	\$ 9,338,828	\$ 280,502	\$ 12,272,983
Debt Service as a percentage of noncapital expenditures.	14.6%	4.9%	4.7%	22.1%

Note: The City implemented GASB No. 54 in the fiscal year ended June 30, 2009

	Fiscal Year					
	2017	2018	2019	2020	2021	2022
\$	94,992,630	\$ 100,690,401	\$ 109,043,334	\$ 121,207,640	\$ 133,940,366	\$ 149,827,575
	4,131,518	4,191,893	4,251,308	4,026,620	4,107,260	5,032,452
	33,782,804	38,036,075	44,027,263	37,530,692	45,312,258	61,495,612
	19,128,674	16,801,185	17,382,544	16,997,079	21,328,703	20,302,134
	11,294,813	14,021,724	17,376,726	17,135,129	13,524,189	36,503
	3,582,534	3,880,292	3,500,764	3,626,249	2,813,321	4,328,201
	-	-	-	-	-	-
	8,315,056	6,402,849	6,379,267	5,533,286	3,415,954	13,270,985
	-	-	-	-	-	-
	9,329,520	9,224,128	8,922,780	9,705,714	9,835,445	10,206,948
	-	-	-	-	-	-
	6,409,469	6,749,932	7,307,909	6,993,475	8,134,023	8,318,636
	190,967,018	199,998,479	218,191,895	222,755,884	242,411,519	272,819,046
	15,154,065	23,831,381	23,670,406	28,059,301	26,990,191	39,313,271
	86,976,976	89,713,361	94,145,443	96,112,996	100,966,048	112,458,154
	31,859,013	28,957,273	31,646,718	36,000,774	36,769,892	38,469,459
	14,974,123	14,447,165	14,626,737	15,837,632	16,820,359	16,261,847
	23,753,492	28,200,906	26,736,693	23,396,466	29,219,740	27,642,496
	22,636,767	17,133,972	17,184,656	17,068,010	31,724,752	19,885,294
	7,058,009	7,379,072	9,773,404	7,543,648	5,669,113	6,018,487
	1,044,950	897,358	684,032	1,155,900	1,098,774	905,674
	-	-	-	-	-	29,023
	-	-	-	-	-	-
	203,457,395	210,560,488	218,468,089	225,174,727	249,258,869	260,983,705
	(12,490,377)	(10,562,009)	(276,194)	(2,418,843)	(6,847,350)	11,835,341
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	3,599,190	-	-
	-	-	-	-	-	-
	-	155,494	2,213,000	22,745,000	-	-
	-	-	-	-	-	-
	21,222,539	23,186,875	20,843,662	55,321,885	26,345,111	31,606,616
	(7,625,727)	(5,929,039)	(5,107,346)	(42,751,708)	(13,016,536)	(18,361,508)
	-	-	-	-	-	271,692
	13,596,812	17,413,330	17,949,316	38,914,367	13,328,575	13,516,800
	-	-	-	-	-	-
	-	-	(4,317,085)	-	-	-
\$	1,106,435	\$ 6,851,321	\$ 13,356,037	\$ 36,495,524	\$ 6,481,225	\$ 25,352,141
	4.4%	4.1%	5.0%	4.2%	3.1%	3.0%

THIS PAGE INTENTIONALLY LEFT BLANK

City of Oceanside

Tax Revenues by Source, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

Fiscal Year	Property	Sales and Use	Property Transfer	Transient Occupancy	Franchises	Licenses	Total
2013	\$ 45,578,034	\$ 20,427,305	\$ 690,461	\$ 4,239,186	\$ 3,981,353	\$ 2,344,023	\$ 77,260,362
2014	47,167,486	21,251,247	875,716	4,707,473	4,112,292	2,449,210	80,563,424
2015	49,251,587	21,452,095	892,327	5,950,709	4,470,596	2,700,272	84,717,586
2016	51,874,767	23,265,039	1,000,623	6,574,179	4,493,687	2,706,109	89,914,404
2017	55,113,613	22,130,638	1,076,478	7,066,170	4,185,453	2,812,886	92,385,238
2018	58,496,100	22,671,661	1,190,591	7,944,470	4,241,056	3,022,177	97,566,055
2019	63,883,081	24,155,296	1,087,132	8,509,768	4,271,004	3,212,961	105,119,242
2020	67,216,625	37,051,162	1,208,869	7,359,497	4,251,317	3,244,103	120,331,572
2021	71,352,379	43,376,175	1,396,897	9,282,023	4,300,716	3,432,360	133,140,550
2022	74,762,399	48,981,222	1,983,693	14,841,517	4,334,118	3,734,018	149,827,575
Change 2013-2022	64.0%	139.8%	187.3%	250.1%	8.9%	59.3%	93.9%

Source: Financial Services Department, Accounting Division

Note: Revenues are from the General Fund only

City of Oceanside

**Schedule of Assessed Valuation
Last Ten Fiscal Years**

Fiscal Year	ASSESSED VALUATIONS			
	Land	Improvements	Personal Property	Total
2013	\$ 7,872,723,361	\$ 9,188,547,651	\$ 172,271,697	\$ 17,233,542,709
2014	8,095,710,824	9,389,176,806	166,785,707	17,651,673,337
2015	8,683,742,020	9,839,413,669	219,813,967	18,742,969,656
2016	9,287,367,799	10,202,305,174	185,365,982	19,675,038,955
2017	9,956,177,981	10,663,321,344	251,412,274	20,870,911,599
2018	10,679,348,905	11,247,074,394	307,972,603	22,234,395,902
2019	11,469,470,694	11,805,171,159	364,425,781	23,639,067,634
2020	12,204,793,720	12,478,771,806	320,497,599	25,004,063,125
2021	12,917,987,608	13,160,603,963	305,789,972	26,384,381,543
2022	13,595,409,230	13,733,436,839	296,940,229	27,625,786,298

Source: County of San Diego

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is equal to the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* See Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency

EXEMPTIONS

Homeowner's	Tax Increment	All Other	Net Taxable Value	Direct Tax Rate	Property Tax Revenue
\$ 209,521,671	*	\$ 335,956,443	\$ 16,688,064,595	0.273 %	\$ 45,578,034
204,943,661	*	344,215,225	17,102,514,451	0.276 %	47,167,486
201,562,704	*	364,331,723	18,177,075,229	0.271 %	49,251,587
198,243,898	*	379,259,306	19,097,535,751	0.272 %	51,874,767
196,660,960	*	405,190,781	20,269,059,858	0.272 %	55,113,613
194,632,977	*	427,420,513	21,612,342,412	0.271 %	58,496,100
194,799,231	*	467,492,508	22,976,775,895	0.278 %	63,883,081
197,019,782	*	521,482,712	24,285,560,631	0.277 %	67,216,625
194,248,295	*	549,615,176	25,640,518,072	0.278 %	71,352,379
189,354,165	*	630,378,446	26,806,053,687	0.279 %	74,762,399

City of Oceanside

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Education</u>	<u>Special Districts Improvements</u>	<u>City of Oceanside</u>	<u>Basic County/ City Rate</u>	<u>Total Tax Rate (1)</u>
2013	0.26665%	0.03175%	0.24228%	1.00000%	1.54068%
2014	0.25871%	0.02770%	0.19349%	1.00000%	1.47990%
2015	0.25185%	0.03146%	0.19287%	1.00000%	1.47618%
2016	0.25120%	0.02942%	0.19282%	1.00000%	1.47344%
2017	0.24331%	0.03020%	0.18912%	1.00000%	1.46263%
2018	0.27054%	0.03104%	0.18914%	1.00000%	1.49072%
2019	0.26562%	0.03100%	0.18924%	1.00000%	1.48586%
2020	0.31539%	0.00350%	0.18924%	1.00000%	1.50813%
2021	0.31851%	0.00350%	0.18927%	1.00000%	1.51128%
2022	0.33068%	0.00350%	0.18934%	1.00000%	1.52352%

(1) In previous years, the report represented a typical tax rate. The report was modified to represent overlapping rates are those of local and county governments that apply to owners within the City. Not all overlapping rates apply to all city property owners.

Source: San Diego County Assessor and HdL Coren & Cone

City of Oceanside

Principal Property Owners Current Year and Nine Years Ago

Principal Tax Payers	2022			2013		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Genentech Inc	\$ 431,208,106	1	1.57%			
Gilead Sciences Inc	168,395,880	2	0.61%			
P K II El Camino North LP	139,503,409	3	0.51%			
G F P Oceanside	122,596,346	4	0.45%			
Rexford Industrial Realty LP	111,597,894	5	0.41%			
Oceanside Beach Resort Owner LLC	94,091,700	6	0.34%			
Guardian Piazza Doro LLC	92,641,439	7	0.34%			
Meadow Woods at Alpine LLC	89,950,377	8	0.33%			
Rancho Presidio Fee Owner LLC	87,979,864	9	0.32%			
Walmart Real Estate Business Trust	83,709,861	10	0.30%			
Genentech Inc.				\$ 436,280,098	1	2.52%
P K II El Camino North LP				95,628,507	2	0.55%
Wyndham Vacation Resorts				68,360,074	3	0.39%
W2005 M R D Realty LLC				63,000,000	4	0.36%
Lakeridge-Island Club Apartments Partners				62,681,967	5	0.36%
Apple Ten Hospitality Ownership Inc				55,517,758	6	0.32%
Cole of Oceanside California LP				54,500,000	7	0.31%
Prime Mesa LP				52,800,109	8	0.30%
Piazza Doro LLC				52,067,032	9	0.30%
Pacific Coast Plaza Investments LLC				51,925,064	10	0.30%
	<u>\$ 1,421,674,876</u>		<u>5.17%</u>	<u>\$ 992,760,609</u>		<u>5.73%</u>

Source: San Diego County Assessor and HdL Coren & Cone

THIS PAGE INTENTIONALLY LEFT BLANK

City of Oceanside

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Penalties Interest and Other Years Collections (2)	Total Collections		Delinquent Taxes Receivable	
		Amount (2)	% of Levy		Amount	% of Current Levy	Amount	% of Current Levy
2013	\$ 32,717,637	\$ 30,899,311	94.4%	\$ 284,066	\$ 31,183,377	95.3%	\$ 1,512,637	4.6%
2014	33,230,696	31,654,633	95.3%	187,360	31,841,993	95.8%	1,460,119	4.4%
2015	34,914,895	33,431,694	95.8%	163,579	33,595,273	96.2%	988,804	2.8%
2016	36,515,160	35,166,254	96.3%	195,113	35,361,367	96.8%	1,138,605	3.1%
2017	38,597,840	37,385,953	96.9%	162,427	37,548,380	97.3%	1,170,607	3.0%
2018	41,138,189	39,799,843	96.7%	198,037	39,997,880	97.2%	1,095,676	2.7%
2019	43,555,209	42,186,390	96.9%	94,605	42,280,995	97.1%	1,263,595	2.9%
2020	45,895,092	44,216,119	96.3%	179,484	44,395,603	96.7%	1,534,972	3.3%
2021	48,752,161	46,845,370	96.1%	360,408	47,205,778	96.8%	1,546,610	3.2%
2022	50,589,790	48,831,491	96.5%	303,529	49,135,020	97.1%	1,840,999	3.6%

Source: County of San Diego

(1) Taxes Levied does not include Supplemental Assessments, Adjustments/Corrections or Prior Year Escapes.

(2) Collections do not include Current or Prior Year Supplemental Assessments.

City of Oceanside

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Certificates of Participation
	Pension Obligation Bonds	Redevelopment Bonds	Loans Payable	Lease Revenue Bonds	
2013	\$ 36,860,000	*	\$ 3,678,468	-	\$ 32,680,659
2014	35,325,000	*	7,946,798	-	29,095,691
2015	33,580,000	*	7,362,394	-	25,389,486
2016	32,020,000	*	15,089,652	-	12,770,699
2017	29,435,000	*	12,458,051	-	10,777,303
2018	26,660,000	*	9,905,059	-	8,742,118
2019	23,690,000	*	4,543,353	-	6,649,757
2020	20,495,000	*	2,159,697	22,745,000	8,549,358
2021	17,050,000	*	1,961,041	22,745,000	6,808,408
2022	13,279,060	*	1,752,740	25,833,699	1,747,138

² Ratios were calculated using Per Capita Personal Income as provided by HDL.

Source: San Diego Association of Governments
State of California Department of Finance

Business-Type Activities					
Revenue Bonds	Certificates of Participation	Loans Payable	Total Primary Government	Percentage of Personal Income ^{1,2}	Per Capita ¹
\$ 19,525,145	\$ 6,020,000	\$ 36,248,337	\$ 135,012,609	2.79 %	\$ 797
38,256,391	-	31,682,344	142,306,224	3.13 %	831
34,710,680	-	29,250,858	130,293,418	2.75 %	760
31,114,970	-	26,773,016	117,768,337	2.45 %	669
28,069,259	-	24,248,049	104,987,662	2.14 %	595
24,918,549	-	21,675,178	91,900,904	1.79 %	518
22,307,838	-	19,083,824	76,274,772	1.38 %	428
19,602,128	-	16,501,514	90,052,697	1.54 %	508
46,356,590	-	30,430,000	125,351,039	2.05 %	709
43,433,278	-	58,822,019	144,867,934	2.21 %	837

City of Oceanside

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Total	Percent of Assessed Value ¹	Per Capita	Total Assessed Valuation	Population
	Pension Obligation Bonds	Redevelopment Bonds	Certificates of Participation	Lease Revenue Bonds					
2013	\$36,860,000	*	\$32,056,636	-	\$ 68,916,636	0.40%	\$ 407	\$ 17,323,915,631	169,350
2014	35,325,000	*	28,523,330	-	63,848,330	0.36%	373	17,715,328,740	171,183
2015	33,580,000	*	24,874,361	-	58,454,361	0.31%	342	18,780,841,789	170,791
2016	32,020,000	*	12,299,360	-	44,319,360	0.22%	252	19,721,367,813	175,948
2017	29,435,000	*	10,457,952	-	39,892,952	0.19%	226	20,914,477,517	176,461
2018	26,660,000	*	8,574,755	-	35,234,755	0.16%	199	22,324,441,314	177,362
2019	23,690,000	*	6,649,757	-	30,339,757	0.13%	170	23,698,960,502	178,021
2020	20,495,000	*	8,549,358	22,745,000	51,789,358	0.21%	292	25,030,808,682	177,335
2021	17,050,000	*	6,808,408	22,745,000	46,603,408	0.18%	264	26,427,955,114	176,754
2022	13,279,060	*	1,747,138	25,833,699	40,859,897	0.15%	236	27,515,915,555	173,048

¹ Assessed value has been used because the actual value of taxable property is not readily available in California.

City of Oceanside

Direct and Overlapping Governmental Activities Debt As of June 30, 2022

	Total Debt 6/30/2022	% Applicable (1)	City's Share of 6/30/2022
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 20,175,000	0.809%	\$ 163,216
Mira Costa Community College District	291,380,000	16.340%	47,611,492
Palomar Community College District	655,840,155	5.115%	33,546,224
Carlsbad Unified School District	293,223,501	1.794%	5,260,430
Oceanside Unified School District	286,410,665	99.792%	285,814,931
Vista Unified School District	247,299,882	32.244%	79,739,374
Bonsall Unified School District	11,201,181	22.356%	2,504,136
City of Oceanside Community Facilities District No. 2000-1	18,340,000	100.000%	18,340,000
City of Oceanside Community Facilities District No. 2001-1	10,955,000	100.000%	10,955,000
City of Oceanside Community Facilities District No. 2001-1, Improvement Area No. 1	4,510,000	100.000%	4,510,000
City of Oceanside Community Facilities District No. 2006-1	8,260,000	100.000%	8,260,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 496,704,803
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Diego County General Fund Obligations	\$ 245,340,000	4.539%	\$ 11,135,983
San Diego County Pension Obligation Bonds	340,825,000	4.539%	15,470,047
San Diego County Superintendent of Schools Certificates of Participation	7,780,000	4.539%	353,134
Palomar Community College District Certificates of Participation	1,440,000	5.115%	73,656
Carlsbad Unified School District Certificates of Participation	61,600,000	1.794%	1,105,104
Vista Unified School District Certificates of Participation	39,095,000	32.244%	12,605,792
Bonsall Unified School District Certificates of Participation	6,559,500	22.356%	1,466,442
City of Oceanside General Fund Obligations	24,492,138	100.000%	24,492,138
City of Oceanside Pension Obligation Bonds	13,279,060	100.000%	13,279,060
City of Oceanside Notes Obligations		100.000%	1,752,740
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 81,734,096
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	12,890,000	100.000%	12,890,000
TOTAL DIRECT DEBT			39,523,938
TOTAL OVERLAPPING DEBT			\$ 551,804,961
GROSS COMBINED TOTAL DEBT			\$ 591,328,899

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

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.81%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$39,574,878) 0.14%

Combined Total Debt 2.14%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,728,040,944):

Total Overlapping Tax Increment Debt 0.71%

Source: California Municipal Statistics, Inc

City of Oceanside

Legal Debt Margin Information Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Assessed valuation	\$ 17,323,915,631	\$ 17,715,328,740	\$ 18,780,841,789	\$ 19,721,367,813
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	4,330,978,908	4,428,832,185	4,695,210,447	4,930,341,953
Debt limit percentage	15%	15%	15%	15%
Debt limit	649,646,836	664,324,828	704,281,567	739,551,293
Total net debt applicable to limit:				
General & Pension Obligation Bonds	36,860,000	35,325,000	33,580,000	32,020,000
Legal debt margin	612,786,836	628,999,828	670,701,567	707,531,293
Total debt applicable to the limit as a percentage of the debt limit	5.7%	5.3%	4.8%	4.3%

The government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the state.

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 20,914,477,517	\$ 22,324,441,314	\$ 23,698,960,502	\$ 25,030,808,682	\$ 26,427,955,114	\$ 27,515,915,555	
25%	25%	25%	25%	25%	25%	25%
5,228,619,379	5,581,110,329	5,924,740,126	6,257,702,171	6,606,988,779	6,878,978,889	
15%	15%	15%	15%	15%	15%	15%
784,292,907	837,166,549	888,711,019	938,655,326	991,048,317	1,031,846,833	
29,435,000	26,660,000	23,690,000	20,495,000	17,050,000	13,330,000	
754,857,907	810,506,549	865,021,019	918,160,326	973,998,317	1,018,516,833	
3.8%	3.2%	2.7%	2.2%	1.7%	1.3%	

City of Oceanside

Pledged-Revenue Coverage Last Ten Years

Water Revenue Bonds							
Fiscal Year	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
*2013	\$ 58,828,063	\$ 51,404,369	\$ 7,423,694	\$ 765,000	\$ 233,805	\$ 998,805	\$ 7.43
**2014	63,266,148	55,526,689	7,739,459	550,000	638,889	1,188,889	6.51
**2015	61,018,738	55,069,339	5,949,399	1,350,000	860,213	2,210,213	2.69
**2016	60,589,287	54,093,986	6,495,301	1,375,000	833,213	2,208,213	2.94
**2017	69,041,943	54,741,069	14,300,874	1,425,000	778,213	2,203,213	6.49
**2018	73,622,607	60,136,522	13,486,085	1,475,000	721,213	2,196,213	6.14
**2019	68,164,609	61,017,580	7,147,029	1,120,000	662,213	1,782,213	4.01
**2020	69,352,073	63,563,497	5,788,576	1,160,000	617,413	1,777,413	3.26
**2021	78,640,881	66,289,795	12,351,086	1,550,000	1,340,129	2,890,129	4.27
**2022	80,776,285	64,180,159	16,596,126	1,965,000	1,219,163	3,184,163	5.21

Sewer Revenue Bonds							
Fiscal Year	Sewer Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
^2014	\$ 44,554,439	\$ 30,279,044	\$ 14,275,395	\$ 1,570,000	\$ 550,698	\$ 2,120,698	\$ 6.73
2015	47,048,104	30,448,939	16,599,165	1,590,000	530,219	2,120,219	7.83
2016	46,371,556	30,470,684	15,900,872	1,615,000	498,419	2,113,419	7.52
2017	47,599,766	29,796,336	17,803,430	1,075,000	433,819	1,508,819	11.80
2018	47,800,364	26,629,434	21,170,930	1,120,000	390,819	1,510,819	14.01
2019	61,017,580	32,660,817	28,356,763	1,160,000	346,019	1,506,019	18.83
2020	48,428,421	40,475,718	7,952,703	1,215,000	299,619	1,514,619	5.25
2021	50,627,290	37,043,401	13,583,889	1,255,000	251,019	1,506,019	9.02
2022	51,783,716	34,967,271	16,816,445	565,000	200,819	765,819	21.96

*Debt coverage improved due to increase in water revenue.

** 1998 Water Bond was fully defeased with the issuance of 2013A Refunding Revenue Bond, FY 2013-14 Principal and interest information is related to the 2013A Refunding Revenue bond

^2013 Sewer Refunding Bond was issued by the City

City of Oceanside

Demographic and Economic Statistics Last Ten Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (Millions \$)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	\$ 169,350	\$ 8,108	\$ 47,878	6.6%
2014	171,183	8,177	47,768	5.7%
2015	170,791	8,470	49,592	6.6%
2016	175,948	9,194	52,256	5.3%
2017	176,461	9,561	54,184	4.8%
2018	177,362	9,963	56,172	3.7%
2019	178,021	10,385	58,335	3.4%
2020	177,335	10,731	60,511	3.3%
2021	176,754	11,308	63,978	10.0%
2022	173,048	11,907	68,809	6.8%

Sources: State of California Department of Finance, California Economic Development Department and San Diego Association of Governments Service Bureau

City of Oceanside

**Top 25 Sales tax Producers
Current Year and Nine Years Ago**

	2022	2013
Business Name	Business Category	Business Category
7 Eleven	Service Stations	Service Stations
Arco AM PM	Grocery Stores	Service Stations
Arco AM PM	Electronics/Appliance Stores	Service Stations
Best Buy	Service Stations	Electronics/Appliance Stores
Chevron	Service Stations	Service Stations
Circle K	Service Stations	Service Stations
CVS Pharmacy	Drug Stores	Drug Stores
Discount Tire	Automotive Supply Stores	Service Stations
Express Fuel	Service Stations	Service Stations
G&M	Service Stations	Service Stations
Home Depot	Building Materials	Building Materials
In N Out Burger	Quick-Service Restaurants	Quick-Service Restaurants
Krannich Solar West	Energy/Utilities	Energy/Utilities
Lowe's	Building Materials	Building Materials
McDonald's	Quick-Service Restaurants	Quick-Service Restaurants
Melrose Shell	Service Stations	Service Stations
Mohsen Oil	Service Stations	Service Stations
Mossy Nissan	New Motor Vehicle Dealers	New Motor Vehicle Dealers
New Flyer of America	Trailers/Auto Parts	Trailers/Auto Parts
Ross	Family Apparel	Family Apparel
Superior Ready Mix	Contractors	Contractors
Target	Discount Dept Stores	Discount Dept Stores
TJ Maxx	Family Apparel	Family Apparel
United Oil	Service Stations	Service Stations
Walmart Supercenter	Discount Dept Stores	Discount Dept Stores
7 Eleven		Service Stations
Arco AM PM		Service Stations
Arco AM PM		Service Stations
Best Buy		Electronics/Appliance Stores
Chevron		Service Stations
Circle K		Service Stations
CVS Pharmacy		Drug Stores
Express Fuel		Service Stations
G & M		Service Stations
Home Depot		Building Materials
Kohls		Department Stores
Lowe's		Building Materials
Melrose Shell		Service Stations
Mission Gas & Mini Mart		Service Stations
Moshen Oil		Service Stations
Mossy Nissan		New Motor Vehicle Dealers
MWI Plumbers Supply		Plumbing/Electrical Supplies
North San Diego County Transit Development		Government/Social Org.
One Source Distributors		Electrical Equipment
One Source Supply Solutions		Energy/Utilities
Ralphs		Grocery Stores
Ross		Family Apparel
Target		Discount Dept Stores
United Oil		Service Stations
Walmart		Discount Dept Stores
Percent of Fiscal Year Total Paid by Top 25 Accounts	42%	44%

* Firms listed alphabetically

Source: HdL Coren & Cone

City of Oceanside

**Full-time Equivalent City Government Employees by Function/Program
Last Ten Years**

Function	2013	2014	2015	2016	2017	Fiscal Year 2018	2019	2020	2021	2022
General Government	120	118	117	124	118	101	102	104	104	104
Public Safety										
Police	320	319	321	322	327	325	325	327	328	326
Fire	119	119	131	130	126	126	127	142	142	146
Public Works	91	88	88	88	93	113	113	113	113	113
Development Services	47	47	54	58	60	58	58	58	59	74
Neighborhood Services	59	55	56	57	58	60	60	60	60	26
Parks and Recreation	-	-	-	-	-	-	-	-	-	21
Economic & Community Development	2	2	2	2	4	4	4	4	4	3
Library	26	26	26	27	27	27	27	26	26	27
Water Utilities	138	141	144	144	147	152	151	150	150	162
Harbor	-	-	-	-	-	-	-	-	-	-
Total	922	915	939	952	960	966	967	984	985	1,002

Note:

Source: Financial Services Department- Authorized Positions

THIS PAGE INTENTIONALLY LEFT BLANK

City of Oceanside

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Arrests	7,920	6,841	6,031	5,021	5,426	5,505	5,993	5,794	5,018	4,207
Citations	23,467	23,082	15,910	13,654	15,462	7,098	8,368	11,469	12,577	6,856
Fire										
Number of Emergency Calls	17,811	17,975	19,777	20,430	21,009	21,408	20,913	21,157	21,202	22,301
Inspections	2,225	2,321	3,155	2,491	3,057	4,002	3,642	3,335	3,296	3,496
Public Works										
Street Resurfacing (lane miles)	40	14	52	49	3	40	9	8	34	29
Water										
Average Daily Consumption (million gallons)	24	25	25	19	20	22	19	18	18	18
Wastewater										
Average Daily Sewage Treatment (million gallons)	12	11	11	11	12	10	10	10	10	10
Recreation										
Number of Recreation Classes (quarterly)	130	130	130	145	165	170	160	100	118	130
Library										
Total Volumes in Collection	261,999	250,331	259,442	200,211	197,529	196,732	194,443	192,724	166,495	169,788
Total Volumes Loaned	489,361	478,695	491,451	453,213	398,206	405,474	412,925	256,277	305,983	411,366

Source: Various City Departments

City of Oceanside

Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Police				
Number of Police Stations	1	1	1	1
Fire				
Number of Fire Stations	8	8	8	8
Number of Engine Companies	6	6	6	6
Number of Truck/Rescue Companies	2	2	2	2
Number of Ambulances	4	4	4	5
Public Works				
Miles of Streets:	480	480	480	480
Number of Street Lights (City Owned):	8,445	8,546	8,546	8,546
Utilities:				
Miles of Lines and Mains	580	580	580	593
Number of Wastewater Treatment Plants	2	2	2	2
Miles of Sewers	450	450	450	460
Recreation and Cultural:				
Number of Parks (Improved and Unimproved)	33	33	33	33
Area of Parks (In Acres)	810	810	810	810
Recreation & Senior Centers	6	6	6	6
Pools	2	2	2	2
Number of Libraries	2	2	2	2
Number of Library Outlets	3	3	3	3
Number of Bookmobiles	1	2	2	2
Computer Terminals for Internet Access (Public)	85	87	87	75
Number of Visitors to Library	485,035	396,597	483,521	476,019

Source: Various City Departments

Fiscal Year					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
8	8	8	8	8	8
6	6	6	8	8	8
2	2	2	1	1	1
5	5	5	5.5	6	6
480	480	480	480	480	480
8,546	8,546	8,377	8,400	8,400	8,400
591	591	591	591	656	662
2	2	2	2	2	2
480	480	480	450	510	522
33	33	33	33	33	33
810	810	810	810	812	812
6	6	6	6	6	6
2	2	2	2	3	3
2	2	2	2	2	2
3	3	3	3	3	3
2	2	2	2	2	2
66	60	60	60	20	40
434,489	519,859	511,244	321,109	88,489	293,546

THIS PAGE INTENTIONALLY LEFT BLANK