

City of OCEANSIDE CALIFORNIA



Annual Comprehensive Financial Report For the year ended June 30, 2023

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CITY OF OCEANSIDE, CALIFORNIA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

Prepared by: Finance Department

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For The Fiscal Year Ended June 30, 2023

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

January 25, 2024

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, 2023.

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, 2023. 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 and the United States Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 171,063, making it the third largest city in San Diego County. The median household income for the City is \$86,094 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

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 along with new commercial properties and hotels. Sales price increases in 2021 were reflected on the FY 2022-23 tax rolls. The median sale price of Oceanside detached single-family homes from January through August 2022 was \$820,000, an increase of 14.7% from the median sale price in the same period for 2021.

As of June 2023, statewide home sales volume has declined for the last 9 months, due to high interest rates and low inventory. There were 19.7% fewer home sales in June than in June 2022; 46.5% fewer than at the peak in 2021. The state median home price in June was \$838,260. This is 2.4% below the median a year ago, a smaller annual decline than in recent months. 2022 sale prices impacted values on the 2023/24 tax rolls. Value changes from 2023 sales through June are trending up each month but are below 2022 levels. The median sale price of Oceanside detached single-family homes from January through August 2023 was \$805,000, a decrease of -\$15,000 (-1.8%) from 2022's median sale price. However, while home sales volume has recently declined and the median sale price has decreased, increases in property tax revenues are expected in FY 2023-24 due to increases in taxable assessed value from development, transfer of ownership, and the Prop. 13 inflation adjustment.

Sales tax also increased from the prior year. The increase in the current year is due to the opening of a new auto transportation sector business, and increased revenues from local auto repair shops, restaurants and hotels. These increases were slightly offset by decreased sale tax revenue from service stations due to decreased gasoline prices from the prior year's spike, which occurred in the aftermath of Russia's invasion of Ukraine in February 2022. Along with the increases in sales tax the city also paid the new auto transportation sector business \$485 thousand for the year due to the sale tax abatement agreement the City entered into with a local developer in 2018.

Sales tax is expected to slightly decrease in the next year due to changes in allocations resulting from new Amazon fulfillment centers. General consumer goods sales tax revenue is expected to decrease as we are seeing a shifting of spending to services, travel, and entertainment.

The City also collected an additional \$18.8 million of sales tax during fiscal year 2022-23 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) increased 10% in fiscal year 2022-23 compared to the prior year, mostly due to increases in lodging supply and the average daily rates.

According to the Beacon Economics Outlook, the data from 2023 indicates that the US economy has strengthened compared to the previous year, as demonstrated by solid GDP growth, continuous job growth, sustained high levels of industrial production, rising profits and wages, and relatively stable US debt markets. Despite these positive indicators, the Beacon Economics economists noted that they are less optimistic today than they were 12 months ago. "The Fed's excessive \$5 trillion in quantitative easing and the 40% jump in the money supply that resulted, created massive government deficits and a large asset bubble. The U.S. economy has weathered rising interest rates over the last year largely because of these imbalances, but they also imply that inflationary pressures are not behind us."

The October 2023 UCLA Anderson Forecast foresees a weak US economy in 2024 but not a recession. Similarly, they foresee the California economic outlook to be much the same with no recession in the near term. They noted that "the state's economy keeps chugging along, thanks in part to consumers who want to spend and stimulate fiscal policy." The UCLA Anderson's economists explained that "in spite of the higher interest rates, the continued demand for a limited housing stock, coupled with state policies inducing new homebuilding, should result in the beginning of a recovery this year followed by solid growth in new home production thereafter."

It is important to note that these forecasts are for the overall economy and may not mirror the forecast for Oceanside. Oceanside continues to grow with strong home sales and construction of new commercial properties and hotels which will result in consistent incremental increases in property tax and transient occupancy tax over the next several years.

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 \$3.2 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, 2023 of the assets held in the trust was \$16.2 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 \$483,978,326.

Debt Administration – As of June 30, 2023 the City had a total of \$138,958,416 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, 2022. 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 Divisions. 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
Financial Services Director

PRINCIPAL OFFICIALS

JUNE 30, 2023

CITY COUNCIL

Esther Sanchez, Mayor
Ryan Keim, Deputy Mayor
Eric Joyce, Council Member
Rick Robinson, Council Member
Peter Weiss, Council Member

ADMINISTRATION AND DEPARTMENT HEADS

City Manager	Jonathan Borrego
City Attorney	John P. Mullen
City Clerk	Zeb Navarro
City Treasurer	Victor Roy
Assistant City Manager	Michael Gossman
Deputy City Manager/Human Resources Director	Robert O'Brien
Development Services Director	Darlene Nicandro
Financial Services Director	Jill Moya
Fire Chief	David Parsons
Housing & Neighborhood Services Director	Leilani Hines
Library Services Director	CJ DiMento
Police Chief	Kedrick Sadler
Public Works Director	Hamid Bahadori
Water Utilities Director	Lindsay Leahy



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

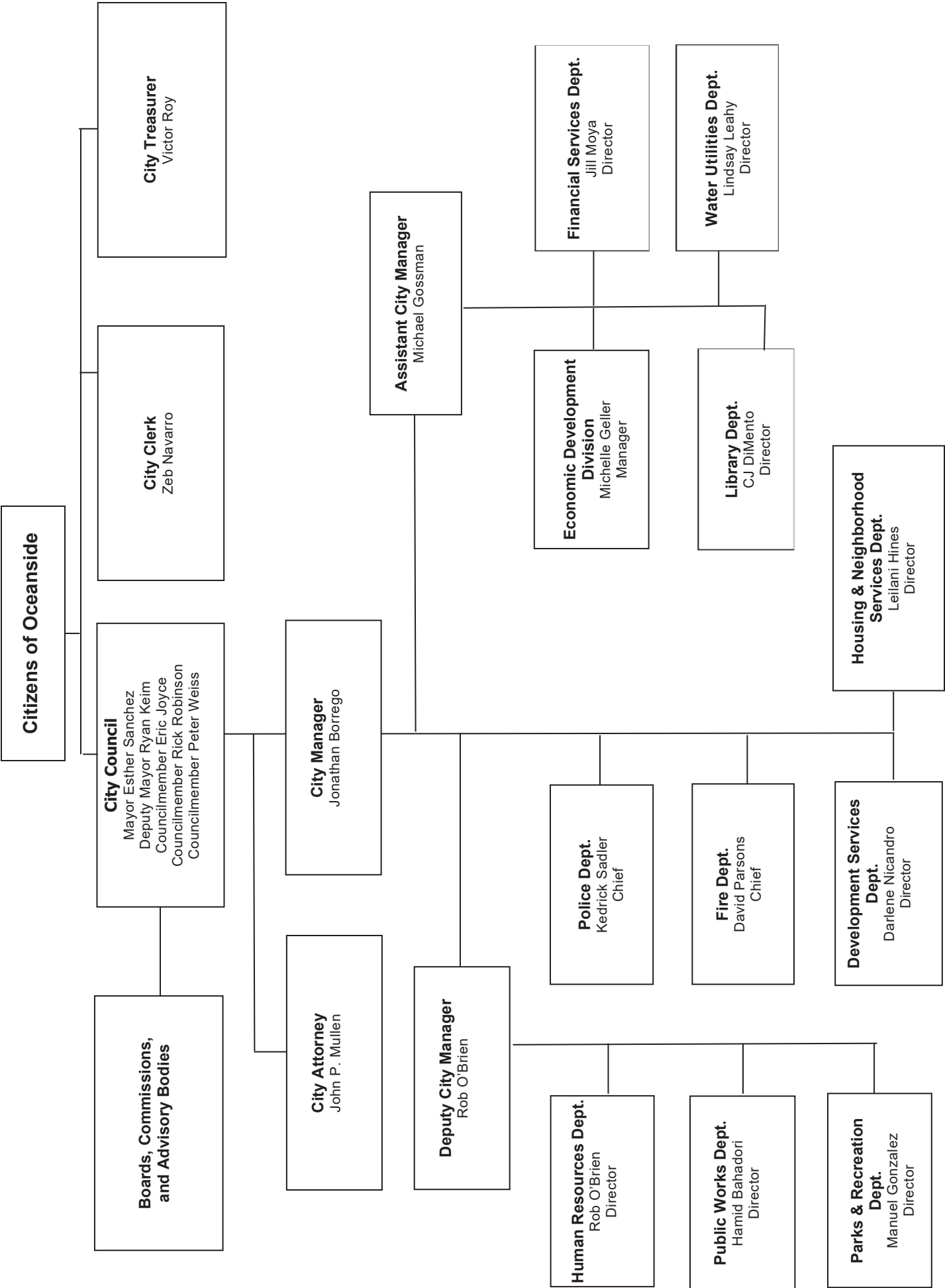
**City of Oceanside
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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, 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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.

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 25, 2024, 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 25, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

This discussion and analysis of the City of Oceanside's (City) financial performance provides an overview of the fiscal year ended June 30, 2023. 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 continues to fared well through rising costs due to inflation and other economic challenges as demonstrated by:

- The City's Total Assets increased overall by \$55.7 million. This is comprised of a \$29.7 million increase in Governmental activities assets and \$26.0 million increase in Business-Type activities assets.
- The City's Total Net Position increased overall by \$58.8 million. Governmental activities net position increased \$33.0 million and Business-Type activities net position increased \$25.8 million.
- With the addition of GASB 96 pronouncement relating to the accounting treatment for software-based information technology subscriptions the City recorded \$2.1 million of Subscription Assets for Governmental Activities and \$0.7 million of Subscription Assets for Business-type Activities, net of accumulated amortization.
- The City's total revenues increased \$52.6 million from 2022.
 - Governmental activities revenues increased \$34.9 million. Property tax revenues increased \$5.6 million, sales tax revenue increased by \$1.6 million, and other taxes (including TOT) increased by \$2.2 million.
 - Property tax was up \$5.6 million from the prior year. The increase can be attributed to many factors, including the overall assessed values of properties in Oceanside increased 7.7% compared to the prior year. For many cities in the area saw median price increases due to low interest rates, high demand and limited properties for sale. The median price of Oceanside detached single-family homes from January through August 2022 (which would reflect in the following year taxes) increased 16.1% from the same time period in 2021.
 - Sales tax was up \$1.6 million from prior year, due in part to the continued return of tourism to Oceanside's economy with increases from restaurants and hotels. There were also increases due to the opening of a new auto transportation sector business, and while the city paid back the majority of the sales tax due to an abatement agreement, we also saw a rise in revenues from local auto repair shops.
 - TOT revenue is up 9% compared to prior year due to increased hotel room prices. Charges for services and revenues from operating and capital grants and contributions increased by \$11.6 million and \$4.3 million respectively. There was an increase in use of money and property of \$10.5 million, in large part due to the unrealized gain on investments.

- Business-Type activities revenues increased \$17.7 million due to an increase in use of money and property of \$8.3 million, in large part due to the unrealized gain on investments as well as an increase in Other revenue of \$20.5 million, which includes a contribution of \$10.3 million from grant funds to the Pure Water capital project, \$5.3 million in one-time funds from Waste Management and proceeds from the sale of old meters when the city converted to smart meters. These increases are partially offset with a decrease in charges for services of \$3.7 million mostly due to decreases in water sales due to the unusually wet year which resulted in a decrease in water usage and a decrease in waste disposal from the transfer of the waste collection services to Waste Management.
- The City's total expenses increased \$85.1 million from 2022.
 - Governmental activities expenses increased \$70.7 million. These increases were in large part from Public Safety, General Government and Community Development due to an increase in the PERS liability.
 - Business-Type activities expenses increased \$14.4 million. These increases were from Water and Sewer expenses offset by a decrease in Waste Disposal expenses. Increase in water expense is primarily due to lower than anticipated production at two water plants which resulted in higher than expected water purchases.
- **General Fund had a surplus of \$3.6 million in one-time funds for the year ending June 30, 2023. The surplus has been assigned by the Financial Services Director per council policy for the following:**
 - PERS Unfunded Liability payment - \$1.8 million
 - Assigned - Infrastructure - \$1.8 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, 2023 is compared to results for June 30, 2022 in Table 1.

Table 1

City of Oceanside Statement of Net Position						
(in millions of dollars)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current & other assets	\$ 477.8	\$ 456.9	\$ 288.9	\$ 286.1	\$ 766.7	\$ 743.0
Capital assets	343.8	335.0	587.8	564.6	931.6	899.6
Total assets	<u>\$ 821.6</u>	<u>\$ 791.9</u>	<u>\$ 876.7</u>	<u>\$ 850.7</u>	<u>\$ 1,698.3</u>	<u>\$ 1,642.6</u>
Deferred Outflows of Resources	<u>\$ 95.7</u>	<u>\$ 41.9</u>	<u>\$ 8.7</u>	<u>\$ 3.2</u>	<u>\$ 104.4</u>	<u>\$ 45.1</u>
Long-term debt outstanding	\$ 340.8	\$ 212.4	\$ 126.5	\$ 106.6	\$ 467.3	\$ 319.0
Other liabilities	39.2	47.1	25.0	26.0	64.2	73.1
Total liabilities	<u>\$ 380.0</u>	<u>\$ 259.5</u>	<u>\$ 151.5</u>	<u>\$ 132.6</u>	<u>\$ 531.5</u>	<u>\$ 392.1</u>
Deferred Inflows of Resources	<u>\$ 57.5</u>	<u>\$ 127.5</u>	<u>\$ 18.7</u>	<u>\$ 31.9</u>	<u>\$ 76.2</u>	<u>\$ 159.4</u>
Net Position						
Net investment in capital assets	\$ 305.3	\$ 304.9	\$ 482.9	\$ 462.0	\$ 788.2	\$ 766.9
Restricted	122.7	109.7	17.1	13.2	139.8	122.9
Unrestricted	51.8	32.2	215.2	214.2	267.0	246.4
Total Net Position	<u>\$ 479.8</u>	<u>\$ 446.8</u>	<u>\$ 715.2</u>	<u>\$ 689.4</u>	<u>\$ 1,195.0</u>	<u>\$ 1,136.2</u>

- 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 \$58.8 million for a total of \$1,195.0 million at June 30, 2023 from \$1,136.2 million at June 30, 2022 for a 5.2 % increase of Total Net Position.
- The overall increase in total assets is \$55.7 million. The Governmental Activities total assets increased \$29.7 million due to an increase in the cash balance as well as capital assets. The Business-Type Activities total assets activities increased \$26.0 million mostly due to the addition of capital assets.

- The overall increase in total liabilities is \$139.4 million. The Governmental Activities total liabilities increased \$120.5 million mostly due to an increase of \$129.1 million in pension liability as calculated by the current year's actuarial report. This increase was offset by decreases \$5.1 million in bonds and notes payable due to paying down the principal over the year and not issuing additional debt as well as in accrued liabilities and unearned revenue of \$3.3 million and \$6.9 million respectively. The Business-Type Activities total liabilities increased by \$18.9 million due to an increase of \$19.1 million in pension liability as calculated by the current year's actuarial report. This increase was offset by a decrease of \$6.1 million in bonds and notes payable due to paying down the principal over the year.
- Deferred outflows of resources increased by \$59.3 million. Governmental Activities increased \$53.8 million and Business-Type Activities increased \$5.5 million due to changes in pension related items.
- Deferred inflows of resources decreased by \$83.2 million. Governmental Activities decreased \$70.0 million and Business-Type Activities decreased \$13.2 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 66.0% of the City's Total Net Position. The City's total Restricted Net Position increased \$16.7 million from 2022 while the Unrestricted Net Position increased by \$20.7 million, with a \$19.6 million increase in the Governmental Activity Unrestricted Net Position and a \$1.1 million increase in Business-Type Activity Unrestricted Net Position.

Table 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Investment in Capital Assets	\$ 597.2	\$ 634.2	\$ 658.8	\$ 685.8	\$ 708.9	\$ 734.5	\$ 716.4	\$ 757.0	\$ 766.9	\$ 788.2
Restricted	125.1	112.9	129.4	132.9	144.6	169.2	282.7	131.3	123.0	139.7
Unrestricted	<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>	<u>267.1</u>
Total Net Position	\$ 930.1	\$ 757.6	\$ 800.2	\$ 852.4	\$ 909.6	\$ 962.1	\$ 995.2	\$ 1,045.5	\$ 1,136.3	\$ 1,195.0
\$ increase (decrease) from prior year	\$ 28.6	\$ (172.5)	\$ 42.6	\$ 52.2	\$ 57.2	\$ 52.5	\$ 33.1	\$ 50.3	\$ 90.8	\$ 58.7
% increase (decrease) from prior year	3.2%	-18.5%	5.6%	6.5%	6.7%	5.8%	3.4%	5.1%	8.7%	5.2%

Total City Activities - The City's combined Activities for the fiscal year ended June 30, 2023 is compared to results for June 30, 2022 in Table 3. The Statement of Activities reveals an increase of revenues of \$52.6 million from 2022 and expenses increased \$85.1 million. For 2023, total revenues less expenditures increased Net Position by \$58.7 million. Governmental activities increased by \$32.9 million and Business-Type Activities increased by \$25.8 million.

Governmental Activities - Net Position (including transfers) increased by \$32.9 million in 2023. Program Revenues increased \$15.9 million as a result of increased charges for services. General Revenues increased \$19.1 million due to increases in property tax and use of money and property which is primarily attributed to increases in unrealized gains on investments. Total Government expenses increased by \$70.7 million in 2023. General Government expenses increased \$17.5 million, Public Safety increased \$29.0 million, Public Works increased \$0.9 million, Community Development increased \$16.4 million and Community/Cultural Services increased \$6.1 million. Interest on long-term debt increased \$0.8 million. Transfers to Government Activities increased \$0.7 million.

Table 3

City of Oceanside Activities						
(in thousands of dollars)						
	<u>Governmental Activities</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
<i>Program Revenues</i>						
Charges for services	\$ 66,360	\$ 54,791	\$ 159,613	\$ 163,332	\$ 225,973	\$ 218,123
Operating grants and contributions	61,162	60,791	-	-	61,162	60,791
Capital grants and contributions	4,202	281	-	-	4,202	281
<i>General Revenues</i>						
Property taxes	82,330	76,746	-	-	82,330	76,746
Sales taxes	50,570	48,981	-	-	50,570	48,981
Other taxes	26,282	24,100	-	-	26,282	24,100
Use of money and property	10,310	(204)	1,382	(6,929)	11,692	(7,133)
Other	6,047	6,834	21,019	7,907	27,066	14,741
Total Revenues	<u>\$ 307,263</u>	<u>\$ 272,320</u>	<u>\$ 182,014</u>	<u>\$ 164,310</u>	<u>\$ 489,277</u>	<u>\$ 436,630</u>
Expenses						
General government	\$ 54,095	\$ 36,611	\$ -	\$ -	\$ 54,095	\$ 36,611
Public safety	126,210	97,186	-	-	126,210	97,186
Public works	30,823	29,939	-	-	30,823	29,939
Community development	52,889	36,491	-	-	52,889	36,491
Community/cultural services	23,388	17,325	-	-	23,388	17,325
Interest on long-term debt	1,524	694	-	-	1,524	694
Water	-	-	77,063	65,951	77,063	65,951
Sewer	-	-	42,045	35,361	42,045	35,361
Waste disposal	-	-	20,650	24,721	20,650	24,721
Other	-	-	2,145	1,485	2,145	1,485
Total Expenses	<u>\$ 288,929</u>	<u>\$ 218,246</u>	<u>\$ 141,903</u>	<u>\$ 127,518</u>	<u>\$ 430,832</u>	<u>\$ 345,764</u>
Increase (decrease) in net position before transfers and gain on sale of assets	\$ 18,334	\$ 54,074	\$ 40,111	\$ 36,792	\$ 58,445	\$ 90,866
Transfers	14,315	13,611	(14,315)	(13,611)	-	-
Gain on sale of assets	269	-	-	-	269	-
Increase in net position	<u>\$ 32,918</u>	<u>\$ 67,685</u>	<u>\$ 25,796</u>	<u>\$ 23,181</u>	<u>\$ 58,714</u>	<u>\$ 90,866</u>
Beginning net position	<u>446,838</u>	<u>379,153</u>	<u>689,442</u>	<u>666,261</u>	<u>1,136,280</u>	<u>1,045,414</u>
Ending net position	<u>\$ 479,756</u>	<u>\$ 446,838</u>	<u>\$ 715,238</u>	<u>\$ 689,442</u>	<u>\$1,194,994</u>	<u>\$1,136,280</u>

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)

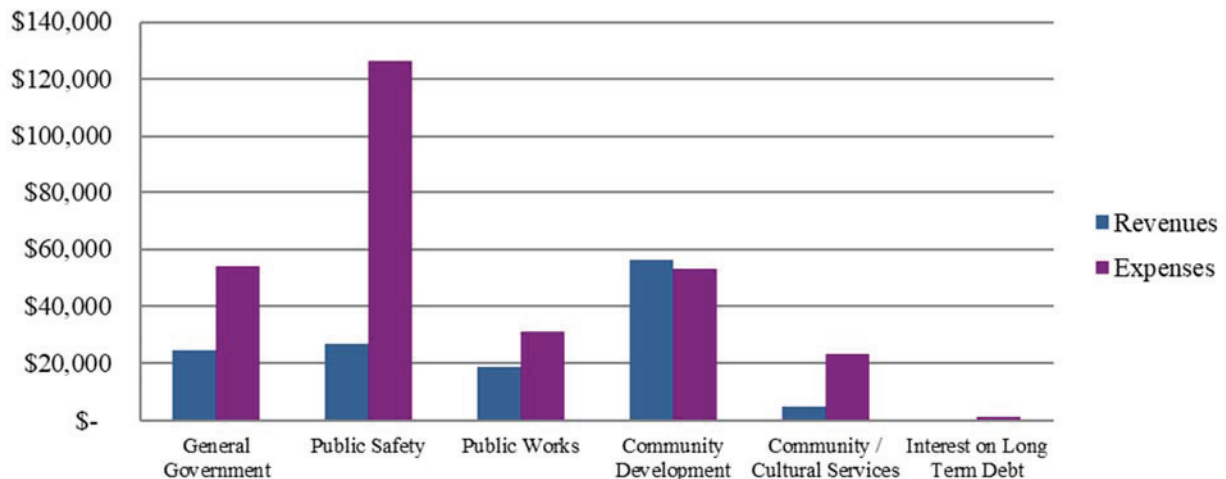
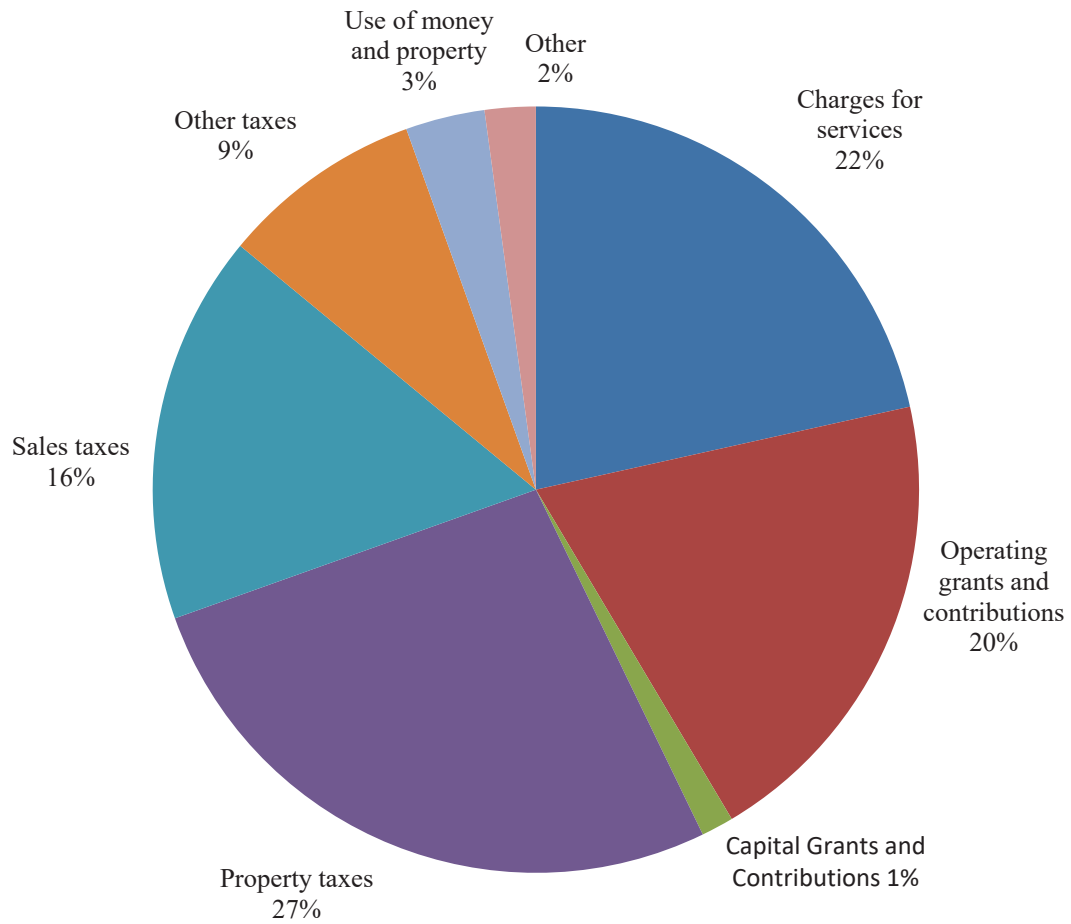


Chart 2 shows that Property Tax, Charges for Services, Operating Grants and Contributions and Sales Tax are the top four categories of revenue and comprise 85% of funding for Government activities. The Other Taxes category includes Transient Occupancy Taxes, Franchise Taxes, and Business License Tax. The Other category includes proceeds from the disposition of City real property, intergovernmental administrative fees, developer contributions, and miscellaneous revenues.

Chart 2

Governmental Revenues



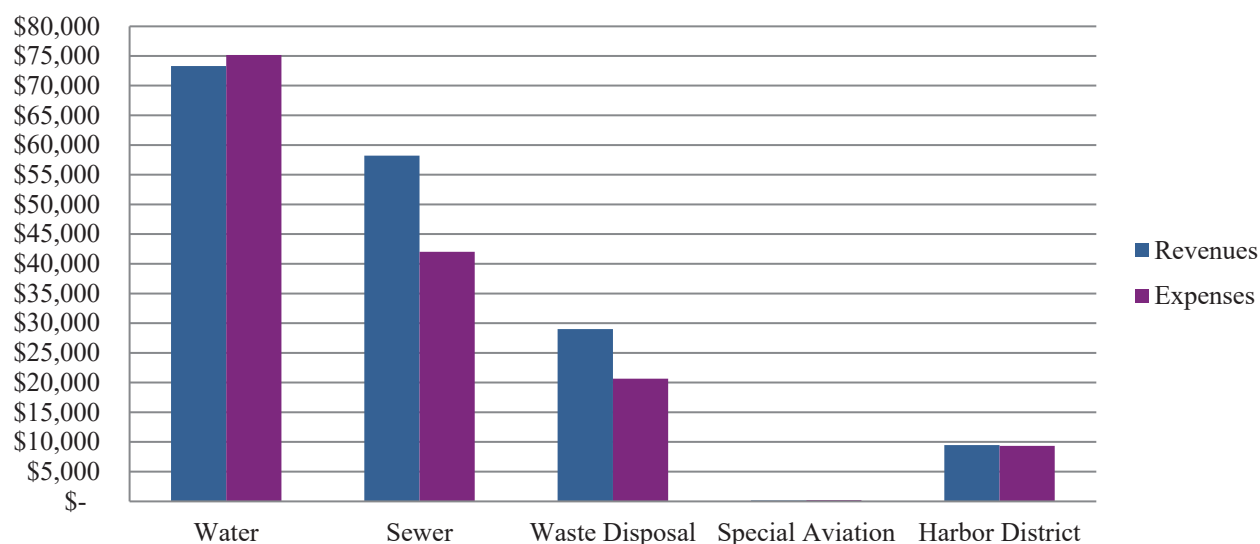
Business-Type Activities for the City of Oceanside include Water, Sewer, Solid Waste, Harbor, and Special Aviation. The Net Position (including transfers) increased \$25.8 million in 2023 as noted on Table 3. Revenues increased \$17.7 million mainly due to the unrealized gain on investments, one-time franchise fee and procurement fee from Waste Management and grant fund contributions to the Pure Water capital project. Expenses increased \$14.4 million compared to 2022. Transfers out to other funds (a deduction to Net Position) increased \$0.7 million as compared to the prior year.

The Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds reflect a decrease of \$3.4 million in total operating revenues from the previous year. The Water operating revenue decreased \$7.5 million and Waste Disposal operating revenue decreased \$2.7 million. Sewer operating revenue increased \$6.4 million and Harbor revenues increased \$2.7 million. Operating expenses for Water increased \$11.1 million, Sewer increased \$6.7 million and Harbor increased \$0.3 million. Operating expenses for Waste Disposal decreased \$4.1 million. In Water, administrative costs increased \$4.4 million, the cost of purchased water remained fairly static with a marginal decrease of \$0.4 million, and maintenance and operations costs increased by \$5.4 million. Sewer administrative costs increased \$3.0 million and maintenance and operations costs increased \$4.1 million. In Waste Disposal, maintenance and operations costs decreased \$4.2 million while administrative costs remained fairly static with a marginal increase of \$0.1 million. Harbor maintenance and operations costs increased \$0.6. 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 decreased \$0.7 million from 2022.

Overall, the Business-Type activities operating revenue exceeded operating expenses (before transfers and contributions) for fiscal year 2022-23 with a total net operating income of \$40.1 million.

Chart 3 below compares program revenues from Business-Type activities to program expenses. Sewer, Waste and Harbor 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 \$118.9 million at year-end, as shown on the Balance Sheet. This is an increase of \$3.6 million from 2022 and is mostly due to increases in property tax and use of property and money. Of this total amount, \$2.6 million is nonspendable, \$16.2 million is restricted, \$23.8 million is committed, \$61.6 million is assigned, and \$14.7 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 \$3.6 million increase in the General Fund balance. General Fund revenues increased approximately \$28.8 million from 2022. General Fund expenditures increased overall \$19.8 million. Other Financing Sources includes a transfer in of \$15.7 million of which \$7.4 million came from the Harbor fund for harbor administrative, maintenance and police services, and \$6.9 million from Water and Waste Disposal funds for administrative services. Other Financing Uses also includes a transfer out of \$27.9 million, the majority of which is for general improvement capital projects and grants.

The fund balance of the Grants Special Revenue Fund decreased \$1.3 million. Revenues decreased \$5.2 million due to decreases in reimbursements for intergovernmental grants. Expenditures increased slightly by \$0.6 million as compared to 2022 due to increased community development expenditures.

Debt Administration

Governmental activities debt outstanding at year-end increased \$128.7 million as noted in Table 4. The most significant increase to long-term liabilities was to the pension liability which increased \$126.5 million from prior year due to change in actuarial valuation. Additionally, the total outstanding long-term debt decreased \$4.8 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 Notes 9, 10, 12, 13, and 14 to the financial statements.

Table 4

City of Oceanside				
	Governmental Debt Outstanding			
	Balance at June 30, 2022	Incurred or Issued	Satisfied or Matured	Balance at June 30, 2023
Governmental Activities				
Certificates of Participation	\$ 1,747,138	\$ -	\$ (1,747,138)	\$ -
Lease and Subscription Liabilities	386,776	2,085,461	(884,474)	1,587,763
Notes Payable	1,752,740	-	(219,656)	1,533,084
Pension Obligation Bonds	13,330,000	-	(4,015,000)	9,315,000
Lease Revenue Bonds	22,745,000	-	-	22,745,000
Claims Payable	21,930,471	11,185,741	(4,967,398)	28,148,814
Compensated Absences	14,584,027	1,717,840	-	16,301,867
Net Pension Liability	121,818,549	126,539,697	-	248,358,246
Total OPEB Liability	10,586,873	-	(880,874)	9,705,999
Unamortized Bond Premiums	3,258,759	-	(114,358)	3,144,401
Total Governmental Activities	\$ 212,140,333	\$ 141,528,739	\$ (12,828,898)	\$ 340,840,174

Business-Type debt activities increased in the fiscal year ending 2023 by \$19.9 million. The most significant increase to long-term liabilities was to the net pension liability due to the \$19.1 million change in actuarial valuation. Additionally, the direct borrowings remained consistent due to \$5.0 million being drawn from the WIFIA Loan and \$4.7 million in debt service payments made on bonds and notes payable during the fiscal year.

Table 5

City of Oceanside				
Business-Type Activities Debt Outstanding				
	Balance at June 30, 2022	Incurred or Issued	Satisfied, Adjusted or Matured	Balance at June 30, 2023
Business-Type Activities				
Bonds Payable	\$ 37,775,000	\$ -	(1,890,000)	\$ 35,885,000
Notes Payable	59,027,018	4,973,468	(2,824,521)	61,175,965
Net Pension Liability	2,018,237	19,084,711	-	21,102,948
Subscription Liabilities	-	694,995	(221,503)	473,492
Compensated Absences	2,313,707	369,562	-	2,683,269
Unamortized Bond Premiums	5,453,278	-	(293,312)	5,159,966
Total Business-Type Activities	\$ 106,587,240	\$ 25,122,736	\$ (5,229,336)	\$ 126,480,640

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, 2023, net capital assets of the Governmental activities totaled \$343.8 million and the net capital assets of the Business-Type activities totaled \$587.8 million. Depreciation on capital assets is recognized in the Government-Wide financial statements.

Table 6

City of Oceanside				
Capital Assets				
<u>Description</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 62,246,590	\$ 62,246,590	\$ 29,613,703	\$ 29,613,703
Buildings	137,229,144	137,229,144	337,395,919	243,474,747
Improvements	84,220,653	84,220,653	569,594,236	569,594,236
Equipment	79,542,764	78,161,451	28,952,705	28,952,705
Right to Use Asset	3,092,743	516,380	694,995	-
Construction in Progress	62,995,683	42,836,060	103,260,202	156,230,980
Infrastructure	312,585,729	312,585,729	-	-
Capital Assets	\$ 741,913,306	\$ 717,796,007	\$ 1,069,511,760	\$ 1,027,866,371
Accumulated Depreciation/ Amortization	(398,139,171)	(382,825,139)	(481,705,939)	(463,316,350)
Total Capital Assets	\$ 343,774,135	\$ 334,970,868	\$ 587,805,821	\$ 564,550,021

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 \$26.2 million shown in Table 7 does not represent available one-time funds. The actual excess of resources over charges of \$3.6 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 \$20.0 million more than the amended budget. Charges to appropriations were in line with the amended budget with actuals at \$10.0 million less than the amended budget. Overall, actual revenues exceeded expenditures and transfers by approximately \$3.6 million, which increased the General Fund balance. Of this amount \$1.8 million was assigned by the Financial Services Director per council policy for PERS Unfunded Liability payment and \$1.8 million was assigned for infrastructure projects.

Table 7

City of Oceanside			
General Fund Comparison – Actual and Budget Year Ended June 30, 2023			
	Amended Budget	Actual	Variance Pos/(Neg)
Resources (inflows)			
Taxes	\$145,448,497	\$159,181,424	\$13,732,927
Licenses and permits	4,456,529	5,125,993	669,464
Intergovernmental	277,567	544,987	267,420
Charges for services	25,396,243	29,786,926	4,390,683
Use of money and property	6,282,176	6,519,707	237,531
Fines and forfeitures	3,710,908	4,254,783	543,875
Administrative and in lieu charges	9,194,470	9,194,604	134
Miscellaneous	323,589	417,000	93,411
Transfers in	16,152,341	15,746,388	(405,953)
Notes and loans issued	49,773	59,260	9,487
Other debts issued	-	540,710	540,710
Amount Available for Appropriations	\$211,292,093	\$231,371,782	\$20,079,689
Charges to Appropriations (outflows)			
General Government	\$ 34,686,309	\$ 37,759,678	\$(3,073,369)
Public Safety	114,102,017	113,407,035	694,982
Community Development	15,863,134	12,650,311	3,212,823
Community/Cultural Services	18,432,191	16,206,081	2,226,110
Public Works	22,213,767	18,610,178	3,603,589
Capital Outlay	544,828	514,128	30,700
Debt Service	15,654	706,360	(690,706)
Transfers Out	28,007,455	27,877,148	130,307
Total Charges to Appropriations	\$233,865,355	\$227,730,919	\$ 6,134,436
Excess of Resources Over (Under)			
Charges to Appropriations as of June 30, 2022	<u>\$(22,573,262)</u>	<u>\$ 3,640,863</u>	<u>\$26,214,125</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 \$208.9 million to the final budget amount of \$223.9 million which shows an overall amended increase of \$25.0 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, 2023			
	<u>Adopted</u>	<u>Amended</u>	<u>Increase/ (Decrease)</u>
General Government			
Operational	\$ 21,760,596	\$ 27,128,588	\$ 5,367,992
Non-Departmental	6,260,944	7,557,721	1,296,777
Public Safety			
Police	72,347,307	72,113,420	(233,887)
Fire	39,858,579	41,988,597	2,130,018
Public Works	19,161,072	22,213,767	3,052,695
Community Development			
Planning	5,117,240	5,904,287	787,047
Building	3,464,116	4,076,061	611,945
Engineering	5,796,105	5,882,786	86,681
Community and Cultural Services			
Economic and Community Development	683,354	1,001,354	318,000
Library	6,172,857	6,172,857	-
Neighborhood Services	9,437,065	9,691,057	253,992
Property Management	1,346,259	1,566,923	220,664
Transfers/Capital Outlay/Debt	<u>17,481,511</u>	<u>28,567,937</u>	<u>11,086,426</u>
Total Budget	\$ 208,887,005	\$ 233,865,355	\$ 24,978,350

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 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.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF OCEANSIDE
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$ 286,567,194	\$ 247,155,130	\$ 533,722,324
Receivables (net of uncollectibles):			
Accounts	15,475,265	16,609,258	32,084,523
Taxes	10,143,394	-	10,143,394
Accrued interest	2,471,567	38,280	2,509,847
Due from other governments	2,774,425	-	2,774,425
State mandated claims	2,331,443	-	2,331,443
Notes and loans (Note 5)	90,873,969	-	90,873,969
Leases (Note 8)	50,284,936	18,383,316	68,668,252
Internal balances	(5,863,361)	5,863,361	-
Restricted assets:			
Cash and investments (Note 3)	16,996,204	-	16,996,204
Cash with fiscal agent (Note 3)	3,505,915	887,959	4,393,874
Inventories	404,693	-	404,693
Land held for resale	700,000	-	700,000
Prepaid costs	1,156,374	4,002	1,160,376
Capital assets, not being depreciated/amortized (Note 7)	125,242,273	132,873,905	258,116,178
Capital assets, net of accumulated depreciation/amortization (Note 7)	218,531,862	454,931,916	673,463,778
Total assets	821,596,153	876,747,127	1,698,343,280
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	68,282	68,282
Pension-related (Note 13)	92,040,309	8,640,271	100,680,580
OPEB-related (Note 14)	3,634,135	-	3,634,135
Total deferred outflows of resources	95,674,444	8,708,553	104,382,997
LIABILITIES			
Accounts payable	14,127,252	22,435,834	36,563,086
Due to other governments	566,610	-	566,610
Accrued liabilities	4,075,519	415,754	4,491,273
Accrued interest	355,743	397,714	753,457
Deferred Revenue	-	7,198	7,198
Deposits payable	1,016,967	1,506,396	2,523,363
Unearned revenue	19,034,048	226,486	19,260,534
Noncurrent liabilities:			
Due within one year:			
Leases (Note 8)	135,143	-	135,143
Subscriptions (Note 8)	746,167	199,739	945,906
Claims and judgements (Note 12)	6,511,511	-	6,511,511
Compensated absences (Note 9)	1,139,331	521,496	1,660,827
Bonds, notes, and loans (Note 10)	5,030,656	6,032,455	11,063,111
Due in more than one year:			
Net pension liability (Note 13)	248,358,246	21,102,948	269,461,194
Total OPEB liability (Note 14)	9,705,999	-	9,705,999
Leases (Note 8)	119,648	-	119,648
Subscriptions (Note 8)	586,805	273,753	860,558
Claims and judgements (Note 12)	21,637,303	-	21,637,303
Compensated absences (Note 9)	15,162,536	2,161,773	17,324,309
Bonds, notes, and loans (Note 10)	31,706,829	96,188,476	127,895,305
Total liabilities	380,016,313	151,470,022	531,486,335
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on refunding	57,237	383,912	441,149
Pension-related (Note 13)	5,921,489	247,011	6,168,500
OPEB-related (Note 14)	1,574,374	-	1,574,374
Lease-related (Note 8)	49,945,006	18,117,123	68,062,129
Total deferred inflows of resources	57,498,106	18,748,046	76,246,152
NET POSITION			
Net investment in capital assets	305,297,063	482,907,984	788,205,047
Restricted:			
Public safety	944,264	-	944,264
Parks and recreation	10,196,731	-	10,196,731
Capital projects	75,937,878	7,695,170	83,633,048
Debt service	2,359,185	-	2,359,185
Restricted for street light and landscape maintenance	1,930,080	-	1,930,080
Restricted for highways	8,823,513	-	8,823,513
Restricted for housing program	6,286,127	-	6,286,127
Restricted for Pension stabilization trust	16,154,547	-	16,154,547
Restricted for Rate Stabilization	-	9,401,301	9,401,301
Unrestricted	51,826,790	215,233,157	267,059,947
Total net position	\$ 479,756,178	\$ 715,237,612	\$ 1,194,993,790

CITY OF OCEANSIDE
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 54,095,138	\$ 20,589,569	\$ 3,444,827	\$ 862,464
Public safety	126,210,197	11,827,483	15,116,588	23,267
Community development	52,889,232	23,423,712	32,746,280	-
Community services	23,388,490	3,728,408	1,185,358	-
Public works	30,822,832	6,791,253	8,669,067	3,316,684
Interest on long-term debt	1,523,768	-	-	-
Total governmental activities	288,929,657	66,360,425	61,162,120	4,202,415
Business-type activities:				
Water	77,063,454	70,341,546	-	-
Sewer	42,044,486	50,926,217	-	-
Waste Disposal	20,650,115	28,709,129	-	-
Special Aviation	204,045	156,339	-	-
Oceanside Small Craft Harbor District	1,940,711	9,479,312	-	-
Total business-type activities	141,902,811	159,612,543	-	-
Total primary government	430,832,468	225,972,968	61,162,120	4,202,415
General revenues and transfers:				
General revenues:				
Property taxes				
Sales taxes				
Transient occupancy taxes				
Franchise taxes				
Business licenses taxes				
Other taxes				
Use of money and property				
Other				
Gain on sale of capital asset				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position-beginning				
Net position-ending				

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

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (29,198,278)	\$ -	\$ (29,198,278)
(99,242,859)	-	(99,242,859)
3,280,760	-	3,280,760
(18,474,724)	-	(18,474,724)
(12,045,828)	-	(12,045,828)
(1,523,768)	-	(1,523,768)
(157,204,697)	-	(157,204,697)
-	(6,721,908)	(6,721,908)
-	8,881,731	8,881,731
-	8,059,014	8,059,014
-	(47,706)	(47,706)
-	7,538,601	7,538,601
-	17,709,732	17,709,732
(157,204,697)	17,709,732	(139,494,965)
82,330,275	-	82,330,275
50,569,762	-	50,569,762
16,356,383	-	16,356,383
4,541,423	-	4,541,423
4,067,143	-	4,067,143
1,316,438	-	1,316,438
10,310,231	1,382,432	11,692,663
6,046,760	21,019,305	27,066,065
269,437	-	269,437
14,315,278	(14,315,278)	-
190,123,130	8,086,459	198,209,589
32,918,433	25,796,191	58,714,624
446,837,745	689,441,421	1,136,279,166
\$ 479,756,178	\$ 715,237,612	\$ 1,194,993,790

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

CITY OF OCEANSIDE
Balance Sheet
Governmental Funds
June 30, 2023

	Special Revenue Funds			
	General	Grants	American Rescue Plan	Housing Assistance Program
ASSETS				
Cash and investments	\$ 91,268,905	\$ 17,843,367	\$ 13,658,717	\$ 6,506,678
Receivables (net of allowance for uncollectible):				
Accounts	9,728,054	4,432,752	-	194,295
Taxes	9,068,155	-	-	-
Accrued interest	2,457,879	-	-	-
Due from other governments	-	1,434,753	-	263,517
Grants	2,331,443	-	-	-
Notes and loans	33,693	74,277,227	-	15,914,764
Leases	50,284,936	-	-	-
Due from other funds	3,414,518	-	-	51,085
Inventories	18,909	-	-	-
Prepaid costs	345,650	1,923	-	2,655
Land held for resale	700,000	-	-	-
Advances to other funds	1,568,303	-	-	-
Restricted assets:				
Cash and investments	16,154,547	-	-	541,657
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 187,374,992	\$ 97,990,022	\$ 13,658,717	\$ 23,474,651
LIABILITIES				
Accounts payable	\$ 6,388,796	\$ 843,558	\$ 905,494	\$ 70,330
Due to other governments	-	-	-	566,610
Accrued liabilities	2,496,873	195,676	17,964	21,498
Deposits payable	854,825	-	-	115,314
Due to other funds	-	2,215,893	-	215,381
Unearned revenues	-	4,966,362	12,735,259	182,075
Total liabilities	9,740,494	8,221,489	13,658,717	1,171,208
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	8,837,568	79,457,031	-	16,014,661
Lease-related	49,945,006	-	-	-
Total deferred inflows of resources	58,782,574	79,457,031	-	16,014,661
FUND BALANCES (DEFICITS)				
Nonspendable	2,666,555	1,923	-	2,655
Restricted	16,154,547	10,309,579	-	6,286,127
Committed	23,815,200	-	-	-
Assigned	61,591,367	-	-	-
Unassigned	14,624,255	-	-	-
Total fund balances (deficits)	118,851,924	10,311,502	-	6,288,782
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 187,374,992	\$ 97,990,022	\$ 13,658,717	\$ 23,474,651

CITY OF OCEANSIDE
Balance Sheet
Governmental Funds
June 30, 2023

	Capital Projects Funds		
	General Improvement	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 77,204,642	\$ 14,032,712	\$ 220,515,021
Receivables (net of allowance for uncollectible):			
Accounts	123,843	796,919	15,275,863
Taxes	-	1,075,239	10,143,394
Accrued interest	-	-	2,457,879
Due from other governments	-	1,076,155	2,774,425
Grants	-	-	2,331,443
Notes and loans	128,610	519,675	90,873,969
Leases	-	-	50,284,936
Due from other funds	-	-	3,465,603
Inventories	-	-	18,909
Prepaid costs	2,340	12,773	365,341
Land held for resale	-	-	700,000
Advances to other funds	-	-	1,568,303
Restricted assets:			
Cash and investments	-	-	16,696,204
Cash and investments with fiscal agents	3,499,698	6,217	3,505,915
Total assets	\$ 80,959,133	\$ 17,519,690	\$ 420,977,205
LIABILITIES			
Accounts payable	\$ 3,319,883	\$ 1,430,324	\$ 12,958,385
Due to other governments	-	-	566,610
Accrued liabilities	6,399	38,335	2,776,745
Deposits payable	46,828	-	1,016,967
Due to other funds	-	1,034,329	3,465,603
Unearned revenues	1,150,352	-	19,034,048
Total liabilities	4,523,462	2,502,988	39,818,358
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	495,453	1,662,200	106,466,913
Lease-related	-	-	49,945,006
Total deferred inflows of resources	495,453	1,662,200	156,411,919
FUND BALANCES (DEFICITS)			
Nonspendable	2,340	12,773	2,686,246
Restricted	75,937,878	13,944,194	122,632,325
Committed	-	-	23,815,200
Assigned	-	-	61,591,367
Unassigned	-	(602,465)	14,021,790
Total fund balances (deficits)	75,940,218	13,354,502	224,746,928
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 80,959,133	\$ 17,519,690	\$ 420,977,205

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CITY OF OCEANSIDE**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 224,746,928
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		333,214,168
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	88,685,535	
Deferred outflows-OPEB related	3,634,135	
Deferred inflows-pension related	(5,795,601)	
Deferred inflows-OPEB related	(1,574,374)	
Total deferred outflows and inflows related to postemployment benefits		84,949,695
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	106,183,978	
Miscellaneous revenues	282,935	
Total other long-term assets		106,466,913
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		33,259,706
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(32,060,000)	
Notes payable	(1,533,084)	
Leases and subscriptions	(930,684)	
Compensated absences	(15,264,642)	
Accrued interest payable on long-term debt	(334,041)	
Net pension liability	(239,891,319)	
Net OPEB liability	(9,705,999)	
Total long-term liabilities		(299,719,769)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Deferred amount on refunding	(57,237)	
Bond premiums	(3,119,552)	
Bond discounts	15,326	
Total premiums, discounts, and deferred items		(3,161,463)
Net position of governmental activities		\$ 479,756,178

CITY OF OCEANSIDE
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	General	Grants	American Rescue Plan	Housing Assistance Program
REVENUES				
Taxes	\$ 159,181,424	\$ -	\$ -	\$ -
Administrative and in lieu charges	9,194,604	-	-	-
Licenses and permits	5,125,993	-	-	328,377
Intergovernmental	544,987	14,021,467	10,725,860	24,424,599
Charges for services	29,786,926	49,300	-	103,917
Use of money and property	6,519,707	181,046	-	927,811
Fines and forfeitures	4,254,783	-	-	-
Developer participation	-	5,419,122	-	-
Miscellaneous	417,000	12,200	-	316,106
Total revenues	215,025,424	19,683,135	10,725,860	26,100,810
EXPENDITURES				
Current:				
General government	37,759,678	-	-	-
Public safety	113,407,035	3,438,862	5,427,190	-
Community development	12,650,311	8,476,114	471,770	26,016,982
Parks and recreation	16,206,081	130,362	-	-
Public works	18,610,178	20,143	-	-
Capital outlay	514,128	8,187,132	4,826,900	-
Debt service:				
Principal	682,027	-	-	-
Interest and fiscal charges	24,333	-	-	-
Total expenditures	199,853,771	20,252,613	10,725,860	26,016,982
Excess (deficiency) of revenues over (under) expenditures	15,171,653	(569,478)	-	83,828
OTHER FINANCING SOURCES (USES)				
Transfers in	15,746,388	328,205	-	1,000,000
Transfers out	(27,877,148)	(1,027,491)	-	-
Notes and loans issued	59,260	-	-	-
Subscriptions	540,710	-	-	-
Total other financing sources (uses)	(11,530,790)	(699,286)	-	1,000,000
Net change in fund balances	3,640,863	(1,268,764)	-	1,083,828
Fund balances (deficit)-beginning	115,211,061	11,580,266	-	5,204,954
Fund balances (deficit)-ending	\$ 118,851,924	\$ 10,311,502	\$ -	\$ 6,288,782

CITY OF OCEANSIDE
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Funds		
	General Improvement	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 159,181,424
Administrative and in lieu charges	-	3,011,760	12,206,364
Licenses and permits	-	-	5,454,370
Intergovernmental	-	12,677,443	62,394,356
Charges for services	404,857	-	30,345,000
Use of money and property	321,290	1,195,307	9,145,161
Fines and forfeitures	-	-	4,254,783
Developer participation	6,012,752	-	11,431,874
Miscellaneous	1,786,580	6,745,719	9,277,605
Total revenues	8,525,479	23,630,229	303,690,937
EXPENDITURES			
Current:			
General government	5,866,986	-	43,626,664
Public safety	-	107,414	122,380,501
Community development	742,772	-	48,357,949
Parks and recreation	-	1,757,352	18,093,795
Public works	2,388,434	9,238,366	30,257,121
Capital outlay	16,838,333	368,108	30,734,601
Debt service:			
Principal	-	6,431,044	7,113,071
Interest and fiscal charges	483	1,553,205	1,578,021
Total expenditures	25,837,008	19,455,489	302,141,723
Excess (deficiency) of revenues over (under) expenditures	(17,311,529)	4,174,740	1,549,214
OTHER FINANCING SOURCES (USES)			
Transfers in	26,544,312	46,568	43,665,473
Transfers out	(92,189)	(1,277,630)	(30,274,458)
Notes and loans issued	-	-	59,260
Subscriptions	-	-	540,710
Total other financing sources (uses)	26,452,123	(1,231,062)	13,990,985
Net change in fund balances	9,140,594	2,943,678	15,540,199
Fund balances (deficit)-beginning	66,799,624	10,410,824	209,206,729
Fund balances (deficit)-ending	\$ 75,940,218	\$ 13,354,502	\$ 224,746,928

CITY OF OCEANSIDE**Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds: \$ 15,540,199

Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	29,822,635	
Depreciation/amortization expense	<u>(13,883,743)</u>	
Total adjustment		15,938,892

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable grant revenues	2,569,056	
Earned but unavailable other revenues	<u>3,185,404</u>	
Total adjustment		5,754,460

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.

Donation of capital assets	<u>(10,284,580)</u>	
Total adjustment		(10,284,580)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Leases and subscriptions issued	(607,172)	
Amortization of bond premiums and discounts	114,358	
Amortization of deferred amounts on refunding	57,236	
Principal payments	<u>6,734,284</u>	
Total adjustment		6,298,706

Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.

4,427,768

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.

Accrued interest on long-term debt	69,780	
Compensated absences	(1,516,069)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,902,292)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(408,431)</u>	
Total adjustment		(4,757,012)

Change in net position of governmental activities **\$ 32,918,433**

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
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities			
	Water	Sewer	Waste Disposal	Special Aviation
ASSETS				
Current assets:				
Cash and investments	\$ 92,904,643	\$ 138,879,125	\$ 8,964,119	\$ 786,727
Receivables (net of uncollectibles):				
Accounts	7,437,836	7,705,945	875,079	-
Accrued interest	-	-	-	7,962
Leases	-	-	-	89,441
Prepaid costs	4,002	-	-	-
Inventories	-	-	-	-
Restricted:				
Cash and investments	-	-	-	-
Cash with fiscal agent	378,594	509,365	-	-
Total current assets	100,725,075	147,094,435	9,839,198	884,130
Noncurrent:				
Leases receivable	-	-	-	3,316,264
Advances to other funds	-	-	-	-
Capital assets, net	324,218,960	247,038,113	2,384,271	4,364,269
Total noncurrent assets	324,218,960	247,038,113	2,384,271	7,680,533
Total assets	424,944,035	394,132,548	12,223,469	8,564,663
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	68,282	-	-
Pension-related	4,931,082	3,465,089	244,100	-
Total deferred outflows of resources	4,931,082	3,533,371	244,100	-
LIABILITIES				
Current liabilities:				
Accounts payable	15,106,944	7,189,740	63,341	-
Accrued liabilities	219,436	192,930	3,388	-
Accrued interest	306,998	89,841	-	-
Deferred revenues	-	-	-	7,198
Unearned revenues	5,000	-	-	-
Deposits payable	1,068,476	-	-	-
Leases	-	-	-	-
Subscriptions	157,287	42,452	-	-
Claims and judgments	-	-	-	-
Compensated absences	448,201	70,358	2,937	-
Bonds, notes, and loans	2,533,811	3,393,644	-	-
Total current liabilities	19,846,153	10,978,965	69,666	7,198
Noncurrent liabilities:				
Advances from other funds	-	-	-	1,568,303
Claims and judgments	-	-	-	-
Subscriptions	272,292	1,461	-	-
Compensated absences	1,005,603	1,155,934	236	-
Bonds, notes, and loans	87,103,919	9,084,557	-	-
Net pension liability	10,377,714	10,118,952	606,282	-
Total noncurrent liabilities	98,759,528	20,360,904	606,518	1,568,303
Total liabilities	118,605,681	31,339,869	676,184	1,575,501
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on refunding	383,912	-	-	-
Pension-related	142,491	98,707	5,813	-
Lease-related	-	-	-	3,334,891
Total deferred inflows of resources	526,403	98,707	5,813	3,334,891
NET POSITION				
Net investment in capital assets	233,034,428	233,429,808	2,384,271	4,364,269
Restricted for capital projects	7,695,170	-	-	-
Restricted for rate stabilization	-	-	9,401,301	-
Unrestricted	70,013,435	132,797,535	-	(709,998)
Total net position	\$ 310,743,033	\$ 366,227,343	\$ 11,785,572	\$ 3,654,271
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				
Net position of business-type activities				

CITY OF OCEANSIDE
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities		Governmental Activities
	Oceanside Small Craft Harbor District	Total Enterprise Funds	Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 5,620,516	\$ 247,155,130	\$ 66,052,173
Receivables (net of uncollectibles):			
Accounts	590,398	16,609,258	199,402
Accrued interest	30,318	38,280	-
Leases	708,739	798,180	-
Prepaid costs	-	4,002	791,033
Inventories	-	-	385,784
Restricted:			
Cash and investments	-	-	300,000
Cash with fiscal agent	-	887,959	-
Total current assets	6,949,971	265,492,809	67,728,392
Noncurrent:			
Leases receivable	14,268,872	17,585,136	-
Advances to other funds	-	-	337,184
Capital assets, net	9,800,208	587,805,821	10,559,967
Total noncurrent assets	24,069,080	605,390,957	10,897,151
Total assets	31,019,051	870,883,766	78,625,543
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	68,282	-
Pension-related	-	8,640,271	3,354,774
Total deferred outflows of resources	-	8,708,553	3,354,774
LIABILITIES			
Current liabilities:			
Accounts payable	75,809	22,435,834	995,361
Accrued liabilities	-	415,754	1,472,280
Accrued interest	875	397,714	21,702
Deferred revenues	-	7,198	-
Unearned revenues	221,486	226,486	-
Deposits payable	437,920	1,506,396	-
Leases	-	-	47,764
Subscriptions	-	199,739	554,703
Claims and judgments	-	-	6,511,511
Compensated absences	-	521,496	77,417
Bonds, notes, and loans	105,000	6,032,455	1,430
Total current liabilities	841,090	31,743,072	9,682,168
Noncurrent liabilities:			
Advances from other funds	337,184	1,905,487	-
Claims and judgments	-	-	21,637,303
Subscriptions	-	273,753	75,500
Compensated absences	-	2,161,773	959,808
Bonds, notes, and loans	-	96,188,476	4,169
Net pension liability	-	21,102,948	8,466,927
Total noncurrent liabilities	337,184	121,632,437	31,143,707
Total liabilities	1,178,274	153,375,509	40,825,875
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	-	383,912	-
Pension-related	-	247,011	125,888
Lease-related	14,782,232	18,117,123	-
Total deferred inflows of resources	14,782,232	18,748,046	125,888
NET POSITION			
Net investment in capital assets	9,695,208	482,907,984	9,778,440
Restricted for capital projects	-	7,695,170	-
Restricted for rate stabilization	-	9,401,301	-
Unrestricted	5,363,337	207,464,309	31,250,114
Total net position	\$ 15,058,545	707,468,764	\$ 41,028,554
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time		7,768,848	
Net position of business-type activities		\$ 715,237,612	

See notes to the financial statements.

CITY OF OCEANSIDE
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities			
	Water	Sewer	Waste Disposal	Special Aviation
OPERATING REVENUES				
Charges for services	\$ 70,341,546	\$ 50,926,217	\$ 28,709,129	\$ 9,537
Licenses and permits	499,681	1,693	-	-
Miscellaneous	523,946	5,438,428	299,999	-
Developer fees	1,928,565	1,855,018	-	-
Parking	-	-	-	-
Lease revenue	-	-	-	146,802
Total operating revenues	73,293,738	58,221,356	29,009,128	156,339
OPERATING EXPENSES				
Administration and general	12,853,411	10,895,774	578,984	-
Maintenance and operations	17,415,719	22,073,684	19,895,194	127,998
Cost of purchased water	35,628,077	-	-	-
Depreciation/amortization	8,611,682	9,059,457	175,937	76,047
Total operating expenses	74,508,889	42,028,915	20,650,115	204,045
Operating income (loss)	(1,215,151)	16,192,441	8,359,013	(47,706)
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	587,714	764,502	-	4,896
Interest expense	(2,968,088)	(367,437)	-	-
Contributions	10,436,500	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	8,056,126	397,065	-	4,896
Income (loss) before transfers	6,840,975	16,589,506	8,359,013	(42,810)
Transfers in	38,470	5,000	-	-
Transfers out	(857,949)	-	(6,029,357)	-
Change in net position	6,021,496	16,594,506	2,329,656	(42,810)
Net position-beginning	304,721,537	349,632,837	9,455,916	3,697,081
Net position-ending	\$ 310,743,033	\$ 366,227,343	\$ 11,785,572	\$ 3,654,271
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				
Changes in net position of business-type activities				

CITY OF OCEANSIDE
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities		Governmental Activities
	Oceanside Small Craft Harbor District	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 6,236,936	\$ 156,223,365	\$ 89,410,611
Licenses and permits	106,387	607,761	-
Miscellaneous	46,571	6,308,944	797,530
Developer fees	-	3,783,583	-
Parking	1,099,945	1,099,945	-
Lease revenue	1,989,473	2,136,275	-
Total operating revenues	9,479,312	170,159,873	90,208,141
OPERATING EXPENSES			
Administration and general	-	24,328,169	55,367,776
Maintenance and operations	1,440,768	60,953,363	27,852,698
Cost of purchased water	-	35,628,077	-
Depreciation/amortization	466,466	18,389,589	2,996,454
Total operating expenses	1,907,234	139,299,198	86,216,928
Operating income (loss)	7,572,078	30,860,675	3,991,213
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	25,320	1,382,432	24,030
Interest expense	(6,240)	(3,341,765)	(15,527)
Contributions	35,475	10,471,975	-
Gain (loss) on disposal of capital assets	(27,237)	(27,237)	269,437
Total nonoperating revenues (expenses)	27,318	8,485,405	277,940
Income (loss) before transfers	7,599,396	39,346,080	4,269,153
Transfers in	-	43,470	6,165,288
Transfers out	(7,471,442)	(14,358,748)	(5,241,026)
Change in net position	127,954	25,030,802	5,193,415
Net position-beginning	14,930,591		35,835,139
Net position-ending	\$ 15,058,545		\$ 41,028,554
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds		765,389	
Changes in net position of business-type activities		\$ 25,796,191	

CITY OF OCEANSIDE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities			
	Water	Sewer	Waste Disposal	Special Aviation
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 75,222,048	\$ 56,028,939	\$ 29,090,476	\$ 107,350
Payments to suppliers and service providers	(54,857,996)	(18,095,303)	(21,865,244)	(127,998)
Payments to employees for salaries and benefits	(12,705,904)	(10,827,935)	(609,210)	-
Other receipts (payments)	-	-	-	-
Net cash provided by (used for) operating activities	7,658,148	27,105,701	6,616,022	(20,648)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	38,470	5,000	-	-
Transfers to other funds	(857,949)	-	(6,029,357)	-
Payments from other funds on interfund borrowings	-	-	-	(85,783)
Payments to other funds on interfund borrowings	-	-	-	-
Operating contributions	10,436,500	-	-	-
Net cash provided by (used for) noncapital financing activities	9,617,021	5,000	(6,029,357)	(85,783)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	429,579	43,913	-	-
Acquisition and construction of capital assets	(22,591,418)	(19,072,404)	-	-
Principal paid on capital debt	3,476,746	(3,450,143)	-	-
Interest paid on capital debt	(2,852,222)	(376,342)	-	-
Proceeds from sales of assets	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(21,537,315)	(22,854,976)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	587,714	764,502	-	64
Net cash provided by (used for) investing activities	587,714	764,502	-	64
Net increase (decrease) in cash and cash equivalents	(3,674,432)	5,020,227	586,665	(106,367)
Cash and cash equivalents-beginning	96,957,669	134,368,263	8,377,454	893,094
Cash and cash equivalents-ending	\$ 93,283,237	\$ 139,388,490	\$ 8,964,119	\$ 786,727

CITY OF OCEANSIDE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities			
	Water	Sewer	Waste Disposal	Special Aviation
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and investments	\$ 92,904,643	\$ 138,879,125	\$ 8,964,119	\$ 786,727
Restricted cash and investments	-	-	-	-
Cash with fiscal agent	378,594	509,365	-	-
Total cash and cash equivalents	<u>\$ 93,283,237</u>	<u>\$ 139,388,490</u>	<u>\$ 8,964,119</u>	<u>\$ 786,727</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,215,151)	\$ 16,192,441	\$ 8,359,013	\$ (47,706)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	8,611,682	9,059,457	175,937	76,047
(Increase) decrease in accounts receivable	1,877,377	(2,191,520)	81,348	-
(Increase) decrease in leases receivable	-	-	-	(1,126,657)
(Increase) decrease in inventories	249,316	248,944	-	-
(Increase) decrease in prepaid items	(4,002)	677	-	-
(Increase) decrease in pension-related deferred outflows	(3,415,165)	(1,975,325)	(131,500)	-
Increase (decrease) in accounts payable	(2,059,516)	3,728,760	(1,970,050)	-
Increase (decrease) in accrued liabilities	(354,629)	(326,928)	(16,012)	-
Increase (decrease) in deferred revenues	-	(897)	-	7,198
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in deposits payable	50,935	-	-	-
Increase (decrease) in compensated absences	342,584	66,540	(39,562)	-
Increase (decrease) in claims and judgments	-	-	-	-
Increase (decrease) in net OPEB liability	9,900,869	8,661,843	521,999	-
Increase (decrease) in pension-related deferred inflows	(6,326,152)	(6,358,291)	(365,151)	-
Increase (decrease) in lease-related deferred inflows	-	-	-	1,070,470
Total adjustments	<u>8,873,299</u>	<u>10,913,260</u>	<u>(1,742,991)</u>	<u>27,058</u>
Net cash provided by (used for) operating activities	<u>\$ 7,658,148</u>	<u>\$ 27,105,701</u>	<u>\$ 6,616,022</u>	<u>\$ (20,648)</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES				
Noncash loss on disposal of assets	\$ -	\$ -	\$ -	\$ -
Amortization on bond discount/(premium)	162,689	130,623	-	-

CITY OF OCEANSIDE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities		Governmental Activities
	Oceanside Small Craft Harbor District	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 9,193,011	\$ 169,641,824	\$ 90,180,607
Payments to suppliers and service providers	(1,522,553)	(96,469,094)	(28,928,040)
Payments to employees for salaries and benefits	-	(24,143,049)	(53,955,801)
Other receipts (payments)	-	-	6,218,343
Net cash provided by (used for) operating activities	7,670,458	49,029,681	13,515,109
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	43,470	6,215,313
Transfers to other funds	(7,471,442)	(14,358,748)	(5,241,026)
Payments from other funds on interfund borrowings	(24,030)	(109,813)	24,030
Payments to other funds on interfund borrowings	-	-	(50,025)
Operating contributions	35,475	10,471,975	-
Net cash provided by (used for) noncapital financing activities	(7,459,997)	(3,953,116)	948,292
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	-	473,492	643,391
Acquisition and construction of capital assets	(8,804)	(41,672,626)	(4,091,654)
Principal paid on capital debt	(100,000)	(73,397)	(192,224)
Interest paid on capital debt	(7,073)	(3,235,637)	(7,055)
Proceeds from sales of assets	-	-	288,209
Net cash provided by (used for) capital and related financing activities	(115,877)	(44,508,168)	(3,359,333)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	10,302	1,362,582	24,030
Net cash provided by (used for) investing activities	10,302	1,362,582	24,030
Net increase (decrease) in cash and cash equivalents	104,886	1,930,979	11,128,098
Cash and cash equivalents-beginning	5,515,630	246,112,110	55,224,075
Cash and cash equivalents-ending	\$ 5,620,516	\$ 248,043,089	\$ 66,352,173

CITY OF OCEANSIDE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities		Governmental Activities
	Oceanside Small Craft Harbor District	Totals	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 5,620,516	\$ 247,155,130	\$ 66,052,173
Restricted cash and investments	-	-	300,000
Cash with fiscal agent	-	887,959	-
Total cash and cash equivalents	<u>\$ 5,620,516</u>	<u>\$ 248,043,089</u>	<u>\$ 66,352,173</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 7,572,078	\$ 30,860,675	\$ 3,991,213
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	466,466	18,389,589	2,996,454
(Increase) decrease in accounts receivable	(153,494)	(386,289)	(27,534)
(Increase) decrease in leases receivable	1,043,552	(83,105)	-
(Increase) decrease in inventories	-	498,260	(53,721)
(Increase) decrease in prepaid items	-	(3,325)	(82,365)
(Increase) decrease in pension-related deferred outflows	-	(5,521,990)	(2,418,479)
Increase (decrease) in accounts payable	(81,785)	(382,591)	(939,256)
Increase (decrease) in accrued liabilities	-	(697,569)	1,035,447
Increase (decrease) in deferred revenues	-	6,301	-
Increase (decrease) in unearned revenues	(41,923)	(41,923)	-
Increase (decrease) in deposits payable	6,819	57,754	-
Increase (decrease) in compensated absences	-	369,562	201,771
Increase (decrease) in claims and judgments	-	-	6,218,343
Increase (decrease) in net OPEB liability	-	19,084,711	6,855,664
Increase (decrease) in pension-related deferred inflows	-	(13,049,594)	(4,262,428)
Increase (decrease) in lease-related deferred inflows	(1,141,255)	(70,785)	-
Total adjustments	<u>98,380</u>	<u>18,169,006</u>	<u>9,523,896</u>
Net cash provided by (used for) operating activities	<u>\$ 7,670,458</u>	<u>\$ 49,029,681</u>	<u>\$ 13,515,109</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Noncash loss on disposal of assets	\$ -	\$ -	\$ (18,772)
Amortization on bond discount/(premium)	-	293,312	-

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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
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Private Purpose Trust Funds Successor Agency	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 3,628,098	\$ 11,619,900
Investments at fair value:		
Money market mutual funds	1,384,357	9,795,829
Receivables:		
Taxes	-	7,300
Prepaid costs	48,441	-
Total assets	5,060,896	21,423,029
LIABILITIES		
Accounts payable	-	10,164
Accrued interest	144,225	-
Long-term liabilities:		
Due in one year	3,505,000	-
Due in more than one year	6,628,779	-
Total liabilities	10,278,004	10,164
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	(5,217,108)	21,412,865
Total net position	\$ (5,217,108)	\$ 21,412,865

CITY OF OCEANSIDE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Private Purpose Trust Funds Successor Agency	Custodial Funds
ADDITIONS		
Contributions:		
Private contributions	\$ -	\$ 178,285
Total contributions	-	178,285
Investment earnings:		
Interest	310,086	174,425
Change in fair value of investments	17,228	15,660
Total investment earnings	327,314	190,085
Taxes	3,969,505	3,872,466
Miscellaneous	-	1,906,794
Total additions	4,296,819	6,147,630
DEDUCTIONS		
Administrative expenses	27,429	109,308
Contractual services	-	277,092
Payments to bondholders	493,606	3,868,350
Total deductions	521,035	4,254,750
Net increase (decrease) in fiduciary net position	3,775,784	1,892,880
Net position-beginning	(8,992,892)	19,519,985
Net position-ending	\$ (5,217,108)	\$ 21,412,865

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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.

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 City's website.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 and Prepaid Costs

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These prepaid costs are recorded as expenditures/expenses when consumed rather than when purchased.

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. Policy has set the capitalization threshold for reporting infrastructure at \$100,000, leases and subscriptions at \$50,000, and all other capital assets are set at \$10,000. Depreciation/amortization 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
Right-to-use leases/subscriptions	lesser of the lease/subscription term or the asset's useful life

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, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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/amortization 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".

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

1. *Government-wide Financial Statements*

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

2. *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 2022/23, the City of Oceanside adopted the provisions of GASB Statement No. 96, *Subscription-based Information Technology Arrangements* (SBITAs). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

The Community Development Block Grant nonmajor special revenue fund reported a deficit in fund balance in the amount of \$589,692 at June 30, 2023. 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.

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, 2023:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 286,567,194	\$ 247,155,130	\$ 15,247,998	\$ 548,970,322
Restricted cash and investments	16,996,204	-	-	16,996,204
Cash and investments held with fiscal agents	3,505,915	887,959	11,180,186	15,574,060
	<u>\$ 307,069,313</u>	<u>\$ 248,043,089</u>	<u>\$ 26,428,184</u>	<u>\$ 581,540,586</u>

Cash and investments at June 30, 2023 consisted of the following:

Demand deposits	\$ 56,487,238
Petty cash	6,770
Pension trust	16,154,547
Investments	<u>508,892,031</u>
	<u>\$ 581,540,586</u>

Demand Deposits

At June 30, 2023, the carrying amount of the City's deposits was \$56,487,238 and the bank balance was \$41,438,568. The \$15,048,670 difference represents outstanding checks and other reconciling items.

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.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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

The table below identifies the investment types that are authorized for the City by the California Government Code (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.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity *	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer *
U.S. Treasury obligations	Yes	5 years	None	None
U.S. agency securities	Yes	5 years	30%	30%
Bankers acceptances	Yes	180 days	40%	5%
Commercial paper	Yes	270 days	25%	5%
Certificates of deposit (nonnegotiable)	Yes	5 years	20%	20%
Certificates of deposit (negotiable)	Yes	5 years	30%	5%
Repurchase agreements	Yes	1 year	None	None
Medium-term notes	Yes	5 years	30%	5%
Municipal investments	Yes	5 years	30%	5%
Money market mutual funds	Yes	5 years	20%	20%
Mortgage pass-through securities	Yes	5 years	20%	5%
Local Agency Investment Fund	Yes	N/A	None	\$75 million

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

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.

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.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
U.S. Treasury obligations	\$ 188,153,881	\$ 59,154,957	\$ 45,030,586	\$ 83,968,338
U.S. agency securities	107,562,799	9,823,628	60,957,238	36,781,932
Commercial paper	988,410	988,410	-	-
Certificates of deposit (negotiable)	11,860,997	7,737,504	3,050,529	1,072,964
Medium-term notes	115,333,620	15,472,124	68,231,710	31,629,786
Municipal investments	47,821,013	13,050,292	23,300,160	11,470,561
Money market mutual funds	2,262,621	2,262,621	-	-
Mortgage pass-through securities	7,233,179	-	-	7,233,179
Local Agency Investment Fund	1,000,000	1,000,000	-	-
Local Government Investment Pool	22,101,127	22,101,127	-	-
Supranational	4,574,385	-	-	4,574,385
Total	<u>\$ 508,892,031</u>	<u>\$ 131,590,663</u>	<u>\$ 200,570,223</u>	<u>\$ 176,731,145</u>

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, 2023, is \$107,562,799 or 21.13% of the City's portfolio (excluding held by fiscal agents).

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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	Minimum Legal Rating	Moody's Rating as of Fiscal Year End			
			Aaa	Aa	A	Exempt or Not Rated
U.S. Treasury obligations	\$ 188,153,881	Exempt	\$ -	\$ -	\$ -	\$ 188,153,881
U.S. agency securities	107,562,799	Exempt	-	-	-	107,562,799
Bankers acceptances	-	A	-	-	-	-
Commercial paper	988,410	A	988,410	-	-	-
Certificates of deposit (nonnegotiable)	-	Not Rated	-	-	-	-
Certificates of deposit (negotiable)	11,860,997	Not Rated	-	-	-	11,860,997
Repurchase agreements	-	A	-	-	-	-
Medium-term notes	115,333,620	A	74,147,774	39,642,536	-	1,543,310
Municipal investments	47,821,013	Aa	33,778,632	-	-	14,042,382
Money market mutual funds	2,262,621	Aaa	2,262,621	-	-	-
Mortgage pass-through securities	7,233,179	A	3,208,045	-	-	4,025,133
Local Agency Investment Fund	1,000,000	Not Rated	-	-	-	1,000,000
Local Government Investment Pool	22,101,127	-	-	-	-	22,101,127
Supranational	4,574,385	-	4,574,385	-	-	-
Total	\$ 508,892,031	\$ -	\$ 118,959,867	\$ 39,642,536	\$ -	\$ 350,289,629

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. No investments in any one issuer (other than United States Treasury Obligations, mutual funds, and external investment pools) represented 5% or more of total City's investments (excluding held by fiscal agents) at June 30, 2023.

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, 2023, 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.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool (CAMP)

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is a public joint powers authority which provides California Public Agencies with investment management services for surplus funds and comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financings. The CAMP currently offers the Cash Reserve Portfolio, a short-term investment portfolio, as a means for Public Agencies to invest these funds. Public Agencies that invest in the Pool (Participants) purchase shares of beneficial interest. Participants may also establish individual, professionally managed investment accounts (Individual Portfolios) by separate agreement with the Investment Advisor.

Investments in the Pools and Individual Portfolios are made only in investments in which Public Agencies generally are permitted by California statute. The CAMP may reject any investment and may limit the size of a Participant's account. The Pool seeks to maintain, but does not guarantee, a constant net asset value of \$1.00 per share. A Participant may withdraw funds from its Pool accounts at any time by check or wire transfers. Requests for same-day wire transfers must be made by 11:00 a.m. that day. Fair value of the Pool is determined by the fair value per share of the Pool's underlying portfolio.

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, 2023, the market value of the assets held in trust is \$16,154,547. 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.

The City has the following recurring fair market value measurements as of June 30, 2023:

Investment Type	Total	Input Category			
		Level 1	Level 2	Level 3	Uncategorized
U.S. Treasury obligations	\$188,153,881	\$ -	\$188,153,881	\$ -	\$ -
U.S. agency securities	107,562,799	-	107,562,799	-	-
Commercial paper	988,410	-	988,410	-	-
Certificates of deposit (negotiable)	11,860,997	-	11,860,997	-	-
Medium-term notes	115,333,620	-	115,333,620	-	-
Municipal investments	47,821,013	-	47,821,013	-	-
Money market mutual funds	2,262,621	-	-	-	2,262,621
Mortgage pass-through securities	7,233,179	-	7,233,179	-	-
Local Agency Investment Fund	1,000,000	-	-	-	1,000,000
Local Government Investment Pool	22,101,127	22,101,127	-	-	-
Supranational	4,574,385	-	4,574,385	-	-
Total	\$ 508,892,031	\$ 22,101,127	\$ 483,528,283	\$ -	\$ 3,262,621

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.

NOTE 5: NOTES RECEIVABLE

At June 30, 2023, the City had notes receivable reported in the following funds:

General Fund	\$ 33,693
Grants Fund	74,277,227
Housing Assistance Program	15,914,764
Community Development Block Grant	519,675
General Improvement	128,610
	<u>\$ 90,873,969</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, 2023, the outstanding balance of all loans is \$33,693.

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, 2023, the outstanding balance is \$74,277,227.

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, 2023, the outstanding balance is \$15,914,764.

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, 2023 is \$519,675.

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, 2023 is \$128,610.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

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	\$ 2,215,893
General Fund	Nonmajor Governmental Funds	983,244
General Fund	Housing Assistance Program	215,381
Housing Assistance Program	Nonmajor Governmental Funds	51,085
	Total	<u>\$ 3,465,603</u>

Advance to/from Other Funds		
Advances From	Advances To	Amount
General Fund	Special Aviation	\$ 1,568,303
Internal Service Funds	Oceanside Small Craft Harbor District	337,184
	Total	<u>\$ 1,905,487</u>

The General Fund advanced funds to the Special Aviation Enterprise Fund for operational purposes. As of June 30, 2023, the outstanding balance of the loans were \$1,568,303. 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, 2023, the outstanding balance of the loan was \$337,184.

B. Transfers In/Out

Transfers in and out for the year ended June 30, 2023, are as follows:

Transfers In	Transfers Out								Total
	General Fund	Grants	General Improvement	Other Governmental Funds	Water	Waste Disposal	Oceanside Small Craft Harbor District	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 50,000	\$ 1,257,130	\$ 857,949	\$6,029,357	\$ 7,440,645	\$ 111,308	\$15,746,389
Grants	328,205	-	-	-	-	-	-	-	328,205
Housing Assistance Program	-	1,000,000	-	-	-	-	-	-	1,000,000
General Improvement	26,503,955	-	-	-	-	-	-	40,357	26,544,312
Other Governmental Funds	44,988	-	-	-	-	-	-	1,580	46,568
Water	-	-	-	20,500	-	-	-	17,970	38,470
Sewer	-	-	-	-	-	-	-	5,000	5,000
Internal Service Funds	1,000,000	27,491	42,189	-	-	-	30,797	5,064,811	6,165,288
	<u>\$27,877,148</u>	<u>\$1,027,491</u>	<u>\$ 92,189</u>	<u>\$ 1,277,630</u>	<u>\$ 857,949</u>	<u>\$6,029,357</u>	<u>\$ 7,471,442</u>	<u>\$5,241,026</u>	<u>\$49,874,232</u>

The General Fund transferred \$328,205 to the Grants Fund to support costs associated with grants and housing assistance programs and transferred \$26,503,955 to the General Improvement Fund for maintenance and capital expenditures. The General Fund also transferred \$1,000,000 to the Internal Service Funds for costs related to building services.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 6: INTERFUND TRANSACTIONS (CONTINUED)

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

The General Improvement Fund transferred \$50,000 to the General Fund and \$42,189 to the Internal Service Funds to cover general and administrative costs.

The Other Governmental Funds transferred \$1,257,130 to the General Fund to support streetlight and traffic control operating costs.

The Water Fund transferred \$857,949 to the General Fund for maintenance of the City's flood control and storm drain systems.

The Waste Disposal Fund transferred \$6,029,357 to the General Fund to support street sweeping, code enforcement, and related waste disposal costs.

The Oceanside Small Craft Harbor District transferred \$7,440,645 to the General Fund to provide for harbor administrative, maintenance, and police services.

The Internal Service Funds transferred \$223,056 to various City funds, including \$111,308 to the General Fund, for costs made by the Funds towards the City's unfunded pension liability. The Internal Service Funds also transferred \$17,970 to the Water Fund for maintenance costs and \$5,000,000 to Internal Service Funds for risk management.

NOTE 7: CAPITAL ASSETS

A. Governmental Activities Capital Assets

A summary of changes in the governmental activities capital assets at June 30, 2023, is as follows:

Governmental Activities	Balance July 1, 2022	Adjustments	CIP Transfers	Additions	Deletions	Balance June 30, 2023
Capital assets, non-depreciable:						
Land	\$ 62,246,590	\$ -	\$ -	\$ -	\$ -	\$ 62,246,590
Construction in progress	42,836,060	-	(1,331,783)	31,757,214	(10,265,808)	62,995,683
Total capital assets, non-depreciable	105,082,650	-	(1,331,783)	31,757,214	(10,265,808)	125,242,273
Capital assets, depreciable/amortizable:						
Buildings and improvements	137,229,144	-	-	-	-	137,229,144
Improvements other than buildings	84,220,653	-	-	-	-	84,220,653
Machinery and equipment	78,161,451	-	1,331,783	1,825,141	(1,775,611)	79,542,764
Right to use assets	516,380	429,017	-	-	-	945,397
Subscriptions	-	1,815,412	-	331,934	-	2,147,346
Infrastructure	312,585,729	-	-	-	-	312,585,729
Total capital assets, depreciable/amortizable	612,713,357	2,244,429	1,331,783	2,157,075	(1,775,611)	616,671,033
Less accumulated depreciation/amortization:						
Buildings and improvements	60,000,442	-	-	3,525,794	-	63,526,236
Improvements other than buildings	38,047,167	-	-	4,135,718	-	42,182,885
Machinery and equipment	61,301,079	-	-	3,553,586	(1,756,839)	63,097,826
Right to use assets	125,427	190,674	-	316,101	-	632,202
Subscriptions	-	-	-	649,668	-	649,668
Infrastructure	223,351,024	-	-	4,699,330	-	228,050,354
Total accumulated depreciation/amortization	382,825,139	190,674	-	16,880,197	(1,756,839)	398,139,171
Net capital assets, depreciable/amortizable	229,888,218	2,435,103	1,331,783	(14,723,122)	(18,772)	218,531,862
Capital assets - governmental	\$ 334,970,868	\$ 2,435,103	\$ -	\$ 17,034,092	\$ (10,284,580)	\$ 343,774,135

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 7: CAPITAL ASSETS (CONTINUED)

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

General Government	\$ 263,234
Public Safety	3,308,835
Public Works	5,523,247
Community Development	106,417
Community/Cultural Services	4,682,010
Internal Service Funds	<u>2,996,454</u>
Total Depreciation/Amortization Expense-Governmental Activities	<u>\$ 16,880,197</u>

B. Business-Type Activities Capital Assets

A summary of changes in the business-type activities capital assets at June 30, 2023, is as follows:

<u>Business-Type Activities</u>	<u>Balance July 1, 2022</u>	<u>CIP Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Capital assets, non-depreciable:					
Land	\$ 29,613,703	\$ -	\$ -	\$ -	\$ 29,613,703
Construction in progress	<u>156,230,980</u>	<u>(93,921,172)</u>	<u>40,977,631</u>	<u>(27,237)</u>	<u>103,260,202</u>
Total capital assets, non-depreciable	<u>185,844,683</u>	<u>(93,921,172)</u>	<u>40,977,631</u>	<u>(27,237)</u>	<u>132,873,905</u>
Capital assets, depreciable/amortizable:					
Buildings and improvements	243,474,747	93,921,172	-	-	337,395,919
Improvements other than buildings	569,594,236	-	-	-	569,594,236
Machinery and equipment	28,952,705	-	-	-	28,952,705
Subscription assets	<u>-</u>	<u>-</u>	<u>694,995</u>	<u>-</u>	<u>694,995</u>
Total capital assets, depreciable/amortizable	<u>842,021,688</u>	<u>93,921,172</u>	<u>694,995</u>	<u>-</u>	<u>936,637,855</u>
Less accumulated depreciation/amortization:					
Buildings and improvements	86,932,137	-	5,738,731	-	92,670,868
Improvements other than buildings	359,588,227	-	10,669,210	-	370,257,437
Machinery and equipment	16,795,986	-	1,787,825	-	18,583,811
Subscription assets	<u>-</u>	<u>-</u>	<u>193,823</u>	<u>-</u>	<u>193,823</u>
Total accumulated depreciation/amortization	<u>463,316,350</u>	<u>-</u>	<u>18,389,589</u>	<u>-</u>	<u>481,705,939</u>
Net capital assets, depreciable/amortizable	<u>378,705,338</u>	<u>93,921,172</u>	<u>(17,694,594)</u>	<u>-</u>	<u>454,931,916</u>
Capital assets - business-type	<u>\$564,550,021</u>	<u>\$ -</u>	<u>\$23,283,037</u>	<u>\$ (27,237)</u>	<u>\$587,805,821</u>

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

Water	\$ 8,611,682
Sewer	9,059,457
Waste Disposal	175,937
Special Aviation	76,047
Oceanside Small Craft Harbor District	<u>466,466</u>
Total depreciation/amortization expenses	<u>\$18,389,589</u>

NOTE 8: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Leases

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. As of June 30, 2023, the value of the lease receivable is \$68,668,252. The value of the deferred inflow of resources as of June 30, 2023, was \$68,062,129, and the amortization of the deferred inflow during the year totaled \$2,777,392. The City recognized lease revenue of \$2,838,330 during the fiscal year which included \$2,777,392 related to the amortization of the deferred inflow and \$60,938 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, 2023
Land - Cell Towers	2.67 to 40.83	\$ 12,986,977	\$ 11,209,949
Buildings	2.25 to 52.50	59,032,459	57,305,293
Infrastructure	14.08	176,421	153,010
		<u>\$ 72,195,857</u>	<u>\$ 68,668,252</u>

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 1,399,728	\$ 192,825	\$ 1,592,553
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	1,392,248	153,534	1,545,782
2029 - 2033	7,021,116	621,099	7,642,215
2034 - 2038	5,729,433	396,848	6,126,281
2039 - 2043	4,153,271	317,750	4,471,021
2044 - 2048	4,204,032	270,739	4,474,771
2049 - 2053	4,253,083	222,938	4,476,021
2054 - 2058	4,305,612	174,159	4,479,771
2059 - 2063	4,346,410	124,611	4,471,021
2064 - 2068	4,368,352	76,420	4,444,772
2069 - 2073	4,416,223	28,548	4,444,772
2074	411,390	202	411,592
Total	<u>\$ 50,284,936</u>	<u>\$ 3,099,150</u>	<u>\$ 53,384,085</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 798,180	\$ 279,486	\$ 1,077,665
2025	766,500	269,437	1,035,937
2026	729,591	259,304	988,895
2027	709,288	249,166	958,454
2028	720,763	238,892	959,655
2029 - 2033	3,807,811	1,032,360	4,840,171
2034 - 2038	3,450,833	753,136	4,203,969
2039 - 2043	1,558,199	562,547	2,120,746
2044 - 2048	1,392,166	440,111	1,832,276
2049 - 2053	1,515,962	316,315	1,832,276
2054 - 2058	1,537,342	182,874	1,720,215
2059 - 2063	861,332	77,861	939,193
2064 - 2068	535,348	16,359	551,708
Total	\$ 18,383,316	\$ 4,677,845	\$ 23,061,161

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, 2023 was \$945,397 and the amortization of the assets the year totaled \$632,202. The City recognized lease expense of \$322,781 during the fiscal year which included \$316,101 related to the amortization of the assets and \$303,920 for principal and interest.

	Lease Asset Value as of June 30, 2022	Accumulated Amortization as of June 30, 2022
Vehicles	\$ 429,017	\$ 381,348
Buildings	417,162	209,224
Equipment	99,218	41,630
	<u>\$ 945,397</u>	<u>\$ 632,202</u>

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 135,143	\$ 1,010	\$ 136,153
2025	104,463	343	104,806
2026	15,185	12	15,197
Total	\$ 254,791	\$ 1,365	\$ 256,156

NOTE 8: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
(CONTINUED)

B. Subscription Based Information Technology Arrangements

The City implemented GASB Statement No. 96 in the fiscal year ended June 30, 2023. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription based-information technology arrangement (SBITA) activities. This statement establishes a single model for SBITA accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

The City of Oceanside has entered into various SBITAs as the subscriber for the use of various software services needed for the function of the City's operations. An initial subscription liability was recorded in the amount of \$2,780,456 during the current fiscal year. The terms of these subscriptions range from one to nine years. As of June 30, 2023, the total value of the subscription liability was \$1,806,464. The City of Oceanside is required to make annual principal and interest payments ranging from \$9,481 to \$496,587. The subscriptions have interest rates ranging from 2.02% to 3.24%. Information on the subscription assets as of June 30, 2023, are as follows:

Subscription Type	Amount of SBITA Capital Assets	Accumulated Amortization
Software	\$ 2,842,341	\$ 843,491

The future principal and interest subscription payments as of June 30, 2023, were as follows:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 199,739	\$ 10,886	\$ 218,556
2025	122,958	6,364	129,322
2026	127,993	3,544	131,537
2027	22,803	609	26,362
	<u>\$ 473,492</u>	<u>\$ 21,404</u>	<u>\$ 505,777</u>

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 746,167	\$ 30,725	\$ 776,892
2025	173,985	15,619	189,604
2026	135,389	11,112	146,500
2027	96,844	7,692	104,535
2028	60,389	5,177	65,566
2029 - 2032	120,199	7,105	127,304
	<u>\$ 1,332,972</u>	<u>\$ 77,429</u>	<u>\$ 1,410,401</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 9: COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended June 30, 2023:

	Balance at June 30, 2022	Net change	Balance at June 30, 2023	Due Within One Year	Due in More than One Year
Governmental Activities	\$ 14,584,027	\$ 1,717,840	\$ 16,301,867	\$ 1,139,331	\$ 15,162,536
Business-Type Activities	2,313,707	369,562	2,683,269	521,496	2,161,773
Total	<u>\$ 16,897,734</u>	<u>\$ 2,087,402</u>	<u>\$ 18,985,136</u>	<u>\$ 1,660,827</u>	<u>\$ 17,324,309</u>

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) amounts to \$18,985,136 at June 30, 2023. 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.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10: LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

Description	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year	Due in More than One Year
Governmental Activities:						
Bonds Payable:						
2011 Refunding COP	\$ 840,000	\$ -	\$ 840,000	\$ -	\$ -	\$ -
2013 Refunding COP, Series A	907,138	-	907,138	-	-	-
2015 Taxable Pension Obligation Bond	13,330,000	-	4,015,000	9,315,000	4,345,000	4,970,000
2019 Lease Revenue Bond	22,745,000	-	-	22,745,000	455,000	22,290,000
Unamortized Bond Premium/(Discount)	3,258,759	-	114,358	3,144,401	-	3,144,401
Direct Borrowings and Direct Placements:						
2016 San Diego Gas & Electric Loan	82,740	-	17,656	65,084	17,656	47,428
2019 HUD Section 108 Refunding Loan	1,670,000	-	202,000	1,468,000	213,000	1,255,000
Lease liabilities	386,776	-	131,985	254,791	135,143	119,648
Subscription liabilities	-	2,085,461	752,489	1,332,972	746,167	586,805
Claims payable	21,930,471	11,185,741	4,967,398	28,148,814	6,511,511	21,637,303
Compensated absences	14,584,027	1,717,840	-	16,301,867	1,139,331	15,162,536
Total bonds, notes, leases, subscriptions, claims, and compensated absences	79,734,911	14,989,042	11,948,024	82,775,929	13,562,808	69,213,121
Net pension liability				248,358,246		
Net OPEB liability				9,705,999		
Subtotal - Governmental Activities				340,840,174		
Business-Type Activities:						
Bonds Payable:						
2013A Water Revenue Refunding Bonds	600,000	-	600,000	-	-	-
2013A Sewer Revenue Refunding Bonds	3,970,000	-	595,000	3,375,000	620,000	2,755,000
2020A Water Revenue Bonds	24,495,000	-	465,000	24,030,000	480,000	23,550,000
2021A Water Revenue Refunding Bonds	8,710,000	-	230,000	8,480,000	800,000	7,680,000
Unamortized Bond Premium/(Discount)	5,453,278	-	293,312	5,159,966	-	5,159,966
Direct Borrowings and Direct Placements:						
2013 Gross Revenue Refunding Bonds	205,000	-	100,000	105,000	105,000	-
State Revolving Fund Loan	11,196,377	-	2,724,521	8,471,856	2,773,642	5,698,214
WIFIA Loan	47,625,641	4,973,468	-	52,599,109	1,253,813	51,345,296
Subscription liabilities	-	694,995	221,503	473,492	199,739	273,753
Compensated absences	2,313,707	369,562	-	2,683,269	521,496	2,161,773
Total bonds, notes, leases, subscriptions, claims, and compensated absences	104,569,003	6,038,025	5,229,336	105,377,692	6,753,690	98,624,002
Net pension liability				21,102,948		
Subtotal - Business-Type Activities				126,480,640		
Total Long-Term Debt	\$ 184,303,914	\$ 21,027,067	\$ 17,177,360	\$ 467,320,814	\$ 20,316,498	\$ 167,837,123

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, 2023, the outstanding balance of these certificates was \$0.

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, 2023, the outstanding balance of these certificates was \$0.

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, 2023, the outstanding balance was \$9,315,000, unamortized bond discount was \$15,326, and unamortized gain on refunding was \$57,237.

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, 2023, the outstanding balance was \$22,745,000 and unamortized bond premium was \$3,159,727.

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, 2023, the outstanding balance of the loans was \$65,084.

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, 2023, was \$1,468,000. The City pledged grant allocations and program income as security for the loan.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

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
2024	\$ 4,800,000	\$ 1,244,970	\$ 230,656	\$ 38,335	\$ 5,030,656	\$ 1,283,305
2025	5,175,000	1,033,380	242,656	32,546	5,417,656	1,065,926
2026	770,000	902,771	254,656	26,299	1,024,656	929,070
2027	525,000	871,375	261,761	19,480	786,761	890,855
2028	550,000	847,250	543,000	16,281	1,093,000	863,531
2029-2033	3,115,000	3,852,100	-	-	3,115,000	3,852,100
2034-2038	3,905,000	3,051,075	-	-	3,905,000	3,051,075
2039-2043	4,675,000	2,182,500	-	-	4,675,000	2,182,500
2044-2051	8,455,000	1,236,300	-	-	8,455,000	1,236,300
	<u>\$ 31,970,000</u>	<u>\$ 15,221,721</u>	<u>\$ 1,532,729</u>	<u>\$ 132,941</u>	<u>\$ 33,502,729</u>	<u>\$ 15,354,662</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, 2023, the outstanding balance was \$0.

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, 2023, the outstanding balance was \$3,375,000 and unamortized bond premium was \$631,344.

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 2020 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, 2023, the outstanding balance was \$24,030,000 and unamortized bond premium was \$4,528,622.

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, 2023, 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, 2023, the outstanding balance was \$8,480,000.

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, 2023, the outstanding balance of these bonds was \$105,000.

NOTE 10: LONG-TERM DEBT (CONTINUED)

State Water Resources Control Board Loan for the San Luis Rey Wastewater Treatment Plan 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, 2023, the outstanding balance of these notes was \$8,471,856.

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 \$52,599,109 from the WIFIA loan of June 30, 2023. 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.

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:

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, 2023
CFD 2000-1 Ocean Ranch 2013 Refunding	June 13, 2013	\$ 11,175,000	\$ 7,880,000
CFD 2000-1 Ocean Ranch 2014 Refunding	June 4, 2014	\$ 11,755,000	\$ 9,565,000
CFD 2001-1 Morro Hills 2013 Refunding	June 13, 2013	\$ 6,710,000	\$ 3,675,000
CFD 2001-1 Morro Hills Refunding 2014A	February 14, 2014	\$ 10,885,000	\$ 6,545,000
CFD 2001-1 Morro Hills Imp Area 1 Refunding 2014A	February 14, 2014	\$ 7,025,000	\$ 4,160,000
CFD 2006-1 Pacific Coast Bus Park Refunding 2017	January 26, 2017	\$ 9,060,000	\$ 8,025,000

NOTE 12: RISK MANAGEMENT

Since 2018, the City elected to join the PRISM pool, formerly known as CSAC - Excess Insurance Authority, as a new member and procured multiple lines of insurance coverage on behalf of the City. With the assistance of the City's broker Alliant, procured coverages include General Liability, Workers Compensation, First Party Property, Automobile, Crime, Vessel, Cyber and Excess Liability coverages. The combination of the financial strength of Public Risk Innovation, Solutions, and Management (PRISM) and the City's risk tolerance level, allowed the City to shift its self-insured retention up to \$750,000 per claim beginning in fiscal year 2021-2022. 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 \$24,218,297 and \$3,930,517, respectively, reported at June 30, 2023, 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 \$1,628,511 and \$4,883,000, respectively, at June 30, 2023.

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
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	7,261,101
2023	21,930,471	13,479,444	7,261,101	28,148,814	6,511,511

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, California. 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;

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	
Hire Date:	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
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%	8.000%	8.250%	9.000%	15.500%
Required Employer Contribution Rates:	29.370%	29.370%	29.120%	37.530%	31.030%
Total Contribution:	37.370%	37.370%	37.370%	46.530%	46.530%

* Closed to new entrants

At June 30, 2021 (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

NOTE 13: RETIREMENT PLANS (CONTINUED)

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, 2023, the employer contributions recognized as a reduction to the net pension liability for all the Miscellaneous Plan and Safety Plan were \$16,091,130 and \$26,004,164, 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and services
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report 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.

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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return ^{1, 2}
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

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

² Figures are based on the 2021 Asset Liability Management study

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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
For the Year Ended June 30, 2023

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 6/30/2021	\$ 480,785,231	\$ 422,060,847	\$ 58,724,384
Changes Recognized for the Measurement Period:			
Service Cost	8,261,262	-	8,261,262
Interest on Total Pension Liability	33,263,300	-	33,263,300
Changes of Assumptions	14,376,515	-	14,376,515
Differences Between Expected and Actual Experience	(4,271,732)	-	(4,271,732)
Contributions - Employer	-	16,091,130	(16,091,130)
Contributions - Employees	-	3,530,615	(3,530,615)
Net Investment Income	-	(31,881,388)	31,881,388
Benefit Payments, Including Refunds of Employee Contributions	(25,887,676)	(25,887,676)	-
Administrative Expense	-	(262,919)	262,919
Net Changes During 2021-22	25,741,669	(38,410,238)	64,151,907
Balance at 6/30/2022	506,526,900	383,650,609	122,876,291
<u>Safety Plan</u>			
Balance at 6/30/2021	591,756,003	526,643,601	65,112,402
Changes Recognized for the Measurement Period:			
Service Cost	12,114,924	-	12,114,924
Interest on Total Pension Liability	41,428,498	-	41,428,498
Changes of Assumptions	22,508,045	-	22,508,045
Differences Between Expected and Actual Experience	(4,940,821)	-	(4,940,821)
Contributions - Employer	-	26,004,164	(26,004,164)
Contributions - Employees	-	3,926,425	(3,926,425)
Net Investment Income	-	(39,964,376)	39,964,376
Benefit Payments, Including Refunds of Employee Contributions	(29,935,323)	(29,935,323)	-
Administrative Expense	-	(328,068)	328,068
Net Changes During 2021-22	41,175,323	(40,297,178)	81,472,501
Balance at 6/30/2022	632,931,326	486,346,423	146,584,903
Total - Miscellaneous and Safety Plans	\$1,139,458,226	\$ 869,997,032	\$ 269,461,194

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%) 5.90%	Current Discount Rate 6.90%	Discount Rate (+1%) 7.90%
Miscellaneous Plan	\$ 188,814,132	\$ 122,876,291	\$ 68,410,025
Safety Plan	234,026,416	146,584,903	75,093,202
Total	<u>\$ 422,840,548</u>	<u>\$ 269,461,194</u>	<u>\$ 143,503,227</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 \$16,154,547. 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, 2023, the City recognized pension expense as follows:

Miscellaneous	Safety	Total
<u>\$ 16,091,130</u>	<u>\$ 26,004,164</u>	<u>\$ 42,095,294</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 13: RETIREMENT PLANS (CONTINUED)

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan</u>		
Employer Contributions made Subsequent to the Measurement Date	\$ 11,530,774	\$ -
Changes of Assumptions	8,625,906	-
Differences between Expected and Actual Experience	101,773	(2,563,035)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	19,202,970	-
Subtotal - Miscellaneous Plan	<u>39,461,423</u>	<u>(2,563,035)</u>
<u>Safety Plan</u>		
Employer Contributions made Subsequent to the Measurement Date	19,984,746	-
Changes of Assumptions	16,424,790	-
Differences between Expected and Actual Experience	180,951	(3,605,465)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	24,628,670	-
Subtotal - Safety Plan	<u>61,219,157</u>	<u>(3,605,465)</u>
Total	<u>\$ 100,680,580</u>	<u>\$ (6,168,500)</u>

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 Miscellaneous Plan for the measurement period ending June 30, 2022, is 2.5 years, which was obtained by dividing the total service years of 6,030 (the sum of remaining service lifetimes of the active employees) by 2,374 (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.

NOTE 13: RETIREMENT PLANS (CONTINUED)

The EARSL for the Safety Plan for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 3,629 (the sum of remaining service lifetimes of the active employees) by 973 (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 \$31,515,520 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	\$ 7,187,327	\$ 8,888,354	\$ 16,075,681
2024	4,731,275	8,377,866	13,109,141
2025	1,301,543	5,108,476	6,410,019
2026	12,147,469	15,254,250	27,401,719

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, 2022, 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 \$9,705,999 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

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

A discount rate of 3.54% 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.

NOTE 14: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Mortality and retirement rates were based on the 2017 CalPERS Experience Study. All other actuarial assumptions used in the June 30, 2021 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, 2021 Measurement Date	\$ 10,586,873
Changes Recognized for the Measurement Period	
Service Cost	625,250
Interest on Total OPEB Liability	228,435
Benefit Payments	(647,618)
Changes in Assumptions	(1,086,941)
Net Changes During 2021-22	(880,874)
Balance at June 30, 2022 Measurement Date	\$ 9,705,999

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% at measurement date June 30, 2021 to 3.54% at measurement date June 30, 2022.

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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	Discount Rate (-1%) 2.54%	Current Discount Rate 3.54%	Discount Rate (+1%) 4.54%
Total OPEB Liability	\$ 10,513,616	\$ 9,705,999	\$ 9,171,137

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	\$ 8,703,205	\$ 9,705,999	\$ 10,832,989

NOTE 14: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$1,056,049. At June 30, 2023, 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	\$ 1,776,032	\$ (1,574,374)
Differences between Expected and Actual Experience	1,858,103	-
Total	<u>\$ 3,634,135</u>	<u>\$ (1,574,374)</u>

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
2024	\$ 183,539
2025	240,007
2026	240,008
2027	240,008
2028	240,008
Thereafter	916,191
Total	<u>\$ 2,059,761</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 15: COMMITMENTS AND CONTINGENCIES

Commitments

The following material construction commitments existed at June 30, 2023:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2023	Remaining Commitments
Slurry Seal/Overlay	\$ 13,112,654	\$ 6,545,017	\$ 6,567,637
Rplc Jolly Roger Transient Dock	950,475	-	950,475
BSSC renovation project	1,100,000	696,356	403,644
Fire Station #1 Construction	14,991,645	6,246,362	8,745,282
College Blvd Widening	759,976	501,931	258,045
Emergency Repairs-Sky Haven Lane	1,000,412	852,685	147,727
Final design - Coastal Rail Trail	1,463,309	481,814	981,495
Plan & Design Lower SLRWRF	4,942,531	4,107,690	834,841
Phase 2 - General Plan Update	3,194,337	2,516,557	677,780
SLRWRF Building Construction	11,519,332	7,631,739	3,887,593
AMI - Prime	16,905,924	14,971,371	1,934,553
Fire Training Center Imprvmnts	598,211	475,220	122,992
MBGPF- Well Expnsn	2,422,640	1,396,538	1,026,102
Phase 2 Sand Nourishment & Retention Pilot Project	2,591,680	69,095	2,522,585
Lower 1 Recycled Water Conveyance System	18,869,885	17,598,350	1,271,535
Pilgrim Creek Sewer Lift Station	2,576,200	997,310	1,578,890
La Salina WWTP Digesters	1,703,610	650,330	1,053,280
Oside Blvd - Engineering Design	1,348,081	1,251,818	96,263
Condition Assessment & Access Imprvmnt	4,425,634	3,547,409	878,225
Lower 1 Recycled Water Conveyance System	2,943,912	2,692,796	251,116
Pier Utility Replacement Project	5,825,595	3,652,291	2,173,304
Design initial phase of Coast Hwy Corridor Project	2,065,200	283,317	1,781,883
Cnstrct Mgmt	482,570	350,918	131,652
Cnstrct Mgmt	750,000	566,948	183,052
Construction Support	5,425,763	2,454,216	2,971,547
Phase 2 Prelim Design Pier View Bridge& Lifeguard project	671,186	577,127	94,059
Reimb Cost RR 8" Sewer main Roymar/Airport Rd	500,745	-	500,745
Lift Station Technical & Project Support	6,997,070	150,575	6,846,495
Irrigation Improvement	3,610,804	383,541	3,227,263
Progressive Design-Build Multiple Locations	8,648,114	3,117,316	4,402,798
Beachfront Imprvmnts	11,220,784	10,942,230	278,555
Fire Training Tower	1,245,876	1,110,616	135,259
Hennie Hills & Steiger Reservoir Repairs	6,839,059	6,483,734	355,325
Henie Hills & Steiger - Contingency	1,151,884	593,406	558,478
Water & Sediment Quality Monitoring	196,737	15,265	181,472
Pure Water OSide AWPf	55,910,716	55,910,716	-
Fire Station #8	1,005,287	967,137	38,150
Fire Station 1 Design	969,511	923,946	45,565
OBlvd Lift Stnt Relocation	11,543,515	9,664,097	1,875,196
AWPF Final Design	3,658,571	3,574,052	84,518
OOP & Tracer Study	3,439,894	1,858,993	1,580,901
Seismic Retrofit	4,602,350	1,750,509	2,851,841
Mgmt & Inspections	1,277,780	1,099,259	178,522
Cnstrctn Mgmt -Pure Water Oceanside Conveyance	1,573,757	1,354,516	219,241
SLR Reclamation	1,321,619	483,080	838,539
Emergency Repairs-Sky Haven Lane	1,000,412	852,685	147,727
	<u>\$ 249,355,246</u>	<u>\$ 182,350,877</u>	<u>\$ 67,004,369</u>

NOTE 15: COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2023 the amount of transient occupancy tax abated under this agreement amounts to \$2,863,433.

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, 2023, the amount of sales tax abated under this agreement amounts to \$485,076.

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
For the Year Ended June 30, 2023

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	\$ 3,628,098
Cash and investments with fiscal agent	<u>1,384,357</u>
	<u><u>\$ 5,012,455</u></u>

B. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2023, were as follows.

Description	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year	Due in More than One Year
Bonds Payable:						
2015A Tax Allocation Refunding Bonds	\$ 8,535,000	\$ -	\$ 2,320,000	\$ 6,215,000	\$ 2,435,000	\$ 3,780,000
2015B Tax Allocation Refunding Bonds	4,355,000	-	1,035,000	3,320,000	1,070,000	2,250,000
Unamortized Bond Premium/(Discount)	874,784	-	276,005	598,779	-	598,779
Total	<u>\$ 13,764,784</u>	<u>\$ -</u>	<u>\$ 3,631,005</u>	<u>\$ 10,133,779</u>	<u>\$ 3,505,000</u>	<u>\$ 6,628,779</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, 2023, the outstanding balance of the bonds is \$6,834,742, including the unamortized bond premium of \$619,742. 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.

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, 2023, the outstanding balance of the bonds is \$3,299,037, including the unamortized bond discount of \$20,963. 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.

**NOTE 17: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

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, 2023, is \$10,131,863 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 \$3,969,505 and the debt service obligation on the bonds was \$3,355,000.

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>
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>\$ 9,535,000</u>	<u>\$ 596,863</u>	<u>\$ 10,131,863</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, 2023, 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.

REQUIRED SUPPLEMENTARY INFORMATION

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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
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 115,211,061	\$ 115,211,061	\$ 115,211,061	\$ -
Resources (Inflows):				
Taxes	144,487,368	145,448,497	159,181,424	13,732,927
Licenses and permits	4,256,529	4,456,529	5,125,993	669,464
Intergovernmental	277,567	277,567	544,987	267,420
Charges for services	24,419,897	25,396,243	29,786,926	4,390,683
Use of money and property	5,217,176	6,282,176	6,519,707	237,531
Fines and forfeitures	3,627,645	3,710,908	4,254,783	543,875
Administrative and in lieu charges	9,194,470	9,194,470	9,194,604	134
Miscellaneous	166,088	323,589	417,000	93,411
Transfers in	15,812,566	16,152,341	15,746,388	(405,953)
Notes and loans issued	-	49,773	59,260	9,487
Other debts issued	-	-	540,710	540,710
Amounts Available for Appropriations	322,670,367	326,503,154	346,582,843	20,079,689
Charges to Appropriations (Outflows):				
General government				
City Council	1,222,113	1,303,113	983,661	319,452
City Clerk	1,511,262	1,528,219	1,231,968	296,251
City Treasurer	1,486,994	2,734,743	1,817,713	917,030
City Manager	7,660,330	11,572,001	7,427,542	4,144,459
City Attorney	2,415,445	2,463,094	2,394,277	68,817
Financial Services	5,936,654	6,024,142	5,627,228	396,914
Human Resources	788,781	788,781	663,709	125,072
Budget Activities/Services	739,017	714,495	678,914	35,581
Pension Stabilization Trust	-	-	47,169	(47,169)
Nondepartmental	6,260,944	7,557,721	16,887,497	(9,329,776)
Public safety				
Police	72,347,307	72,113,420	72,114,203	(783)
Fire	39,858,579	41,988,597	41,292,832	695,765
Community development				
Engineering	5,796,105	5,882,786	4,784,007	1,098,779
Planning	5,117,240	5,904,287	4,459,515	1,444,772
Building	3,464,116	4,076,061	3,406,789	669,272
Community/cultural services				
Library	6,172,857	6,172,857	5,748,505	424,352
Neighborhood Services Department	9,437,065	9,691,057	8,702,605	988,452
Economic and Community Development	683,354	1,001,354	617,643	383,711
Property Management	1,322,573	1,543,237	1,114,770	428,467
Block 20 Lease Assessment	23,686	23,686	22,558	1,128
Public works				
Public Works	19,161,072	22,213,767	18,610,178	3,603,589
Capital outlay	56,000	544,828	514,128	30,700
Debt service:				
Principal retirement	15,654	15,654	682,027	(666,373)
Interest and fiscal charges	-	-	24,333	(24,333)
Transfers out	17,409,857	28,007,455	27,877,148	130,307
Total Charges to Appropriations	208,887,005	233,865,355	227,730,919	6,134,436
Budgetary Fund Balance, June 30	\$ 113,783,362	\$ 92,637,799	\$ 118,851,924	\$ 26,214,125

CITY OF OCEANSIDE
Grants
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 8,920,687	\$ 42,480,413	\$ 14,021,467	\$ (28,458,946)
Charges for services	19,793	19,793	49,300	29,507
Use of money and property	71,054	71,354	181,046	109,692
Developer participation	1,809,982	1,809,982	5,419,122	3,609,140
Miscellaneous	9,500	9,500	12,200	2,700
Total revenues	10,831,016	44,391,042	19,683,135	(24,707,907)
EXPENDITURES				
Current:				
Public safety	940,624	4,786,775	3,438,862	1,347,913
Community development	9,867,423	22,827,303	8,476,114	14,351,189
Parks and recreation	25,783	916,059	130,362	785,697
Public works	-	1,022,043	20,143	1,001,900
Capital outlay	-	16,750,961	8,187,132	8,563,829
Total expenditures	10,833,830	46,303,141	20,252,613	26,050,528
Excess (deficiency) of revenues				
over (under) expenditures	(2,814)	(1,912,099)	(569,478)	1,342,621
OTHER FINANCING SOURCES (USES)				
Transfers in	481,869	992,560	328,205	(664,355)
Transfers out	(103,000)	(1,650,345)	(1,027,491)	622,854
Total other financing sources (uses)	378,869	(657,785)	(699,286)	(41,501)
Net change in fund balance	\$ 376,055	\$ (2,569,884)	(1,268,764)	\$ 1,301,120
Fund balance-beginning			11,580,266	
Fund balance-ending			\$ 10,311,502	

CITY OF OCEANSIDE
American Rescue Plan
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 10,725,860	\$ 10,725,860
Total revenues	-	-	10,725,860	10,725,860
EXPENDITURES				
Current:				
Public safety	-	11,791,711	5,427,190	6,364,521
Community development	162,183	4,472,314	471,770	4,000,544
Capital outlay	-	7,407,631	4,826,900	2,580,731
Total expenditures	162,183	23,671,656	10,725,860	12,945,796
Net change in fund balance	\$ (162,183)	\$ (23,671,656)	-	\$ 23,671,656
Fund balance-beginning			-	
Fund balance-ending			\$ -	

CITY OF OCEANSIDE
Housing Assistance Program
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Licenses and permits	\$ 300,877	\$ 334,025	\$ 328,377	\$ (5,648)
Intergovernmental	23,817,883	23,817,883	24,424,599	606,716
Charges for services	66,634	66,634	103,917	37,283
Use of money and property	1,976,305	1,251,596	927,811	(323,785)
Miscellaneous	506,830	556,830	316,106	(240,724)
Total revenues	26,668,529	26,026,968	26,100,810	73,842
EXPENDITURES				
Current:				
Community development	27,398,031	27,384,073	26,016,982	1,367,091
Total expenditures	27,398,031	27,384,073	26,016,982	1,367,091
Excess (deficiency) of revenues				
over (under) expenditures	(729,502)	(1,357,105)	83,828	1,440,933
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,000,000	1,000,000	-
Total other financing sources (uses)	-	1,000,000	1,000,000	-
Net change in fund balance	\$ (729,502)	\$ (357,105)	1,083,828	\$ 1,440,933
Fund balance-beginning			5,204,954	
Fund balance-ending			\$ 6,288,782	

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⁾

	2023	2022	2021	2020
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability:				
Service cost	\$ 8,261,262	\$ 7,348,514	\$ 7,413,674	\$ 7,426,005
Interest on total pension liability	33,263,300	32,655,269	31,525,103	30,606,708
Changes in assumptions	14,376,515	-	-	-
Difference between expected and actual experience	(4,271,732)	610,655	(3,056,423)	5,627,027
Benefit payments, including refunds of employee contributions	(25,887,676)	(24,522,705)	(22,897,930)	(21,352,977)
Net change in total pension liability	25,741,669	16,091,733	12,984,424	22,306,763
Total pension liability - beginning	480,785,231	464,693,498	451,709,074	429,402,311
Total pension liability - ending (a)	506,526,900	480,785,231	464,693,498	451,709,074
Plan Fiduciary Net Position:				
Contributions - employer	16,091,130	14,997,947	14,923,305	13,180,051
Contributions - employee	3,530,615	3,208,630	3,198,437	3,308,094
Net investment income	(31,881,388)	78,946,437	16,878,900	21,113,253
Benefit payments, including refunds of employee contributions	(25,887,676)	(24,522,705)	(22,897,930)	(21,352,977)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(262,919)	(349,409)	(476,714)	(229,882)
Other miscellaneous expense	-	-	-	747
Net change in fiduciary net position	(38,410,238)	72,280,900	11,625,998	16,019,286
Plan fiduciary net position - beginning	422,060,847	349,779,947	338,153,949	322,134,663
Plan fiduciary net position - ending (b)	383,650,609	422,060,847	349,779,947	338,153,949
Net Pension Liability - Ending (a) - (b)	\$ 122,876,291	\$ 58,724,384	\$ 114,913,551	\$ 113,555,125
Plan fiduciary net position as a percentage of the total pension liability	75.7%	87.8%	75.3%	74.9%
Covered payroll	\$ 42,693,858	\$ 41,276,150	\$ 40,160,749	\$ 39,732,503
Plan net pension liability as a percentage of covered payroll	287.8%	142.3%	286.1%	285.8%

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

Other Miscellaneous Income/(Expense): During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Plan Fiduciary Net Position - Beginning: Includes any beginning of year adjustment.

Covered Payroll: Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

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

2019	2018	2017	2016	2015
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 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)	-
(20,388,752)	(18,973,677)	(17,783,125)	(17,174,366)	(15,383,934)
10,066,887	35,053,276	12,875,979	7,748,048	17,028,601
419,335,424	384,282,148	371,406,169	363,658,121	346,629,520
429,402,311	419,335,424	384,282,148	371,406,169	363,658,121
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
(20,388,752)	(18,973,677)	(17,783,125)	(17,174,366)	(15,383,934)
(747)	38,869	(1,431)	(255)	-
(472,693)	(411,847)	(173,025)	(327,880)	-
(897,651)	-	-	-	-
18,791,294	24,396,150	(4,957,024)	(753,676)	37,661,889
303,343,369	278,947,219	283,904,243	284,657,919	246,996,030
322,134,663	303,343,369	278,947,219	283,904,243	284,657,919
\$ 107,267,648	\$ 115,992,055	\$ 105,334,929	\$ 87,501,926	\$ 79,000,202
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⁾

	2023	2022	2021	2020
Measurement Date	6/30/2021	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability:				
Service cost	\$ 12,114,924	\$ 11,065,722	\$ 11,010,401	\$ 10,774,961
Interest on total pension liability	41,428,498	40,068,656	38,503,013	36,940,765
Changes in assumptions	22,508,045	-	-	-
Difference between expected and actual experience	(4,940,821)	195,605	332,595	6,774,359
Benefit payments, including refunds of employee contributions	(29,935,323)	(28,492,575)	(27,186,576)	(25,446,261)
Net change in total pension liability	41,175,323	22,837,408	22,659,433	29,043,824
Total pension liability - beginning	591,756,003	568,918,595	546,259,162	517,215,338
Total pension liability - ending (a)	632,931,326	591,756,003	568,918,595	546,259,162
Plan Fiduciary Net Position:				
Contributions - employer	26,004,164	17,528,188	19,810,064	19,254,700
Contributions - employee	3,926,425	3,816,016	3,795,384	3,462,100
Net investment income	(39,964,376)	98,224,739	20,831,413	26,072,873
Benefit payments, including refunds of employee contributions	(29,935,323)	(28,492,575)	(27,186,576)	(25,446,261)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(328,068)	(435,540)	(591,172)	(282,795)
Other miscellaneous expense	-	-	-	922
Net change in fiduciary net position	(40,297,178)	90,640,828	16,659,113	23,061,539
Plan fiduciary net position - beginning	526,643,601	436,002,773	419,343,660	396,282,121
Plan fiduciary net position - ending (b)	486,346,423	526,643,601	436,002,773	419,343,660
Plan net pension liability - ending (a) - (b)	\$ 146,584,903	\$ 65,112,402	\$ 132,915,822	\$ 126,915,502
Plan fiduciary net position as a percentage of the total pension liability	76.8%	89.0%	76.6%	76.8%
Covered payroll	\$ 36,468,767	\$ 36,455,146	\$ 35,551,829	\$ 34,414,901
Plan net pension liability as a percentage of covered payroll	401.9%	178.6%	373.9%	368.8%

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

Other Miscellaneous Income/(Expense): During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Plan Fiduciary Net Position - Beginning: Includes any beginning of year adjustment.

Plan Fiduciary Net Position - Beginning: Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

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

2019	2018	2017	2016	2015
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 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)	-
(23,956,522)	(22,536,630)	(21,347,011)	(19,887,274)	(18,990,595)
22,120,583	45,425,866	13,541,429	4,416,269	21,470,401
495,094,755	449,668,889	436,127,460	431,711,191	410,240,790
517,215,338	495,094,755	449,668,889	436,127,460	431,711,191
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)	-
(1,085,787)	-	-	-	-
29,362,117	29,892,893	(5,671,751)	(29,143)	44,540,575
366,920,004	337,027,111	342,698,862	342,728,005	298,187,430
396,282,121	366,920,004	337,027,111	342,698,862	342,728,005
\$ 120,933,217	\$ 128,174,751	\$ 112,641,778	\$ 93,428,598	\$ 88,983,186
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

	2023	2022	2021	2020
<u>Miscellaneous Plan:</u>				
Actuarially Determined Contribution	\$ 10,737,563	\$ 12,433,866	\$ 14,285,139	\$ 12,891,460
Contribution in Relation to the Actuarially Determined Contribution	(11,530,774)	(14,324,909)	(15,357,182)	(15,489,718)
Contribution Deficiency (Excess)	<u>\$ (793,211)</u>	<u>\$ (1,891,043)</u>	<u>\$ (1,072,043)</u>	<u>\$ (2,598,258)</u>
Covered Payroll	\$ 41,376,768	\$ 41,376,768	\$ 41,276,150	\$ 40,160,749
Contributions as a Percentage of Covered Payroll	27.9%	34.6%	37.2%	38.6%
<u>Safety Plan:</u>				
Actuarially Determined Contribution	\$ 10,520,276	\$ 15,243,144	\$ 16,536,302	\$ 15,307,154
Contribution in Relation to the Actuarially Determined Contribution	(19,984,746)	(24,285,015)	(18,215,233)	(20,523,475)
Contribution Deficiency (Excess)	<u>\$ (9,464,470)</u>	<u>\$ (9,041,871)</u>	<u>\$ (1,678,931)</u>	<u>\$ (5,216,321)</u>
Covered Payroll	\$ 36,364,515	\$ 36,364,515	\$ 36,455,146	\$ 35,551,829
Contributions as a Percentage of Covered Payroll	55.0%	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 2022-23 were derived from the June 30, 2020 funding valuation report.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period: For details, see June 30, 2020 Funding Valuation Report

Asset Valuation Method: Fair Value of Assets. For details, see June 30, 2020 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.

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

	2023	2022	2021
Measurement Date	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Total OPEB Liability:			
Service cost	\$ 625,250	\$ 536,099	\$ 418,290
Interest on the total OPEB liability	228,435	230,984	329,520
Actual and expected experience difference	-	580,073	-
Changes in assumptions	(1,086,941)	(633,972)	983,188
Benefit payments ⁽²⁾	(647,618)	(715,064)	(695,903)
Net change in total OPEB liability	(880,874)	(1,880)	1,035,095
Total OPEB liability - beginning	10,586,873	10,588,753	9,553,658
Total OPEB liability - ending	<u>\$ 9,705,999</u>	<u>\$ 10,586,873</u>	<u>\$ 10,588,753</u>
Plan fiduciary net position as a percentage of the total OPEB liability ⁽³⁾	0.0%	0.0%	0.0%
Covered payroll	\$ 98,650,048	\$ 90,410,467	\$ 81,603,109
Net OPEB liability as a percentage of covered payroll	9.8%	11.7%	13.0%

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.

2020	2019	2018
<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 384,631	\$ 373,428	\$ 362,551
211,448	175,549	166,455
1,983,780	-	-
1,465,479	(244,689)	-
<u>(280,948)</u>	<u>(245,347)</u>	<u>(231,628)</u>
3,764,390	58,941	297,378
<u>5,789,268</u>	<u>5,730,327</u>	<u>5,432,949</u>
<u>\$ 9,553,658</u>	<u>\$ 5,789,268</u>	<u>\$ 5,730,327</u>
0.0%	0.0%	0.0%
\$ 79,567,557	\$ 76,704,358	\$ 63,197,046
12.0%	7.5%	9.1%

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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
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Asset Seizure	Gas Tax and Transportation	Community Development Block Grant	Maintenance Districts
ASSETS				
Cash and investments	\$ 772,357	\$ 8,879,111	\$ -	\$ 1,969,217
Receivables (net of allowance for uncollectible):				
Accounts	-	547,964	-	248,955
Taxes	-	1,062,647	-	12,592
Due from other governments	-	-	1,076,155	-
Notes and loans	-	-	519,675	-
Prepaid costs	-	-	12,773	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 772,357	\$ 10,489,722	\$ 1,608,603	\$ 2,230,764
LIABILITIES				
Accounts payable	\$ -	\$ 1,093,938	\$ 152,845	\$ 183,541
Accrued liabilities	-	24,307	14,028	-
Due to other funds	-	-	917,186	117,143
Total liabilities	-	1,118,245	1,084,059	300,684
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	547,964	1,114,236	-
Total deferred inflows of resources	-	547,964	1,114,236	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	12,773	-
Restricted	772,357	8,823,513	-	1,930,080
Unassigned	-	-	(602,465)	-
Total fund balances (deficits)	772,357	8,823,513	(589,692)	1,930,080
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 772,357	\$ 10,489,722	\$ 1,608,603	\$ 2,230,764

CITY OF OCEANSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue	Debt Service Funds		
	State & Local Asset Seizure	General Debt Service	Oceanside Lighting District	Total Nonmajor Funds
ASSETS				
Cash and investments	\$ 59,059	\$ 2,320,539	\$ 32,429	\$ 14,032,712
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	796,919
Taxes	-	-	-	1,075,239
Due from other governments	-	-	-	1,076,155
Notes and loans	-	-	-	519,675
Prepaid costs	-	-	-	12,773
Restricted assets:				
Cash and investments with fiscal agents	-	6,217	-	6,217
Total assets	\$ 59,059	\$ 2,326,756	\$ 32,429	\$ 17,519,690
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,430,324
Accrued liabilities	-	-	-	38,335
Due to other funds	-	-	-	1,034,329
Total liabilities	-	-	-	2,502,988
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	1,662,200
Total deferred inflows of resources	-	-	-	1,662,200
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	12,773
Restricted	59,059	2,326,756	32,429	13,944,194
Unassigned	-	-	-	(602,465)
Total fund balances (deficits)	59,059	2,326,756	32,429	13,354,502
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 59,059	\$ 2,326,756	\$ 32,429	\$ 17,519,690

CITY OF OCEANSIDE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Asset Seizure	Gas Tax and Transportation	Community Development Block Grant	Maintenance Districts
REVENUES				
Administrative and in lieu charges	\$ -	\$ -	\$ -	\$ 3,011,760
Intergovernmental	28,273	11,221,894	1,399,369	-
Use of money and property	10,891	76,173	37,584	8,027
Miscellaneous	-	2,275	-	798
Total revenues	39,164	11,300,342	1,436,953	3,020,585
EXPENDITURES				
Current:				
Public safety	107,414	-	-	-
Parks and recreation	-	-	1,757,352	-
Public works	-	6,565,925	-	2,672,441
Capital outlay	-	368,108	-	-
Debt service:				
Principal	-	-	202,000	34,259
Interest and fiscal charges	-	-	43,696	5,884
Total expenditures	107,414	6,934,033	2,003,048	2,712,584
Excess (deficiency) of revenues over (under) expenditures	(68,250)	4,366,309	(566,095)	308,001
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,580	-	44,988
Transfers out	-	(655,500)	-	(622,130)
Total other financing sources (uses)	-	(653,920)	-	(577,142)
Net change in fund balances	(68,250)	3,712,389	(566,095)	(269,141)
Fund balances (deficit)-beginning	840,607	5,111,124	(23,597)	2,199,221
Fund balances (deficit)-ending	\$ 772,357	\$ 8,823,513	\$ (589,692)	\$ 1,930,080

CITY OF OCEANSIDE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds	Debt Service Funds		
	State & Local Asset Seizure	General Debt Service	Oceanside Lighting District	Total Nonmajor Funds
REVENUES				
Administrative and in lieu charges	\$ -	\$ -	\$ -	\$ 3,011,760
Intergovernmental	27,907	-	-	12,677,443
Use of money and property	520	1,062,112	-	1,195,307
Miscellaneous	-	6,266,427	476,219	6,745,719
Total revenues	28,427	7,328,539	476,219	23,630,229
EXPENDITURES				
Current:				
Public safety	-	-	-	107,414
Parks and recreation	-	-	-	1,757,352
Public works	-	-	-	9,238,366
Capital outlay	-	-	-	368,108
Debt service:				
Principal	-	5,762,138	432,647	6,431,044
Interest and fiscal charges	-	1,460,053	43,572	1,553,205
Total expenditures	-	7,222,191	476,219	19,455,489
Excess (deficiency) of revenues over (under) expenditures	28,427	106,348	-	4,174,740
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	46,568
Transfers out	-	-	-	(1,277,630)
Total other financing sources (uses)	-	-	-	(1,231,062)
Net change in fund balances	28,427	106,348	-	2,943,678
Fund balances (deficit)-beginning	30,632	2,220,408	32,429	10,410,824
Fund balances (deficit)-ending	\$ 59,059	\$ 2,326,756	\$ 32,429	\$ 13,354,502

CITY OF OCEANSIDE
Asset Seizure
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 28,273	\$ 18,273
Use of money and property	7,000	7,000	10,891	3,891
Total revenues	17,000	17,000	39,164	22,164
EXPENDITURES				
Current:				
Public safety	347,000	369,000	107,414	261,586
Total expenditures	347,000	369,000	107,414	261,586
Net change in fund balance	\$ (330,000)	\$ (352,000)	(68,250)	\$ 283,750
Fund balance-beginning			840,607	
Fund balance-ending			\$ 772,357	

CITY OF OCEANSIDE
Gas Tax and Transportation
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 15,349,250	\$ 15,349,250	\$ 11,221,894	\$ (4,127,356)
Use of money and property	22,526	22,526	76,173	53,647
Miscellaneous	-	-	2,275	2,275
Total revenues	15,371,776	15,371,776	11,300,342	(4,071,434)
EXPENDITURES				
Current:				
Public works	12,424,138	15,477,900	6,565,925	8,911,975
Capital outlay	76,905	3,595,029	368,108	3,226,921
Total expenditures	12,501,043	19,072,929	6,934,033	12,138,896
Excess (deficiency) of revenues				
over (under) expenditures	2,870,733	(3,701,153)	4,366,309	8,067,462
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,580	1,580
Transfers out	(655,500)	(655,500)	(655,500)	-
Total other financing sources (uses)	(655,500)	(655,500)	(653,920)	1,580
Net change in fund balance	\$ 2,215,233	\$ (4,356,653)	3,712,389	\$ 8,069,042
Fund balance-beginning			5,111,124	
Fund balance-ending			\$ 8,823,513	

CITY OF OCEANSIDE
Community Development Block Grant
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 3,533,478	\$ 3,346,237	\$ 1,399,369	\$ (1,946,868)
Use of money and property	41,001	41,001	37,584	(3,417)
Total revenues	3,574,479	3,387,238	1,436,953	(1,950,285)
EXPENDITURES				
Current:				
Parks and recreation	3,348,760	3,371,584	1,757,352	1,614,232
Debt service:				
Principal	202,000	202,000	202,000	-
Interest	43,696	43,696	43,696	-
Total expenditures	3,594,456	3,617,280	2,003,048	1,614,232
Net change in fund balance	\$ (19,977)	\$ (230,042)	(566,095)	\$ (336,053)
Fund balance-beginning			(23,597)	
Fund balance-ending			\$ (589,692)	

CITY OF OCEANSIDE
Maintenance Districts
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Assessments	\$ 2,959,080	\$ 2,959,080	\$ 3,011,760	\$ 52,680
Use of money and property	9,846	9,846	8,027	(1,819)
Miscellaneous	5,000	5,000	798	(4,202)
Total revenues	2,973,926	2,973,926	3,020,585	46,659
EXPENDITURES				
Current:				
Public works	2,568,142	2,723,887	2,672,441	51,446
Debt service:				
Principal	572	572	34,259	(33,687)
Total expenditures	2,568,714	2,724,459	2,712,584	11,875
Excess (deficiency) of revenues				
over (under) expenditures	405,212	249,467	308,001	58,534
OTHER FINANCING SOURCES (USES)				
Transfers in	-	44,988	44,988	-
Transfers out	(622,130)	(622,130)	(622,130)	-
Total other financing sources (uses)	(622,130)	(577,142)	(577,142)	-
Net change in fund balance	\$ (216,918)	\$ (327,675)	(269,141)	\$ 58,534
Fund balance-beginning			2,199,221	
Fund balance-ending			\$ 1,930,080	

CITY OF OCEANSIDE
State & Local Asset Seizure
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 4,000	\$ 4,000	\$ 27,907	\$ 23,907
Use of money and property	-	-	520	520
Total revenues	4,000	4,000	28,427	24,427
EXPENDITURES				
Current:				
Public safety	4,000	4,000	-	4,000
Total expenditures	4,000	4,000	-	4,000
Net change in fund balance	\$ -	\$ -	28,427	\$ 28,427
Fund balance-beginning			30,632	
Fund balance-ending			\$ 59,059	

CITY OF OCEANSIDE
General Improvement
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 414,015	\$ 414,015	\$ 404,857	\$ (9,158)
Use of money and property	135,659	135,659	321,290	185,631
Developer participation	8,674,520	8,674,520	6,012,752	(2,661,768)
Miscellaneous	1,046,994	1,046,994	1,786,580	739,586
Total revenues	10,271,188	10,271,188	8,525,479	(1,745,709)
EXPENDITURES				
Current:				
General government	4,140,994	8,285,250	5,866,986	2,418,264
Community development	5,072,709	7,422,316	742,772	6,679,544
Public works	4,619,046	8,374,716	2,388,434	5,986,282
Capital outlay	15,492,870	58,545,722	16,838,333	41,707,389
Debt service:				
Interest	-	-	483	(483)
Total expenditures	29,325,619	82,628,004	25,837,008	56,790,996
Excess (deficiency) of revenues				
over (under) expenditures	(19,054,431)	(72,356,816)	(17,311,529)	55,045,287
OTHER FINANCING SOURCES (USES)				
Transfers in	15,910,000	26,504,277	26,544,312	40,035
Transfers out	(50,000)	(92,189)	(92,189)	-
Total other financing sources (uses)	15,860,000	26,412,088	26,452,123	40,035
Net change in fund balance	\$ (3,194,431)	\$ (45,944,728)	9,140,594	\$ 55,085,322
Fund balance-beginning			66,799,624	
Fund balance-ending			\$ 75,940,218	

CITY OF OCEANSIDE
General Debt Service
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,052,200	\$ 1,052,200	\$ 1,062,112	\$ 9,912
Miscellaneous	6,266,420	6,266,420	6,266,427	7
Total revenues	7,318,620	7,318,620	7,328,539	9,919
EXPENDITURES				
Debt service:				
Principal	5,762,138	5,762,138	5,762,138	-
Interest	1,462,482	1,462,482	1,460,053	2,429
Total expenditures	7,224,620	7,224,620	7,222,191	2,429
Net change in fund balance	\$ 94,000	\$ 94,000	106,348	\$ 12,348
Fund balance-beginning			2,220,408	
Fund balance-ending			\$ 2,326,756	

CITY OF OCEANSIDE
Oceanside Lighting District
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Miscellaneous	\$ 476,219	\$ 476,219	\$ 476,219	\$ -
Total revenues	476,219	476,219	476,219	-
EXPENDITURES				
Debt service:				
Principal	432,647	432,647	432,647	-
Interest	43,572	43,572	43,572	-
Total expenditures	476,219	476,219	476,219	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance-beginning			32,429	
Fund balance-ending			\$ 32,429	

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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
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Loss Prevention	General Services	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 33,156,710	\$ 32,895,463	\$ 66,052,173
Receivables (net of uncollectibles):			
Accounts	189,506	9,896	199,402
Prepaid costs	9,620	781,413	791,033
Inventories	-	385,784	385,784
Restricted:			
Cash and investments	300,000	-	300,000
Total current assets	33,655,836	34,072,556	67,728,392
Noncurrent:			
Advances to other funds	-	337,184	337,184
Capital assets, net	-	10,559,967	10,559,967
Total noncurrent assets	-	10,897,151	10,897,151
Total assets	33,655,836	44,969,707	78,625,543
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	299,312	3,055,462	3,354,774
Total deferred outflows of resources	299,312	3,055,462	3,354,774
LIABILITIES			
Current liabilities:			
Accounts payable	49,267	946,094	995,361
Accrued liabilities	10,985	1,461,295	1,472,280
Accrued interest	-	21,702	21,702
Compensated absences	4,500	72,917	77,417
Claims and judgments	6,511,511	-	6,511,511
Leases	-	47,764	47,764
Subscriptions	-	554,703	554,703
Bonds, notes, and loans	-	1,430	1,430
Total current liabilities	6,576,263	3,105,905	9,682,168
Noncurrent liabilities:			
Compensated absences	55,787	904,021	959,808
Claims and judgments	21,637,303	-	21,637,303
Subscriptions	-	75,500	75,500
Bonds, notes, and loans	-	4,169	4,169
Net pension liability	684,983	7,781,944	8,466,927
Total noncurrent liabilities	22,378,073	8,765,634	31,143,707
Total liabilities	28,954,336	11,871,539	40,825,875
DEFERRED INFLOWS OF RESOURCES			
Pension-related	11,395	114,493	125,888
Total deferred inflows of resources	11,395	114,493	125,888
NET POSITION			
Net investment in capital assets	-	9,778,440	9,778,440
Unrestricted	4,989,417	26,260,697	31,250,114
Total net position	\$ 4,989,417	\$ 36,039,137	\$ 41,028,554

CITY OF OCEANSIDE
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Loss Prevention	General Services	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 14,657,449	\$ 74,753,162	\$ 89,410,611
Miscellaneous	673,205	124,325	797,530
Total operating revenues	15,330,654	74,877,487	90,208,141
OPERATING EXPENSES			
Administration and general	725,644	54,642,132	55,367,776
Maintenance and operations	16,580,151	11,272,547	27,852,698
Depreciation/amortization	-	2,996,454	2,996,454
Total operating expenses	17,305,795	68,911,133	86,216,928
Operating income (loss)	(1,975,141)	5,966,354	3,991,213
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	-	24,030	24,030
Interest expense	-	(15,527)	(15,527)
Gain (loss) on disposal of capital assets	-	269,437	269,437
Total nonoperating revenues (expenses)	-	277,940	277,940
Income (loss) before transfers	(1,975,141)	6,244,294	4,269,153
Transfers in	5,000,000	1,165,288	6,165,288
Transfers out	(187,189)	(5,053,837)	(5,241,026)
Change in net position	2,837,670	2,355,745	5,193,415
Net position-beginning	2,151,747	33,683,392	35,835,139
Net position-ending	\$ 4,989,417	\$ 36,039,137	\$ 41,028,554

CITY OF OCEANSIDE
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Loss Prevention	General Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 15,303,676	\$ 74,876,931	\$ 90,180,607
Payments to suppliers and service providers	(16,955,510)	(11,972,530)	(28,928,040)
Payments to employees for salaries and benefits	(712,675)	(53,243,126)	(53,955,801)
Other receipts (payments)	6,218,343	-	6,218,343
Net cash provided by (used for) operating activities	3,853,834	9,661,275	13,515,109
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	5,000,000	1,215,313	6,215,313
Transfers to other funds	(187,189)	(5,053,837)	(5,241,026)
Payments from other funds on interfund borrowings	-	24,030	24,030
Payments to other funds on interfund borrowings	-	(50,025)	(50,025)
Net cash provided by (used for) noncapital financing activities	4,812,811	(3,864,519)	948,292
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	-	643,391	643,391
Acquisition and construction of capital assets	-	(4,091,654)	(4,091,654)
Principal paid on capital debt	-	(192,224)	(192,224)
Interest paid on capital debt	-	(7,055)	(7,055)
Proceeds from sales of assets	-	288,209	288,209
Net cash provided by (used for) capital and related financing activities	-	(3,359,333)	(3,359,333)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	24,030	24,030
Net cash provided by (used for) investing activities	-	24,030	24,030
Net increase (decrease) in cash and cash equivalents	8,666,645	2,461,453	11,128,098
Cash and cash equivalents-beginning	24,790,065	30,434,010	55,224,075
Cash and cash equivalents-ending	\$ 33,456,710	\$ 32,895,463	\$ 66,352,173
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 33,156,710	\$ 32,895,463	\$ 66,052,173
Restricted cash and investments	300,000	-	300,000
Total cash and cash equivalents	\$ 33,456,710	\$ 32,895,463	\$ 66,352,173

CITY OF OCEANSIDE
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED BY (USED FOR)
OPERATING ACTIVITIES

Operating income (loss)	\$ (1,975,141)	\$ 5,966,354	\$ 3,991,213
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	-	2,996,454	2,996,454
(Increase) decrease in accounts receivable	(26,978)	(556)	(27,534)
(Increase) decrease in inventories	-	(53,721)	(53,721)
(Increase) decrease in prepaid items	23,931	(106,296)	(82,365)
(Increase) decrease in pension-related deferred outflows	(197,052)	(2,221,427)	(2,418,479)
Increase (decrease) in accounts payable	(399,290)	(539,966)	(939,256)
Increase (decrease) in accrued liabilities	(17,189)	1,052,636	1,035,447
Increase (decrease) in compensated absences	9,326	192,445	201,771
Increase (decrease) in claims and judgments	6,218,343	-	6,218,343
Increase (decrease) in net OPEB liability	620,680	6,234,984	6,855,664
Increase (decrease) in pension-related deferred inflows	(402,796)	(3,859,632)	(4,262,428)
Total adjustments	<u>5,828,975</u>	<u>3,694,921</u>	<u>\$ 9,523,896</u>
Net cash provided by (used for) operating activities	<u><u>\$ 3,853,834</u></u>	<u><u>\$ 9,661,275</u></u>	<u><u>\$ 13,515,109</u></u>

SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES

Noncash loss on disposal of assets	\$ -	\$ (18,772)	\$ (18,772)
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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
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2023

	Special Assessment District	Deposit	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 11,619,900	\$ 11,619,900
Investments at fair value:			
Money market mutual funds	9,795,829	-	9,795,829
Receivables:			
Taxes	7,300	-	7,300
Total assets	9,803,129	11,619,900	21,423,029
LIABILITIES			
Accounts payable	-	10,164	10,164
Total liabilities	-	10,164	10,164
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	9,803,129	11,609,736	21,412,865
Total net position	\$ 9,803,129	\$ 11,609,736	\$ 21,412,865

CITY OF OCEANSIDE
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2023

	Special Assessment District	Deposit	Total Custodial Funds
ADDITIONS			
Contributions:			
Private contributions	\$ 178,285	-	178,285
Total contributions	178,285	-	178,285
Investment earnings:			
Interest	174,425	-	174,425
Change in fair value of investments	15,660		15,660
Total investment earnings	190,085	-	190,085
Taxes	3,872,466	-	3,872,466
Miscellaneous	235,000	1,671,794	1,906,794
Total additions	4,475,836	1,671,794	6,147,630
DEDUCTIONS			
Administrative expenses	109,308	-	109,308
Contractual services	277,092	-	277,092
Payments to bondholders	3,868,350	-	3,868,350
Total deductions	4,254,750	-	4,254,750
Net increase (decrease) in fiduciary net position	221,086	1,671,794	1,892,880
Net position-beginning	9,582,043	9,937,942	19,519,985
Net position-ending	\$ 9,803,129	\$ 11,609,736	\$ 21,412,865

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DESCRIPTION OF STATISTICAL SECTION CONTENTS

JUNE 30, 2023

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			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 246,144,971	\$ 266,146,413	\$ 271,158,974	\$ 282,775,916
Restricted for:				
Debt Service	2,237,378	2,256,538	2,595,789	2,588,474
Capital Projects	29,702,850	33,941,840	41,373,208	33,510,793
Specific Projects and Programs	85,489,088	21,814,282	21,637,543	17,373,883
Total Restricted	117,429,316	58,012,660	65,606,540	53,473,150
Unrestricted	58,259,611	(82,447,190)	(73,967,078)	(50,292,346)
Total governmental activities net position	\$ 421,833,898	\$ 241,711,883	\$ 262,798,436	\$ 285,956,720
Business-type Activities				
Net investment in capital assets	\$ 364,159,043	\$ 368,135,588	\$ 387,599,614	\$ 403,023,876
Restricted for:				
Capital projects	56,127,650	47,783,461	56,933,570	74,021,628
Debt service	1,000,178	961,741	769,774	81,447
Rate stabilization	0	6,078,455	6,078,455	5,276,131
Unrestricted	86,994,807	92,909,730	85,997,831	84,047,668
Total business-type activities net position	\$ 508,281,678	\$ 515,868,975	\$ 537,379,244	\$ 566,450,750
Primary Government				
Net investment in capital assets	\$ 610,304,014	\$ 634,282,001	\$ 658,758,588	\$ 685,799,792
Restricted	174,557,144	109,926,675	129,388,339	132,852,356
Unrestricted	145,254,418	13,372,182	12,030,753	33,755,322
Total Primary Government net position	\$ 930,115,576	\$ 757,580,858	\$ 800,177,680	\$ 852,407,470

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 284,435,863	\$ 292,804,444	\$ 273,355,507	\$ 292,811,112	\$ 304,897,452	\$ 305,297,063
2,602,920	2,679,104	2,312,694	2,325,792	2,252,837	2,359,185
39,454,169	40,657,178	71,204,587	54,690,174	66,794,232	75,937,878
26,071,742	31,716,726	35,348,199	43,567,128	40,697,730	44,335,262
68,128,831	75,053,008	108,865,480	100,583,094	109,744,799	122,632,325
(37,820,563)	(28,675,795)	(28,229,714)	(14,242,592)	32,195,494	51,826,790
\$ 314,744,131	\$ 339,181,657	\$ 353,991,273	\$ 379,151,614	\$ 446,837,745	\$ 479,756,178
\$ 424,457,531	\$ 441,719,343	\$ 443,147,841	\$ 464,187,625	\$ 461,954,191	\$ 482,907,984
71,303,919	90,962,906	169,779,265	23,607,629	4,856,154	7,695,170
5,216,020	3,093,211	4,013,180	7,057,251	8,424,127	9,401,301
93,865,168	87,136,684	24,292,711	171,408,617	214,206,949	215,233,157
\$ 594,842,638	\$ 622,912,144	\$ 641,232,997	\$ 666,261,122	\$ 689,441,421	\$ 715,237,612
\$ 708,893,394	\$ 734,523,787	\$ 716,503,348	\$ 756,998,737	\$ 766,851,643	\$ 788,205,047
144,648,770	169,109,125	282,657,925	131,247,974	123,025,080	139,728,796
56,044,605	58,460,889	(3,937,003)	157,166,025	246,402,443	267,059,947
\$ 909,586,769	\$ 962,093,801	\$ 995,224,270	\$ 1,045,412,736	\$ 1,136,279,166	\$ 1,194,993,790

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 16,455,355	\$ 16,671,736	\$ 15,552,936	\$ 15,296,527
Public safety	76,486,996	80,525,772	83,064,936	84,872,862
Community development	24,559,378	30,564,852	32,224,969	33,709,839
Community/cultural services	14,051,321	12,941,427	13,545,812	14,776,797
Public works	30,469,085	37,084,193	30,968,801	35,778,483
Interest on long-term debt	2,151,302	2,078,438	1,645,159	802,656
Total governmental activities	<u>\$ 164,173,437</u>	<u>\$ 179,866,418</u>	<u>\$ 177,002,613</u>	<u>\$ 185,237,164</u>
Business-type activities:				
Water	56,800,583	56,314,612	55,292,508	55,915,076
Sewer	31,537,700	31,516,720	31,470,309	30,604,682
Waste disposal	18,745,866	19,323,265	19,240,727	19,684,911
Special aviation	86,988	83,305	92,086	104,671
Oceanside Small Craft Harbor District	1,372,653	1,366,092	1,363,913	1,210,663
Total business-type activities	<u>108,543,790</u>	<u>108,603,994</u>	<u>107,459,543</u>	<u>107,520,003</u>
Total primary government expenses	<u>\$ 272,717,227</u>	<u>\$ 288,470,412</u>	<u>\$ 284,462,156</u>	<u>\$ 292,757,167</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 5,039,215	\$ 9,642,667	\$ 10,588,709	\$ 12,750,353
Public safety	6,673,108	8,867,434	7,008,828	7,661,652
Community development	6,687,509	8,400,755	11,865,536	17,649,387
Community/cultural services	1,126,533	840,123	1,912,587	2,097,115
Public works	7,365,266	5,359,055	5,716,976	5,368,106
Operating Grants and Contributions	34,768,831	31,943,724	40,680,408	29,965,637
Capital Grants and Contributions	732,237	2,328,368	10,857,618	8,319,217
Total governmental activities program revenues	<u>62,392,699</u>	<u>67,382,126</u>	<u>88,630,662</u>	<u>83,811,467</u>
Business-type activities:				
Charges for services:				
Water	62,320,181	59,703,297	58,870,606	65,750,944
Sewer	44,210,556	46,181,396	44,918,587	45,395,610
Waste disposal	23,706,070	24,473,562	25,093,298	25,505,957
Special aviation	104,298	96,131	123,129	113,913
Oceanside Small Craft Harbor District	6,095,895	6,267,995	6,339,274	6,627,547
Operating Grants and Contributions	-	118,470	-	-
Capital Grants and Contributions	-	939,000	-	-
Total business-type activities program revenues	<u>136,437,000</u>	<u>137,779,851</u>	<u>135,344,894</u>	<u>143,393,971</u>
Total primary government program revenues	<u>\$ 198,829,699</u>	<u>\$ 205,161,977</u>	<u>\$ 223,975,556</u>	<u>\$ 227,205,438</u>
Net (Expense)/Revenue				
Governmental activities	\$ (101,780,738)	\$ (112,484,292)	\$ (88,371,951)	\$ (101,425,697)
Business-type activities	27,893,210	29,175,857	27,885,351	35,873,968
Total primary government net expense	<u>\$ (73,887,528)</u>	<u>\$ (83,308,435)</u>	<u>\$ (60,486,600)</u>	<u>\$ (65,551,729)</u>

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 25,402,641	\$ 23,705,007	\$ 28,450,401	\$ 26,937,456	\$ 36,610,788	\$ 54,095,138	
88,194,832	95,275,203	104,131,430	111,843,498	97,185,812	126,210,197	
30,724,146	32,323,593	37,266,131	37,290,469	36,490,981	52,889,232	
18,330,643	16,494,113	18,567,090	19,154,809	17,325,112	23,388,490	
45,262,298	41,646,397	33,537,113	37,989,756	29,939,017	30,822,832	
649,868	389,984	1,075,255	869,099	694,184	1,523,768	
<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>	<u>\$ 288,929,657</u>	
61,368,335	62,055,388	64,549,971	68,473,713	65,951,480	77,063,454	
27,395,744	33,235,157	41,018,989	37,389,306	35,361,055	42,044,486	
20,251,509	21,150,326	23,187,100	23,575,875	24,721,163	20,650,115	
84,677	177,315	163,004	162,563	164,244	204,045	
1,188,233	1,799,482	1,645,462	1,299,613	1,320,804	1,940,711	
110,288,498	118,417,668	130,564,526	130,901,070	127,518,746	141,902,811	
<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>	<u>\$ 430,832,468</u>	
\$ 10,468,701	\$ 10,248,702	\$ 10,542,631	\$ 13,528,004	\$ 11,725,407	\$ 20,589,569	
8,062,777	8,147,742	7,686,860	9,221,437	9,835,472	11,827,483	
16,112,696	16,493,180	15,106,948	13,395,807	23,192,525	23,423,712	
2,192,652	2,292,387	2,167,597	2,222,685	3,233,794	3,728,408	
5,536,544	5,755,385	6,135,002	5,337,965	6,804,014	6,791,253	
48,126,396	30,434,781	35,845,311	45,478,142	60,791,249	61,162,120	
10,733,561	12,978,753	2,938,495	2,939,236	281,407	4,202,415	
<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>	<u>131,724,960</u>	
70,911,470	65,950,368	67,368,304	74,905,652	75,603,704	70,341,546	
44,986,466	48,212,072	46,188,366	49,050,370	49,220,381	50,926,217	
25,901,726	27,066,874	29,392,540	30,664,852	31,736,901	28,709,129	
74,644	-	-	93,553	10,307	156,339	
6,653,343	7,155,443	6,893,952	7,332,074	6,761,134	9,479,312	
-	75,000	-	-	-	-	
-	-	-	-	-	-	
148,527,649	148,459,757	149,843,162	162,046,501	163,332,427	159,612,543	
<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>	<u>\$ 291,337,503</u>	
\$ (107,331,101)	\$ (123,483,367)	\$ (142,604,576)	\$ (141,961,811)	\$ (102,382,026)	\$ (157,204,697)	
38,239,151	30,042,089	19,278,636	31,145,431	35,813,681	17,709,732	
<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>	<u>\$ (139,494,965)</u>	

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

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 49,142,577	\$ 51,170,308	\$ 54,205,419	\$ 57,600,747
Sales taxes	20,960,270	21,748,689	22,150,105	22,130,638
Other taxes	12,405,237	14,344,548	14,928,000	15,261,245
Total taxes	82,508,084	87,263,545	91,283,524	94,992,630
Intergovernmental unrestricted				
Investment Earnings	-	-	-	-
Developer contributions	-	-	-	-
Miscellaneous	15,946,986	14,949,969	14,856,503	16,737,491
Gain on sale of assets	-	130,127	-	-
Extraordinary gain(loss)	104,999	33,177,247	-	165,162
Transfers	11,286,667	10,910,791	12,218,129	13,403,896
Total Governmental activities	109,846,736	146,431,679	118,358,156	125,299,179
Business-type activities:				
Investment Earnings	1,959,130	1,574,239	1,914,261	934,405
Miscellaneous	2,024,680	2,966,379	3,928,786	5,667,029
Loss on sale of assets	6,357	-	-	-
Transfers	(11,286,667)	(10,910,791)	(12,218,129)	(13,403,896)
Total business-type activities:	(7,296,500)	(6,370,173)	(6,375,082)	(6,802,462)
Total primary government	<u>\$ 102,550,236</u>	<u>\$ 140,061,506</u>	<u>\$ 111,983,074</u>	<u>\$ 118,496,717</u>
Change in Net Position				
Governmental activities	8,065,998	33,947,387	29,986,205	23,873,482
Business-type activities:	20,596,710	22,805,684	21,510,269	29,071,506
Total primary government	<u>\$ 28,662,708</u>	<u>\$ 56,753,071</u>	<u>\$ 51,496,474</u>	<u>\$ 52,944,988</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 61,606,355	\$ 64,970,213	\$ 68,425,495	\$ 72,749,276	\$ 76,746,092	\$ 82,330,275
22,671,662	26,892,609	37,051,161	43,376,175	48,981,223	50,569,762
16,412,384	17,180,512	15,730,984	17,814,915	24,100,260	26,281,387
<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>	<u>159,181,424</u>
19,955,645	25,125,242	23,702,739	19,979,544	6,629,526	16,356,991
-	-	-	-	-	269,437
-	-	-	-	-	-
<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>14,315,278</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>	<u>190,123,130</u>
1,595,238	6,508,995	7,035,432	1,583,481	(6,929,120)	1,382,432
5,706,509	5,270,739	4,510,598	5,501,455	7,906,794	21,019,305
-	-	-	-	-	-
<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>(14,315,278)</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>8,086,459</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>	<u>\$ 198,209,589</u>
30,463,955	24,437,526	14,809,616	25,160,341	67,686,131	32,918,433
28,391,888	28,069,506	18,320,853	25,028,125	23,180,299	25,796,191
<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>	<u>\$ 58,714,624</u>

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 11,168,901	\$ 11,113,123	\$ 2,317,462	\$ 2,389,107
Restricted	-	-	-	-
Committed	17,526,258	17,160,366	19,516,594	19,765,583
Assigned	15,679,811	18,835,653	33,527,796	42,489,683
Unassigned	8,352,469	11,844,123	2,129,908	2,099,212
Total General Fund	<u>\$ 52,727,439</u>	<u>\$ 58,953,265</u>	<u>\$ 57,491,760</u>	<u>\$ 66,743,585</u>
All Other Governmental Funds				
Nonspendable				
Special revenue funds	\$ -	\$ -	\$ -	\$ 8,169
Capital projects funds	-	-	-	585,000
Total Nomajor Funds	-	-	-	-
Restricted				
Special revenue funds	13,229,318	13,030,490	14,045,390	10,691,295
Debt service funds	-	-	2,563,360	-
Capital projects funds	-	-	41,373,208	33,510,793
Total Nomajor Funds	46,547,909	44,982,170	7,624,582	9,271,062
Assigned				
Capital projects funds	-	-	-	-
Total Nomajor Funds	4,213,824	-	-	-
Unassigned				
Special revenue funds	-	-	(2,718,367)	-
Total Nomajor Funds	<u>(93,079)</u>	<u>(60,012)</u>	<u>(100,689)</u>	<u>(139,423)</u>
Total all other Governmental Funds	<u>\$ 63,897,972</u>	<u>\$ 57,952,648</u>	<u>\$ 62,787,484</u>	<u>\$ 53,926,896</u>
All Governmental Funds	<u>\$ 116,625,411</u>	<u>\$ 116,905,913</u>	<u>\$ 120,279,244</u>	<u>\$ 120,670,481</u>

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 2,657,521	\$ 2,546,455	\$ 2,482,989	\$ 2,601,047	\$ 2,659,513	\$ 2,666,555
9,993,649	10,537,671	11,148,456	18,614,390	15,730,926	16,154,547
22,303,807	20,413,909	20,424,871	21,917,199	23,815,200	23,815,200
33,134,264	44,579,611	49,106,457	47,731,933	55,893,640	61,591,367
1,107,192	1,541,510	259,140	16,476,668	17,388,009	14,624,255
<u>\$ 69,196,433</u>	<u>\$ 79,619,156</u>	<u>\$ 83,421,913</u>	<u>\$ 107,341,237</u>	<u>\$ 115,487,288</u>	<u>\$ 118,851,924</u>
\$ 936	\$ 8,180	\$ 6,936	\$ 2,444	\$ -	\$ 4,578
-	-	-	-	5,392	2,340
208,807	-	-	-	-	12,773
12,552,874	12,000,511	12,622,021	11,570,285	16,785,220	16,595,706
-	-	-	-	-	-
-	-	70,584,494	54,181,861	66,518,005	75,937,878
45,582,308	49,265,781	10,760,835	10,356,513	10,434,421	13,944,194
-	-	-	425,066	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(19,556)</u>	<u>(15,789)</u>	<u>(22,836)</u>	<u>(22,818)</u>	<u>(23,597)</u>	<u>(602,465)</u>
<u>\$ 58,325,369</u>	<u>\$ 61,258,683</u>	<u>\$ 93,951,450</u>	<u>\$ 76,513,351</u>	<u>\$ 93,719,441</u>	<u>\$ 105,895,004</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>	<u>\$ 224,746,928</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Taxes	\$ 82,818,776	\$ 86,981,734	\$ 92,398,458	\$ 94,992,630
Licenses and permits	2,171,960	2,205,931	3,002,897	4,131,518
Intergovernmental	27,038,190	30,517,109	38,274,496	33,782,804
Charges for services	15,145,486	15,745,425	16,484,313	19,128,674
Interest and rentals	6,715,747	8,306,216	10,153,764	11,294,813
Fines and forfeitures	4,211,163	3,947,380	3,636,224	3,582,534
Developer fees	2,498,169	2,068,849	3,278,143	8,315,056
Administrative and in lieu charges	9,197,686	9,273,016	9,402,106	9,329,520
Contribution from Successor Agency	-	-	6,000,000	-
Other	8,652,117	9,155,313	9,551,724	6,409,469
Total Revenues	158,449,294	168,200,973	192,182,125	190,967,018
Expenditures:				
General government	15,557,074	15,770,645	15,743,065	15,154,065
Public safety	76,446,617	82,300,876	86,435,756	86,976,976
Community development	24,700,043	28,324,390	32,366,663	31,859,013
Community/cultural services	11,837,141	12,360,663	12,500,483	14,974,123
Public works	19,123,912	20,150,010	21,905,999	23,753,492
Capital outlay	9,609,187	16,402,049	15,235,160	22,636,767
Debt service				
Principal	5,533,197	5,978,373	46,762,743	7,058,009
Interest	2,289,860	2,213,452	1,730,103	1,044,950
Lease Principal	-	-	-	-
Bond issuance costs	-	-	494,230	-
Total Expenditures	165,097,031	183,500,458	233,174,202	203,457,395
Excess of Revenues over (under) expenditures	(6,647,737)	(15,299,485)	(40,992,077)	(12,490,377)
Other Financing Sources (Uses)				
Issuance of long-term debt	4,731,027	-	-	-
Issuance of refunding debt	-	-	40,355,000	-
Bond premium	-	-	606,016	-
Loan proceeds	-	-	-	-
Proceed from sale of real property	-	786,000	-	-
Transfers in	18,173,810	20,692,139	17,429,585	21,222,539
Transfers out	(6,918,272)	(5,898,152)	(5,125,541)	(7,625,727)
Leases and subscription	-	-	-	-
Total other financing sources (uses)	15,986,565	15,579,987	53,265,060	13,596,812
Special Items	-	-	-	-
Net change in fund balances	\$ 9,338,828	\$ 280,502	\$ 12,272,983	\$ 1,106,435
Debt Service as a percentage of noncapital expenditures.	4.9%	4.7%	22.1%	4.4%

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 100,690,401	\$ 109,043,334	\$ 121,207,640	\$ 133,940,366	\$ 149,827,575	\$ 159,181,424
4,191,893	4,251,308	4,026,620	4,107,260	5,032,452	5,454,370
38,036,075	44,027,263	37,530,692	45,312,258	61,495,612	62,394,356
16,801,185	17,382,544	16,997,079	21,328,703	20,302,134	30,345,000
14,021,724	17,376,726	17,135,129	13,524,189	36,503	9,145,161
3,880,292	3,500,764	3,626,249	2,813,321	4,328,201	4,254,783
6,402,849	6,379,267	5,533,286	3,415,954	13,270,985	11,431,874
9,224,128	8,922,780	9,705,714	9,835,445	10,206,948	12,206,364
-	-	-	-	-	-
6,749,932	7,307,909	6,993,475	8,134,023	8,318,636	9,277,605
199,998,479	218,191,895	222,755,884	242,411,519	272,819,046	303,690,937
23,831,381	23,670,406	28,059,301	26,990,191	39,313,271	43,626,664
89,713,361	94,145,443	96,112,996	100,966,048	112,458,154	122,380,501
28,957,273	31,646,718	36,000,774	36,769,892	38,469,459	48,357,949
14,447,165	14,626,737	15,837,632	16,820,359	16,261,847	18,093,795
28,200,906	26,736,693	23,396,466	29,219,740	27,642,496	30,257,121
17,133,972	17,184,656	17,068,010	31,724,752	19,885,294	30,734,601
7,379,072	9,773,404	7,543,648	5,669,113	6,018,487	7,113,071
897,358	684,032	1,155,900	1,098,774	905,674	1,578,021
-	-	-	-	29,023	-
-	-	-	-	-	-
210,560,488	218,468,089	225,174,727	249,258,869	260,983,705	302,141,723
(10,562,009)	(276,194)	(2,418,843)	(6,847,350)	11,835,341	1,549,214
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,599,190	-	-	-
155,494	2,213,000	22,745,000	-	-	59,260
-	-	-	-	-	-
23,186,875	20,843,662	55,321,885	26,345,111	31,606,616	43,665,473
(5,929,039)	(5,107,346)	(42,751,708)	(13,016,536)	(18,361,508)	(30,274,458)
-	-	-	-	271,692	540,710
17,413,330	17,949,316	38,914,367	13,328,575	13,516,800	13,990,985
-	(4,317,085)	-	-	-	-
\$ 6,851,321	\$ 13,356,037	\$ 36,495,524	\$ 6,481,225	\$ 25,352,141	\$ 15,540,199
4.1%	5.0%	4.2%	3.1%	3.0%	3.2%

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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
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	148,636,967
2023	81,201,339	50,569,762	1,128,936	16,356,383	4,541,423	4,067,143	157,864,986
Change 2014-2023	64.0%	139.8%	187.3%	250.1%	8.9%	59.3%	92.4%

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
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
2023	14,859,142,249	14,520,211,611	296,491,314	29,675,845,174

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	Realized Tax Rate	Property Tax Revenue
\$	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
	190,103,513	*	634,175,536	28,851,566,125	0.281 %	81,201,339

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>
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%
2023	0.29213%	0.00350%	0.18934%	1.00000%	1.48497%

(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	2023			2014		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Genentech Inc	\$ 448,555,088	1	1.57%			
Oceanside Beach Resort Owner LLC	206,460,857	2	0.61%			
Gilead Sciences Inc	165,946,191	3	0.51%			
P K II El Camino North LP	142,246,428	4	0.45%			
G F P Oceanside	127,145,764	5	0.41%			
Rexford Industrial Realty LP	113,829,845	6	0.34%			
Meadow Woods at Alpine LLC	109,716,000	7	0.34%			
Guardian Piazza Doro LLC	94,346,577	8	0.33%			
Rancho Presidio Fee Owner LLC	89,923,513	9	0.32%			
Walmart Real Estate Business Trust	84,922,940	10	0.30%			
Genentech Inc.				\$ 423,429,020	1	2.52%
P K II El Camino North LP				95,852,374	2	0.55%
Walmart Real Estate Business Trust				75,572,449	3	0.39%
Wyndham Vacation Resorts				68,315,917	4	0.36%
Lakeridge-Island Club Apartments Partners				63,896,822	5	0.36%
Cox Communications Inc				61,020,658	6	0.32%
W2005 M R D Realty LLC				60,000,000	7	0.31%
Cole of Oceanside California LP				55,590,000	8	0.30%
Prime Mesa LP				54,114,308	9	0.30%
Piazza Doro LLC				52,274,582	10	0.30%
	<u>\$ 1,583,093,203</u>		<u>5.17%</u>	<u>\$ 1,010,066,130</u>		<u>5.73%</u>

Source: San Diego County Assessor and HdL Coren & Cone

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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
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%
2023	54,304,726	52,592,147	96.8%	20,545	52,612,692	96.9%	1,988,627	3.7%

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						
	Pension Obligation Bonds	Redevelopment Bonds	Leases	SBITA	Financing Agreements & Notes Payable	Lease Revenue Bonds	Certificates of Participation
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	20,440,490	*	-	-	2,159,697	26,177,965	5,061,883
2021	17,023,446	*	-	-	1,961,041	26,144,671	3,435,291
2022	13,258,120	*	390,139	-	1,752,740	26,024,699	1,747,138
2023	9,315,000	*	254,791	1,332,972	1,533,084	25,889,401	-

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	Leases	SBITA	Loans Payable	Total Primary Government	Percentage of Personal Income ^{1, 2}	Per Capita ¹	
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	89,943,677	1.54 %	507	
46,356,590	-	-	-	30,430,000	125,351,039	2.05 %	709	
43,433,278	-	238,559	-	58,822,019	145,666,692	2.22 %	842	
41,149,966	-	-	473,492	61,070,963	141,019,669	2.07 %	824	

CITY OF OCEANSIDE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Percent of Assessed Value ¹	Per Capita	Total Assessed Valuation	Population
	Pension Obligation Bonds	Redevelopment Bonds	Certificates of Participation	Lease Revenue Bonds	Debt Service Fund Balance	Net Bonded Debt				
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	-	(2,588,474)	37,304,478	0.18%	211	20,914,477,517	176,461
2018	26,660,000	*	8,574,755	-	(2,602,920)	32,631,835	0.15%	184	22,324,441,314	177,362
2019	23,690,000	*	6,649,757	-	(2,679,104)	27,660,653	0.12%	155	23,698,960,502	178,021
2020	20,495,000	*	8,549,358	22,745,000	(2,312,694)	49,476,664	0.20%	279	25,030,808,682	177,335
2021	17,050,000	*	6,808,408	22,745,000	(2,325,792)	44,277,616	0.17%	251	26,427,955,114	176,754
2022	13,279,060	*	1,747,138	22,745,000	(2,252,837)	35,518,361	0.13%	205	27,515,915,555	173,048
2023	9,315,000	*	-	22,745,000	(2,359,185)	29,700,815	0.10%	174	29,645,334,140	171,063

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

² Began breaking out fund balance for Debt Service in 2017

CITY OF OCEANSIDE
Direct and Overlapping Governmental Activities Debt
June 30, 2023

	Total Debt 6/30/2023	% Applicable (1)	City's Share of 6/30/2023
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 19,215,000	0.813%	\$ 156,218
Mira Costa Community College District	376,155,000	16.371%	61,580,335
Palomar Community College District	641,965,146	5.075%	32,579,731
Carlsbad Unified School District	281,046,297	1.737%	4,881,774
Oceanside Unified School District	290,311,210	99.811%	289,762,522
Vista Unified School District	232,339,882	31.779%	73,835,291
Bonsall Unified School District	10,433,071	22.025%	2,297,884
City of Oceanside Community Facilities District No. 2000-1	17,445,000	100.000%	17,445,000
City of Oceanside Community Facilities District No. 2001-1	10,220,000	100.000%	10,220,000
City of Oceanside Community Facilities District No. 2001-1, Improvement Area No. 1	4,160,000	100.000%	4,160,000
City of Oceanside Community Facilities District No. 2006-1	8,025,000	100.000%	8,025,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			504,943,755
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Diego County General Fund Obligations	229,680,000	4.512%	10,363,162
San Diego County Pension Obligation Bonds	277,990,000	4.512%	12,542,909
San Diego County Superintendent of Schools Certificates of Participation	6,935,000	4.512%	312,907
Palomar Community College District Certificates of Participation	1,310,000	5.075%	66,483
Carlsbad Unified School District Certificates of Participation	58,370,000	1.737%	1,013,887
Vista Unified School District Certificates of Participation	36,615,000	31.779%	11,635,881
Bonsall Unified School District Certificates of Participation	6,283,900	22.025%	1,384,029
City of Oceanside General Fund Obligations	23,860,751	100.000%	23,860,751
City of Oceanside Pension Obligation Bonds	9,315,000	100.000%	9,315,000
City of Oceanside Notes Obligations	1,533,084	100.000%	1,533,084
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			72,028,093
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	9,535,000	100.000%	9,535,000
TOTAL DIRECT DEBT			34,708,835
TOTAL OVERLAPPING DEBT			551,798,013
GROSS COMBINED TOTAL DEBT			\$ 586,506,848

- (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 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.70%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$33,593,084) 0.11%

Combined Total Debt 1.97%

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

Total Overlapping Tax Increment Debt 0.46%

Source: California Municipal Statistics, Inc

CITY OF OCEANSIDE
Legal Debt Margin Information
Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Assessed valuation	\$ 17,715,328,740	\$ 18,780,841,789	\$ 19,721,367,813	\$ 20,914,477,517
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	4,428,832,185	4,695,210,447	4,930,341,953	5,228,619,379
Debt limit percentage	15%	15%	15%	15%
Debt limit	664,324,828	704,281,567	739,551,293	784,292,907
Total net debt applicable to limit: General & Pension Obligation Bonds	35,325,000	33,580,000	32,020,000	29,435,000
Legal debt margin	628,999,828	670,701,567	707,531,293	754,857,907
Total debt applicable to the limit as a percentage of the debt limit	5.3%	4.8%	4.3%	3.8%

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					
2018	2019	2020	2021	2022	2023
\$ 22,324,441,314	\$ 23,698,960,502	\$ 25,030,808,682	\$ 26,427,955,114	\$ 27,515,915,555	\$ 29,645,334,140
25%	25%	25%	25%	25%	25%
5,581,110,329	5,924,740,126	6,257,702,171	6,606,988,779	6,878,978,889	7,411,333,535
15%	15%	15%	15%	15%	15%
837,166,549	888,711,019	938,655,326	991,048,317	1,031,846,833	1,111,700,030
26,660,000	23,690,000	20,495,000	17,050,000	13,330,000	9,315,000
810,506,549	865,021,019	918,160,326	973,998,317	1,018,516,833	1,102,385,030
3.2%	2.7%	2.2%	1.7%	1.3%	0.8%

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	
**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
**2023	73,293,738	74,508,889	(1,215,151)	1,295,000	1,146,792	2,441,792	(0.50)

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
2023	58,221,356	42,028,915	16,192,441	595,000	172,569	767,569	21.10

*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>
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%
2023	171,063	12,293	71,864	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	2014
Business Name	Business Category	Business Category
Albertsons	Grocery Stores	
Arco AM PM	Service Stations	
Best Buy	Electronics/Appliance Stores	
Carmax	Used Automotive Dealers	
Chevron	Service Stations	
Chevron	Service Stations	
Circle K	Service Stations	
CVS Pharmacy	Drug Stores	
Express Fuel	Service Stations	
G&M	Service Stations	
Home Depot	Building Materials	
In N Out Burger	Quick-Service Restaurants	
Krannich Solar West	Energy/Utilities	
Lowe's	Building Materials	
McDonald's	Quick-Service Restaurants	
Melrose Shell	Service Stations	
Mohsen Oil	Service Stations	
Mossy Nissan	New Motor Vehicle Dealers	
Ross	Family Apparel	
Superior Ready Mix	Contractors	
Target	Discount Dept Stores	
Tesla Motors	Auto Repair	
TJ Maxx	Family Apparel	
United Oil	Service Stations	
Walmart Supercenter	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
One Source Distributors		Electrical Equipment
One Source Supply Solutions		Energy/Utilities
Ralphs		Grocery Stores
Ross		Family Apparel
Stater Bros		Grocery Stores
Target		Discount Dept Stores
United Oil		Service Stations
Walmart Supercenter		Discount Dept Stores
Percent of Fiscal Year Total Paid by Top 25 Accounts	40%	44%

* Firms listed alphabetically

Source: HdL Coren & Cone

CITY OF OCEANSIDE
Full-time Equivalent City Government Employees by Function/Program
Last Ten Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	118	117	124	118	101	102	104	104	104	106
Public Safety										
Police	319	321	322	327	325	325	327	328	326	326
Fire	119	131	130	126	126	127	142	142	146	184
Public Works	88	88	88	93	113	113	113	113	113	119
Development Services	47	54	58	60	58	58	58	59	74	78
Neighborhood Services	55	56	57	58	60	60	60	60	26	26
Parks and Recreation	-	-	-	-	-	-	-	-	21	23
Economic & Community Development	2	2	2	4	4	4	4	4	3	3
Library	26	26	27	27	27	27	26	26	27	28
Water Utilities	141	144	144	147	152	151	150	150	162	163
Total	915	939	952	960	966	967	984	985	1,002	1,056

Note:

Source: Financial Services Department- Authorized Positions

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CITY OF OCEANSIDE
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2014	2015	2016	2017	Fiscal Year		2020	2021	2022	2023
					2018	2019				
Police										
Arrests	6,841	6,031	5,021	5,426	5,505	5,993	5,794	5,018	4,207	4,091
Citations	23,082	15,910	13,654	15,462	7,098	8,368	11,469	12,577	6,856	10,255
Fire										
Number of Emergency Calls	17,975	19,777	20,430	21,009	21,408	20,913	21,157	21,202	22,301	24,130
Inspections	2,321	3,155	2,491	3,057	4,002	3,642	3,335	3,296	3,496	3,995
Public Works										
Street Resurfacing (lane miles)	14	52	49	3	40	9	8	34	29	48
Water										
Average Daily Consumption (million gallons)	25	25	19	20	22	19	18	18	18	18
Wastewater										
Average Daily Sewage Treatment (million gallons)	11	11	11	12	10	10	10	10	10	11
Recreation										
Number of Recreation Classes (quarterly)	130	130	145	165	170	160	100	118	130	160
Library										
Total Volumes in Collection	250,331	259,442	200,211	197,529	196,732	194,443	192,724	166,495	169,788	172,806
Total Volumes Loaned	478,695	491,451	453,213	398,206	405,474	412,925	256,277	305,983	411,366	439,658

Source: Various City Departments

CITY OF OCEANSIDE
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
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	5	5
Public Works				
Miles of Streets:	480	480	480	480
Number of Street Lights (City Owned):	8,546	8,546	8,546	8,546
Utilities:				
Miles of Lines and Mains	580	580	593	591
Number of Wastewater Treatment Plants	2	2	2	2
Miles of Sewers	450	450	460	480
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	2	2	2	2
Computer Terminals for Internet Access (Public)	87	87	75	66
Number of Visitors to Library	396,597	483,521	476,019	434,489

Source: Various City Departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
8	8	8	8	8	8
6	6	8	8	8	8
2	2	1	1	1	1
5	5	5.5	6	6	7
480	480	480	480	480	480
8,546	8,377	8,400	8,400	8,400	8,400
591	591	591	656	662	660
2	2	2	2	2	2
480	480	450	510	522	508
33	33	33	33	33	33
810	810	810	812	812	812
6	6	6	6	6	6
2	2	2	3	3	3
2	2	2	2	2	3
3	3	3	3	3	4
2	2	2	2	2	2
60	60	60	20	40	47
519,859	511,244	321,109	88,489	293,546	352,848

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