

*city of*  
OCEANSIDE CA



  <http://www.ci.oceanside.ca.us/>



RESIDENTS



BUSINESSES



VISITORS



Download the app

Comprehensive Annual  
Financial Report  
For the year ended  
June 30, 2012

**CITY OF OCEANSIDE**  
**CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2012**



***City Council***

Jim Wood, Mayor  
Jack Feller, Deputy Mayor  
Gary Felien, Council Member  
Jerome Kern, Council Member  
Esther Sanchez, Council Member

City Manager  
**Peter A. Weiss**  
Director of Financial Services  
**Teri Ferro**  
Accounting Manager  
**Jane McPherson**

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF OCEANSIDE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	1
List of Principal Officials.....	5
Organization Chart.....	6
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT.....	7
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	9
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements:	
Statement of Net Assets.....	23
Statement of Activities.....	24
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	31
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	34
Statement of Net Assets - Proprietary Funds.....	36
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds.....	38
Statement of Cash Flows - Proprietary Funds.....	40
Statement of Fiduciary Net Assets - Fiduciary Funds.....	46
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	47
Notes to Financial Statements.....	49

CITY OF OCEANSIDE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Notes to Required Supplementary Information.....	97
Budgetary Comparison Schedule	
General Fund.....	98
Housing Assistance Program - Special Revenue Fund .....	99
Grants - Special Revenue Fund.....	100
 <b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
Combining Balance Sheet - Nonmajor Governmental Funds.....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	106
Budgetary Comparison Schedules (Budgetary Basis) - Special Revenue Funds:	
Asset Seizure .....	110
Library .....	111
Gas Tax and Transportation .....	112
Community Development Block Grant.....	113
Maintenance Districts.....	114
Strategic Traffic Offender Program (STOP).....	115
Budgetary Comparison Schedules (Budgetary Basis) - Capital Project Funds:	
General Improvement .....	116
Redevelopment Agency - Capital Project .....	117
Budget Comparison Schedule (Budgetary Basis) – Debt Service Fund:	
General Debt Service .....	118
Oceanside Building Authority.....	119
Oceanside Lighting District .....	120
Redevelopment Agency - Debt Service .....	121
Combining Statement of Net Assets - Internal Service Funds .....	124
Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds .....	125
Combining Statement of Cash Flows - Internal Service Funds.....	126
Combining Balance Sheet - All Agency Funds.....	128
Combining Statement of Changes in Assets and Liabilities - All Agency Funds.....	129

CITY OF OCEANSIDE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
<b>STATISTICAL SECTION</b>	
Net Assets by Component – Last Ten Fiscal Years.....	132
Changes in Net Assets – Last Ten Fiscal Years.....	134
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years .....	138
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	140
Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years .....	142
Schedule of Assessed Valuation – Last Ten Fiscal Years .....	144
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	146
Principal Property Owners – Current Year and Ten Years Ago .....	147
Property Tax Levies and Collections – Last Ten Fiscal Years .....	148
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	150
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	152
Direct and Overlapping Governmental Activities Debt.....	15H
Legal Debt Margin Information – Last Ten Years .....	154
Pledged-Revenue Coverage – Last Ten Years .....	156
Demographic and Economic Statistics – Last Ten Years .....	157
Top 25 Sales Tax Producers – Current Year and Ten Years Ago .....	158
Full-Time Equivalent City Government Employees by Function/Program – Last Nine Fiscal Years .....	159
Operating Indicators by Function/Program – Last Seven Fiscal Years .....	160
Capital Asset Statistics by Function – Last Ten Fiscal Years.....	162

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **City of Oceanside**

Financial Services Department  
300 N. Coast Hwy, Oceanside, CA 92054  
Telephone: (760) 435-3830 Fax: (760) 439-9011

February 27, 2013

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oceanside (the City) for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all 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 unqualified opinion on the City's financial statements for the fiscal year ended June 30, 2012. The independent auditor's report is presented as the first component of the financial section of this 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 (City) 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 over 900 boat slips, and one of the longest wooden piers on the West Coast, measuring 1,942 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.

The population of Oceanside is estimated at 170,000, making it the third largest city in San Diego County. The median household income for the City is \$70,754.

The City operates under the council-manager form of government. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The financial activities of the four 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, the Oceanside Building Authority and the Oceanside Public Financing Authority. Additional information on these entities is contained in Note 1 to the Financial Statements.

### **Economic Outlook**

San Diego County enjoys close proximity to the major economic centers of Los Angeles and Mexico, and a prominent shipping industry assures ready access to Pacific Rim markets. Since the decline of the defense industry in the early nineties, the county has been able to diversify into high-technology commercial endeavors, with growth in areas such as telecommunications, electronics, computers and biotechnology. Traffic congestion, water supply, sewage treatment capacity and solid waste disposal are challenges that are being studied by both the public and private sectors.

Along with every city and government agency across the country, the City of Oceanside has been impacted by the national, state and local economic downturn. Coupled with the rising cost of personnel, fuel, utilities, materials and supplies, the City has realized a decline in the real estate tax revenue increases it has enjoyed over the past several years. In order to adjust to the changing financial climate, the City has initiated the development of a five-year forecast for both revenue and expenditures to assist in long-range financial planning.

As a well-established coastal community, Oceanside continues to be a destination for retail, office and industrial development and these projects will help sustain the economic viability of the City in future years.

## **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 public hearings 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 is prepared according to fund and department (e.g., police). 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 \$316,679,678.

*Debt Administration* – As of June 30, 2012 the City had a total of \$178,362,927 in long-term debt. Approximately \$46.0 million of debt was transferred from the former redevelopment agency to the Successor Agency as a result of AB 1x26 which dissolved all California redevelopment agencies. Additional information can be found in Notes 7 and 15 of the Notes to the Financial Statement. As a result of indebtedness issued by other governmental agencies operating within the City of Oceanside, net bonded debt (i.e. bonds not supported by user charges) per City 2011-2012 assessed valuation was 3.11% as of June 30, 2012.

*Cash Management* – The City Council annually adopts an investment policy presented by the City Treasurer, which is intended to provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City, and conforming to all state and local statutes governing the investment of public funds. In accordance with City Council policy, the City has an obligation to be aware of the social and political impacts of its investments, and as such will not knowingly invest in any institution that practices or supports any form of discrimination as to race, religion, sex or physical disability. The City's total portfolio as of June 30, 2012 totaled \$237,495,429.

*Risk Management* – The City has initiated self-insurance programs to provide for general liability and workers' compensation claims. The City belongs to a joint powers authority insurance pool to provide insurance coverage for payment of claims beyond its self-insured retention which is \$500,000. All risk management costs and expenses under this amount are paid directly by the City. The fund revenues are primarily premium charges to other funds based on past loss histories, as well as refunds from insurance premiums based on the City's annual loss history.

*GASB 54* – The City adopted accounting standards in order to conform to the Governmental Accounting Standards Board Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions".

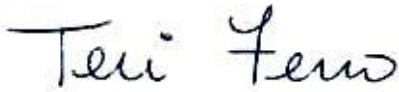
*Fiscal Adversity and Healthy City Reserves* – The City Council established a Healthy City Reserve Fund to maintain a stable tax and revenue structure and provide for the orderly provision of services to the citizens of Oceanside; and to establish a process for the use of these funds in the event of fiscal adversity (defined as a five percent or greater reduction of discretionary General Fund revenues).

*Financial Policies – Council Policy #200-13* – The City Council adopted Policy #200-13 which is a comprehensive set of financial policies that serve as a guideline for operational and strategic decision-making related to financial matters. This comprehensive document includes operating budget policies, capital budget policies, fund balance policies, revenue policies, and expenditure policies.

### **Acknowledgements**

The preparation and publication of this report would not have been possible without the dedication, professionalism, and teamwork of the entire staff of the Financial Services Department. I would like to express my appreciation to all members of the department who assisted in its preparation, especially Jane McPherson, Accounting Manager. 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,

A handwritten signature in cursive script that reads "Teri Ferro".

Teri Ferro  
Director of Financial Services

# **PRINCIPAL OFFICIALS**

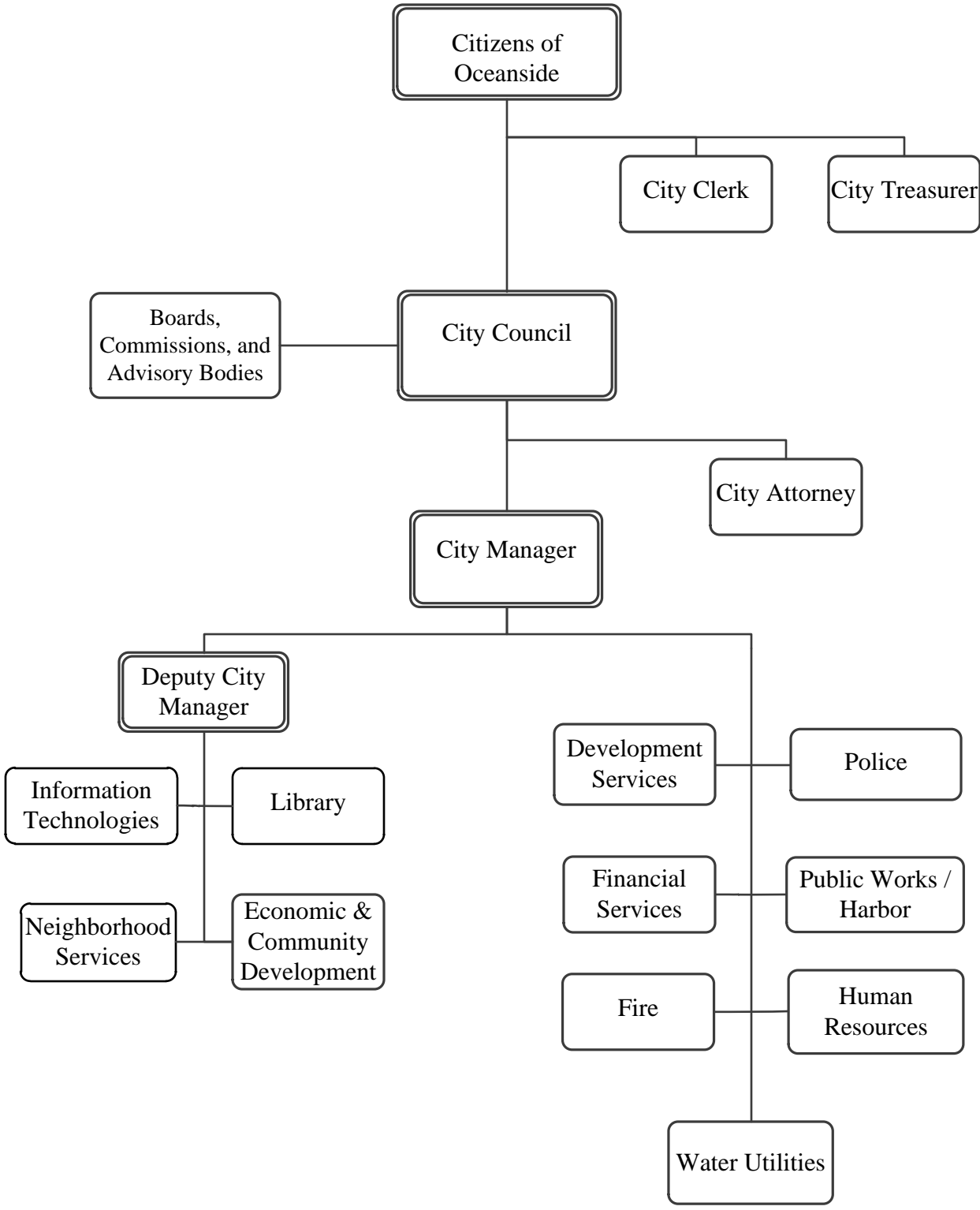
**JUNE 30, 2012**

## **CITY COUNCIL**

**Jim Wood, Mayor**  
**Jack Feller, Deputy Mayor**  
**Gary Felien, Council Member**  
**Jerome Kern, Council Member**  
**Esther Sanchez, Council Member**

## **ADMINISTRATION AND DEPARTMENT HEADS**

City Manager	Peter A. Weiss
City Attorney	John P. Mullen
City Clerk	Barbara Riegel Wayne
City Treasurer	Gary Ernst
Deputy City Manager	Michelle Skaggs-Lawrence
Development Services Director	George Buell III
Financial Services Director	Teri Ferro
Fire Chief	Darryl Hebert
Housing & Neighborhood Services Director	Margery Pierce
Human Resources Director	Pat Nunez
Library Services Director	Sherri Cosby
Police Chief	Frank McCoy, Jr.
Water Utilities Director	Cari Dale
Chief Information Officer	Michael Sherwood





CERTIFIED PUBLIC ACCOUNTANTS

- David E. Hale, CPA, CFP
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

*Brandon W. Burrows, CPA, Retired*

## INDEPENDENT AUDITORS' REPORT

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

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, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Oceanside, California's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 of Oceanside, California, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 15 – "Successor Agency Trust for Assets of Former Redevelopment Agency". The note provides information on the dissolution of the Redevelopment Agency and the new formed Successor Agency.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2013, on our consideration of the City of Oceanside, California'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate



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

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oceanside, California's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Lance, Soll & Lughard, LLP*

Brea, California  
February 1, 2013



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Fiscal Year Ended June 30, 2012**

This discussion and analysis of the City of Oceanside's financial performance provides an overview of the fiscal year ended June 30, 2012. 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**

- Effective February 1, 2012, Assembly Bill AB 1x26, as modified by the California Supreme Court, dissolved redevelopment agencies in California. All assets and liabilities were required to be transferred to the corresponding Successor Agency identified in each community. In Oceanside, the City became the Successor Agency and holds these assets and liabilities in Private Purpose Trust. Many of the significant changes noted in this section and throughout the financial statements are a result of AB 1x26. See Note 15 in the Notes to the Financial Statements for further details.
- The City's Total Assets decreased overall by \$48.5 million. Approximately \$75.7 million of this decrease is directly attributed to the dissolution of the former redevelopment agency, which is offset by \$21.6 million increase in Governmental activities and \$5.6 million increase in Business-Type activities.
- The City's Total Net Assets increased overall by \$18.6 million. While the Total Asset decreased \$48.5 million, the reduction in Total Liabilities of \$67.1 million (for long-term debt being paid down along with impact of dissolution of the former redevelopment agency) offset this loss resulting in an overall increase in Total Net Assets.
- Total Net Assets were restated by \$24,394 due to adjustments and corrections to prior year deferred revenues (see Note 14 in the Notes to the Financial Statements for additional information).
- The City's total revenues decreased \$3.8 million from 2011
  - Governmental activities revenues decreased \$17.5 million
  - Business-Type activities revenues increased \$13.7 million.
- The City's total expenses increased \$0.4 million from 2011
  - Governmental activities expenses decreased \$10.6 million
  - Business-Type activities expenses increased \$11.0 million

### **THE FINANCIAL STATEMENTS**

The financial statements presented herein include all the activities of the City of Oceanside (City) 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). Additionally, 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 agency 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 Assets and the Statement of Activities and Changes in Net Assets**

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets 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 Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as *Net Assets*, which is one way to measure the City's financial health. Over time, increases or decreases in the City's Net Assets are one indicator of whether its financial health is improving or deteriorating.

The Statement of Activities and Changes in Net Assets present information showing how the City's Net Assets changed during the most recent fiscal year. All changes in Net Assets 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 Assets and the Statement of Activities and Changes in Net Assets, 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 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, Wastewater, 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 Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. 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 Assets 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 Assets** - The City's combined Net Assets (i.e. inclusive of *all* City funds) for the fiscal year ended June 30, 2012 are compared to results for 2011 in Table 1.

Table 1

City of Oceanside Net Assets						
(in millions of dollars)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current & other assets	\$ 196.3	\$ 197.4	\$ 98.2	\$ 77.5	\$ 294.5	\$ 274.9
Net pension assets	36.3	37.2	0.0	0.0	36.3	37.2
Capital assets	<u>284.6</u>	<u>336.7</u>	<u>454.1</u>	<u>469.2</u>	<u>738.7</u>	<u>805.9</u>
<b>Total assets</b>	<u>517.2</u>	<u>571.3</u>	<u>552.3</u>	<u>546.7</u>	<u>1,069.5</u>	<u>1,118.0</u>
Long-term debt outstanding	95.6	161.2	64.6	76.4	160.2	237.6
Other liabilities	<u>19.9</u>	<u>14.9</u>	<u>16.4</u>	<u>11.1</u>	<u>36.3</u>	<u>26.0</u>
<b>Total liabilities</b>	<u>115.5</u>	<u>176.1</u>	<u>81.0</u>	<u>87.5</u>	<u>196.5</u>	<u>263.6</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	243.6	235.6	385.4	395.1	629.0	630.7
Restricted	108.8	105.5	41.2	35.6	150.0	141.1
Unrestricted	<u>49.3</u>	<u>54.1</u>	<u>44.7</u>	<u>28.5</u>	<u>94.0</u>	<u>82.6</u>
<b>Total net assets</b>	<u>\$ 401.7</u>	<u>\$ 395.2</u>	<u>\$ 471.3</u>	<u>\$ 459.2</u>	<u>\$ 873.0</u>	<u>\$ 854.4</u>

Net Assets represent the most simple test of financial health for the City, indicating the excess (or deficit) of assets over liabilities. Net Assets for the City as a whole increased 2.18% from \$854.4 million at June 30, 2011 to \$873.1 million at June 30, 2012. The \$18.6 million increase in Total Net Assets is based on the fact that Total Assets and Total Liabilities have both declined, with the Total Liability decrease significantly offsetting the reduction in Total Assets.

- The overall decrease in Total Assets is \$48.5 million of which a \$75.7 million decrease is directly attributed to the dissolution of the former redevelopment agency. The former RDA transferred \$27.8 million of cash/investments and \$47.9 million of capital assets to the Successor Agency. The Governmental activities increased \$21.6 million with higher cash/investments and receivables offsetting decreases to pension and capital assets. The Business-Type activities increased \$5.6 million with higher cash/investments and receivables offsetting decreases to capital assets. In summary, the RDA transfer (\$75.7m) plus the Governmental increase (\$21.6m) plus the Business-Type increase (\$5.6m) results in an overall *decrease* to the City's Total Assets of \$48.5 million.
- The overall decrease in Total Liabilities is \$67.1 million of which \$68.8 million decrease is directly attributed to the dissolution of the former redevelopment agency. The remaining \$1.7 million increase is for other liabilities in the Governmental and Business activities (deposits payable, accounts payable and unearned revenue). In summary, the RDA transfer (\$68.8m) plus the Governmental/Business increase (\$1.7m) results in an overall *decrease* to the City's Total Liabilities of \$67.1 million.
- The reduction of Total Assets of \$48.6 million is offset by a reduction of Total Liabilities of \$67.1 million which actually increases the City's Total Net Assets by \$18.7 million or a 2.19% increase from 2011.

As illustrated in Table 2, Total Net Assets are comprised of three categories, Invested in Capital Assets, Restricted and Unrestricted. The City's large Investment in Capital Assets (net of related debt) makes up over 72% of the City's Total Net Assets. An increase in Restricted Net Assets by approximately \$9.0 million is predominantly due to the dissolution of the former redevelopment agency, since restricted RDA bond funds and other cash assets were transferred to the Successor Agency, offset by GASB adjustments for deferred revenue in the Governmental activities (see Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets for more information). Business-Type activities reflect increases in water/sewer capital projects. The Unrestricted Net Assets increased \$11.4 million. The Governmental Unrestricted Net Asset category decreased \$4.7 million which also reflects an impact of the dissolution of the former redevelopment agency since the former RDA Unrestricted Net Assets have been transferred to the Successor Agency. The \$10.6 million transfer was offset by increases to the General Fund (\$2.2 million), General Improvement Fund (\$2.0 million), General Debt Service Fund (\$2.0 million) and decreases in Other Funds (\$0.3 million). The Business-Type Unrestricted Net Asset category has a positive \$16.1 million increase in the Water, Sewer and Harbor Funds.

Table 2

City of Oceanside									
Summary of Net Assets (in millions)									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Invested in Capital Assets	\$292.6	\$314.7	\$338.7	\$380.5	\$419.4	\$442.0	\$635.2	\$630.7	\$629.0
Restricted	102.1	101.3	111.6	125.8	132.5	97.4	110.0	141.1	150.0
Unrestricted	<u>112.8</u>	<u>116.2</u>	<u>105.4</u>	<u>108.8</u>	<u>104.2</u>	<u>116.8</u>	<u>94.8</u>	<u>82.6</u>	<u>94.0</u>
<b>Total Net Assets</b>	507.5	532.2	555.7	615.1	656.1	656.2	840.0	854.4	873.0
\$ increase from prior year	18.2	24.7	23.5	59.4	41.0	0.1	183.8	14.1	18.6
% increase from prior year	3.72%	4.86%	4.41%	10.69%	6.67%	0.02%	28.02%	1.71%	2.18%

**Total City Activities** - The City's combined Activities for the fiscal year ended June 30, 2012 is compared to results for 2011 in Table 3. The Statement of Activities reveals an increase of revenues of \$3.8 million from 2011 while expenses decreased \$0.4 million. Total revenues less expenditures increased Net Assets by \$18.6 million.

**Governmental Activities** increased Net Assets (including transfers) by \$6.5 million in 2012 compared to the \$13.5 million increase in 2011 as identified in Table 3. An overall decrease in Program Revenues of \$11.6 million, along with a \$5.9 million decrease for General Revenues (specifically in sales and other taxes, use of money and other revenue) are indicative of a reduction in federal and state operating grants for housing and public safety, along with reduced revenue due to the dissolution of the former redevelopment agency. Expenses decreased by \$10.7 million in 2012. General Government expenses increased \$2.1 million, Public Safety decreased \$3.8 million, Public Works decreased \$6.3 million and Community Development decreased \$0.7 million. Interest on long-term debt decreased \$2.0 million. Overall, the increase to Net Assets for Governmental activities can be attributed to decreased operating costs as well as the dissolution of the former redevelopment agency.

**Table 3**

<b>City of Oceanside Activities</b>						
(in thousands of dollars)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Revenues</b>						
<i>Program Revenues</i>						
Charges for services	\$ 21,067	\$ 23,490	\$119,465	\$ 105,969	\$ 140,532	\$ 129,459
Operating grants and contributions	36,121	45,593	1,882	385	38,003	45,978
Capital grants and contributions	7,490	7,480	0	0	7,490	7,480
<i>General Revenues</i>						
Property taxes	51,774	54,923	0	0	51,774	54,923
Sales taxes	19,398	18,141	0	0	19,398	18,141
Other taxes	11,462	11,091	0	0	11,462	11,091
Use of money and property	15,460	9,586	933	569	16,393	10,155
Other*	<u>(3,657)</u>	<u>6,581</u>	<u>2,766</u>	<u>4,461</u>	<u>(891)</u>	<u>11,042</u>
<b>Total Revenues</b>	<b><u>159,115</u></b>	<b><u>176,885</u></b>	<b><u>125,046</u></b>	<b><u>111,384</u></b>	<b><u>284,161</u></b>	<b><u>288,269</u></b>
<b>Expenses</b>						
General government	16,102	14,899	0	0	16,102	14,899
Public safety	70,990	74,767	0	0	70,990	74,767
Public works	27,021	32,342	0	0	27,021	32,342
Community development	28,291	28,968	0	0	28,291	28,938
Community/cultural services	11,616	11,669	0	0	11,616	11,669
Interest on long-term debt	5,441	7,473	0	0	5,441	7,473
Water	0	0	51,309	43,931	51,309	43,931
Sewer	0	0	33,251	29,273	33,251	29,273
Waste disposal	0	0	20,111	20,035	20,111	20,035
Other	<u>0</u>	<u>0</u>	<u>1,387</u>	<u>1,762</u>	<u>1,387</u>	<u>1,762</u>
<b>Total Expenses</b>	<b><u>159,461</u></b>	<b><u>170,118</u></b>	<b><u>106,058</u></b>	<b><u>95,001</u></b>	<b><u>265,519</u></b>	<b><u>265,119</u></b>
Increase (decrease) in net assets before transfers	(346)	6,768	18,988	16,383	18,642	23,151
Transfers	6,883	7,025	(6,883)	(7,025)	0	0
Increase (decrease) in net assets	6,537	13,793	12,105	9,358	18,642	23,151
Beginning net assets as restated	<u>395,208</u>	<u>381,391</u>	<u>459,256</u>	<u>449,899</u>	<u>854,464</u>	<u>831,291</u>
<b>Ending net assets</b>	<b>\$401,745</b>	<b>\$ 395,184</b>	<b>\$ 471,361</b>	<b>\$ 459,257</b>	<b>\$ 873,106</b>	<b>\$854,442</b>

\*Includes extraordinary gain/(loss) on dissolution of redevelopment agency (Note 15).

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)**

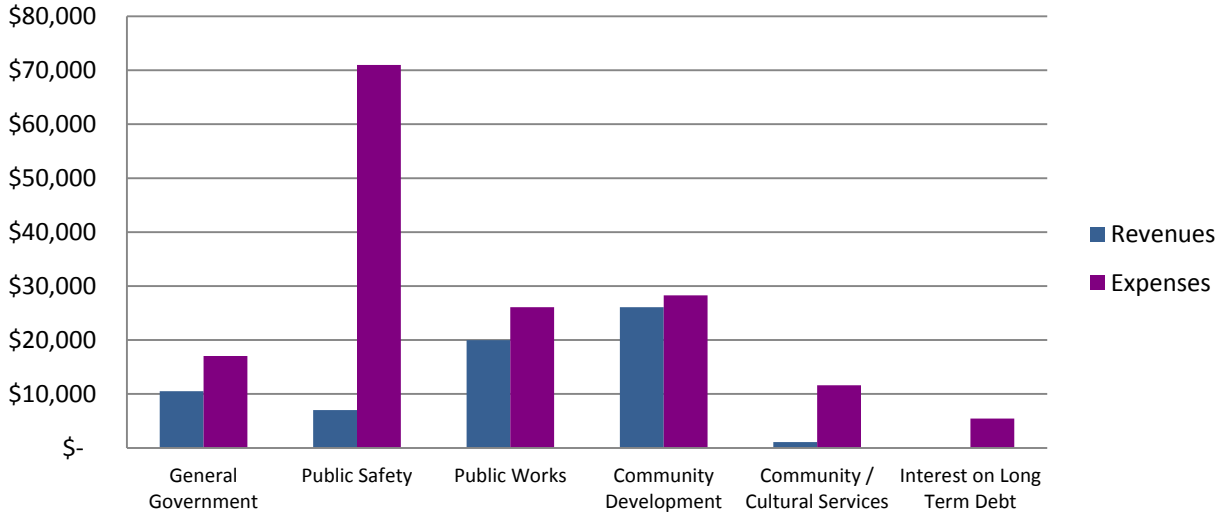
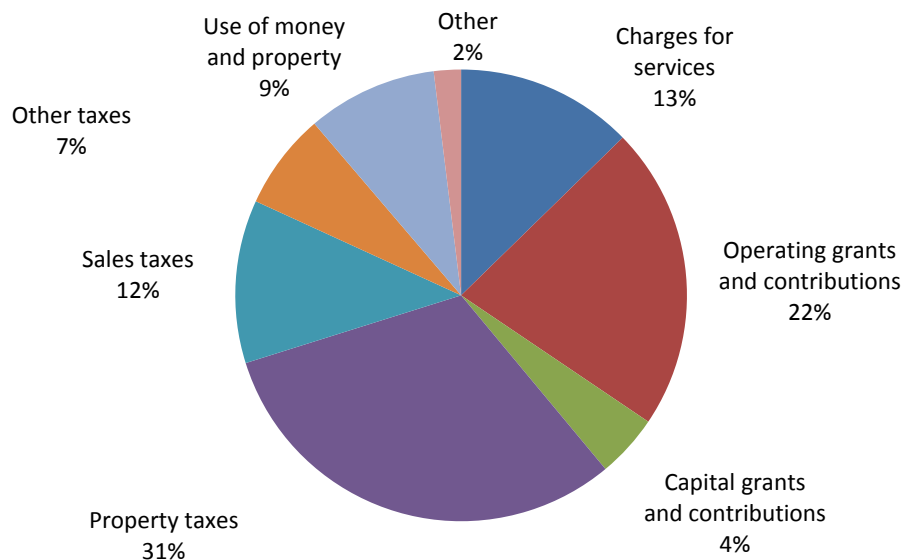


Chart 2 shows that Property Tax, Operating Grants and Contributions, Charges for Service and Sales Tax which are the top four categories of revenue and comprise 78% of funding for Government activities. The *Other* category includes proceeds from the disposition of City real property, intergovernmental administrative fees, developer contributions, and miscellaneous revenues, along with extraordinary gain/(loss) on the dissolution of the former redevelopment agency (Note 15).

**Chart 2**

**Revenue by Source - Governmental Activities**



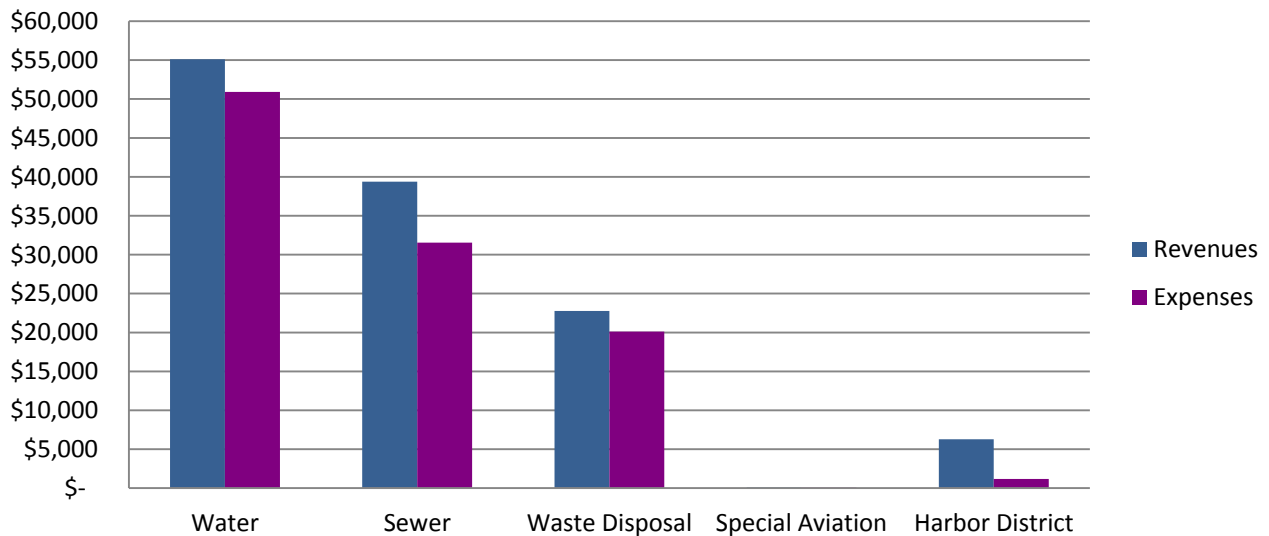
**Business-Type Activities** for the City of Oceanside include Water, Sewer, Solid Waste, Harbor, and Special Aviation. These activities increased Net Assets (including transfers) by \$12.1 million from the last fiscal year as noted on Table 3. Revenues increased \$13.7 million due to increases in service fees for water and sewer services, along with harbor slip rentals, with the attempt to build up reserves for future capital projects. Expenditures were increased by \$11.0 million from 2011. Transfers out (a deduction to Net Assets) decreased by \$0.1 million from the prior year.

The Statement of Revenues, Expenses, and Changes in Net Assets for proprietary funds indicate an increase of \$14.2 million in operating revenues. The Water and Sewer operating revenue increased \$8.0 and \$5.6 million, respectively, Harbor revenues increased \$0.9 million, while the Waste Disposal funds operating revenue decreased \$0.3 million. Operating expenses for Water increased \$7.5 million and Sewer increased \$3.4 million, respectively. Administrative costs were increased, along with the cost of purchased water, and maintenance and operations costs. Waste Disposal expenses remained fairly flat. Harbor operating expenses also remained flat; however the administrative, maintenance and police functions are paid by the Harbor to the City’s General Fund via a \$4.7 million transfer out.

Overall operating revenue exceeded operating expenses (before transfers) in 2012 with a total operating income of \$19.9 million.

Chart 3 below compares program revenues from Business-Type activities to program expenses. The Water, Sewer, Waste Disposal and Harbor enterprises operated at a profit, as referenced in the Statement of Activities (with transfers-out for Harbor appearing “below the line” of program expenses).

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



## **Financial Analysis of the City's Funds**

The total fund balance of \$37.1 million at year-end for the City's General Fund, as shown on the Balance Sheet, is an increase of \$2.2 million from 2011. Of this total amount, \$11.2 million is nonspendable, \$16.3 million is committed, \$7.5 million is assigned, and \$2.0 million is unassigned, which is available for future expenditure allocation as defined in City Council Policy 200-13. These categories are in compliance with GASB 54 and full disclosure can be found in Note 8.

The Statement of Revenues, Expenditures and Changes in Fund Balances also reflects the \$2.2 million increase in the General Fund balance which is due to revenues and other financing sources exceeding expenditures. General Fund revenues increased approximately \$0.3 million from 2011. General Fund expenditures decreased overall \$0.7 million or 0.6% with decreases in all categories except general government. Other Financing Sources includes a transfer in of \$10.1 million of which \$4.7 million came from the Harbor fund for harbor administrative, maintenance and police services, \$2.9 million from Water and Waste Disposal funds for administrative services, and \$2.5 million from other governmental funds. Other Financing Sources also includes a transfer out of \$1.0 million for grants, general improvement capital projects, internal services, and other governmental funds.

The fund balance of the Housing Assistance Program Special Revenue Fund increased \$9.5 million. Revenues remained fairly flat while expenditures decreased \$8.3 million as compared to 2011. A large portion of this pertained to the transfer of lo-mod funds to the Successor Agency as a result of the dissolution of the former redevelopment agency (Note 15).

The fund balance of \$46.5 million in total other governmental funds increased \$2.8 million from 2011. The significant increase is due to the general improvement capital projects fund being combined with minor special revenue, offset by the elimination of the former redevelopment downtown and debt service funds (Note 15).



## Debt Administration

Debt of Governmental activities (including the Redevelopment Agency) realized a net decrease of \$53.4 million. The 2011 Refunding Certificates of Participation (\$7,725,000) were issued to refund the 1998 COPs (\$7,570,000). As a result of the dissolution of the redevelopment agency, indebtedness of the former RDA was transferred to the Successor Agency (see Note 15). Normal amortization accounted for the remaining reduction of the outstanding debt as noted in Table 4. More detail about the City's long-term liabilities is presented in Note 7 to the financial statements.

**Table 4**

City of Oceanside					
Governmental Debt Outstanding					
	<u>Balance</u> <u>July 1, 2011</u>	<u>Incurred</u> <u>or Issued</u>	<u>Transferred to</u> <u>Successor</u> <u>Agency</u>	<u>Satisfied</u> <u>or Matured</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Governmental Activities</b>					
Bonds Payable	48,560,000	0	(46,230,000)	(2,330,000)	0
Certificates of Participation	42,145,000	7,725,000	0	(11,055,000)	38,815,000
Capital Leases Payable	1,747,800	0	0	(321,189)	1,426,611
Notes Payable	3,295,000	0	0	(111,000)	3,184,000
Pension Obligation Bonds	49,345,000	0	0	(1,150,000)	38,195,000
Claims Payable	12,572,750	2,640,049	0	(2,598,531)	12,614,268
Compensated Absences	11,216,537	4,201,175	(46,295)	(4,598,009)	10,773,408
Other Post-Employment Benefits	<u>1,616,072</u>	<u>464,907</u>	<u>0</u>	<u>(0)</u>	<u>2,080,979</u>
Total Governmental Activities	\$160,498,159	\$15,031,131	\$(46,276,295)	\$(22,163,729)	\$107,089,266

Debt of the Business-Type activities decreased in the fiscal year ending 2012 by \$5.3 million. Table 5 is a synopsis of detail presented in Note 7 of the financial statements.

**Table 5**

City of Oceanside				
Business-Type Activities Debt Outstanding				
	<u>Balance</u> <u>July 1, 2011</u>	<u>Incurred</u> <u>or Issued</u>	<u>Satisfied,</u> <u>Adjusted</u> <u>or Matured</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Business-Type Activities</b>				
Bonds Payable	5,890,000	0	(725,000)	5,165,000
Certificates of Participation	23,930,000	0	(1,495,000)	22,435,000
Notes Payable	44,513,086	0	(3,159,798)	41,353,288
Compensated Absences	<u>2,250,120</u>	<u>985,495</u>	<u>(915,242)</u>	<u>2,320,373</u>
Total Business-Type Activities	\$ 76,583,206	\$985,495	\$(6,295,040)	\$71,273,661

## 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, 2012, net capital assets of the Governmental activities totaled \$283.9 million and the net capital assets of the Business-Type activities totaled \$454.1 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. As a result of the dissolution of the redevelopment agency, assets of the former RDA were transferred to the Successor Agency (see Note 15).

**Table 6**

<b>City of Oceanside</b>				
<b>Capital Assets</b>				
<b>Description</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Land	\$ 40,958,585	\$ 57,918,054	\$ 29,613,703	\$ 29,309,142
Buildings	74,758,564	101,994,964	178,523,595	155,933,619
Improvements	28,661,076	26,051,497	530,223,776	529,669,172
Equipment	63,916,151	60,304,063	12,628,849	11,079,161
Construction in Progress	11,040,266	13,932,355	7,792,510	33,014,201
Infrastructure	<u>302,413,084</u>	<u>302,413,084</u>	<u>0</u>	<u>0</u>
<b>Capital Assets</b>	521,747,726	562,614,017	758,782,433	759,005,295
Accumulated Depreciation	<u>(237,850,836)</u>	<u>(235,411,911)</u>	<u>(304,643,852)</u>	<u>(289,789,236)</u>
<b>Total Capital Assets</b>	<b>\$ 283,896,890</b>	<b>\$ 327,202,106</b>	<b>\$ 454,138,581</b>	<b>\$ 469,216,059</b>

Additional information on Capital Assets can be found in Note 6 of this report.

## Budgets and Budgetary Accounting

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes 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) and Fund 102 (Investment Clearing Fund). Revenues received were approximately \$3.0 million more than the amended budget due to one-time closeout of Trendwest CFD and one-time residual RPTTF funds (residual property tax from Successor Agency), along with on-going increases in sales and other taxes, interest/rentals, and other revenues. Charges to appropriations were less than the amended budget. Overall, actual revenues exceeded expenditures and transfers by approximately \$3.8 million which increased the General Fund balance. In accordance with the City's Administrative Directive-20, approximately \$0.3 million was carried forward to FY 2012-2013 for continued appropriation of incomplete projects. In accordance with City Council Policy 200-13, \$1.2 million has been set aside in the Post Employment Leave Reserve Fund, and \$0.4 million has been added to the Economic Stabilization Fund. The remaining \$2.0 million is designated as unassigned.

Table 7

City of Oceanside

General Fund Comparison – Actual and Budget

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Pos/(Neg)</b>
<b>Resources (inflows)</b>			
Taxes	\$ 73,949,600	\$ 76,644,716	\$ 2,695,116
Licenses and Permits	1,514,160	1,685,449	171,289
Fines and Forfeitures	3,993,060	4,184,003	190,943
Interest and Rentals	4,586,354	4,861,035	274,681
Intergovernmental Revenue	769,461	812,631	43,170
Charges for Services (includes Admin/In-Lieu)	17,003,436	15,437,215	(1,566,221)
Other Revenue (including Transfers In & Extraordinary Gain on Dissolution of Redevelopment Agency)	<u>10,483,723</u>	<u>11,706,776</u>	<u>1,223,053</u>
<b>Amount Available for Appropriation</b>	<u>112,299,794</u>	<u>115,331,825</u>	<u>3,032,031</u>
<b>Charges to Appropriations (outflows)</b>			
General Government	15,132,248	15,040,557	91,691
Public Safety	70,206,376	69,613,914	592,462
Public Works	10,422,777	9,669,045	753,732
Community Development	6,748,595	6,288,182	460,413
Community/Cultural Services	9,548,016	9,315,491	232,525
Capital Outlay/Debt Service	<u>889,839</u>	<u>576,065</u>	<u>313,774</u>
<b>Charges to Appropriations</b>	<u>112,947,851</u>	<u>110,503,244</u>	<u>2,444,597</u>
Transfers Out	<u>722,679</u>	<u>989,287</u>	<u>(266,608)</u>
<b>Total Charges to Appropriations and Transfers</b>	\$ 113,670,530	\$ 111,492,541	\$ 2,227,989
Excess of Resources Over (Under) Charges to Appropriations and Transfers		\$3,839,284	
*Restatement of Fund Balance (Note 14)		<u>(\$1,617,855)</u>	
*Increase to Fund Balance @ FYE 2012		\$2,221,429	

\*Note: The General Fund Budget/Actuals is not indicative of total increase to Fund Balance, due to the Restatement of Fund Balance in accordance with Note 14.

Table 8 compares the General Fund (inclusive of Fund 101 General Fund and Fund 102 Investment Clearing Fund) original adopted budget of \$112,940,022 to the final budget amount of \$113,670,530, which shows an overall amended increase of \$730,508 as delineated below. The variance between the adopted and amended budget includes austerity expenditure reductions and employee labor contract reductions, offset by increases for continuing appropriations and one-time capital expenditures approved by City Council.

**Table 8**

<b>City of Oceanside</b>			
<b>General Fund Budget Comparison As Adopted and Amended</b>			
	<u><b>Adopted</b></u>	<u><b>Amended</b></u>	<u><b>Increase/ (Decrease)</b></u>
<b>General Government</b>			
Operational	\$ 9,902,056	\$10,043,731	\$ 141,675
Non-Departmental	4,975,589	5,088,517	112,928
<b>Public Safety</b>			
Police	47,355,976	46,858,229	(497,747)
Fire	23,354,685	23,348,147	(6,538)
<b>Public Works</b>	9,897,047	10,422,777	525,730
<b>Community Development</b>			
Planning	1,124,149	1,124,149	n/c
Building	1,858,008	1,798,008	(60,000)
Engineering	3,861,958	3,826,438	(35,520)
<b>Community and Cultural Services</b>			
Economic and Community Development	1,034,873	997,373	(37,500)
Library	4,295,241	4,326,241	31,000
Neighborhood Services	4,293,502	4,224,402	(69,100)
<b>Transfers/Capital Outlay/Debt</b>	<u>986,938</u>	<u>1,612,518</u>	<u>625,580</u>
<b>Total Budget</b>	<b>\$ 112,940,022</b>	<b>\$ 113,670,530</b>	<b>\$ 730,508</b>

## 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.
- **Invested in Capital Assets Net of Related Debt:** the portion of net assets reflecting equity in capital assets (i.e. capital assets minus related debt).
- **Net Assets:** 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 Assets:** the portion of net assets equal to resources whose use is legally restricted minus any non-capital-related liabilities payable from those same resources.
- **Unrestricted Net Assets:** the residual balance of net assets after the elimination of *invested in capital assets net of related debt* and *restricted net assets*.

## 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) 435-3830.

CITY OF OCEANSIDE

STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 109,652,214	\$ 80,443,925	\$ 190,096,139
Restricted cash and investments	2,161,962	930,832	3,092,794
Receivables:			
Accounts	3,246,882	11,770,465	15,017,347
Taxes	4,540,963	-	4,540,963
Notes	71,300,736	551,604	71,852,340
Interest	550,675	-	550,675
Other	5,933,315	-	5,933,315
Internal balances	(3,288,018)	3,288,018	-
Prepaid costs	124,550	6,202	130,752
Due from other governments	1,767,051	-	1,767,051
Inventories	261,923	972,284	1,234,207
Deferred charges	-	258,966	258,966
Net pension asset	36,343,205	-	36,343,205
Land held for resale	700,000	-	700,000
Capital assets not being depreciated	51,998,851	37,406,213	89,405,064
Capital assets, net of depreciation	231,898,039	416,732,368	648,630,407
<b>Total Assets</b>	<b>517,192,348</b>	<b>552,360,877</b>	<b>1,069,553,225</b>
<b>Liabilities:</b>			
Accounts payable	3,102,265	6,781,986	9,884,251
Accrued liabilities	1,687,314	275,276	1,962,590
Accrued interest	1,312,349	736,689	2,049,038
Unearned revenue	627,485	283,517	911,002
Deposits payable	828,688	1,838,748	2,667,436
Due to other governments	124,475	-	124,475
Noncurrent liabilities:			
Due within one year	12,201,680	6,489,101	18,690,781
Due in more than one year	95,563,253	64,594,100	160,157,353
<b>Total Liabilities</b>	<b>115,447,509</b>	<b>80,999,417</b>	<b>196,446,926</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	243,655,279	385,375,753	629,031,032
Restricted for:			
Public safety	1,030,934	-	1,030,934
Capital projects	28,789,424	38,054,343	66,843,767
Debt service	2,161,962	930,832	3,092,794
Lighting and landscape districts	1,872,577	-	1,872,577
Various grant programs	12,384,795	-	12,384,795
Highways	8,952,264	-	8,952,264
Housing program	53,623,977	-	53,623,977
Rate stabilization	-	2,318,667	2,318,667
Unrestricted	49,273,627	44,681,865	93,955,492
<b>Total Net Assets</b>	<b>\$ 401,744,839</b>	<b>\$ 471,361,460</b>	<b>\$ 873,106,299</b>

CITY OF OCEANSIDE

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 16,101,719	\$ 2,112,141	\$ 8,413,635	\$ -
Public safety	70,989,600	5,005,344	2,004,547	-
Community development	28,291,313	6,073,887	20,021,822	-
Community/cultural services	11,615,707	897,301	174,714	-
Public works	27,020,879	6,978,316	5,506,559	7,490,018
Interest on long-term debt	5,441,528	-	-	-
<b>Total Governmental Activities</b>	<b>159,460,746</b>	<b>21,066,989</b>	<b>36,121,277</b>	<b>7,490,018</b>
Business-Type Activities:				
Water	51,309,115	53,176,890	395,950	-
Sewer	33,251,371	37,638,074	1,486,006	-
Waste Disposal	20,111,113	22,756,966	-	-
Special Aviation	94,106	100,865	-	-
Oceanside Small Craft Harbor District	1,292,291	5,792,048	-	-
<b>Total Business-Type Activities</b>	<b>106,057,996</b>	<b>119,464,843</b>	<b>1,881,956</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 265,518,742</b>	<b>\$ 140,531,832</b>	<b>\$ 38,003,233</b>	<b>\$ 7,490,018</b>

**General Revenues:**

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Other

**Extraordinary gain/(loss) on  
dissolution of redevelopment agency (Note 15)**

**Transfers**

**Total General Revenues, Transfers, and Extraordinary items**

Change in Net Assets

Net Assets at Beginning of Year

Restatement of Net Assets

**Net Assets at End of Year**

<b>Net (Expenses) Revenues and Changes in Net Assets</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (5,575,943)	\$ -	\$ (5,575,943)
(63,979,709)	-	(63,979,709)
(2,195,604)	-	(2,195,604)
(10,543,692)	-	(10,543,692)
(7,045,986)	-	(7,045,986)
(5,441,528)	-	(5,441,528)
<b>(94,782,462)</b>	<b>-</b>	<b>(94,782,462)</b>
-	2,263,725	2,263,725
-	5,872,709	5,872,709
-	2,645,853	2,645,853
-	6,759	6,759
-	4,499,757	4,499,757
-	<b>15,288,803</b>	<b>15,288,803</b>
<b>(94,782,462)</b>	<b>15,288,803</b>	<b>(79,493,659)</b>
51,774,298	-	51,774,298
3,817,155	-	3,817,155
19,397,588	-	19,397,588
4,041,626	-	4,041,626
2,557,231	-	2,557,231
1,045,688	-	1,045,688
90,581	-	90,581
15,460,157	932,868	16,393,025
7,753,512	2,766,337	10,519,849
(11,501,480)	-	(11,501,480)
6,883,340	(6,883,340)	-
<b>101,319,696</b>	<b>(3,184,135)</b>	<b>98,135,561</b>
6,537,234	12,104,668	18,641,902
395,183,211	459,256,792	854,440,003
24,394	-	24,394
<b>\$ 401,744,839</b>	<b>\$ 471,361,460</b>	<b>\$ 873,106,299</b>



**THIS PAGE INTENTIONALLY LEFT BLANK**

## GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City reports the following major governmental funds:

The **General Fund** is used to account for resources traditionally associated with government 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 **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 **Other Governmental Funds** are the aggregate of all the other governmental funds.

CITY OF OCEANSIDE

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Grants</u>	<u>Housing Assistance Program</u>
<b>Assets:</b>			
Cash and investments	\$ 21,220,526	\$ 702,017	\$ 7,661,363
Restricted cash and investments	-	-	-
Receivables:			
Accounts	2,763,432	-	84,916
Taxes	4,540,963	-	-
Notes	12,900,072	12,183,054	46,217,610
Interest	550,675	-	-
Other	5,922,379	-	-
Prepaid costs	80,341	-	36,786
Due from other governments	-	516,676	7,341
Due from other funds	687,482	-	-
Advances to other funds	1,544,924	-	-
Inventories	12,319	-	-
Land held for resale	700,000	-	-
<b>Total Assets</b>	<b><u>\$ 50,923,113</u></b>	<b><u>\$ 13,401,747</u></b>	<b><u>\$ 54,008,016</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,322,955	\$ 249,868	\$ 52,642
Accrued liabilities	1,485,071	11,476	42,775
Deferred revenues	10,078,794	11,421,848	41,902,643
Unearned revenues	238,670	388,815	-
Deposits payable	723,876	-	104,812
Due to other governments	-	-	124,475
Due to other funds	-	-	-
Advances from other funds	-	-	300,000
<b>Total Liabilities</b>	<b><u>13,849,366</u></b>	<b><u>12,072,007</u></b>	<b><u>42,527,347</u></b>
<b>Fund Balances:</b>			
Nonspendable	11,255,881	1,053,062	4,353,871
Restricted	-	366,793	7,126,798
Committed	16,348,074	-	-
Assigned	7,472,057	-	-
Unassigned	1,997,735	(90,115)	-
<b>Total Fund Balances</b>	<b><u>37,073,747</u></b>	<b><u>1,329,740</u></b>	<b><u>11,480,669</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 50,923,113</u></b>	<b><u>\$ 13,401,747</u></b>	<b><u>\$ 54,008,016</u></b>

CITY OF OCEANSIDE

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>		
Cash and investments	\$ 44,670,590	\$ 74,254,496
Restricted cash and investments	2,161,962	2,161,962
Receivables:		
Accounts	387,450	3,235,798
Taxes	-	4,540,963
Notes	-	71,300,736
Interest	-	550,675
Other	10,936	5,933,315
Prepaid costs	-	117,127
Due from other governments	1,243,034	1,767,051
Due from other funds	-	687,482
Advances to other funds	-	1,544,924
Inventories	-	12,319
Land held for resale	-	700,000
<b>Total Assets</b>	<b>\$ 48,473,972</b>	<b>\$ 166,806,848</b>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 907,452	\$ 2,532,917
Accrued liabilities	54,049	1,593,371
Deferred revenues	357,454	63,760,739
Unearned revenues	-	627,485
Deposits payable	-	828,688
Due to other governments	-	124,475
Due to other funds	687,482	687,482
Advances from other funds	-	300,000
<b>Total Liabilities</b>	<b>2,006,437</b>	<b>70,455,157</b>
<b>Fund Balances:</b>		
Nonspendable	-	16,662,814
Restricted	42,681,033	50,174,624
Committed	-	16,348,074
Assigned	4,019,757	11,491,814
Unassigned	(233,255)	1,674,365
<b>Total Fund Balances</b>	<b>46,467,535</b>	<b>96,351,691</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 48,473,972</b>	<b>\$ 166,806,848</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF OCEANSIDE**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**

---

Fund balances of governmental funds	\$ 96,351,691
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	276,493,105
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Certificates of participation	\$ (38,815,000)
Pension obligation bonds	(38,195,000)
Capital leases payable	(1,426,611)
Notes payable	(3,184,000)
Bond premiums	(675,667)
Compensated Absences	<u>(9,945,684)</u>
	(92,241,962)
Governmental funds report all OPEB contributions as expenditures, however in the Statement of Net Assets any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.	(2,080,979)
Pension contributions were expenditures in the fund financial statements but are deferred and subject to capitalization and amortization on the Statement of Net Assets.	36,343,205
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	(1,312,349)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	63,760,739
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Assets.	<u>24,431,389</u>
<b>Net assets of governmental activities</b>	<b><u><u>\$ 401,744,839</u></u></b>

CITY OF OCEANSIDE

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Grants</u>	<u>Housing Assistance Program</u>
<b>Revenues:</b>			
Taxes	\$ 76,644,716	\$ -	\$ -
Licenses and permits	1,685,449	-	302,394
Intergovernmental	812,631	4,306,944	14,501,836
Charges for services	8,977,826	-	115,192
Interest and rentals	4,861,035	16,632	285,296
Fines and forfeitures	4,184,003	-	-
Lease revenue	-	-	-
Developer fees	-	-	450,651
Administrative and in lieu charges	6,459,389	-	-
Miscellaneous	925,209	149,560	674,100
<b>Total Revenues</b>	<b>104,550,258</b>	<b>4,473,136</b>	<b>16,329,469</b>
<b>Expenditures:</b>			
Current:			
General government	15,040,557	-	-
Public safety	69,613,914	1,140,250	-
Community development	6,288,182	1,760,636	16,660,003
Community/cultural services	9,315,491	35,961	-
Public works	9,669,045	49,087	-
Capital outlay	438,906	785,437	-
Debt service:			
Principal retirement	104,581	-	-
Interest and fiscal charges	32,578	-	-
<b>Total Expenditures</b>	<b>110,503,254</b>	<b>3,771,371</b>	<b>16,660,003</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,952,996)	701,765	(330,534)
<b>Other Financing Sources (Uses):</b>			
Transfers in	10,081,567	389,497	-
Transfers out	(989,287)	(731,550)	(93,224)
Refunding bonds issued	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>9,092,280</b>	<b>(342,053)</b>	<b>(93,224)</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 15)	700,000	-	9,976,357
Net Change in Fund Balances	\$ 3,839,284	\$ 359,712	\$ 9,552,599
<b>Fund Balances:</b>			
Beginning of year, as originally reported	\$ 34,852,318	\$ 4,874,338	\$ 31,465,130
Restatements	(1,617,855)	(3,904,310)	(29,537,060)
Beginning of year, as restated	33,234,463	970,028	1,928,070
Net Change in Fund Balances	3,839,284	359,712	9,552,599
<b>End of Year</b>	<b>\$ 37,073,747</b>	<b>\$ 1,329,740</b>	<b>\$ 11,480,669</b>

CITY OF OCEANSIDE

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>		
Taxes	\$ 5,514,838	\$ 82,159,554
Licenses and permits	-	1,987,843
Intergovernmental	15,202,080	34,823,491
Charges for services	161,888	9,254,906
Interest and rentals	888,573	6,051,536
Fines and forfeitures	352,468	4,536,471
Lease revenue	1,234,704	1,234,704
Developer fees	1,740,397	2,191,048
Administrative and in lieu charges	2,338,653	8,798,042
Miscellaneous	7,389,345	9,138,214
<b>Total Revenues</b>	<b>34,822,946</b>	<b>160,175,809</b>
<b>Expenditures:</b>		
Current:		
General government	-	15,040,557
Public safety	466,090	71,220,254
Community development	3,259,846	27,968,667
Community/cultural services	240,387	9,591,839
Public works	6,281,735	15,999,867
Capital outlay	10,066,610	11,290,953
Debt service:		
Principal retirement	14,862,608	14,967,189
Interest and fiscal charges	6,154,070	6,186,648
<b>Total Expenditures</b>	<b>41,331,346</b>	<b>172,265,974</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,508,400)	(12,090,165)
<b>Other Financing Sources (Uses):</b>		
Transfers in	12,551,302	23,022,366
Transfers out	(12,716,744)	(14,530,805)
Refunding bonds issued	7,725,000	7,725,000
<b>Total Other Financing Sources (Uses)</b>	<b>7,559,558</b>	<b>16,216,561</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 15)	(30,182,023)	(19,505,666)
Net Change in Fund Balances	\$ (29,130,865)	\$ (15,379,270)
<b>Fund Balances:</b>		
Beginning of year, as originally reported	\$ 75,445,268	\$ 146,637,054
Restatements	153,132	(34,906,093)
Beginning of year, as restated	75,598,400	111,730,961
Net Change in Fund Balances	(29,130,865)	(15,379,270)
<b>End of Year</b>	<b>\$ 46,467,535</b>	<b>\$ 96,351,691</b>



**CITY OF OCEANSIDE**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012**

Net change in fund balances - total governmental funds		\$ (15,379,270)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$ 7,974,737	
Disposal of capital assets	(98,764)	
Depreciation expense	<u>(12,460,258)</u>	(4,584,285)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		14,967,189
Issuance of long-term liabilities (e.g. bonds, leases and loans) provides current financial resources to governmental funds, the issuance of debt increase long-term liabilities in the Statement of Net Assets.		(7,725,000)
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.		
Interest expense and related items	693,476	
Amortization of bond premium	<u>51,644</u>	745,120
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		400,650
Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the Statement of Activities only the ARC is an expense.		(464,907)
Payment of unfunded pension liabilities are expenditures at the fund level but are deferred and subject to capitalization and amortization in the Statement of Net Assets.		(863,900)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.		10,440,311
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.		997,140
Extraordinary gains and losses relating to capital assets and long term liabilities transferred to the Successor Agency are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.		
Capital assets	(38,272,109)	
Compensated Absences	46,295	
Long-term liabilities	<u>46,230,000</u>	<u>8,004,186</u>
<b>Change in net assets of governmental activities</b>		<b><u>\$ 6,537,234</u></b>

## 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 waste water 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.

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.

CITY OF OCEANSIDE

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Waste Disposal
<b>Assets:</b>			
Current:			
Cash and investments	\$ 49,824,595	\$ 21,378,124	\$ 5,425,286
Restricted cash and investments	-	930,832	-
Receivables:			
Accounts	6,418,079	3,816,640	1,270,001
Notes and loans	551,604	-	-
Prepaid costs	4,002	2,200	-
Inventories	390,596	581,688	-
Deferred charges	74,234	184,732	-
<b>Total Current Assets</b>	<b>57,263,110</b>	<b>26,894,216</b>	<b>6,695,287</b>
Noncurrent:			
Advances to other funds	4,082,208	-	-
Capital assets - net of accumulated depreciation	189,642,405	248,902,664	44,797
<b>Total Noncurrent Assets</b>	<b>193,724,613</b>	<b>248,902,664</b>	<b>44,797</b>
<b>Total Assets</b>	<b>\$ 250,987,723</b>	<b>\$ 275,796,880</b>	<b>\$ 6,740,084</b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 5,504,341	\$ 875,420	\$ 50,387
Accrued liabilities	125,339	131,921	18,016
Accrued interest	167,389	452,687	-
Unearned revenues	115,999	-	-
Deposits payable	916,471	-	614,537
Compensated absences	422,902	442,072	76,733
Claims and judgments	-	-	-
Bonds, notes, and capital leases	1,325,000	3,860,342	-
<b>Total Current Liabilities</b>	<b>8,577,441</b>	<b>5,762,442</b>	<b>759,673</b>
Noncurrent:			
Advances from other funds	-	4,082,208	-
Compensated absences	374,650	605,137	61,154
Claims and judgments	-	-	-
Bonds, notes, and capital leases	10,408,173	50,204,037	-
<b>Total Noncurrent Liabilities</b>	<b>10,782,823</b>	<b>54,891,382</b>	<b>61,154</b>
<b>Total Liabilities</b>	<b>19,360,264</b>	<b>60,653,824</b>	<b>820,827</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	177,909,232	194,838,285	44,797
Restricted for capital projects	34,652,188	6,367,284	-
Restricted for debt service	-	930,832	-
Restricted for rate stabilization	-	-	2,318,667
Unrestricted	19,066,039	13,006,655	3,555,793
<b>Total Net Assets</b>	<b>231,627,459</b>	<b>215,143,056</b>	<b>5,919,257</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 250,987,723</b>	<b>\$ 275,796,880</b>	<b>\$ 6,740,084</b>

**Reconciliation of Net Assets to the Statement of Net Assets**

Net Assets per Statement of Net Assets - Proprietary Funds  
 Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds

Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds

**Net Assets per Statement of Net Assets**

CITY OF OCEANSIDE

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2012

	Business-Type Activities -		Totals	Governmental Activities- Internal Service Funds
	Special Aviation	Oceanside Small Craft Harbor District		
<b>Assets:</b>				
Current:				
Cash and investments	\$ 325,781	\$ 3,490,139	\$ 80,443,925	\$ 35,397,718
Restricted cash and investments	-	-	930,832	-
Receivables:				
Accounts	13,183	252,562	11,770,465	11,084
Notes and loans	-	-	551,604	-
Prepaid costs	-	-	6,202	7,423
Inventories	-	-	972,284	249,604
Deferred charges	-	-	258,966	-
<b>Total Current Assets</b>	<b>338,964</b>	<b>3,742,701</b>	<b>94,934,278</b>	<b>35,665,829</b>
Noncurrent:				
Advances to other funds	-	-	4,082,208	-
Capital assets - net of accumulated depreciation	4,785,129	10,763,586	454,138,581	7,403,785
<b>Total Noncurrent Assets</b>	<b>4,785,129</b>	<b>10,763,586</b>	<b>458,220,789</b>	<b>7,403,785</b>
<b>Total Assets</b>	<b>\$ 5,124,093</b>	<b>\$ 14,506,287</b>	<b>\$ 553,155,067</b>	<b>\$ 43,069,614</b>
<b>Liabilities and Net Assets:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ -	\$ 351,838	\$ 6,781,986	\$ 569,348
Accrued liabilities	-	-	275,276	93,943
Accrued interest	14,319	102,294	736,689	-
Unearned revenues	-	167,518	283,517	-
Deposits payable	4,580	303,160	1,838,748	-
Compensated absences	-	172,240	1,113,947	342,509
Claims and judgments	-	-	-	2,633,636
Bonds, notes, and capital leases	62,333	299,719	5,547,394	-
<b>Total Current Liabilities</b>	<b>81,232</b>	<b>1,396,769</b>	<b>16,577,557</b>	<b>3,639,436</b>
Noncurrent:				
Advances from other funds	1,244,924	-	5,327,132	-
Compensated absences	-	165,485	1,206,426	485,215
Claims and judgments	-	-	-	9,980,632
Bonds, notes, and capital leases	423,111	2,180,113	63,215,434	-
<b>Total Noncurrent Liabilities</b>	<b>1,668,035</b>	<b>2,345,598</b>	<b>69,748,992</b>	<b>10,465,847</b>
<b>Total Liabilities</b>	<b>1,749,267</b>	<b>3,742,367</b>	<b>86,326,549</b>	<b>14,105,283</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	4,299,685	8,283,754	385,375,753	7,403,785
Restricted for capital projects	-	-	41,019,472	-
Restricted for debt service	-	-	930,832	-
Restricted for rate stabilization	-	-	2,318,667	-
Unrestricted	(924,859)	2,480,166	37,183,794	21,560,546
<b>Total Net Assets</b>	<b>3,374,826</b>	<b>10,763,920</b>	<b>466,828,518</b>	<b>28,964,331</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,124,093</b>	<b>\$ 14,506,287</b>	<b>\$ 553,155,067</b>	<b>\$ 43,069,614</b>
			\$ 466,828,518	
			4,271,807	
			261,135	
			<b>\$ 471,361,460</b>	

CITY OF OCEANSIDE

STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Waste Disposal</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 53,176,890	\$ 37,638,074	\$ 22,756,966
Fines, Forfeitures, and Penalties	571,989	-	-
Developer fees	1,415,346	1,694,330	-
Slip rentals and other related fees	-	-	-
Parking	-	-	-
Miscellaneous	13,714	54,136	5,411
<b>Total Operating Revenues</b>	<b>55,177,939</b>	<b>39,386,540</b>	<b>22,762,377</b>
<b>Operating Expenses:</b>			
Administration and general	6,400,103	6,955,147	1,455,613
Maintenance and operations	12,841,318	16,493,429	18,650,764
Cost of purchased water	25,558,844	-	-
Depreciation expense	6,112,898	8,097,102	4,736
<b>Total Operating Expenses</b>	<b>50,913,163</b>	<b>31,545,678</b>	<b>20,111,113</b>
Operating Income (Loss)	4,264,776	7,840,862	2,651,264
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	395,950	-	-
Interest revenue	699,219	183,333	-
Interest expense	(531,895)	(1,830,885)	-
Gain (loss) on disposal of capital assets	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>563,274</b>	<b>(1,647,552)</b>	<b>-</b>
Income (Loss) Before Transfers	4,828,050	6,193,310	2,651,264
Transfers in	708,283	3,593	360,539
Transfers out	(836,306)	(140,035)	(2,247,228)
Changes in Net Assets	4,700,027	6,056,868	764,575
<b>Net Assets:</b>			
Beginning of fiscal year	226,927,432	209,086,188	5,154,682
<b>End of Fiscal Year</b>	<b>\$ 231,627,459</b>	<b>\$ 215,143,056</b>	<b>\$ 5,919,257</b>

**Reconciliation of Changes in Net Assets to the Statement of Activities:**

Changes in Net Assets, per the Statement of Revenues,  
Expenses and Changes in Fund Net Assets - Proprietary Funds

Adjustment to reflect the consolidation of current fiscal year  
internal service funds activities related to enterprise funds

**Changes in Net Assets of Business-Type Activities per Statement of Activities**

CITY OF OCEANSIDE

STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Special Aviation	Oceanside Small Craft Harbor District	Totals	
<b>Operating Revenues:</b>				
Charges for services	\$ 100,865	\$ -	\$ 113,672,795	\$ 51,156,515
Fines, Forfeitures, and Penalties	-	-	571,989	-
Developer fees	-	-	3,109,676	-
Slip rentals and other related fees	-	5,792,048	5,792,048	-
Parking	-	497,417	497,417	-
Miscellaneous	-	-	73,261	357,825
<b>Total Operating Revenues</b>	<b>100,865</b>	<b>6,289,465</b>	<b>123,717,186</b>	<b>51,514,340</b>
<b>Operating Expenses:</b>				
Administration and general	-	6,599	14,817,462	33,373,633
Maintenance and operations	4,000	507,350	48,496,861	12,827,130
Cost of purchased water	-	-	25,558,844	-
Depreciation expense	64,325	665,674	14,944,735	2,365,841
<b>Total Operating Expenses</b>	<b>68,325</b>	<b>1,179,623</b>	<b>103,817,902</b>	<b>48,566,604</b>
Operating Income (Loss)	32,540	5,109,842	19,899,284	2,947,736
<b>Nonoperating Revenues (Expenses):</b>				
Intergovernmental	-	-	395,950	-
Interest revenue	10,677	39,639	932,868	-
Interest expense	(25,781)	(112,668)	(2,501,229)	-
Gain (loss) on disposal of capital assets	-	-	-	(81,239)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(15,104)</b>	<b>(73,029)</b>	<b>(1,172,411)</b>	<b>(81,239)</b>
Income (Loss) Before Transfers	17,436	5,036,813	18,726,873	2,866,497
Transfers in	-	294	1,072,709	101,805
Transfers out	(11,808)	(4,720,672)	(7,956,049)	(1,710,026)
Changes in Net Assets	5,628	316,435	11,843,533	1,258,276
<b>Net Assets:</b>				
Beginning of fiscal year	3,369,198	10,447,485	454,984,985	27,706,055
<b>End of Fiscal Year</b>	<b>\$ 3,374,826</b>	<b>\$ 10,763,920</b>	<b>\$ 466,828,518</b>	<b>\$ 28,964,331</b>
			\$ 11,843,533	
			261,135	
			<b>\$ 12,104,668</b>	

CITY OF OCEANSIDE

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Waste Disposal</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 54,261,754	\$ 38,892,751	\$ 21,859,726
Cash received from/(paid to) interfund service provided	-	-	-
Cash paid to suppliers for goods and services	(37,693,282)	(16,312,788)	(19,376,331)
Cash paid to employees for services	(6,630,225)	(7,109,551)	(1,510,903)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>9,938,247</u></b>	<b><u>15,470,412</u></b>	<b><u>972,492</u></b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	708,283	3,593	360,539
Cash transfers out	(836,306)	(140,035)	(2,247,228)
Advance from other funds	-	(111,292)	-
Advance to other funds	124,447	-	-
Intergovernmental	395,950	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b><u>392,374</u></b>	<b><u>(247,734)</u></b>	<b><u>(1,886,689)</u></b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(1,722,860)	(959,619)	-
Disposal of capital asset	1,581,262	2,920,220	-
Principal paid on capital debt	(1,263,030)	(3,758,265)	-
Interest paid on capital debt	(537,643)	(1,860,691)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b><u>(1,942,271)</u></b>	<b><u>(3,658,355)</u></b>	<b><u>-</u></b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	699,219	183,333	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>699,219</u></b>	<b><u>183,333</u></b>	<b><u>-</u></b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>9,087,569</b>	<b>11,747,656</b>	<b>(914,197)</b>
Cash and Cash Equivalents at Beginning of Year	40,737,026	10,561,300	6,339,483
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 49,824,595</u></b>	<b><u>\$ 22,308,956</u></b>	<b><u>\$ 5,425,286</u></b>

CITY OF OCEANSIDE

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Special Aviation</u>	<u>Oceanside Small Craft Harbor District</u>	<u>Totals</u>	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 115,728	\$ 6,043,828	\$ 121,173,787	\$ 383,418
Cash received from/(paid to) interfund service provided	-	-	-	51,156,515
Cash paid to suppliers for goods and services	(320,445)	(834,238)	(74,537,084)	(12,892,384)
Cash paid to employees for services	-	(6,599)	(15,257,278)	(33,520,936)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(204,717)</b>	<b>5,202,991</b>	<b>31,379,425</b>	<b>5,126,613</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	-	294	1,072,709	101,805
Cash transfers out	(11,808)	(4,720,672)	(7,956,049)	(1,710,026)
Advance from other funds	59,924	-	(51,368)	-
Advance to other funds	-	-	124,447	-
Intergovernmental	-	-	395,950	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>48,116</b>	<b>(4,720,378)</b>	<b>(6,414,311)</b>	<b>(1,608,221)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	-	(1,686,259)	(4,368,738)	(1,998,257)
Disposal of capital asset	-	-	4,501,482	-
Principal paid on capital debt	(58,556)	(286,810)	(5,366,661)	-
Interest paid on capital debt	(27,510)	(124,498)	(2,550,342)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(86,066)</b>	<b>(2,097,567)</b>	<b>(7,784,259)</b>	<b>(1,998,257)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	10,677	39,638	932,867	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>10,677</b>	<b>39,638</b>	<b>932,867</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(231,990)</b>	<b>(1,575,316)</b>	<b>18,113,722</b>	<b>1,520,135</b>
Cash and Cash Equivalents at Beginning of Year	557,771	5,065,455	63,261,035	33,877,583
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 325,781</b>	<b>\$ 3,490,139</b>	<b>\$ 81,374,757</b>	<b>\$ 35,397,718</b>



CITY OF OCEANSIDE

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Waste Disposal</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 4,264,776	\$ 7,840,862	\$ 2,651,264
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	6,112,898	8,097,102	4,736
(Increase) decrease in accounts receivable	(916,185)	(493,789)	(902,651)
(Increase) decrease in prepaid expense	(4,002)	(1,283)	-
(Increase) decrease in inventory	74,528	38,692	-
Increase (decrease) in accounts payable	574,949	143,232	(1,340,104)
Increase (decrease) in accrued liabilities	(248,506)	(222,983)	(38,579)
Increase (decrease) in deposits payable	46,823	-	614,537
Increase (decrease) in unearned revenue	14,582	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	18,384	68,579	(16,711)
<b>Total Adjustments</b>	<b>5,673,471</b>	<b>7,629,550</b>	<b>(1,678,772)</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 9,938,247</b>	<b>\$ 15,470,412</b>	<b>\$ 972,492</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of deferred charges	\$ 12,373	\$ 3,099	\$ -
Amortization of discount on long-term debt	3,122	189,798	-

CITY OF OCEANSIDE

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Special Aviation</u>	<u>Oceanside Small Craft Harbor District</u>	<u>Totals</u>	
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 32,540	\$ 5,109,842	\$ 19,899,284	\$ 2,947,736
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	64,325	665,674	14,944,735	2,365,841
(Increase) decrease in accounts receivable	14,863	(245,637)	(2,543,399)	25,593
(Increase) decrease in prepaid expense	-	-	(5,285)	7,450
(Increase) decrease in inventory	-	-	113,220	5,319
Increase (decrease) in accounts payable	(316,445)	(356,979)	(1,295,347)	(119,541)
Increase (decrease) in accrued liabilities	-	-	(510,068)	(151,117)
Increase (decrease) in deposits payable	-	17,941	679,301	-
Increase (decrease) in unearned revenue	-	12,150	26,732	-
Increase (decrease) in claims and judgments	-	-	-	41,518
Increase (decrease) in compensated absences	-	-	70,252	3,814
<b>Total Adjustments</b>	<b>(237,257)</b>	<b>93,149</b>	<b>11,480,141</b>	<b>2,178,877</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (204,717)</b>	<b>\$ 5,202,991</b>	<b>\$ 31,379,425</b>	<b>\$ 5,126,613</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Amortization of deferred charges	\$ -	\$ -	\$ 15,472	\$ -
Amortization of discount on long-term debt	-	-	192,920	-

**THIS PAGE INTENTIONALLY LEFT BLANK**

## FIDUCIARY FUND FINANCIAL STATEMENTS

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

The **Agency Funds** are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations.

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.

CITY OF OCEANSIDE

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2012

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund</u>
		<u>Successor Agency</u>
<b>Assets:</b>		
Cash and investments	\$ 10,547,499	\$ 24,822,126
Restricted cash and investments	5,956,714	2,980,157
Receivables:		
Accounts	28,244	-
Land held for resale	-	8,792,993
Capital assets:		
Capital assets, not being depreciated	-	20,736,537
Capital assets, net of accumulated depreciation	-	18,410,023
<b>Total Assets</b>	<b><u>\$ 16,532,457</u></b>	<b><u>\$ 75,741,836</u></b>
<b>Liabilities:</b>		
Accounts payable	\$ 772,842	\$ 4,215,126
Accrued liabilities	-	27,710
Accrued interest	-	785,100
Unearned revenues	-	600
Deposits payable	4,192,657	-
Due to external parties/other agencies	11,566,958	-
Long-term liabilities:		
Due in one year	-	2,440,000
Due in more than one year	-	61,362,504
<b>Total Liabilities</b>	<b><u>\$ 16,532,457</u></b>	<b><u>68,831,040</u></b>
<b>Net Assets:</b>		
Held in trust for other purposes		6,910,796
<b>Total Net Assets</b>		<b><u>\$ 6,910,796</u></b>

CITY OF OCEANSIDE

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	<u>Private-Purpose Trust Fund Successor Agency</u>
<b>Additions:</b>	
Taxes	\$ 2,080,481
Interest and change in fair value of investments	74,998
Contributions from City	106,394
Miscellaneous	10,935
	<hr/>
<b>Total Additions</b>	<b>2,272,808</b>
	<hr/>
<b>Deductions:</b>	
Administrative expenses	4,665,653
Contractual services	202,478
Interest expense	1,955,831
Contributions to other governments	39,530
	<hr/>
<b>Total Deductions</b>	<b>6,863,492</b>
	<hr/>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 15)	11,501,480
	<hr/>
<b>Changes in Net Assets</b>	<b>6,910,796</b>
	<hr/>
Net Assets - Beginning of the Year	-
	<hr/>
<b>Net Assets - End of the Year</b>	<b>\$ 6,910,796</b>
	<hr/> <hr/>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**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 more significant of the City's 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 considered to be 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. Each blended component unit has a June 30 year-end. The following entities are reported as blended component units since the governing board is substantively the same as the primary government:

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, pursuant to the State of California Health and Safety Code entitled "Community Redevelopment Law". Its purpose is to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational and public facilities. 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 Redevelopment activities of the Commission were dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26, therefore only seven months of activity are recorded in these funds. See Note 15 for more information on the dissolution.

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.

Oceanside Building Authority - The Oceanside Building Authority (the Building Authority) was established on December 1, 1966, pursuant to the State of California Government Code Section 6506. The Building Authority was initially established to acquire, construct, maintain, operate and lease public safety buildings. The operations of the Building Authority are reported as governmental funds of the City.



**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

**b. Basis of Accounting and Measurement Focus**

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

**Government-Wide Financial Statements**

The City's government-wide financial statements include a Statement of Net Assets 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 of 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 Assets. The Statement of Activities presents changes in net assets. 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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets 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

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

The City applies all applicable FASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

**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 assets as presented in these statements to the net assets 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, 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.

Deferred 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 deferred revenue/unearned revenue is removed from the balance sheet and revenue is recognized.

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

The General Fund used to account for resources traditionally associated with government 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 Housing Assistance Program Special Revenue Fund 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.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, 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 Assets.

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 Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. 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 used to account for the operation of the City's water utility, a self-supporting activity which provides services on a user charge basis.

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

**Fiduciary Fund Financial Statements**

Fiduciary fund types are accounted for according to the nature of the fund. The private-purpose trust funds are reported using the economic resources measurement and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

The agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The agency funds are used to account for the (1) 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 such as refundable deposits.

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 and assets have been liquidated.

**c. Use of Restricted and Unrestricted Net Assets**

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

**e. Inventory**

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

**f. Land and Buildings Held for Resale**

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

**g. Capital Assets**

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at \$100,000, all other capital assets are set at \$10,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

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

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

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

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 Assets**

A pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL). In August 2005, the City made a payment of \$42,072,326 to CalPERS from the proceeds of the issuance of pension obligation bonds to reduce the City's UAAL as calculated at that time. The prepaid pension asset will be amortized over the life of the bonds on a straight-line basis.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**i. 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, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

**Fund Financial Statements**

The 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 Assets.

**j. Fund Balance and Net Assets**

**Government-wide and Proprietary Financial Statements**

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

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

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

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets".

**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 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 determined by a formal action of the City Council via ordinances, resolutions, and formal policy. These amounts cannot be used for any other purposes unless the City Council removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Assigned Fund Balance - This includes amounts that are designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance - This is the residual classification that includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the City's policy is to apply restricted fund balance first.

When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance and finally unassigned fund balance.

**k. Compensated Absences**

**Government-wide Financial Statements**

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

**Fund Financial Statements**

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

**l. 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.

**CITY OF OCEANSIDE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**

**Note 2: 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, 2012:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 109,652,214	\$ 80,443,925	\$ 35,369,625	\$ 225,465,764
Restricted cash and investments	2,161,962	930,832	8,936,871	12,029,665
<b>Total cash and investments</b>	<b>\$ 111,814,176</b>	<b>\$ 81,374,757</b>	<b>\$ 44,306,496</b>	<b>\$ 237,495,429</b>

Cash and investments at June 30, 2012 consisted of the following:

Demand deposits	\$ (1,441,209)
Petty Cash	14,033
Investments	238,922,605
<b>Total cash and investments</b>	<b>\$ 237,495,429</b>

**Demand Deposits**

At June 30, 2012, the carrying amount of the City's deposits was \$(1,441,209) and the bank balance was \$976,520. The \$2,417,729 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 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.

A provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction account at all FDIC-insured institutions. This provision was effective from December 31, 2010 and will remain effective until December 31, 2012. Noninterest-bearing transaction accounts is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

---

**Note 2: Cash and Investments (Continued)**

transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institutions does not reserve the right to require advance notice of an intended withdrawal. As of June 30, 2012, the City maintains cash deposits that are temporary covered by this provision.

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Enterprise Securities	5 years	None	25%
Banker's Acceptance	180 days	20%	5%
Time Deposits (CD's)	3 years	5%	None
Repurchase Agreements	30 days	30%	None
Reverse Repurchase Agreements	60 days	15%	None
Commercial Paper	270 days	15%	1%
Corporate Medium Term Notes	36-48 months	15%	1%
Municipal Bonds	36-60 months	15%	1%
Local Agency Investment Fund (LAIF)	N/A	None	None

N/A - Not Applicable

\*Excluding amounts held in bond trustees that are not subject to California Government Code Restrictions

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 2: Cash and Investments (Continued)**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	None	25%
United States Government Sponsored Enterprise Securities	None	None	None
Banker's Acceptance	180 days	20%	5%
Certificates of Deposit	3 years	5%	None
Repurchase Agreements	30 days	30%	None
Reverse Repurchase Agreements	60 days	15%	None
Commercial Paper	270 days	15%	1%
Medium Term Notes	3 years	15%	1%
Municipal Bonds	3 years	15%	1%
Local Agency Investment Fund	N/A	None	None
Restricted Investments	N/A	10%	None

N/A- Not Applicable

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 to 24 Months	25 to 60 Months	
United States Government Sponsored Enterprise Securities	\$ 7,713,837	\$ 12,123,872	\$ 161,255,092	\$ 181,092,801
Local Agency Investment Fund (LAIF)	45,800,139	-	-	45,800,139
Held by Bond Trustees:				
Money Market Mutual Funds	12,029,665	-	-	12,029,665
	\$ 65,543,641	\$ 12,123,872	\$ 161,255,092	\$ 238,922,605

**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, 2012, is \$226,892,940 or 94.97% of the City's portfolio (excluding held by bond trustees).

**CITY OF OCEANSIDE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**

**Note 2: 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, as of year end for each investment type:

Investment Type	Total as of June 30, 2012	Minimum Legal Rating	A3/A-	AA2/AA+	AAA/Aaa	Unrated
United States Government Sponsored Enterprise Securities	\$ 181,092,801	N/A	\$ 9,116,570	\$ 168,342,111	\$ 2,135,560	\$ 1,998,560
Local Agency Investment Fund (LAIF) Held by Bond Trustees:	45,800,139	N/A	-	-	-	45,800,139
Money Market Mutual Funds	12,029,665	AAA/Aaa	-	-	12,029,665	-
	\$ 238,922,605		\$ 9,116,570	\$ 168,342,111	\$ 14,165,225	\$ 47,798,699

**Concentration of Credit Risk**

The investment policy of the City limits the amount that can be invested in any one issuer of 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. This limit is beyond that stipulated by the California Government Code. All other investments contain no limitations beyond that stipulated by the California Government Code. Investments in any one issuer (other than United States Treasury Obligations, mutual funds, and external investment pools) that represent 5% or more of total City's investments (excluding held by bond trustees) are as follows:

Issuer	Investment Type	Reported Amount	Percent of Investment
Federal Farm Credit Bank	United States Government Sponsored Enterprise Securities	\$ 37,072,596	20.47%
Federal Home Loan Bank	United States Government Sponsored Enterprise Securities	43,788,236	24.18%
Federal Home Loan Mortgage Corporation	United States Government Sponsored Enterprise Securities	36,162,331	19.97%
Federal National Mortgage Association	United States Government Sponsored Enterprise Securities	45,716,898	25.25%

**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, 2012, none of the City's deposits or investments were exposed to custodial credit risk.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

---

**Note 2: Cash and Investments (Continued)**

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon 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.

**Note 3: Property Taxes**

Property taxes attach a legal 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. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

**Note 4: Notes Receivable**

At June 30, 2012, the City had notes receivable reported in the following funds:

Housing Assistance Program Special Revenue Fund	\$ 46,217,610
Grants Special Revenue Fund	12,183,054
Water Fund	551,604
General Fund	<u>12,900,072</u>
Total	<u>\$ 71,852,340</u>

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. At June 30, 2012, the outstanding balance including accrued interest of \$3,207,532 is \$41,900,525. In addition amounts borrowed pertaining to the Supplemental Educational Revenue Augmentation Fund (SERAF) are now being recorded in the Housing Assistance Program Special Revenue Fund in the amount of \$4,317,085.

On June 10, 2009, the Community Development Commission loaned \$606,380 to California Surf Museum in accordance with the tenant improvement loan agreement executed by the Commission and the Museum on August 13, 2008. Pursuant to the agreement, in the event that the Museum satisfies the performance standards set forth in the agreement, the Commission agrees to forgive 1/5th of the loan amount each year for five years. At June 30, 2012, the outstanding balance is \$242,552 and is now being recorded in the General Fund.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 4: Notes Receivable (Continued)**

The City loaned monies to the Community Development Commission in 1986 and 1989 to fund redevelopment projects. As a result of the dissolution of the redevelopment activities of the Community Development Commission, the City believes in consultation with the City Attorney that these monies will be repaid by the Successor Agency in future years and therefore has recorded a loan receivable in the General Fund for amounts due from the Successor Agency in the amount of \$12,657,520.

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. At June 30, 2012, the outstanding balance including accrued interest of \$3,229,061 is \$12,183,054.

The Water Fund made various loans to the Oceanside Community Development Commission for operational purposes of the redevelopment activities. The note is payable by the Successor Agency of the former redevelopment activities of the Oceanside Community Development Commission. At June 30, 2012, the outstanding balance is \$551,604.

**Note 5: Interfund Transactions**

**a. Due To/From Other Funds**

At June 30, 2012, there were the following short-term interfund receivables and payables:

	Due to Other Funds	
	Non-Major Governmental Funds	Total
Due from Other Funds		
General Fund	\$ 687,482	\$ 687,482

The outstanding balances between funds result mainly from temporary operating cash loans.

**b. Advances To/From Other Funds**

At June 30, 2012, the City had the following long-term interfund receivables and payables:

Advances to Other Funds	Advances from Other Funds			Total
	Housing Assistance Program	Sewer Enterprise Fund	Special Aviation Enterprise Fund	
General Fund	\$ 300,000	\$ -	\$ 1,244,924	\$ 1,544,924
Water Enterprise Fund	-	4,082,208	-	4,082,208
Total	\$ 300,000	\$ 4,082,208	\$ 1,244,924	\$ 5,627,132

The Water Fund advanced funds to the Sewer Enterprise Fund for operational purposes. As of June 30, 2012, the outstanding balance of the loan was \$4,082,208.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

Note 5: Interfund Transactions (Continued)

The General Fund advanced funds to the Housing Assistance Program Special Revenue Fund and Special Aviation Enterprise Fund for operational purposes. As of June 30, 2012, the outstanding balance of the loan was \$300,000 and \$1,244,924, respectively.

c. Transfers In/Out

Transfers in and out for the year ended June 30, 2012, are as follows:

Transfers Out	Transfers In								Total
	General Fund	Grants	Other Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Waste Disposal Enterprise Fund	Small Craft Harbor District Enterprise	Internal Service Fund	
General Fund	\$ -	\$ 389,497	\$ 514,794	\$ -	\$ -	\$ -	\$ -	\$ 84,996	\$ 989,287
Grants	146,876	-	224,219	-	-	360,455	-	-	731,550
Housing Assistance Program	89,000	-	4,224	-	-	-	-	-	93,224
Other Governmental Funds	1,224,160	-	11,472,088	20,496	-	-	-	-	12,716,744
Water Enterprise Fund	797,664	-	38,642	-	-	-	-	-	836,306
Sewer Enterprise Fund	-	-	140,035	-	-	-	-	-	140,035
Waste Disposal Enterprise Fund	2,097,228	-	150,000	-	-	-	-	-	2,247,228
Special Aviation Enterprise Fund	11,808	-	-	-	-	-	-	-	11,808
Small Craft Harbor District	4,720,672	-	-	-	-	-	-	-	4,720,672
Internal Service Funds	994,159	-	7,300	687,787	3,593	84	294	16,809	1,710,026
Total	<u>\$ 10,081,567</u>	<u>\$ 389,497</u>	<u>\$ 12,551,302</u>	<u>\$ 708,283</u>	<u>\$ 3,593</u>	<u>\$ 360,539</u>	<u>\$ 294</u>	<u>\$ 101,805</u>	<u>\$ 24,196,880</u>

Transfers between funds were for operating expenses and capital costs. Transfers between Other Governmental Funds also included a transfer of bond proceeds for debt service.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

Note 6: Capital Assets

a. Governmental Activities Capital Assets

A summary of changes in the governmental activities capital assets at June 30, 2012, is as follows:

	Balance at July 1, 2011	Transfer to Successor Agency*	Transfers	Additions	Deletions	Balance at June 30, 2012
Capital assets not being depreciated:						
Land	\$ 57,918,054	\$ (16,959,469)	\$ -	\$ -	\$ -	\$ 40,958,585
Construction in progress	13,932,355	(2,590,200)	(7,220,551)	7,455,993	537,331	11,040,266
Total Capital Assets, Not Being Depreciated	71,850,409	(19,549,669)	(7,220,551)	7,455,993	537,331	51,998,851
Capital assets being depreciated:						
Buildings and improvements	101,994,964	(27,750,875)	514,475	-	-	74,758,564
Improvements other than buildings	26,051,497	(1,995,329)	4,604,908	-	-	28,661,076
Machinery and equipment	60,304,063	(200,413)	2,101,168	2,958,012	1,246,679	63,916,151
Infrastructure	302,413,084	-	-	-	-	302,413,084
Total Capital Assets, Being Depreciated	490,763,608	(29,946,617)	7,220,551	2,958,012	1,246,679	469,748,875
Less accumulated depreciation for:						
Buildings and improvements	28,409,284	(10,797,830)	-	2,421,021	-	20,032,475
Improvements other than buildings	5,995,573	(241,964)	-	1,338,311	-	7,091,920
Machinery and equipment	43,835,838	(184,383)	-	4,022,144	1,162,997	46,510,602
Infrastructure	157,171,216	-	-	7,044,623	-	164,215,839
Total Accumulated Depreciation	235,411,911	(11,224,177)	-	14,826,099	1,162,997	237,850,836
Total Capital Assets, Being Depreciated, Net	255,351,697	(18,722,440)	7,220,551	(11,868,087)	83,682	231,898,039
Governmental Activities Capital Assets, Net	\$ 327,202,106	\$ (38,272,109)	\$ -	\$ (4,412,094)	\$ 621,013	\$ 283,896,890

\* As a result of the dissolution of the redevelopment agency, assets of the former redevelopment agency were transferred to the Successor Agency. See Note 15 for additional information.

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

General government	\$ 407,501
Public safety	1,440,238
Public works	7,876,101
Community development	475,797
Community/cultural services	2,260,621
Internal service funds	2,365,841
Total depreciation expense-governmental activities	\$ 14,826,099

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 6: Capital Assets (Continued)**

**b. Business-Type Activities Capital Assets**

A summary of changes in the business-type activities capital assets at June 30, 2012, is as follows:

	Balance at July 1, 2011	Transfers	Additions	Deletions	Balance at June 30, 2012
Capital assets not being depreciated:					
Land	\$ 29,309,142	\$ 304,561	\$ -	\$ -	\$ 29,613,703
Construction in progress	33,014,201	(24,974,142)	4,242,193	4,489,742	7,792,510
<b>Total Capital Assets, Not Being Depreciated</b>	<b>62,323,343</b>	<b>(24,669,581)</b>	<b>4,242,193</b>	<b>4,489,742</b>	<b>37,406,213</b>
Capital assets being depreciated:					
Buildings and improvements	155,933,619	22,589,976	-	-	178,523,595
Improvements other than buildings	529,669,172	554,604	-	-	530,223,776
Machinery and equipment	11,079,161	1,525,001	126,546	101,859	12,628,849
<b>Total Capital Assets, Being Depreciated</b>	<b>696,681,952</b>	<b>24,669,581</b>	<b>126,546</b>	<b>101,859</b>	<b>721,376,220</b>
Less accumulated depreciation for:					
Buildings and improvements	41,029,778	-	3,285,902	-	44,315,680
Improvements other than buildings	242,974,680	124,399	10,557,170	-	253,656,249
Machinery and equipment	5,784,778	(124,399)	1,101,663	90,119	6,671,923
<b>Total Accumulated Depreciation</b>	<b>289,789,236</b>	<b>-</b>	<b>14,944,735</b>	<b>90,119</b>	<b>304,643,852</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>406,892,716</b>	<b>24,669,581</b>	<b>(14,818,189)</b>	<b>11,740</b>	<b>416,732,368</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 469,216,059</b>	<b>\$ -</b>	<b>\$(10,575,996)</b>	<b>\$4,501,482</b>	<b>\$ 454,138,581</b>

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

Water	\$ 6,112,898
Sewer	8,097,103
Waste Disposal	4,735
Special Aviation	64,325
Oceanside Small Craft Harbor District	665,674
<b>Total depreciation expense-business type activities</b>	<b>\$ 14,944,735</b>



CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

Note 7: Long-Term Liabilities

a. Governmental Activities Long-Term Debt

The following is a summary of changes in governmental activities long-term debt for the year ended June 30, 2012:

	Balance at July 1, 2011	Additions	Deletions	Transferred to Successor Agency*	Balance at June 30, 2012	Due Within One Year	Due in More Than One Year
<b>Tax Allocation Bonds:</b>							
2002 Tax Allocation Refunding Bonds	\$ 17,280,000	\$ -	\$ (785,000)	\$ (16,495,000)	\$ -	\$ -	\$ -
2003 Tax Allocation Refunding Bonds	4,665,000	-	(505,000)	(4,160,000)	-	-	-
Subordinate 2003 Tax Allocation Bonds	15,070,000	-	(685,000)	(14,385,000)	-	-	-
2004 Tax Allocation Refunding Bonds	11,545,000	-	(355,000)	(11,190,000)	-	-	-
<b>Total Tax Allocation Bonds</b>	<b>48,560,000</b>	<b>-</b>	<b>(2,330,000)</b>	<b>(46,230,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Certificate of Participation:</b>							
1998 COP	7,570,000	-	(7,570,000)	-	-	-	-
2003 COP	16,580,000	-	(1,310,000)	-	15,270,000	1,375,000	13,895,000
2005 Refunding COP	17,995,000	-	(1,705,000)	-	16,290,000	1,765,000	14,525,000
2011 COP	-	7,725,000	(470,000)	-	7,255,000	525,000	6,730,000
<b>Total COPs</b>	<b>42,145,000</b>	<b>7,725,000</b>	<b>(11,055,000)</b>	<b>-</b>	<b>38,815,000</b>	<b>3,665,000</b>	<b>35,150,000</b>
<b>Capital Leases:</b>							
2004 Streetlight Lease/Purchase Agreement	923,039	-	(216,608)	-	706,431	225,631	480,800
2011 Fire Apparatus	824,761	-	(104,581)	-	720,180	108,712	611,468
<b>Total Capital Leases</b>	<b>1,747,800</b>	<b>-</b>	<b>(321,189)</b>	<b>-</b>	<b>1,426,611</b>	<b>334,343</b>	<b>1,092,268</b>
<b>Notes Payable:</b>							
2008 HUD 108 Loans	3,295,000	-	(111,000)	-	3,184,000	117,000	3,067,000
<b>Total Notes Payable</b>	<b>3,295,000</b>	<b>-</b>	<b>(111,000)</b>	<b>-</b>	<b>3,184,000</b>	<b>117,000</b>	<b>3,067,000</b>
Pension Obligation Bonds	39,345,000	-	(1,150,000)	-	38,195,000	1,335,000	36,860,000
Claims Payable	12,572,750	2,640,049	(2,598,531)	-	12,614,268	2,633,636	9,980,632
Compensated Absences	11,216,537	4,201,175	(4,598,009)	(46,295)	10,773,408	4,116,701	6,656,707
Other post-employment benefit obligation	1,616,072	464,907	-	-	2,080,979	-	2,080,979
<b>Subtotal</b>	<b>\$ 160,498,159</b>	<b>\$ 15,031,131</b>	<b>\$ (22,163,729)</b>	<b>\$ (46,276,295)</b>	<b>107,089,266</b>	<b>\$ 12,201,680</b>	<b>\$ 94,887,586</b>
						<b>675,667</b>	
					<b>Total</b>	<b>\$ 107,764,933</b>	

\* As a result of the dissolution of the redevelopment agency, indebtedness of the former redevelopment agency was transferred to the Successor Agency. See Note 15 for disclosures for indebtedness.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

---

**Note 7: Long-Term Liabilities (Continued)****Certificate of Participation**1998 Certificates of Participation - Original Issue \$10,750,000

The 1998 Certificates of Participation were issued by the Building 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. On July 1, 2011 the Oceanside 2011 Certificate of Participation was issued to refund the 1998 Certificate of Participation. There was no remaining balance at June 30, 2012.

2003 Certificates of Participation - Original Issue \$25,185,000

The 2003 Certificates of Participation were issued by the Financing Authority to refinance \$24,510,000 outstanding 1993 Series A Refunding Certificates of Participation. The City has entered into an agreement with the Financing Authority to lease certain facilities and projects from the Financing Authority at an amount necessary to meet the annual debt service and related costs.

The certificates are due in annual installments of \$1,185,000 to \$1,770,000 through 2023. Interest rates range from 4.5% to 5.2% and are payable semiannually on September 15 and March 15. Certificates maturing before April 1, 2013, are not subject to redemption prior to maturity. Certificates maturing on or after April 1, 2013, are subject to redemption in whole or in part on April 1, 2013, and each interest date thereafter. At June 30, 2012, the outstanding balance of these certificates was \$15,270,000.

The annual debt service requirements on these certificates are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 1,375,000	\$ 796,103	\$ 2,171,103
2014	1,445,000	727,353	2,172,353
2015	1,520,000	651,490	2,171,490
2016	1,600,000	571,690	2,171,690
2017	1,680,000	487,690	2,167,690
2018-2022	6,500,000	1,215,655	7,715,655
2023	1,150,000	59,800	1,209,800
Totals	<u>\$ 15,270,000</u>	<u>\$ 4,509,781</u>	<u>\$ 19,779,781</u>

2005 Refunding Certificates of Participation - Original Issue \$20,170,000

The 2005 Refunding Certificates of Participation were issued by the Community Development Commission to partially refund the 1995 Refunding Certificates of Participation, which was used for the City's Civic Center Project and to pay the costs of issuance. The certificates consist of serial certificates in the amount of \$20,170,000 due in annual installments of \$135,000 to \$2,350,000. Interest rates range from 3% to 5% and are payable semiannually on February 1 and August 1. Certificates maturing before August 1, 2016, are not subject to redemption prior to maturity. Certificates maturing on or after August 1, 2016, are subject to redemption in whole or in part on August 1, 2016, and each interest date thereafter. At June 30, 2012, the outstanding balance of these certificates was \$16,290,000.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 7: Long-Term Liabilities (Continued)**

The annual debt service requirements on these certificates are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 1,765,000	\$ 653,001	\$ 2,418,001
2014	1,835,000	583,088	2,418,088
2015	1,905,000	510,375	2,415,375
2016	1,990,000	434,963	2,424,963
2017	2,060,000	356,450	2,416,450
2018-2022	6,735,000	504,375	7,239,375
Totals	<u>\$ 16,290,000</u>	<u>\$ 3,042,252</u>	<u>\$ 19,332,252</u>

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

The 2011 Refunding Certificates of Participation were issued by the City 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 due in annual installments of \$470,000 to \$840,000. Interest rates range from 2.19% to 4.77% and are payable semiannually on December 1 and June 1. At June 30, 2012, the outstanding balance of these certificates was \$7,255,000.

The annual debt service requirements on these certificates are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 525,000	\$ 257,762	\$ 782,762
2014	540,000	245,614	785,614
2015	565,000	231,672	796,672
2016	590,000	215,457	805,457
2017	620,000	196,864	816,864
2018-2022	3,575,000	600,739	4,175,739
2023	840,000	20,034	860,034
Totals	<u>\$ 7,255,000</u>	<u>\$ 1,768,142</u>	<u>\$ 9,023,142</u>

**Capital Lease Obligations**

2004 Streetlight Lease/Purchase Agreement

On October 1, 2004, the City entered into a lease/purchase agreement with Zion First National Bank in the amount of \$2,064,583 for the streetlight improvement and appurtenance currently existing upon public streets and right of way within the boundaries of the City of Oceanside. The lease is due in annual installments of \$201,713 to \$246,772. The lease bears an interest rate of 4.2% and is payable semiannually on March 1 and September 1. At June 30, 2012, the outstanding balance of this lease was \$706,431.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 7: Long-Term Liabilities (Continued)**

The future minimum lease payments are as follows:

Year Ending June 30	Annual Payment
2013	\$ 250,563
2014	249,307
2015	251,954
2016	-
	<hr/>
Less Interest Portion	(45,393)
	<hr/>
Total Future Minimum Lease Payments	\$ 706,431
	<hr/> <hr/>

The gross amount of assets acquired under capital leases is \$2,064,583 and is classified as machinery and equipment within capital assets. The amortization of the leased assets is included as part of depreciation expense.

2011 Fire Apparatus Lease/Purchase Agreement

On February 4, 2011, the City entered into a lease/purchase agreement with Oshkosh Capital in the amount of \$1,624,761 for the purchase of one 2011 Pierce PUC Tiller and one 2011 Pierce PUC Pumper. The lease is due in annual installments of \$137,159. The lease bears an interest rate of 3.95% and is payable annually on February 4. At June 30, 2012, the outstanding balance of this lease was \$720,180.

The future minimum lease payments are as follows:

Year Ending June 30	Annual Payment
2013	\$ 137,159
2014	137,159
2015	137,159
2016	137,159
2017	137,159
2018	137,159
	<hr/>
Less Interest Portion	(102,774)
	<hr/>
Total Future Minimum Lease Payments	\$ 720,180
	<hr/> <hr/>

The gross amount of assets acquired under capital leases is \$1,624,761 and is classified as machinery and equipment within capital assets. The amortization of the leased assets is included as part of depreciation expense.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 7: Long-Term Liabilities (Continued)**

**Notes Payable**

2008 HUD 108 Loans - Original Issue \$3,500,000

In June 2008, 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 for Series 2008-A Certificates. The loans are due in annual installments ranging from \$100,000 to \$279,000. Interest is payable quarterly at a rate equal to 20 basis points above the applicable LIBOR, adjusted monthly on the first day of each month. At June 30, 2012, the outstanding balance of the loans was \$3,184,000.

The annual debt service requirements on these loans are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 117,000	\$ 155,016	\$ 272,016
2014	124,000	150,302	274,302
2015	130,000	145,131	275,131
2016	138,000	139,452	277,452
2017	146,000	133,194	279,194
2018-2022	859,000	552,712	1,411,712
2023-2027	1,127,000	301,958	1,428,958
2028-2029	543,000	29,784	572,784
Totals	<u>\$ 3,184,000</u>	<u>\$ 1,607,549</u>	<u>\$ 4,791,549</u>

**Pension Obligation Bonds**

2005 Taxable Pension Obligation Bonds - Original Issuance \$42,780,000

On August 1, 2005, the City issued \$42,780,000 Taxable Pension Obligation Bonds, Series 2005 for the purpose of paying the City's unamortized, unfunded accrued actuarial liability to the California Public Employees' Retirement System (CalPERS) for the benefit of the City's employees. The bonds are due in annual installments of \$825,000 to \$4,975,000. Interest rates range from 4.17% to 5.25% and are payable semiannually on February 15 and August 15. At June 30, 2012, the outstanding balance of the bonds was \$38,195,000 and the unamortized bond premium was \$675,667.

The annual debt service requirements on these loans are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 1,335,000	\$ 1,940,475	\$ 3,275,475
2014	1,535,000	1,872,129	3,407,129
2015	1,745,000	1,793,147	3,538,147
2016	1,975,000	1,703,112	3,678,112
2017	2,215,000	1,600,397	3,815,397
2018-2022	15,455,000	5,902,683	21,357,683
2023-2027	13,935,000	1,187,025	15,122,025
Totals	<u>\$ 38,195,000</u>	<u>\$ 15,998,968</u>	<u>\$ 54,193,968</u>

**Note 7: Long-Term Liabilities (Continued)**

**Claims Payable**

Claims payable have been accrued. Amounts determined to be debts of either the business-type and/or the proprietary funds have been recorded as liabilities in those funds. There is no fixed payment schedule to pay these liabilities. Total amount of claims payable for the governmental activities at June 30, 2012, was \$12,614,268.

**Compensated Absences**

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities has been accrued and amounts to \$10,773,408 at June 30, 2012. The general fund has a committed fund balance in the amount of \$1,221,120 in the post-employment leave reserve fund. The remaining liability is liquidated from the appropriate fund that employees are funded from.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

Note 7: Long-Term Liabilities (Continued)

b. Business-Type Activities Long-Term Debt

The following is a summary of changes in business-type and proprietary funds activities long-term debt for the year ended June 30, 2012:

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012	Due Within One Year	Due in More Than One Year
1998 Water Revenue Refunding Bonds	\$ 5,890,000	\$ -	\$ (725,000)	\$ 5,165,000	\$ 765,000	\$ 4,400,000
Certificate of Participation:						
Revenue COP (1993 Water System Refunding Project) Series 2003	7,120,000	-	(540,000)	6,580,000	560,000	6,020,000
Revenue COP (1993 Wastewater System Refunding Project) Series 2003	7,100,000	-	(585,000)	6,515,000	605,000	5,910,000
Revenue COP Series 2008	9,710,000	-	(370,000)	9,340,000	385,000	8,955,000
Total COPs	23,930,000	-	(1,495,000)	22,435,000	1,550,000	20,885,000
Notes Payable:						
State Revolving Loan	38,162,128	-	(2,238,328)	35,923,800	2,278,685	33,645,115
State Water Resources Control Board	3,040,316	-	(576,102)	2,464,214	591,657	1,872,557
Department of Boating and Waterways						
1984 Loan	283,111	-	(51,750)	231,361	54,079	177,282
1986 Loan	1,359,902	-	(169,582)	1,190,320	177,213	1,013,107
1994 Loan	1,123,629	-	(65,480)	1,058,149	68,427	989,722
Department of Transportation	544,000	-	(58,556)	485,444	62,333	423,111
Total Notes Payable	44,513,086	-	(3,159,798)	41,353,288	3,232,394	38,120,894
Compensated Absences	2,250,120	985,495	(915,242)	2,320,373	941,707	1,378,666
Subtotal	\$ 76,583,206	\$ 985,495	\$ (6,295,040)	71,273,661	\$ 6,489,101	\$ 64,784,560
			Less: Unamortized Bond Discounts	(190,460)		
			Total	\$ 71,083,201		

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

---

**Note 7: Long-Term Liabilities (Continued)****Bonds Payable**1998 Water Revenue Refunding Bonds - Original Issue \$11,445,000

The bonds were issued by the City to refund a portion of the outstanding 1992 Series A Certificates of Participation, which were originally used to finance the acquisition, expansion, construction and improvement of certain water facilities within the City. The bonds are due in annual installments of \$670,000 to \$965,000 through October 2017. Interest rates range from 3.5% to 5.0% and are payable semiannually on April 1 and October 1. Bonds maturing before October 1, 2008, are not subject to redemption prior to maturity. Bonds maturing on or after October 1, 2008, are subject to redemption in whole or in part on October 1, 2007, and each interest date thereafter. At June 30, 2012, the outstanding balance of these bonds was \$5,165,000. The unamortized bond discount at June 30, 2012 was \$11,827.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 765,000	\$ 233,806	\$ 998,806
2014	800,000	196,628	996,628
2015	835,000	157,179	992,179
2016	880,000	115,590	995,590
2017	920,000	71,250	991,250
2018	965,000	24,125	989,125
Totals	<u>\$ 5,165,000</u>	<u>\$ 798,578</u>	<u>\$ 5,963,578</u>

**Certificates of Participation**Revenue Certificates of Participation (1993 Water System Refunding Project)  
Series 2003 - Original Issue \$15,855,000

The 2003 Revenue Certificates of Participation were issued by the Oceanside Public Financing Authority (the Authority) to refinance \$14,835,000 outstanding 1993 Water System Refunding Plan Certificates of Participation. The City has entered into an installment sale agreement with the Authority which provides for the payment by the City from the pledged revenues derived from the operation of the water system equivalent to the principal and interest on the certificates and related costs. Annual payments of \$540,000 to \$1,430,000 will be made through August 1, 2021; interest ranges from 2.00% to 4.13%. Certificates maturing before August 1, 2014, are not subject to redemption prior to maturity. Certificates maturing on or after August 1, 2014, are subject to redemption in whole or in part on August 1, 2013, and each interest date thereafter. At June 30, 2012, the outstanding balance of these certificates was \$6,580,000.



CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 7: Long-Term Liabilities (Continued)**

The annual debt service requirements on these certificates are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 560,000	\$ 241,913	\$ 801,913
2014	580,000	224,100	804,100
2015	595,000	205,369	800,369
2016	615,000	183,400	798,400
2017	640,000	158,300	798,300
2018-2022	3,590,000	377,619	3,967,619
Totals	<u>\$ 6,580,000</u>	<u>\$ 1,390,701</u>	<u>\$ 7,970,701</u>

Revenue Certificates of Participation (1993 Wastewater System Refunding Project)  
 Series 2003 - Original Issue \$11,080,000

The 2003 Revenue Certificates of Participation were issued by the Oceanside Public Financing Authority (the Authority) to refinance \$10,960,000 outstanding 1993 Wastewater System Refunding Plan Certificates of Participation. The City has entered into an installment sale agreement with the Authority which provides for the payment by the City from the pledged revenues derived from the operation of the sewer system equivalent to the principal and interest on the certificates and related costs. Annual payments of \$540,000 to \$865,000 will be made through May 1, 2021; interest ranges from 2.25% to 5.00%. Certificates maturing before May 1, 2014, are not subject to redemption prior to maturity. Certificates maturing on or after May 1, 2014, are subject to redemption in whole or in part on May 1, 2013, and each interest date thereafter. At June 30, 2012, the outstanding balance of these certificates was \$6,515,000.

The annual debt service requirements on these certificates are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 605,000	\$ 299,950	\$ 904,950
2014	635,000	275,750	910,750
2015	660,000	250,350	910,350
2016	680,000	223,950	903,950
2017	710,000	196,750	906,750
2018-2022	3,225,000	412,750	3,637,750
Totals	<u>\$ 6,515,000</u>	<u>\$ 1,659,500</u>	<u>\$ 8,174,500</u>

Revenue Certificates of Participation Series 2008 - Original Issue \$10,540,000

The 2008 Revenue Certificates of Participation were issued by the Oceanside Public Financing Authority to prepay all outstanding obligations of the City under the Installment Purchase Contract, dated as of April 1, 2002, by and between the City and the Financing Authority. Annual payments of \$345,000 to \$875,000 will be made through May 1, 2028; interest ranges from 3.00% to 6.50%. Certificates maturing before May 1, 2014, are not subject to redemption prior to maturity. Certificates maturing on or after May 1, 2014, are subject to redemption in whole or in part on May 1, 2013, and each interest date thereafter. At June 30, 2012, the outstanding balance of these certificates was

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 7: Long-Term Liabilities (Continued)**

\$9,340,000. The unamortized bond discount at June 30, 2012 was \$178,633.

The annual debt service requirements on these certificates are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 385,000	\$ 547,406	\$ 932,406
2014	405,000	531,044	936,044
2015	420,000	513,831	933,831
2016	440,000	494,406	934,406
2017	460,000	472,956	932,956
2018-2022	2,710,000	1,965,181	4,675,181
2023-2027	3,645,000	1,023,775	4,668,775
2028	875,000	56,875	931,875
Totals	<u>\$ 9,340,000</u>	<u>\$ 5,605,474</u>	<u>\$ 14,945,474</u>

**Notes Payable**

State Water Resources Control Board Loan for the San Luis Rey Wastewater Treatment Plan Interim Expansion - Original Issue \$35,074,673

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. At June 30, 2012, the outstanding balance of these notes was \$35,923,800.

The annual debt service requirements on this loan are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 2,278,685	\$ 647,706	\$ 2,926,391
2014	2,319,770	606,621	2,926,391
2015	2,361,596	564,796	2,926,392
2016	2,404,175	522,216	2,926,391
2017	2,447,522	478,869	2,926,391
2018-2022	12,915,673	1,716,283	14,631,956
2023-2026	11,196,379	509,185	11,705,564
Totals	<u>\$ 35,923,800</u>	<u>\$ 5,045,676</u>	<u>\$ 40,969,476</u>

State Water Resources Control Board - Original Issue \$9,204,539

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 \$9,861,068 to fund the San Luis Rey Wastewater Treatment Plant generally consisting of upgrades to

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 7: Long-Term Liabilities (Continued)**

control odors and improve process performance. The loan is due in installments of \$546,209 to \$640,887 through 2015. The interest rate is 2.7% payable annually on November 1. At June 30, 2012, the outstanding balance of this note was \$2,464,214.

The annual debt service requirements on this note are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 591,657	\$ 66,534	\$ 658,191
2014	607,632	50,559	658,191
2015	624,038	34,153	658,191
2016	640,887	17,304	658,191
Totals	<u>\$ 2,464,214</u>	<u>\$ 168,550</u>	<u>\$ 2,632,764</u>

Department of Boating and Waterways

These loans were issued as follows: (1) for dock system replacement repair and maintenance. The 1984 loan payable is due in annual installments of \$64,490 through 2015, including interest of 4.5% per annum, (2) for dock system replacement and modification to commercial dock. The 1986 loan payable is due in annual installments of \$230,778 through 2017, including interest of 4.5% per annum, and (3) for harbor entrance modification. The 1994 loan payable is due in annual installments of \$116,043 through 2023, including interest of 4.5% per annum.

The annual debt service requirements on this agreement are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 299,719	\$ 111,593	\$ 411,312
2014	313,206	98,106	411,312
2015	327,300	84,011	411,311
2016	342,029	69,282	411,311
2017	292,930	53,891	346,821
2018-2022	687,336	123,656	810,992
2023-2024	217,310	14,776	232,086
Totals	<u>\$ 2,479,830</u>	<u>\$ 555,315</u>	<u>\$ 3,035,145</u>

Department of Transportation - Original Issue \$850,000

On June 9, 2003, the City entered into a California Airport Loan Agreement with the California Department of Transportation for the purpose of planning, acquisition, construction, improvement, maintenance or operation of the airport located in the City of Oceanside. The interest on the agreement is 5.0569%; annual principal payments range from \$51,000 to \$81,222 through 2020. At June 30, 2012, the outstanding balance of this note was \$485,444.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 7: Long-Term Liabilities (Continued)**

The annual debt service requirements on this agreement are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 62,333	\$ 24,547	\$ 86,880
2014	66,111	21,396	87,507
2015	69,889	18,053	87,942
2016	73,667	14,519	88,186
2017	77,444	10,794	88,238
2018-2019	136,000	9,647	145,647
Totals	<u>\$ 485,444</u>	<u>\$ 98,956</u>	<u>\$ 584,400</u>

**Compensated Absences**

In proprietary funds, the liability for vested and unpaid compensated absences (accrued vacation and sick pay) is reported in the fund as the benefits vest and are earned.

**c. Debt Without City Commitment - Mortgage Revenue Bonds and Special District Bonds**

The following Mortgage Revenue and Special District Bonds 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, 2012
1990 Residential Mortgage Revenue Bonds	July 1, 1990	\$ 21,000,000	\$ 12,770,000
1993 Residential Mortgage Series A & B	February 1, 1993	4,945,000	4,945,000
1998 Mobile Home Park Revenue Bonds	March 1, 1998	8,725,000	6,595,000
2002 Multi Family Housing Revenue Bonds Vintage Point II Senior Apartments	December 1, 2002	11,300,000	10,089,814
2008 Multi Family Housing Revenue Bonds Country Club apartments	June 12, 2008	11,707,272	3,190,139
Ocean Ranch CFD 2000-1 Ocean Ranch Corporate Centre	December 30, 2002	12,265,000	11,790,000
Morro Hill CFD 2002	December 1, 2002	16,085,000	12,500,000
Ocean Ranch CFD 2004	February 1, 2004	12,735,000	12,610,000
Morro Hills CFD 2001-1 Special Tax Bonds Series A of 2002	November 14, 2002	9,915,000	7,515,000
Morro Hills CFD 2004 Improvement Area # 1	February 1, 2004	11,000,000	8,165,000
Pacific Coast Business Park CFD 2008	May 20, 2008	8,880,000	8,880,000
Multi-Family Housing Revenue Bonds	September 1, 2008	15,000,000	15,000,000

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 8: Fund Balances**

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

	<u>General Fund</u>	<u>Grants</u>	<u>Housing Assistance Program</u>	<u>Other Governmental Funds</u>	<u>Governmental Activities</u>
<b>Non Spendable</b>					
Inventories	\$ 12,319	\$ -	\$ -	\$ -	\$ 12,319
Prepaid Costs	80,341	-	36,786	-	117,127
Notes and loans	8,918,297	1,053,062	4,317,085	-	14,288,444
Land held for resale	700,000	-	-	-	700,000
Advances to other funds	1,544,924	-	-	-	1,544,924
<b>Restricted</b>					
Public Safety	-	126,128	-	904,806	1,030,934
Highways	-	-	-	8,952,264	8,952,264
Debt service	-	-	-	2,161,962	2,161,962
Street lighting and landscape maintenance	-	-	-	1,872,577	1,872,577
Housing program	-	240,665	7,126,798	-	7,367,463
Capital Projects	-	-	-	28,789,424	28,789,424
<b>Committed</b>					
Community development projects	626,954	-	-	-	626,954
Healthy city policy	14,500,000	-	-	-	14,500,000
Post employment	1,221,120	-	-	-	1,221,120
<b>Assigned</b>					
Economic stabilization	4,312,365	-	-	-	4,312,365
Parks and recreation	304,457	-	-	-	304,457
Capital projects	-	-	-	1,952,875	1,952,875
Debt service	-	-	-	2,066,882	2,066,882
Infrastructure	2,557,868	-	-	-	2,557,868
Continuing appropriation	297,367	-	-	-	297,367
<b>Unassigned</b>	<u>1,997,735</u>	<u>(90,115)</u>	<u>-</u>	<u>(233,255)</u>	<u>1,674,365</u>
Restatements	<u>\$ 37,073,747</u>	<u>\$ 1,329,740</u>	<u>\$ 11,480,669</u>	<u>\$ 46,467,535</u>	<u>\$ 96,351,691</u>

**Note 9: Other Required Individual Fund Disclosures**

**a. Deficit Fund Balances**

The following funds reported deficit in fund balance at June 30, 2012:

Nonmajor Funds:

Storm Damage \$233,255

The deficit in the Storm Damage Fund will be eliminated with future FEMA reimbursements.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 9: Other Required Individual Fund Disclosures (Continued)**

**b. Excess of Expenditures over Appropriations**

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance with Final Budget</u>
Major Funds:			
General Fund:			
City treasurer	\$ 774,101	\$ 804,612	\$ (30,511)
Nondepartmental	5,088,517	5,358,305	(269,788)
Fire	23,348,147	23,999,083	(650,936)
Planning	1,124,149	1,148,797	(24,648)

The City treasurer exceeded the budget due to higher than expected bank fees. Nondepartmental exceeded budget due to unbudgeted bad debt write-off and higher administration fees for sales tax and property tax. Fire was over budget due to employee overtime expenses. Planning was over budget due to a prior year developer refund.

**Note 10: Risk Management**

The City is a member of the San Diego Pooled Insurance Program Authority (SANDPIPA) which provides general liability insurance. As a member, the City carries a self-insured retention of \$500,000 and is insured through SANDPIPA from \$500,000 to \$2,000,000. In addition, SANDPIPA has purchased excess insurance coverage from \$2,000,000 to \$35,000,000 for all of its members, including the City. There have been no significant changes in insurance coverage during the current year and settlements have not exceeded coverage in each of the past three fiscal years.

The workers' compensation and general/auto liability claims payable of \$9,208,000 and \$3,534,600, respectively, reported at June 30, 2012, 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.

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
2010	\$ 10,005,902	\$ 8,860,975	\$ 6,871,420	\$ 11,995,457
2011	11,995,457	4,284,743	3,707,450	12,572,750
2012	12,572,750	2,640,049	2,598,531	12,614,268

SANDPIPA is a joint powers agency of twelve cities located within San Diego County. Each city has equal representation on the Board of Directors, which consists of a city staff member (and an alternate) appointed by each City Council. The Board of Directors has total responsibility for all actions of SANDPIPA.

**Note 10: Risk Management (Continued)**

The Board of Directors elects three members (including a President and Vice-President) to the Executive Committee, which has the responsibility for overseeing all operations of SANDPIPA, including preparation and submission of the annual operating budget to the Board of Directors for its approval and modification, if deemed necessary.

Annual premiums and assessments are approved by the Board of Directors and are adjusted each year based on each City's share of:

- Incurred losses
- Such losses and other expenses as a proportion of all cities' such losses
- The contribution to reserves, including reserves for incurred-but-not-reported (IBNR) losses
- Costs to purchase excess insurance
- Costs to purchase any additional coverage

Detailed financial information may be obtained from SANDPIPA.

If and when SANDPIPA is dissolved, the remaining assets, after all premiums and assessments have been paid and final disposition of all claims has been determined, will be distributed to members proportionate to each city's cash contributions made during the life of SANDPIPA. Until dissolution, however, no city has identifiable equity in SANDPIPA.

**Note 11: Retirement Plans**

**Pension Plan Description**

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office: 400 P Street, Sacramento, CA 95814.

**Funding Policy**

Active plan members are required by State statute to contribute 8% for miscellaneous and 9% for safety employees of their annual covered salary. The City employer makes the contributions required of City employees on their behalf and for their account, which amounted to \$1,251,554 for the year ended June 30, 2012. Employees are currently contributing from 4% to 9% depending on their bargaining group memorandum of understanding. The City employer is required to contribute at an actuarially determined rate. The rates for fiscal year 2011-2012, were 17.636% and 26.808% of annual covered payroll for the miscellaneous and safety employees, respectively.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 11: Retirement Plans (Continued)****Annual Pension Cost**

The City's annual pension cost and net pension asset for the current year were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Annual required contribution	\$ 6,361,787	\$ 8,616,032	\$ 14,977,819
Interest on net pension asset	(671,588)	(1,095,749)	(1,767,337)
Adjustment to annual required contribution	<u>999,870</u>	<u>1,631,367</u>	<u>2,631,237</u>
Annual pension cost	6,690,069	9,151,650	15,841,719
Contributions made	<u>6,361,787</u>	<u>8,616,032</u>	<u>14,977,819</u>
Decrease in net pension asset	<u>\$ 328,282</u>	<u>\$ 535,618</u>	<u>\$ 863,900</u>
Net pension asset-beginning of year, as originally reported	\$ 14,138,700	\$ 23,068,405	\$ 37,207,105
Decrease in net pension asset	<u>(328,282)</u>	<u>(535,618)</u>	<u>(863,900)</u>
Net pension asset- end of year	<u>\$ 13,810,418</u>	<u>\$ 22,532,787</u>	<u>\$ 36,343,205</u>

The required contribution for the fiscal year 2011-2012 was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of payroll. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases ranging from 3.55% to 14.45% for miscellaneous and 3.55% to 13.15% for safety employees, and (c) 3% per year cost-of-living adjustments. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. CalPERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 2009, was 29 years for both miscellaneous and safety employees.

**Three-Year Trend Information for CalPERS - Miscellaneous**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Assets</u>
2010	\$ 6,386,554	\$ 6,229,408	98%	\$ 14,452,095
2011	6,586,783	6,273,388	95%	14,138,700
2012	6,690,069	6,361,787	95%	13,810,418

**Three-Year Trend Information for CalPERS - Safety**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Assets</u>
2010	\$ 7,310,996	\$ 7,054,601	96%	\$ 23,579,735
2011	7,644,878	7,133,548	93%	23,068,405
2012	9,151,650	8,616,032	94%	22,532,787



CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 11: Retirement Plans (Continued)**

**Funded Status and Funding Progress**

As of June 30, 2012, the most recent actuarial valuation date, the miscellaneous and safety plans were funded as follows:

Schedule of Funding Progress for PERS						
Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Liability (UAAL) (a)-(b)	Funded Ratio (b)/(a)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a)-(b)]/(c)
<i>Miscellaneous</i>						
2009	\$ 232,543,630	\$ 207,379,041	\$ 25,164,589	89.2%	\$ 42,087,226	59.8%
2010	265,726,922	221,030,367	44,696,555	83.2%	44,155,811	101.2%
2011						
Governmental	206,783,306	169,906,232	36,877,075	82.2%	29,876,160	123.4%
Proprietary	81,055,372	66,600,215	14,455,156	82.2%	11,710,922	123.4%
<i>Safety</i>						
2009	287,436,842	265,407,541	22,029,301	92.3%	30,336,216	72.6%
2010	317,389,400	278,743,242	38,646,158	87.8%	32,905,055	117.4%
2011	332,133,576	292,822,752	39,310,824	88.2%	31,919,649	123.2%

The City has established an internal policy of allocating the miscellaneous valuation for 2011 to both governmental and proprietary net assets based on the current year payroll.

**Note 12: Post-Employment Benefits Other Than Pensions**

**a. The Retiree Health Plan**

**Plan Description**

The City administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides healthcare insurance for eligible retirees and their covered dependents, other than those retirees belonging to the Firefighters Association (OFA), through the City's group health insurance plans, which cover both active and retired employees. Non-OFA retirees under the age of 65 are eligible to join one of four plan options. Upon attaining age 65, Medicare-eligible non-OFA retirees must join one of three plan options and assign their Medicare Part A and Part B benefits to the plan chosen. The ability to participate in the City's group insurance health plans by self-paying the premium extends for a period equal to the number of years of service at retirement (with a minimum of one-year). Non-OFA retirees with at least 15 years of service may continue to self-pay for this coverage as long as the City continues to offer this benefit. Benefit provisions are established through negotiations between the City and the non-OFA employee associations and are renegotiated periodically. The Retiree Health Plan does not issue a publicly available financial report.

**Funding Policy**

Contribution requirements are also negotiated between the City and the non-OFA employee associations. Eligible non-OFA retirees and their covered dependents receiving benefits contribute 100% of their premium costs. While the City does not directly contribute towards the cost of premiums for non-OFA retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 12: Post-Employment Benefits Other Than Pensions (Continued)**

non-OFA retirees, called an “implicit subsidy”. This implicit subsidy is considered to be another post employment benefit (OPEB) obligation of the City. For the year ended June 30, 2012, the City estimated that the implicit subsidy amounted to \$153,223 in health care costs for its non-OFA retirees and their covered dependents.

**Annual OPEB Cost and Net OPEB Obligation**

The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a closed period not to exceed thirty years.

The following table shows the components of the City’s annual OPEB cost for the year, the implicit subsidy made, and changes in the City’s net OPEB obligation to the Retiree Health Plan.

Annual required contribution	\$ 540,107
Interest on net OPEB obligation	61,804
Adjustment to annual required contribution	<u>(80,409)</u>
Annual OPEB cost (expense)	521,502
Implicit subsidy made	<u>(153,223)</u>
Increase in net OPEB obligation	368,279
Net OPEB obligation - beginning of year	<u>1,236,089</u>
Net OPEB obligation - end of year	<u><u>\$ 1,604,368</u></u>

The City’s annual OPEB cost, implicit subsidy made, percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the year ended June 30, 2012 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Implicit Subsidy Made	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/2010	\$ 434,046	\$ 113,928	26.2%	\$ 960,084
6/30/2011	429,228	153,223	35.7%	1,236,089
6/30/2012	521,502	153,223	29.4%	1,604,368

**Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 12: Post-Employment Benefits Other Than Pensions (Continued)**

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Accrued Liability (UAAL) (a)-(b)	Funded Ratio (b)/(a)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a)-(b)]/(c)
2007	\$ 3,787,718	\$ -	\$ 3,787,718	0.0%	\$ 63,551,511	5.96%
2009	3,187,232	-	3,187,232	0.0%	66,597,119	4.79%
2011	4,563,531	-	4,563,531	0.0%	55,600,000	8.21%

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2011, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a discount rate of 5.0% per annum, a rate of return on assets of 5.0% per annum and a healthcare cost trend rate of 7.0%. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over 30 years on a closed basis.

**b. The PERS Health Program**

**Plan Description**

In connection with the retirement benefits for safety employees described, the City provides post-retirement health care benefits to retirees belonging to the Firefighters Association (OFA) through the California Public Employees' Retirement System Health Benefits program (the PERS Health program). The program is an agent multiple-employer defined benefit health care plan that provides healthcare insurance for eligible OFA retirees and their covered dependents, through the City's group plans, which cover both active and retired OFA employees. OFA employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Retired OFA members over the age of 65 may join one of the supplemental (Medicare-coordinated) options under the PERS Health Program. Benefits are paid for the lifetime of the retiree. Benefit provisions are established by city ordinance which references state statutes (the Public Employees' Medical and Hospital Care Act). The PERS Health Program does not issue a publicly available financial report.

**Funding Policy**

The City's contribution on behalf of all OFA retirees is determined under the "unequal contribution method" as described in California Government Code Section 22892(c). The current rate for retirees is \$108/month for calendar year 2011 and \$112/month for calendar year 2012, increased in all future years according to the rate of medical inflation

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

---

**Note 12: Postemployment Benefits Other Than Pensions (Continued)**

which is set at the minimum contribution required by CalPERS. The City is currently funding this OPEB obligation on a pay-as-you-go basis. For the year ended June 30, 2012, the City paid \$46,812 in health care costs for its OFA retirees and their covered dependents.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a closed period not to exceed thirty years.

Annual required contribution	\$ 149,159
Interest on net OPEB obligation	18,999
Adjustment to annual required contribution	<u>(24,718)</u>
Annual OPEB cost (expense)	143,440
Contributions made, including subsidy	<u>(46,812)</u>
Increase in net OPEB obligation	96,628
Net OPEB obligation - beginning of year	<u>379,983</u>
Net OPEB obligation - end of year	<u><u>\$ 476,611</u></u>

The City's annual OPEB cost, actual contribution, percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the year ended June 30, 2012 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/2010	\$ 138,060	\$ 38,030	27.5%	\$ 290,085
6/30/2011	136,554	46,656	34.2%	379,983
6/30/2012	143,440	46,812	32.6%	476,611

**Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 12: Postemployment Benefits Other Than Pensions (Continued)**

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Accrued Liability (UAAL) (a)-(b)	Funded Ratio (b)/(a)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a)-(b)]/(c)
2007	\$ 1,214,849	\$ -	\$ 1,214,849	0.0%	\$ 11,823,069	10.28%
2009	1,408,928	-	1,408,928	0.0%	12,563,175	11.21%
2011	1,494,098	-	1,494,098	0.0%	7,656,472	19.51%

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2011 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a discount rate of 5.0% per annum, a rate of return on assets of 5.0% per annum and a healthcare cost trend rate of 7.0% initially. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over 30 years on a closed basis.

**Note 13: Commitments and Contingencies**

**Commitments**

The following material construction commitments existed at June 30, 2012:

Contractor Name	Contract Amount	Expenditures to date as of June 30, 2012	Remaining Commitments
Tri-Group Construction	\$ 300,498	\$ 197,747	\$ 102,751
TC Construction	895,827	854,802	41,025
Hazard Construction	494,263	-	494,263
DBX	320,469	69,116	251,353

**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.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 14: Restatement of Fund Balances and Net Assets**

Beginning fund balances of governmental funds and beginning net assets of governmental activities were restated as follows:

	Governmental Funds				
	General Fund	Grants	Housing Assistance Program	Other Governmental Funds	Governmental Activities
To correct long term receivable not recorded as deferred revenue	\$ -	\$ (3,884,457)	\$ (29,526,560)	\$ -	\$ (33,411,017)
To defer revenue for ambulance billing receivable	(1,519,470)	-	-	-	(1,519,470)
To correct grant receivable and deferred revenue for grants	-	(19,853)	-	-	(19,853)
Write off loan from prior years	-	-	(10,500)	-	(10,500)
Prior year revenue adjustments for Transnet	-	-	-	145,382	145,382
To correct prior year revenues and expenditures	(98,385)	-	-	7,750	(90,635)
Restatements	<u>\$ (1,617,855)</u>	<u>\$ (3,904,310)</u>	<u>\$ (29,537,060)</u>	<u>\$ 153,132</u>	<u>(34,906,093)</u>
Adjustments to above for deferred revenue which was properly recognized on the full accrual basis of accounting in prior years on the Statement of Net Assets	\$ 1,519,470	\$ 3,884,457	\$ 29,526,560	\$ -	34,930,487
Statement of Net Assets					<u>\$ 24,394</u>

Other reclassifications of fund balance were made including classifying the pension obligation bond fund and Public Financing Authority Fund to General Debt Service Fund and also classifying Downtown Project Fund with the Redevelopment Capital Projects fund prior to its dissolution which had a fund balance of \$15,273,442.

Beginning fund balances of proprietary funds and beginning net assets of business-type activities were restated as follows:

	Internal Service Funds		
	Loss Prevention	General Services	Business-Type Activities Net Assets
To correct revenues and expenses reported in the incorrect funds in the prior year.	\$ 212,353	\$ (212,353)	\$ -

**Note 15: 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

---

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

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 could not 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).

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.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

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.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

---

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in the governmental funds - increase to net assets of the Successory Agency Trust Fund	\$ 19,505,666
Capital assets recorded in the government-wide financial statements - increase to net assets of the Successor Agency Trust Fund	38,272,109
Compensated absences reported in the government-wide financial statements - decrease in net assets of the Successor Agency Trust Fund	(46,295)
Long-term debt reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	<u>(46,230,000)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$ 11,501,480</u>

**a. Cash and investments**

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

Cash and investments pooled with the City	\$ 24,822,126
Cash and investments with fiscal agent	<u>2,980,157</u>
	<u>\$ 27,802,283</u>



CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**b. Capital Assets**

An analysis of capital assets as of June 30, 2012, follows:

	Balance at July 1, 2011	Transfer from City	Transfers	Additions	Deletions	Balance at June 30, 2012
Capital assets not being depreciated:						
Land	\$ -	\$ 16,959,469	\$ -	\$ -	\$ -	\$ 16,959,469
Construction in progress	-	2,590,200	-	1,186,868	-	3,777,068
Total Capital Assets, Not Being Depreciated	-	19,549,669	-	1,186,868	-	20,736,537
Capital assets being depreciated:						
Buildings and improvements	-	27,750,875	-	-	-	27,750,875
Machinery and equipment	-	200,413	-	-	-	200,413
Infrastructure	-	1,995,329	-	-	-	1,995,329
Total Capital Assets, Being Depreciated	-	29,946,617	-	-	-	29,946,617
Less accumulated depreciation for:						
Buildings and improvements	-	(10,797,830)	-	(255,368)	-	(11,053,198)
Machinery and equipment	-	(184,383)	-	(4,714)	-	(189,097)
Infrastructure	-	(241,964)	-	(52,335)	-	(294,299)
Total Accumulated Depreciation	-	(11,224,177)	-	(312,417)	-	(11,536,594)
Total Capital Assets, Being Depreciated, Net	-	18,722,440	-	(312,417)	-	18,410,023
Governmental Activities Capital Assets, Net	\$ -	\$ 38,272,109	\$ -	\$ 874,451	\$ -	\$ 39,146,560

**c. Land and Building Held For Resale**

Land and buildings held for resale are recorded in the Successor Agency of the former redevelopment activities of the Community Development Commission at the lower of cost or market, but not greater than net realizable value. The amount recorded as land and buildings held for resale at June 30, 2012 was \$8,792,993.

**d. Long-Term Debt**

The following debt was transferred from the former redevelopment activities of the Community Development Commission to the Successor Agency as of February 1, 2012 as a result of the dissolution.

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2012, follows.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

	Balance June 30, 2011	Transfers from the City	Additions	Retirements	Balance June 30, 2012	Due Within One Year
<b>Fiduciary Funds:</b>						
2002 Tax Allocation Refunding Bonds	\$ -	\$ 16,495,000	\$ -	\$ -	\$ 16,495,000	\$ 825,000
2003 Tax Allocation Refunding Bonds	-	4,160,000	-	-	4,160,000	525,000
2003 Subordinate Tax Allocation Bonds	-	14,385,000	-	-	14,385,000	720,000
2004 Tax Allocation Refunding Bonds	-	11,190,000	-	-	11,190,000	370,000
Compensated absences	-	46,295	-	-	46,295	-
Advances from City of Oceanside	-	17,526,209	-	-	17,526,209	-
<b>Total Fiduciary Funds</b>	<b>\$ -</b>	<b>\$ 63,802,504</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,802,504</b>	<b>\$ 2,440,000</b>

**Tax Allocation Bonds**

2002 Tax Allocation Refunding Bonds - Original Issue \$22,030,000

The 2002 Tax Allocation Refunding Bonds were issued to finance the Commission's projects in the Downtown Redevelopment Project pursuant to the Redevelopment Plan, to provide for fund reserves, and pay for the costs of the bond issuance.

The bonds mature annually through 2026, in amounts ranging from \$715,000 to \$1,640,000. Interest rates vary from 3.0% to a maximum of 5.5% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2013, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2013, are subject to redemption in whole or in part on September 1, 2012, and each interest date thereafter. At June 30, 2012, the outstanding balance of these bonds was \$16,495,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 825,000	\$ 888,213	\$ 1,713,213
2014	865,000	845,963	1,710,963
2015	910,000	801,019	1,711,019
2016	955,000	752,631	1,707,631
2017	1,005,000	701,181	1,706,181
2018-2022	5,895,000	2,596,725	8,491,725
2023-2026	6,040,000	719,038	6,759,038
<b>Totals</b>	<b>\$ 16,495,000</b>	<b>\$ 7,304,770</b>	<b>\$ 23,799,770</b>

2003 Tax Allocation Refunding Bonds - Original Issue \$7,740,000

The 2003 Tax Allocation Refunding Bonds were issued to defease the Commission's outstanding \$7,725,000 Downtown Redevelopment Project, 1993 Tax Allocation Refunding Bonds, to acquire a municipal bond issuance policy and to pay costs of issuance.

The bonds mature annually through 2019, in amounts ranging from \$460,000 to \$670,000. Interest rates vary from 2.0% to a maximum of 4.0% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2014, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2014, are subject to redemption in whole or in part on September 1, 2013, and each interest date thereafter. At June 30, 2012, the outstanding balance of these bonds was \$4,160,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 525,000	\$ 148,850	\$ 673,850
2014	545,000	128,813	673,813
2015	570,000	109,300	679,300
2016	590,000	88,263	678,263
2017	615,000	64,900	679,900
2018-2019	1,315,000	53,100	1,368,100
Totals	<u>\$ 4,160,000</u>	<u>\$ 593,226</u>	<u>\$ 4,753,226</u>

Subordinate 2003 Tax Allocation Bonds - Original Issue \$17,800,000

The Subordinate 2003 Tax Allocation Bonds were issued to finance the Commission's undertakings in the Downtown Redevelopment Project pursuant to the Redevelopment Plan, to fund a reserve account, to pay costs of issuance and to fund capitalized interest on the 2003 Escrow Term Bonds.

The bonds mature annually through 2026, in amounts ranging from \$620,000 to \$1,425,000. Interest rates vary from 2.0% to a maximum of 5.2% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2013, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2013, are subject to redemption in whole or in part on September 1, 2012, and each interest date thereafter. At June 30, 2012, the outstanding balance of these bonds was \$14,385,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 720,000	\$ 766,058	\$ 1,486,058
2014	755,000	728,798	1,483,798
2015	790,000	689,590	1,479,590
2016	835,000	648,205	1,483,205
2017	875,000	604,469	1,479,469
2018-2022	5,150,000	2,240,142	7,390,142
2023-2026	5,260,000	616,401	5,876,401
Totals	<u>\$ 14,385,000</u>	<u>\$ 6,293,663</u>	<u>\$ 20,678,663</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

2004 Tax Allocation Refunding Bonds - Original Issue \$13,510,000

The 2004 Tax Allocation Refunding Bonds were issued to defease the Commission's outstanding \$14,935,000 Downtown Redevelopment Project, 1994 Tax Allocation Refunding Bonds outstanding, to acquire a municipal bond issuance policy and to pay costs of issuance.

The bonds mature annually through 2024, in amounts ranging from \$340,000 to \$1,550,000. Interest rates vary from 2.5% to a maximum of 4.5% and are payable semiannually on March 1 and September 1, commencing March 1, 2005. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2015, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2015, are subject to redemption in whole or in part on September 1, 2014, and each interest date thereafter. At June 30, 2012, the outstanding balance of these bonds was \$11,190,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 370,000	\$ 476,279	\$ 846,279
2014	375,000	462,773	837,773
2015	385,000	448,041	833,041
2016	400,000	432,341	832,341
2017	415,000	416,041	831,041
2018-2022	4,790,000	1,647,029	6,437,029
2023-2024	4,455,000	306,563	4,761,563
Totals	<u>\$ 11,190,000</u>	<u>\$ 4,189,067</u>	<u>\$ 15,379,067</u>

**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 is \$64,610,726 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$7,595,319 and the debt service obligation on the bonds was \$4,479,955.

On June 14, 2012, Moody's Investors Service ("Moody's") downgraded all California tax allocation bonds rated 'Baa3' and above. As such, the Bonds' insured rating was downgraded from 'A3' to 'Ba1' and underlying rating was downgraded from 'A3' to 'Ba1'. According to Moody's, all California tax allocation bond ratings remain on review for possible withdrawal.

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Advances from the City of Oceanside

Amounts were borrowed by the Commission in prior years for the Supplemental Educational Revenue Augmentation Fund (SERAF) which are now owed to the City of Oceanside in the amount of \$4,317,085 as a result of the dissolution of the redevelopment activities of the Commission.

The City of Oceanside's General Fund loaned monies to the Commission in 1986 and 1989 to fund redevelopment projects. At June 30, 2012, the outstanding balance is \$12,657,520.

The Oceanside Community Development Commission borrowed monies from the City of Oceanside's Water Fund for operational purposes. At June 30, 2012, the outstanding balance is \$551,604.

As a result of the dissolution of the redevelopment activities of the Community Development Commission, the City believes in consultation with the City Attorney that these monies will be repaid by the Successor Agency in future years.

**e. 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 10.

**f. Commitments and Contingencies**

At June 30, 2012, 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.

**g. Subsequent Events**

Assembly Bill 1484 established a requirement for the successor agency to remit to the County auditor-controller three payments as determined by the auditor-controller which consist of a payment to be made in July 2012 for taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency, a payment to be made in November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment to be made in April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. As of the date of the report the payment in July 2012 was made in the amount of \$1,527,809. In addition, the Low-Moderate Income Housing Due Diligence Review resulted in an amount due of \$5,399,371 which was paid in November 2012 and the other Redevelopment Funds Due Diligence Review resulted in no amount due which has not been confirmed by the Department of Finance.

**CITY OF OCEANSIDE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

---

**Note 16:        Subsequent Events**

The OFA MOU was ratified on August 1, 2012. Effective January 1, 2013 the City will move OFA members from the CalPERS medical plan to the City offered medical plan. As a result, the OFA OPEB is eliminated for all members except retirees at December 31, 2012.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## CITY OF OCEANSIDE

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2012

---

#### **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 Manager is authorized to transfer funds appropriated within the same department in the same fund. Revisions that alter the total appropriations of any department or fund must be approved by the City Council.

Budgets are adopted for the general, special revenue, capital project, and debt service funds on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted and as further amended by the City Council. All annual appropriations lapse at year-end.

Expenditures may not legally exceed appropriations at the activity level.



CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 33,234,463	\$ 33,234,463	\$ 33,234,463	\$ -
<b>Resources (Inflows):</b>				
Taxes	73,145,600	73,949,600	76,644,716	2,695,116
Administrative and in lieu charges	6,470,276	6,470,276	6,459,389	(10,887)
Licenses and permits	1,534,160	1,514,160	1,685,449	171,289
Intergovernmental	1,013,152	769,461	812,631	43,170
Charges for services	10,481,360	10,533,160	8,977,826	(1,555,334)
Use of money and property	5,302,354	4,586,354	4,861,035	274,681
Fines and forfeitures	4,643,060	3,993,060	4,184,003	190,943
Miscellaneous	368,488	371,988	925,209	553,221
Transfers in	9,845,735	10,111,735	10,081,567	(30,168)
Extraordinary gain on dissolution of redevelopment agency	-	-	700,000	700,000
<b>Amounts Available for Appropriation</b>	<b>146,038,648</b>	<b>145,534,257</b>	<b>148,566,288</b>	<b>3,032,031</b>
<b>Charges to Appropriation (Outflow):</b>				
General government				
City Council	891,586	891,586	835,854	55,732
City Clerk	1,073,842	1,235,983	1,162,044	73,939
City Treasurer	774,101	774,101	804,612	(30,511)
City Manager	680,619	743,703	712,068	31,635
City Attorney	1,535,860	1,525,860	1,455,403	70,457
Financial Services	4,251,214	4,177,664	4,021,224	156,440
Human Resources	694,834	694,834	691,047	3,787
Nondepartmental	4,975,589	5,088,517	5,358,305	(269,788)
Public safety				
Police	47,355,976	46,858,229	45,614,831	1,243,398
Fire	23,354,685	23,348,147	23,999,083	(650,936)
Community development				
Engineering	3,861,958	3,826,438	3,369,238	457,200
Planning	1,124,149	1,124,149	1,148,797	(24,648)
Building	1,858,008	1,798,008	1,770,147	27,861
Parks and recreation				
Library	4,295,241	4,326,241	4,252,970	73,271
Neighborhood Services Department	4,293,502	4,224,402	4,091,408	132,994
Economic and Community Development	1,034,873	997,373	971,113	26,260
Public works				
Public Works	9,897,047	10,422,777	9,669,045	753,732
Capital outlay	333,507	752,680	438,906	313,774
Debt service:				
Principal retirement	104,581	104,581	104,581	-
Interest and fiscal charges	32,578	32,578	32,578	-
Transfers out	516,272	722,679	989,287	(266,608)
<b>Total Charges to Appropriations</b>	<b>112,940,022</b>	<b>113,670,530</b>	<b>111,492,541</b>	<b>2,177,989</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 33,098,626</b>	<b>\$ 31,863,727</b>	<b>\$ 37,073,747</b>	<b>\$ 5,210,020</b>

Note: Variance of budget to actual is not intended to be comparative to actual fund balance results.

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
HOUSING ASSISTANCE PROGRAM  
YEAR ENDED JUNE 30, 2012**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 1,928,070	\$ 1,928,070	\$ 1,928,070	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	294,008	294,008	302,394	8,386
Intergovernmental	14,751,805	15,264,919	14,501,836	(763,083)
Charges for services	234,308	117,154	115,192	(1,962)
Use of money and property	1,697,393	1,697,393	285,296	(1,412,097)
Developer participation	-	-	450,651	450,651
Miscellaneous	2,628,003	2,668,003	674,100	(1,993,903)
Transfers in	60,000	60,000	-	(60,000)
Extraordinary gain on dissolution of redevelopment agency	-	-	9,976,357	9,976,357
<b>Amounts Available for Appropriation</b>	<b>21,593,587</b>	<b>22,029,547</b>	<b>28,233,896</b>	<b>6,204,349</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	19,584,471	20,107,585	16,660,003	3,447,582
Capital outlay	100,000	100,000	-	100,000
Transfers out	149,000	149,000	93,224	55,776
<b>Total Charges to Appropriations</b>	<b>19,833,471</b>	<b>20,356,585</b>	<b>16,753,227</b>	<b>3,603,358</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,760,116</b>	<b>\$ 1,672,962</b>	<b>\$ 11,480,669</b>	<b>\$ 9,807,707</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
GRANTS  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1, as restated	\$ 970,028	\$ 970,028	\$ 970,028	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	7,048,115	6,715,177	4,306,944	(2,408,233)
Use of money and property	21,067	21,037	16,632	(4,405)
Miscellaneous	50,000	50,000	149,560	99,560
Transfers in	243,472	243,472	389,497	146,025
<b>Amounts Available for Appropriation</b>	<b>8,332,682</b>	<b>7,999,714</b>	<b>5,832,661</b>	<b>(2,167,053)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	1,538,422	1,493,075	1,140,250	352,825
Community development	4,881,840	4,615,263	1,760,636	2,854,627
Community/cultural services	329,074	329,074	35,961	293,113
Public works	115,311	115,311	49,087	66,224
Capital outlay	1,074,640	1,074,640	785,437	289,203
Transfers out	210,597	210,597	731,550	(520,953)
<b>Total Charges to Appropriations</b>	<b>8,149,884</b>	<b>7,837,960</b>	<b>4,502,921</b>	<b>3,335,039</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 182,798</b>	<b>\$ 161,754</b>	<b>\$ 1,329,740</b>	<b>\$ 1,167,986</b>

## 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 **Library Fund** is used to account for grant revenues and purchases of books. The fund is required by Section 18951 of the California Education Code.

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 **Strategic Traffic Offender Program (STOP) Fund** is used to account for funds received from the impoundment of vehicles under California Vehicle Code Section 22651(h)(1), (h)(2), (o)(1), (p), 22655.3 (a) & (b), 14602.6 (a), and 14607.6 (a).

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.

The **Storm Damage Fund** is used to account for the damage from the storm of December 2010 and the reimbursement from FEMA.

### Capital Project Fund

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

The **Redevelopment Agency Capital Projects Fund** is used to account for administrative costs and capital improvements funded by long-term debt issued by the Community Development Commission and Low and Moderate Housing Capital Projects Fund required 20% set-aside of property tax increments that is legally restricted for increasing or improving housing for low and moderate income households. This fund has been closed out effective January 31, 2012 in accordance with AB 1X 26.

### 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 Building Authority Fund** is used to account for payment of interest and principal on the certificates of participation and revenue bonds of the Oceanside Building Authority.

The **Oceanside Lighting District Fund** is used to account for payment of interest and principal on the Street-Lighting Lease/Purchase Agreement of the Oceanside Lighting District.

The **Redevelopment Agency Debt Service Fund** is used to account for the payment of interest and principal on debt of the Community Development Commission. This fund has been closed out effective January 31, 2012 in accordance with AB 1X 26.

CITY OF OCEANSIDE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	<u>Special Revenue Funds</u>			
	<u>Asset Seizure</u>	<u>Library</u>	<u>Gas Tax and Transportation</u>	<u>Community Development Block Grant</u>
<b>Assets:</b>				
Cash and investments	\$ 515,862	\$ 4,419	\$ 8,681,695	\$ -
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	243,352	-	124,199	-
Other	-	-	-	-
Due from other governments	-	-	506,068	503,711
<b>Total Assets</b>	<b><u>\$ 759,214</u></b>	<b><u>\$ 4,419</u></b>	<b><u>\$ 9,311,962</u></b>	<b><u>\$ 503,711</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 4,419	\$ 218,516	\$ 24,393
Accrued liabilities	-	-	16,983	25,091
Deferred revenues	-	-	124,199	-
Due to other funds	-	-	-	454,227
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>4,419</u></b>	<b><u>359,698</u></b>	<b><u>503,711</u></b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	759,214	-	-	-
Highways	-	-	8,952,264	-
Debt service	-	-	-	-
Street lighting and landscape maintenance	-	-	-	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>759,214</u></b>	<b><u>-</u></b>	<b><u>8,952,264</u></b>	<b><u>-</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 759,214</u></b>	<b><u>\$ 4,419</u></b>	<b><u>\$ 9,311,962</u></b>	<b><u>\$ 503,711</u></b>

CITY OF OCEANSIDE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Maintenance Districts	Strategic Traffic Offender Program (STOP)	State & Local Asset Seizure	Storm Damage
<b>Assets:</b>				
Cash and investments	\$ 2,008,246	\$ 141,877	\$ 10,792	\$ -
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Other	10,936	-	-	-
Due from other governments	-	-	-	233,255
<b>Total Assets</b>	<b><u>\$ 2,019,182</u></b>	<b><u>\$ 141,877</u></b>	<b><u>\$ 10,792</u></b>	<b><u>\$ 233,255</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 146,605	\$ -	\$ -	\$ -
Accrued liabilities	-	7,077	-	-
Deferred revenues	-	-	-	233,255
Due to other funds	-	-	-	233,255
<b>Total Liabilities</b>	<b><u>146,605</u></b>	<b><u>7,077</u></b>	<b><u>-</u></b>	<b><u>466,510</u></b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	-	134,800	10,792	-
Highways	-	-	-	-
Debt service	-	-	-	-
Street lighting and landscape maintenance	1,872,577	-	-	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	-	-	-	(233,255)
<b>Total Fund Balances</b>	<b><u>1,872,577</u></b>	<b><u>134,800</u></b>	<b><u>10,792</u></b>	<b><u>(233,255)</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,019,182</u></b>	<b><u>\$ 141,877</u></b>	<b><u>\$ 10,792</u></b>	<b><u>\$ 233,255</u></b>

CITY OF OCEANSIDE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	Capital Projects Funds		Debt Service Funds	
	General Improvement	Redevelopment Agency	General Debt Service	Oceanside Building Authority
<b>Assets:</b>				
Cash and investments	\$ 31,240,817	\$ -	\$ 2,036,150	\$ -
Restricted cash and investments	-	-	2,161,962	-
Receivables:				
Accounts	19,899	-	-	-
Other	-	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 31,260,716</b>	<b>\$ -</b>	<b>\$ 4,198,112</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 513,519	\$ -	\$ -	\$ -
Accrued liabilities	4,898	-	-	-
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>518,417</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	-	-	-	-
Highways	-	-	-	-
Debt service	-	-	2,161,962	-
Street lighting and landscape maintenance	-	-	-	-
Capital Projects	28,789,424	-	-	-
<b>Assigned to:</b>				
Capital Projects	1,952,875	-	-	-
Debt service	-	-	2,036,150	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>30,742,299</b>	<b>-</b>	<b>4,198,112</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 31,260,716</b>	<b>\$ -</b>	<b>\$ 4,198,112</b>	<b>\$ -</b>

CITY OF OCEANSIDE

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

	<u>Debt Service Funds</u>		
	<u>Oceanside Lighting District</u>	<u>Redevelopment Agency</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and investments	\$ 30,732	\$ -	\$ 44,670,590
Restricted cash and investments	-	-	2,161,962
Receivables:			
Accounts	-	-	387,450
Other	-	-	10,936
Due from other governments	-	-	1,243,034
<b>Total Assets</b>	<b><u>\$ 30,732</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 48,473,972</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 907,452
Accrued liabilities	-	-	54,049
Deferred revenues	-	-	357,454
Due to other funds	-	-	687,482
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,006,437</u></b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Public safety	-	-	904,806
Highways	-	-	8,952,264
Debt service	-	-	2,161,962
Street lighting and landscape maintenance	-	-	1,872,577
Capital Projects	-	-	28,789,424
<b>Assigned to:</b>			
Capital Projects	-	-	1,952,875
Debt service	30,732	-	2,066,882
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(233,255)</u></b>
<b>Total Fund Balances</b>	<b><u>30,732</u></b>	<b><u>-</u></b>	<b><u>46,467,535</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 30,732</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 48,473,972</u></b>



## CITY OF OCEANSIDE

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

	<b>Special Revenue Funds</b>			
	<b>Asset Seizure</b>	<b>Library</b>	<b>Gas Tax and Transportation</b>	<b>Community Development Block Grant</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	290,301	971	12,707,475	2,201,715
Charges for services	-	94,136	-	-
Interest and rentals	6,770	-	79,171	-
Fines and forfeitures	-	-	-	-
Lease revenue	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	41,877	-	-
<b>Total Revenues</b>	<b>297,071</b>	<b>136,984</b>	<b>12,786,646</b>	<b>2,201,715</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	7,544	-	-	-
Community development	-	-	-	2,090,715
Community/cultural services	-	240,387	-	-
Public works	-	-	3,738,858	-
Capital outlay	243,352	-	4,176,345	-
Debt service:				
Principal retirement	-	-	-	111,000
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>250,896</b>	<b>240,387</b>	<b>7,915,203</b>	<b>2,201,715</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,175	(103,403)	4,871,443	-
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	103,391	229,883	-
Transfers out	-	-	(1,335,492)	-
Refunding bonds issued	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>103,391</b>	<b>(1,105,609)</b>	<b>-</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 15)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 46,175</b>	<b>\$ (12)</b>	<b>\$ 3,765,834</b>	<b>\$ -</b>
<b>Fund Balances:</b>				
Beginning of year, as originally reported	\$ 713,039	\$ 12	\$ 3,958,015	\$ -
Restatements	-	-	1,228,415	-
Beginning of year, as restated	713,039	12	5,186,430	-
Net Change in Fund Balances	46,175	(12)	3,765,834	-
<b>End of Year</b>	<b>\$ 759,214</b>	<b>\$ -</b>	<b>\$ 8,952,264</b>	<b>\$ -</b>

## CITY OF OCEANSIDE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Maintenance Districts	Strategic Traffic Offender Program (STOP)	State & Local Asset Seizure	Storm Damage
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	2,338,653	-	-	-
Intergovernmental	-	-	1,618	-
Charges for services	-	-	-	-
Interest and rentals	14,814	1,916	94	-
Fines and forfeitures	-	352,468	-	-
Lease revenue	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	4,954	-	-	-
<b>Total Revenues</b>	<b>2,358,421</b>	<b>354,384</b>	<b>1,712</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	458,546	-	-
Community development	-	-	-	-
Community/cultural services	-	-	-	-
Public works	1,769,718	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,769,718</b>	<b>458,546</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	588,703	(104,162)	1,712	-
<b>Other Financing Sources (Uses):</b>				
Transfers in	393,213	-	-	140,037
Transfers out	(505,284)	-	-	-
Refunding bonds issued	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(112,071)</b>	<b>-</b>	<b>-</b>	<b>140,037</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 15)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 476,632</b>	<b>\$ (104,162)</b>	<b>\$ 1,712</b>	<b>\$ 140,037</b>
<b>Fund Balances:</b>				
Beginning of year, as originally reported	\$ 1,395,945	\$ 238,962	\$ 9,080	\$ (373,292)
Restatements	-	-	-	-
Beginning of year, as restated	1,395,945	238,962	9,080	(373,292)
Net Change in Fund Balances	476,632	(104,162)	1,712	140,037
<b>End of Year</b>	<b>\$ 1,872,577</b>	<b>\$ 134,800</b>	<b>\$ 10,792</b>	<b>\$ (233,255)</b>

## CITY OF OCEANSIDE

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

	<u>Capital Projects Funds</u>		<u>Debt Service Funds</u>	
	<u>General Improvement</u>	<u>Redevelopment Agency</u>	<u>General Debt Service</u>	<u>Oceanside Building Authority</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ 5,514,838	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	48,726	19,026	-	-
Interest and rentals	616,219	174,757	(6,177)	945
Fines and forfeitures	-	-	-	-
Lease revenue	-	-	1,234,704	-
Developer participation	1,693,892	46,505	-	-
Miscellaneous	-	18,460	7,324,054	-
<b>Total Revenues</b>	<b>2,358,837</b>	<b>5,773,586</b>	<b>8,552,581</b>	<b>945</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	334,704	834,427	-	-
Community/cultural services	-	-	-	-
Public works	-	773,159	-	-
Capital outlay	4,330,513	1,316,400	-	-
Debt service:				
Principal retirement	-	-	4,635,000	7,570,000
Interest and fiscal charges	-	-	3,904,427	65,469
<b>Total Expenditures</b>	<b>4,665,217</b>	<b>2,923,986</b>	<b>8,539,427</b>	<b>7,635,469</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,306,380)	2,849,600	13,154	(7,634,524)
<b>Other Financing Sources (Uses):</b>				
Transfers in	699,911	4,224	-	7,635,469
Transfers out	-	(3,223,848)	(7,635,469)	(16,651)
Refunding bonds issued	-	-	7,725,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>699,911</b>	<b>(3,219,624)</b>	<b>89,531</b>	<b>7,618,818</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 15)	-	(43,596,938)	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (1,606,469)</b>	<b>\$ (43,966,962)</b>	<b>\$ 102,685</b>	<b>\$ (15,706)</b>
<b>Fund Balances:</b>				
Beginning of year, as originally reported	\$ 33,424,051	\$ 43,966,962	\$ 4,095,427	\$ 15,706
Restatements	(1,075,283)	-	-	-
Beginning of year, as restated	32,348,768	43,966,962	4,095,427	15,706
Net Change in Fund Balances	(1,606,469)	(43,966,962)	102,685	(15,706)
<b>End of Year</b>	<b>\$ 30,742,299</b>	<b>\$ -</b>	<b>\$ 4,198,112</b>	<b>\$ -</b>

## CITY OF OCEANSIDE

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

	<u>Debt Service Funds</u>		
	<u>Oceanside Lighting District</u>	<u>Redevelopment Agency</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 5,514,838
Assessments	-	-	2,338,653
Intergovernmental	-	-	15,202,080
Charges for services	-	-	161,888
Interest and rentals	-	64	888,573
Fines and forfeitures	-	-	352,468
Lease revenue	-	-	1,234,704
Developer participation	-	-	1,740,397
Miscellaneous	-	-	7,389,345
<b>Total Revenues</b>	<u>-</u>	<u>64</u>	<u>34,822,946</u>
<b>Expenditures:</b>			
Current:			
General government	-	-	-
Public safety	-	-	466,090
Community development	-	-	3,259,846
Community/cultural services	-	-	240,387
Public works	-	-	6,281,735
Capital outlay	-	-	10,066,610
Debt service:			
Principal retirement	216,608	2,330,000	14,862,608
Interest and fiscal charges	34,219	2,149,955	6,154,070
<b>Total Expenditures</b>	<u>250,827</u>	<u>4,479,955</u>	<u>41,331,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(250,827)</u>	<u>(4,479,891)</u>	<u>(6,508,400)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	250,824	3,094,350	12,551,302
Transfers out	-	-	(12,716,744)
Refunding bonds issued	-	-	7,725,000
<b>Total Other Financing Sources (Uses)</b>	<u>250,824</u>	<u>3,094,350</u>	<u>7,559,558</u>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 15)	-	13,414,915	(30,182,023)
<b>Net Change in Fund Balances</b>	<u>\$ (3)</u>	<u>\$ 12,029,374</u>	<u>\$ (29,130,865)</u>
<b>Fund Balances:</b>			
Beginning of year, as originally reported	\$ 30,735	\$ (12,029,374)	\$ 75,445,268
Restatements	-	-	153,132
Beginning of year, as restated	30,735	(12,029,374)	75,598,400
Net Change in Fund Balances	<u>(3)</u>	<u>12,029,374</u>	<u>(29,130,865)</u>
<b>End of Year</b>	<u>\$ 30,732</u>	<u>\$ -</u>	<u>\$ 46,467,535</u>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
ASSET SEIZURE  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 713,039	\$ 713,039	\$ 713,039	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	800,000	750,000	290,301	(459,699)
Use of money and property	20,000	20,000	6,770	(13,230)
<b>Amounts Available for Appropriation</b>	<b>1,533,039</b>	<b>1,483,039</b>	<b>1,010,110</b>	<b>(472,929)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	450,000	450,000	7,544	442,456
Capital outlay	250,000	250,000	243,352	6,648
<b>Total Charges to Appropriations</b>	<b>700,000</b>	<b>700,000</b>	<b>250,896</b>	<b>449,104</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 833,039</b>	<b>\$ 783,039</b>	<b>\$ 759,214</b>	<b>\$ (23,825)</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
LIBRARY  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 12	\$ 12	\$ 12	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	35,000	35,000	971	(34,029)
Charges for services	125,000	125,000	94,136	(30,864)
Miscellaneous	48,000	48,000	41,877	(6,123)
Transfers in	85,800	85,800	103,391	17,591
<b>Amounts Available for Appropriation</b>	<b>293,812</b>	<b>293,812</b>	<b>240,387</b>	<b>(53,425)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community/cultural services	293,800	293,800	240,387	53,413
<b>Total Charges to Appropriations</b>	<b>293,800</b>	<b>293,800</b>	<b>240,387</b>	<b>53,413</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12</b>	<b>\$ 12</b>	<b>\$ -</b>	<b>\$ (12)</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
GAS TAX AND TRANSPORTATION  
YEAR ENDED JUNE 30, 2012**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 5,186,430	\$ 5,186,430	\$ 5,186,430	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	13,057,850	13,057,850	12,707,475	(350,375)
Use of money and property	785,492	785,492	79,171	(706,321)
Miscellaneous	531,180	531,180	-	(531,180)
Transfers in	2,254,385	2,254,385	229,883	(2,024,502)
<b>Amounts Available for Appropriation</b>	<b>21,815,337</b>	<b>21,815,337</b>	<b>18,202,959</b>	<b>(3,612,378)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	3,992,812	3,812,812	3,738,858	73,954
Capital outlay	8,525,407	7,731,677	4,176,345	3,555,332
Transfers out	3,364,218	3,364,218	1,335,492	2,028,726
<b>Total Charges to Appropriations</b>	<b>15,882,437</b>	<b>14,908,707</b>	<b>9,250,695</b>	<b>5,658,012</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,932,900</b>	<b>\$ 6,906,630</b>	<b>\$ 8,952,264</b>	<b>\$ 2,045,634</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	3,938,247	3,968,247	2,201,715	(1,766,532)
<b>Amounts Available for Appropriation</b>	<b>3,938,247</b>	<b>3,968,247</b>	<b>2,201,715</b>	<b>(1,766,532)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	3,824,461	3,854,461	2,090,715	1,763,746
Debt service:				
Principal retirement	111,000	111,000	111,000	-
<b>Total Charges to Appropriations</b>	<b>3,935,461</b>	<b>3,965,461</b>	<b>2,201,715</b>	<b>1,763,746</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,786</b>	<b>\$ 2,786</b>	<b>\$ -</b>	<b>\$ (2,786)</b>



CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
MAINTENANCE DISTRICTS  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,395,945	\$ 1,395,945	\$ 1,395,945	\$ -
<b>Resources (Inflows):</b>				
Assessments	2,329,670	2,329,670	2,338,653	8,983
Use of money and property	200,597	200,597	14,814	(185,783)
Miscellaneous	10,000	10,000	4,954	(5,046)
Transfers in	390,000	390,000	393,213	3,213
<b>Amounts Available for Appropriation</b>	<b>4,326,212</b>	<b>4,326,212</b>	<b>4,147,579</b>	<b>(178,633)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	2,039,153	2,039,153	1,769,718	269,435
Transfers out	505,266	505,266	505,284	(18)
<b>Total Charges to Appropriations</b>	<b>2,544,419</b>	<b>2,544,419</b>	<b>2,275,002</b>	<b>269,417</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,781,793</b>	<b>\$ 1,781,793</b>	<b>\$ 1,872,577</b>	<b>\$ 90,784</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
STRATEGIC TRAFFIC OFFENDER PROGRAM (STOP)  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 238,962	\$ 238,962	\$ 238,962	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	144,329	144,329	1,916	(142,413)
Fines and forfeitures	300,000	300,000	352,468	52,468
Miscellaneous	3,000	3,000	-	(3,000)
<b>Amounts Available for Appropriation</b>	<b>686,291</b>	<b>686,291</b>	<b>593,346</b>	<b>(92,945)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	445,372	445,372	458,546	(13,174)
<b>Total Charges to Appropriations</b>	<b>445,372</b>	<b>445,372</b>	<b>458,546</b>	<b>(13,174)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 240,919</b>	<b>\$ 240,919</b>	<b>\$ 134,800</b>	<b>\$ (106,119)</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
GENERAL IMPROVEMENT  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1, as restated	\$ 32,348,768	\$ 32,348,768	\$ 32,348,768	\$ -
<b>Resources (Inflows):</b>				
Charges for services	10,000	10,000	48,726	38,726
Use of money and property	13,031,260	13,031,260	616,219	(12,415,041)
Developer participation	891,441	891,441	1,693,892	802,451
Transfers in	980,862	980,862	699,911	(280,951)
<b>Amounts Available for Appropriation</b>	<b>47,262,331</b>	<b>47,262,331</b>	<b>35,407,516</b>	<b>(11,854,815)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	334,702	334,702	334,704	(2)
Capital outlay	29,262,852	21,640,075	4,330,513	17,309,562
Transfers out	544,825	537,525	-	537,525
<b>Total Charges to Appropriations</b>	<b>30,142,379</b>	<b>22,512,302</b>	<b>4,665,217</b>	<b>17,847,085</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 17,119,952</b>	<b>\$ 24,750,029</b>	<b>\$ 30,742,299</b>	<b>\$ 5,992,270</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
REDEVELOPMENT AGENCY - CAPITAL PROJECT  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 43,966,962	\$ 43,966,962	\$ 43,966,962	\$ -
<b>Resources (Inflows):</b>				
Taxes	9,688,553	9,688,553	5,514,838	(4,173,715)
Charges for services	10,000	10,000	19,026	9,026
Use of money and property	6,996,778	6,996,778	174,757	(6,822,021)
Developer participation	-	-	46,505	46,505
Miscellaneous	20,000	20,000	18,460	(1,540)
Transfers in	-	-	4,224	4,224
<b>Amounts Available for Appropriation</b>	<b>60,682,293</b>	<b>60,682,293</b>	<b>49,744,772</b>	<b>(10,937,521)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	1,578,564	1,801,403	834,427	966,976
Public works	6,332,600	4,832,600	773,159	4,059,441
Capital outlay	3,450,000	3,450,000	1,316,400	2,133,600
Transfers out	5,355,182	5,355,182	3,223,848	2,131,334
Extraordinary loss on dissolution of redevelopment agency	-	-	43,596,938	(43,596,938)
<b>Total Charges to Appropriations</b>	<b>16,716,346</b>	<b>15,439,185</b>	<b>49,744,772</b>	<b>(34,305,587)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 43,965,947</b>	<b>\$ 45,243,108</b>	<b>\$ -</b>	<b>\$ (45,243,108)</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
GENERAL DEBT SERVICE  
YEAR ENDED JUNE 30, 2012**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 4,095,427	\$ 4,095,427	\$ 4,095,427	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	(6,177)	(6,177)
Contributions	1,234,702	1,234,702	1,234,704	2
Miscellaneous	7,324,059	7,324,059	7,324,054	(5)
Refunding bonds issued	7,725,000	7,725,000	7,725,000	-
<b>Amounts Available for Appropriation</b>	<b>20,379,188</b>	<b>20,379,188</b>	<b>20,373,008</b>	<b>(6,180)</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	4,635,000	4,635,000	4,635,000	-
Interest and fiscal charges	3,986,066	3,986,066	3,904,427	81,639
Transfers out	7,570,000	7,570,000	7,635,469	(65,469)
<b>Total Charges to Appropriations</b>	<b>16,191,066</b>	<b>16,191,066</b>	<b>16,174,896</b>	<b>16,170</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,188,122</b>	<b>\$ 4,188,122</b>	<b>\$ 4,198,112</b>	<b>\$ 9,990</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
OCEANSIDE BUILDING AUTHORITY  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 15,706	\$ 15,706	\$ 15,706	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	945	945
Contributions	808,555	-	-	-
Transfers in	-	-	7,635,469	7,635,469
<b>Amounts Available for Appropriation</b>	<b>824,261</b>	<b>15,706</b>	<b>7,652,120</b>	<b>7,636,414</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	430,000	430,000	7,570,000	(7,140,000)
Interest and fiscal charges	378,555	378,555	65,469	313,086
Transfers out	-	-	16,651	(16,651)
<b>Total Charges to Appropriations</b>	<b>808,555</b>	<b>808,555</b>	<b>7,652,120</b>	<b>(6,843,565)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 15,706</b>	<b>\$ (792,849)</b>	<b>\$ -</b>	<b>\$ 792,849</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
OCEANSIDE LIGHTING DISTRICT  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 30,735	\$ 30,735	\$ 30,735	\$ -
<b>Resources (Inflows):</b>				
Transfers in	250,826	250,826	250,824	(2)
<b>Amounts Available for Appropriation</b>	<b>281,561</b>	<b>281,561</b>	<b>281,559</b>	<b>(2)</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	216,608	216,608	216,608	-
Interest and fiscal charges	34,218	34,218	34,219	(1)
<b>Total Charges to Appropriations</b>	<b>250,826</b>	<b>250,826</b>	<b>250,827</b>	<b>(1)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 30,735</b>	<b>\$ 30,735</b>	<b>\$ 30,732</b>	<b>\$ (3)</b>

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE  
REDEVELOPMENT AGENCY - DEBT SERVICE  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (12,029,374)	\$ (12,029,374)	\$ (12,029,374)	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	64	64
Transfers in	5,304,607	5,304,607	3,094,350	(2,210,257)
Extraordinary gain on dissolution of redevelopment agency	-	-	13,414,915	13,414,915
<b>Amounts Available for Appropriation</b>	<b>(6,724,767)</b>	<b>(6,724,767)</b>	<b>4,479,955</b>	<b>11,204,722</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	2,330,000	2,330,000	2,330,000	-
Interest and fiscal charges	2,441,427	2,441,427	2,149,955	291,472
<b>Total Charges to Appropriations</b>	<b>4,771,427</b>	<b>4,771,427</b>	<b>4,479,955</b>	<b>291,472</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (11,496,194)</b>	<b>\$ (11,496,194)</b>	<b>\$ -</b>	<b>\$ 11,496,194</b>



**THIS PAGE INTENTIONALLY LEFT BLANK**

## INTERNAL SERVICE FUNDS

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

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

CITY OF OCEANSIDE

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2012

	<u>Loss Prevention</u>	<u>General Services</u>	<u>Total</u>
<b>Assets:</b>			
Current:			
Cash and investments	\$ 18,662,195	\$ 16,735,523	\$ 35,397,718
Receivables:			
Accounts	11,084	-	11,084
Prepaid costs	-	7,423	7,423
Inventories	-	249,604	249,604
<b>Total Current Assets</b>	<b><u>18,673,279</u></b>	<b><u>16,992,550</u></b>	<b><u>35,665,829</u></b>
Noncurrent:			
Capital assets - net of accumulated depreciation	127,681	7,276,104	7,403,785
<b>Total Noncurrent Assets</b>	<b><u>127,681</u></b>	<b><u>7,276,104</u></b>	<b><u>7,403,785</u></b>
<b>Total Assets</b>	<b><u>\$ 18,800,960</u></b>	<b><u>\$ 24,268,654</u></b>	<b><u>\$ 43,069,614</u></b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 45,235	\$ 524,113	\$ 569,348
Accrued liabilities	7,237	86,706	93,943
Compensated absences	10,064	332,445	342,509
Claims and judgments	2,633,636	-	2,633,636
<b>Total Current Liabilities</b>	<b><u>2,696,172</u></b>	<b><u>943,264</u></b>	<b><u>3,639,436</u></b>
Noncurrent:			
Compensated absences	14,256	470,959	485,215
Claims and judgments	9,980,632	-	9,980,632
<b>Total Noncurrent Liabilities</b>	<b><u>9,994,888</u></b>	<b><u>470,959</u></b>	<b><u>10,465,847</u></b>
<b>Total Liabilities</b>	<b><u>12,691,060</u></b>	<b><u>1,414,223</u></b>	<b><u>14,105,283</u></b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	127,681	7,276,104	7,403,785
Unrestricted	5,982,219	15,578,327	21,560,546
<b>Total Net Assets</b>	<b><u>6,109,900</u></b>	<b><u>22,854,431</u></b>	<b><u>28,964,331</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 18,800,960</u></b>	<b><u>\$ 24,268,654</u></b>	<b><u>\$ 43,069,614</u></b>

CITY OF OCEANSIDE

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

	<u>Loss Prevention</u>	<u>General Services</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 6,480,297	\$ 44,676,218	\$ 51,156,515
Miscellaneous	2,888	354,937	357,825
<b>Total Operating Revenues</b>	<b><u>6,483,185</u></b>	<b><u>45,031,155</u></b>	<b><u>51,514,340</u></b>
<b>Operating Expenses:</b>			
Personnel services	525,913	32,847,720	33,373,633
Maintenance and operations	4,142,667	8,684,463	12,827,130
Depreciation	21,280	2,344,561	2,365,841
<b>Total Operating Expenses</b>	<b><u>4,689,860</u></b>	<b><u>43,876,744</u></b>	<b><u>48,566,604</u></b>
Operating Income (Loss)	<u>1,793,325</u>	<u>1,154,411</u>	<u>2,947,736</u>
<b>Nonoperating Revenues (Expenses):</b>			
Gain (loss) on disposal of capital assets	<u>-</u>	<u>(81,239)</u>	<u>(81,239)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>-</u></b>	<b><u>(81,239)</u></b>	<b><u>(81,239)</u></b>
Income (Loss) Before Transfers	1,793,325	1,073,172	2,866,497
Transfers in	-	101,805	101,805
Transfers out	<u>(144,514)</u>	<u>(1,565,512)</u>	<u>(1,710,026)</u>
Changes in Net Assets	<b><u>\$ 1,648,811</u></b>	<b><u>\$ (390,535)</u></b>	<b><u>\$ 1,258,276</u></b>
<b>Net Assets:</b>			
Beginning of fiscal year, as originally reported	\$ 4,248,736	\$ 23,457,319	\$ 27,706,055
Restatements	212,353	(212,353)	-
Beginning of fiscal year, as restated	4,461,089	23,244,966	27,706,055
Changes in net assets	<u>1,648,811</u>	<u>(390,535)</u>	<u>1,258,276</u>
<b>End of Fiscal Year</b>	<b><u>\$ 6,109,900</u></b>	<b><u>\$ 22,854,431</u></b>	<b><u>\$ 28,964,331</u></b>

CITY OF OCEANSIDE

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

	<u>Loss Prevention</u>	<u>General Services</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 27,916	\$ 355,502	\$ 383,418
Cash received from interfund service provided	6,480,297	44,676,218	51,156,515
Cash paid to suppliers for goods and services	(3,853,759)	(9,038,625)	(12,892,384)
Cash paid to employees for services	(588,928)	(32,932,008)	(33,520,936)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>2,065,526</u></b>	<b><u>3,061,087</u></b>	<b><u>5,126,613</u></b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	-	101,805	101,805
Cash transfers out	(144,514)	(1,565,512)	(1,710,026)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b><u>(144,514)</u></b>	<b><u>(1,463,707)</u></b>	<b><u>(1,608,221)</u></b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(1,998,257)	(1,998,257)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b><u>-</u></b>	<b><u>(1,998,257)</u></b>	<b><u>(1,998,257)</u></b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,921,012</b>	<b>(400,877)</b>	<b>1,520,135</b>
Cash and Cash Equivalents at Beginning of Year	16,741,183	17,136,400	33,877,583
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 18,662,195</u></b>	<b><u>\$ 16,735,523</u></b>	<b><u>\$ 35,397,718</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 1,793,325	\$ 1,154,411	\$ 2,947,736
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	21,280	2,344,561	2,365,841
(Increase) decrease in accounts receivable	25,028	565	25,593
(Increase) decrease in prepaid expense	-	7,450	7,450
(Increase) decrease in inventories	-	5,319	5,319
Increase (decrease) in accounts payable	247,390	(366,931)	(119,541)
Increase (decrease) in accrued liabilities	(22,347)	(128,770)	(151,117)
Increase (decrease) in claims and judgments	41,518	-	41,518
Increase (decrease) in compensated absences	(40,668)	44,482	3,814
<b>Total Adjustments</b>	<b><u>272,201</u></b>	<b><u>1,906,676</u></b>	<b><u>2,178,877</u></b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 2,065,526</u></b>	<b><u>\$ 3,061,087</u></b>	<b><u>\$ 5,126,613</u></b>

**Non-Cash Investing, Capital, and Financing Activities:**

There was no non-cash investing, financing or capital activity during the current fiscal year.

## FIDUCIARY FUNDS

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

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

CITY OF OCEANSIDE

COMBINING BALANCE SHEET  
 ALL AGENCY FUNDS  
 JUNE 30, 2012

---

	<u>Special Assessment District</u>	<u>Deposit</u>	<u>Totals</u>
<b>Assets:</b>			
Cash and investments	\$ 5,887,824	\$ 4,659,675	\$ 10,547,499
Restricted cash and investments	5,956,714	-	5,956,714
Receivables:			
Accounts	17,922	10,322	28,244
<b>Total Assets</b>	<b><u>\$ 11,862,460</u></b>	<b><u>\$ 4,669,997</u></b>	<b><u>\$ 16,532,457</u></b>
<b>Liabilities:</b>			
Accounts payable	\$ 4,587	\$ 768,255	\$ 772,842
Deposits payable	290,915	3,901,742	4,192,657
Due to external bondholders	11,566,958	-	11,566,958
<b>Total Liabilities</b>	<b><u>\$ 11,862,460</u></b>	<b><u>\$ 4,669,997</u></b>	<b><u>\$ 16,532,457</u></b>

CITY OF OCEANSIDE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2012

	<u>Balance 7/1/2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2012</u>
<b><u>Special Assessment District</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 5,683,279	\$ 14,069,111	\$ 13,864,566	\$ 5,887,824
Restricted cash and investments	8,434,645	9,853,640	12,331,571	5,956,714
Receivables:				
Accounts	9,415	17,337	8,830	17,922
Taxes	4,177	-	4,177	-
<b>Total Assets</b>	<b><u>\$ 14,131,516</u></b>	<b><u>\$ 23,940,088</u></b>	<b><u>\$ 26,209,144</u></b>	<b><u>\$ 11,862,460</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 13,946	\$ 852,659	\$ 862,018	\$ 4,587
Deposits payable	292,598	-	1,683	290,915
Due to bondholders	13,824,972	1,296,049	3,554,063	11,566,958
<b>Total Liabilities</b>	<b><u>\$ 14,131,516</u></b>	<b><u>\$ 2,148,708</u></b>	<b><u>\$ 4,417,764</u></b>	<b><u>\$ 11,862,460</u></b>
<b><u>Deposit</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 3,243,972	\$ 26,368,216	\$ 24,952,513	\$ 4,659,675
Receivables:				
Accounts	19,723	-	9,401	10,322
<b>Total Assets</b>	<b><u>\$ 3,263,695</u></b>	<b><u>\$ 26,368,216</u></b>	<b><u>\$ 24,961,914</u></b>	<b><u>\$ 4,669,997</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 39,154	\$ 26,815,102	\$ 26,086,001	\$ 768,255
Deposits payable	3,224,541	850,566	173,365	3,901,742
<b>Total Liabilities</b>	<b><u>\$ 3,263,695</u></b>	<b><u>\$ 27,665,668</u></b>	<b><u>\$ 26,259,366</u></b>	<b><u>\$ 4,669,997</u></b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 8,927,251	\$ 40,437,327	\$ 38,817,079	\$ 10,547,499
Restricted cash and investments	8,434,645	9,853,640	12,331,571	5,956,714
Receivables:				
Accounts	29,138	17,337	18,231	28,244
Taxes	4,177	-	4,177	-
<b>Total Assets</b>	<b><u>\$ 17,395,211</u></b>	<b><u>\$ 50,308,304</u></b>	<b><u>\$ 51,171,058</u></b>	<b><u>\$ 16,532,457</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 53,100	\$ 27,667,761	\$ 26,948,019	\$ 772,842
Deposits payable	3,517,139	850,566	175,048	4,192,657
Due to external parties/other agencies	13,824,972	1,296,049	3,554,063	11,566,958
<b>Total Liabilities</b>	<b><u>\$ 17,395,211</u></b>	<b><u>\$ 29,814,376</u></b>	<b><u>\$ 30,677,130</u></b>	<b><u>\$ 16,532,457</u></b>



**THIS PAGE INTENTIONALLY LEFT BLANK**

## DESCRIPTION OF STATISTICAL SECTION CONTENTS

JUNE 30, 2012

This part of the City of Oceanside's comprehensive annual 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 comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

# City of Oceanside

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

	Fiscal Year			
	2003	2004	2005	2006
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 131,689,993	\$ 127,949,282	\$ 140,206,876	\$ 162,782,050
Restricted for:				
Debt Service	16,096,883	25,485,168	20,725,317	27,428,593
Capital Projects	8,804,301	49,438,960	58,342,462	51,988,076
Specific Projects and Programs	5,551,055	15,924,959	18,624,363	30,309,265
Total Restricted	<u>30,452,239</u>	<u>90,849,087</u>	<u>97,692,142</u>	<u>109,725,934</u>
Unrestricted	<u>72,725,338</u>	<u>27,925,986</u>	<u>34,006,389</u>	<u>28,199,762</u>
Total governmental activities net assets	\$ 234,867,570	\$ 246,724,355	\$ 271,905,407	\$ 300,707,746
<b>Business-type Activities</b>				
Invested in capital assets, net of related debt	\$ 187,817,205	\$ 164,670,433	\$ 174,541,773	\$ 175,923,102
Restricted for:				
Capital projects	15,082,800	11,275,256	3,582,124	1,876,361
Debt service				
Rate stabilization				
Unrestricted	<u>51,565,061</u>	<u>84,857,099</u>	<u>82,186,952</u>	<u>77,186,066</u>
Total business-type activities net assets	\$ 254,465,066	\$ 260,802,788	\$ 260,310,849	\$ 254,985,529
<b>Primary Government</b>				
Invested in capital assets, net of related debt	\$ 319,507,198	\$ 292,619,715	\$ 314,748,649	\$ 338,705,152
Restricted	45,535,039	102,124,343	101,274,266	111,602,295
Unrestricted	<u>124,290,399</u>	<u>112,783,085</u>	<u>116,193,341</u>	<u>105,385,828</u>
Total Primary Government net assets	<u>\$ 489,332,636</u>	<u>\$ 507,527,143</u>	<u>\$ 532,216,256</u>	<u>\$ 555,693,275</u>

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 192,580,094	\$ 223,022,078	\$ 234,316,806	\$ 234,789,461	\$ 235,574,067	\$ 243,655,279
10,400,086	9,401,419	5,007,853	2,174,867	4,141,868	2,161,962
56,584,296	75,302,178	78,554,859	40,191,226	58,506,353	
56,971,726	45,513,582	44,045,329	39,150,717	42,884,232	106,653,971
<u>123,956,108</u>	<u>130,217,179</u>	<u>127,608,041</u>	<u>81,516,810</u>	<u>105,532,453</u>	
<u>45,103,813</u>	<u>45,039,132</u>	<u>39,968,095</u>	<u>73,283,539</u>	<u>53,795,980</u>	<u>49,273,627</u>
\$ 361,640,015	\$ 398,278,389	\$ 401,892,942	\$ 389,589,810	\$ 394,902,500	\$ 401,744,839
\$ 187,894,276	\$ 196,363,003	\$ 207,637,088	\$ 400,340,807	\$ 395,086,570	\$ 385,375,753
1,899,746	2,252,846	33,894,838	27,552,284	32,998,023	38,054,343
			955,236	936,607	930,832
				1,700,000	2,318,667
<u>63,744,851</u>	<u>59,188,035</u>	<u>12,766,808</u>	<u>21,602,927</u>	<u>28,535,592</u>	<u>44,681,865</u>
\$ 253,538,873	\$ 257,803,884	\$ 254,298,734	\$ 450,451,254	\$ 459,256,792	\$ 471,361,460
\$ 380,474,370	\$ 419,385,081	\$ 441,953,894	\$ 635,130,268	\$ 630,660,637	\$ 629,031,032
125,855,854	132,470,025	161,502,879	110,024,330	139,467,083	150,119,775
<u>108,848,664</u>	<u>104,227,167</u>	<u>52,734,903</u>	<u>94,886,466</u>	<u>82,331,572</u>	<u>93,955,492</u>
<u>\$ 615,178,888</u>	<u>\$ 656,082,273</u>	<u>\$ 656,191,676</u>	<u>\$ 840,041,064</u>	<u>\$ 852,459,292</u>	<u>\$ 873,106,299</u>

# City of Oceanside

## Changes in Net Assets

### Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
<b>Expenses</b>				
Governmental activities:				
General government	\$ 11,363,651	\$ 11,852,001	\$ 11,345,079	\$ 11,936,686
Public safety	44,795,800	49,876,905	55,728,435	61,977,977
Community development	24,282,082	23,713,393	23,377,424	23,295,927
Community/cultural services	9,797,438	11,784,754	11,700,438	12,806,800
Public works	18,482,236	23,272,166	23,140,587	25,475,444
Depreciation (unallocated)	12,483,792	-	-	-
Interest on long-term debt	8,484,102	7,598,288	9,548,310	8,634,066
Total governmental activities	<u>\$ 129,689,101</u>	<u>\$ 128,097,507</u>	<u>\$ 134,840,273</u>	<u>\$ 144,126,900</u>
Business-type activities:				
Water	31,795,689	34,028,999	34,100,516	37,074,165
Sewer	18,643,636	19,708,826	21,607,092	23,735,275
Waste disposal	16,839,565	18,223,894	19,365,317	19,105,879
Special aviation	207,165	259,743	457,490	483,012
Oceanside Small Craft Harbor District	5,031,595	4,883,873	5,115,937	5,501,277
Total business-type activities	<u>72,517,650</u>	<u>77,105,335</u>	<u>80,646,352</u>	<u>85,899,608</u>
Total primary government expenses	<u>\$ 202,206,751</u>	<u>\$ 205,202,842</u>	<u>\$ 215,486,625</u>	<u>\$ 230,026,508</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 2,429,359	\$ 2,315,566	\$ 2,435,479	\$ 2,556,047
Public safety	3,651,672	4,043,265	4,360,499	5,121,602
Community development	5,881,502	6,416,404	10,641,984	7,539,632
Community/cultural services	700,323	737,450	870,579	851,456
Public works	5,565,540	5,917,747	5,909,863	6,830,916
Operating Grants and Contributions	28,931,414	26,287,219	25,830,552	33,579,124
Capital Grants and Contributions	1,719,425	2,337,569	5,356,513	5,274,095
Total governmental activities program revenues	<u>48,879,235</u>	<u>48,055,220</u>	<u>55,405,469</u>	<u>61,752,872</u>
Business-type activities:				
Charges for services:				
Water	37,671,574	39,255,725	35,120,057	36,716,820
Sewer	23,780,852	22,457,309	19,791,178	20,723,540
Waste disposal	17,175,663	18,082,898	19,210,840	19,816,761
Special aviation	133,076	205,778	296,693	394,072
Oceanside Small Craft Harbor District	4,435,217	4,611,728	4,921,907	4,996,577
Operating Grants and Contributions	200,246	2,726,913	166,152	-
Capital Grants and Contributions	3,101,356	850,000	372,451	-
Total business-type activities program revenues	<u>86,497,984</u>	<u>88,190,351</u>	<u>79,879,278</u>	<u>82,647,770</u>
Total primary government program revenues	<u>\$ 135,377,219</u>	<u>\$ 136,245,571</u>	<u>\$ 135,284,747</u>	<u>\$ 144,400,642</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (80,809,866)	\$ (80,042,287)	\$ (79,434,804)	\$ (82,374,028)
Business-type activities	13,980,334	11,085,016	(767,074)	(3,251,838)
Total primary government net expense	<u>\$ (66,829,532)</u>	<u>\$ (68,957,271)</u>	<u>\$ (80,201,878)</u>	<u>\$ (85,625,866)</u>

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 13,958,047	\$ 16,004,013	\$ 19,051,433	\$ 13,967,349	\$ 14,899,107	\$ 16,101,719
64,713,256	68,521,173	76,759,409	81,635,635	74,767,172	70,989,600
26,915,033	24,715,209	28,756,441	39,476,894	28,968,430	28,291,313
14,224,389	14,191,135	14,193,259	14,565,149	11,669,455	11,615,707
24,585,242	27,088,207	28,263,292	27,101,514	32,341,519	27,020,879
-	-	-	-	-	-
7,634,724	7,486,339	7,363,801	9,213,229	7,472,655	5,441,528
<u>\$ 152,030,691</u>	<u>\$ 158,006,076</u>	<u>\$ 174,387,635</u>	<u>\$ 185,959,770</u>	<u>\$ 170,118,338</u>	<u>\$ 159,460,746</u>
41,066,482	40,649,208	41,651,535	44,640,059	43,930,562	51,309,115
26,465,182	27,039,628	28,233,964	29,744,119	29,272,281	33,251,371
20,074,362	20,846,158	21,282,754	19,073,268	20,035,442	20,111,113
467,505	432,432	565,477	230,378	380,711	94,106
5,700,513	5,807,752	6,551,918	4,454,450	1,382,005	1,292,291
93,774,044	94,775,178	98,285,648	98,142,274	95,001,001	106,057,996
<u>\$ 245,804,735</u>	<u>\$ 252,781,254</u>	<u>\$ 272,673,283</u>	<u>\$ 284,102,044</u>	<u>\$ 265,119,339</u>	<u>\$ 265,518,742</u>
\$ 2,726,649	\$ 2,910,185	\$ 2,735,446	\$ 1,510,087	\$ 1,618,641	\$ 2,112,141
4,506,019	5,546,313	6,016,525	8,123,510	6,116,702	5,005,344
7,426,082	5,992,226	5,509,157	5,180,697	6,127,879	6,073,887
952,830	1,283,498	2,421,512	1,111,571	1,203,242	897,301
6,546,976	21,137,007	6,881,633	6,721,474	8,424,047	6,978,316
42,771,143	31,173,230	24,119,622	38,057,394	45,593,539	36,121,277
7,612,717	9,418,160	9,997,029	4,824,134	7,479,535	7,490,018
<u>72,542,416</u>	<u>77,460,619</u>	<u>57,680,924</u>	<u>65,528,867</u>	<u>76,563,585</u>	<u>64,678,284</u>
39,415,143	42,185,950	42,313,563	41,865,765	45,307,197	53,176,890
23,054,008	24,749,371	25,304,602	28,570,644	32,440,442	37,638,074
20,405,194	20,961,319	21,442,968	20,795,455	23,119,454	22,756,966
439,422	464,774	465,150	144,269	97,633	100,865
5,299,861	5,322,666	5,311,555	5,028,536	5,003,985	5,792,048
-	4,220,677	1,132,596	1,787,839	384,697	1,881,956
-	-	-	238,500	-	-
88,613,628	97,904,757	95,970,434	98,431,008	106,353,408	121,346,799
<u>\$ 161,156,044</u>	<u>\$ 175,365,376</u>	<u>\$ 153,651,358</u>	<u>\$ 163,959,875</u>	<u>\$ 182,916,993</u>	<u>\$ 186,025,083</u>
\$ (79,488,275)	\$ (80,545,457)	\$ (116,706,711)	\$ (120,430,903)	\$ (93,554,753)	\$ (94,782,462)
(5,160,416)	3,129,579	(2,315,214)	288,734	11,352,407	15,288,803
<u>\$ (84,648,691)</u>	<u>\$ (77,415,878)</u>	<u>\$ (119,021,925)</u>	<u>\$ (120,142,169)</u>	<u>\$ (82,202,346)</u>	<u>\$ (79,493,659)</u>

# City of Oceanside

## 7\ Ub[ Yg]b'Net Assets (continued)

### Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 25,114,104	\$ 28,536,578	\$ 40,004,828	\$ 48,001,309
Sales taxes	13,042,280	13,841,866	15,198,456	15,675,218
Other taxes	17,845,639	16,764,144	10,796,296	14,027,416
Total taxes	56,002,023	59,142,588	65,999,580	77,703,943
Intergovernmental unrestricted	9,295,765	9,792,530	11,339,407	11,981,723
Investment Earnings	11,914,037	8,366,058	9,153,835	9,711,778
Developer contributions	5,532,316	7,974,965	6,368,599	10,663,038
Miscellaneous	3,002,863	2,337,777	1,651,856	329,321
Loss on sale of assets	146,390	-	9,604,277	61,726
Extraordinary gain(loss)	-	-	-	-
Transfers	1,426,960	1,181,848	1,395,108	2,391,713
Total Governmental activities	87,320,354	88,795,766	105,512,662	112,843,242
Business-type activities:				
Investment Earnings	3,771,450	345,296	2,520,243	2,274,912
Miscellaneous	-	-	-	-
Loss on sale of assets	(9,865)	(3,910,742)	-	-
Transfers	(1,426,960)	(1,181,848)	(1,395,108)	(2,391,713)
Total business-type activities:	2,334,625	(4,747,294)	1,125,135	(116,801)
Total primary government	\$ 89,654,979	\$ 84,048,472	\$ 106,637,797	\$ 112,726,441
<b>Change in Net Assets</b>				
Governmental activities	\$ 6,510,488	\$ 8,753,479	\$ 26,077,858	\$ 30,469,214
Business-type activities:	16,314,959	6,337,722	358,061	(3,368,639)
Total primary government	\$ 22,825,447	\$ 15,091,201	\$ 26,435,919	\$ 27,100,575

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 54,785,119	\$ 58,663,948	\$ 61,239,407	\$ 55,979,593	\$ 54,923,310	\$ 51,774,298
17,814,047	18,734,655	16,914,344	17,326,635	18,141,424	19,397,588
11,437,735	11,746,323	12,424,966	10,577,615	11,091,446	11,461,700
84,036,901	89,144,926	90,578,717	83,883,843	84,156,180	82,633,586
12,682,555	13,633,572	14,083,346	504,448	830,682	90,581
14,095,895	13,343,619	9,861,241	8,380,289	9,585,836	-
-	-	-	-	-	-
1,072,547	563,443	423,227	3,673,334	5,749,504	23,213,669
219,935	157,154	-	-	-	-
-	-	-	-	-	(11,501,480)
1,408,380	1,883,945	8,214,295	4,961,121	7,025,199	6,883,340
113,516,213	118,726,659	123,160,826	101,403,035	107,347,401	101,319,696
3,945,045	3,017,902	2,109,687	982,961	568,677	932,868
-	-	-	3,860,425	4,461,855	2,766,337
5,599	-	4,964,630	-	-	-
(1,408,380)	(1,883,945)	(8,214,295)	(4,961,121)	(7,025,199)	(6,883,340)
2,542,264	1,133,957	(1,139,978)	(117,735)	(1,994,667)	(3,184,135)
\$ 116,058,477	\$ 119,860,616	\$ 122,020,848	\$ 101,285,300	\$ 105,352,734	\$ 98,135,561
\$ 34,027,938	\$ 38,181,202	6,454,115	(19,027,868)	13,792,648	6,537,234
(2,618,152)	4,263,536	(3,455,192)	170,999	9,357,740	12,104,668
\$ 31,409,786	\$ 42,444,738	\$ 2,998,923	\$ (18,856,869)	\$ 23,150,388	\$ 18,641,902



# City of Oceanside

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

	Fiscal Year			
	2003	2004	2005	2006
<b>Revenues:</b>				
Taxes	\$ 46,115,955	\$ 51,579,405	\$ 65,421,689	\$ 75,175,577
Licenses and permits	2,467,648	2,747,218	2,264,692	2,640,136
Intergovernmental	36,426,546	34,397,718	28,032,701	37,417,423
Charges for services	10,494,390	11,067,922	11,762,268	13,174,726
Interest and rentals	9,752,164	6,095,994	8,970,023	5,600,963
Fines and forfeitures	3,058,767	3,397,840	3,821,194	4,320,726
Lease revenue	1,218,150	2,193,296	2,319,107	2,262,236
Developer fees	6,433,319	8,195,886	6,358,585	10,855,028
Special assessments	6,077,472	4,005,577	7,253,902	7,605,943
Administrative and in lieu charges	9,295,765	9,792,530	11,339,407	11,981,723
Other	3,106,787	2,195,752	1,815,169	596,106
<b>Total Revenues</b>	<b>134,446,963</b>	<b>135,669,138</b>	<b>149,358,737</b>	<b>171,630,587</b>
<b>Expenditures:</b>				
General government	11,940,876	11,240,628	11,252,291	11,675,141
Public safety	44,493,491	50,307,345	55,421,998	59,977,872
Community development	24,376,852	20,071,741	22,786,226	22,569,033
Community/cultural services	10,121,335	10,560,829	10,388,449	11,482,495
Public works	11,465,976	12,497,077	16,400,288	15,198,022
Capital outlay	21,496,691	24,946,758	16,354,681	22,492,632
Debt service				
Principal	29,582,600	3,620,000	5,685,000	4,760,780
Interest	7,746,132	7,495,816	9,150,912	8,021,110
<b>Total Expenditures</b>	<b>161,223,953</b>	<b>140,740,194</b>	<b>147,439,845</b>	<b>156,177,085</b>
Excess of Revenues over (under) expenditures	(26,776,990)	(5,071,056)	1,918,892	15,453,502
<b>Other Financing Sources (Uses)</b>				
Issuance of long-term debt	25,185,000	17,800,000	-	42,780,000
Issuance of refunding debt	-	7,740,000	35,744,583	-
Bond premium	-	-	-	1,032,871
Payment of unfunded pension liability	-	-	-	(42,072,326)
Redemption of refunded debt	-	(7,725,000)	(33,650,000)	-
Loan proceeds	-	0	-	-
Proceed from sale of real property	-	-	9,434,809	228,100
Transfers in	52,371,476	24,877,011	12,410,052	16,750,522
Transfers out	(51,481,976)	(29,640,481)	(11,610,315)	(21,587,024)
<b>Total other financing sources (uses)</b>	<b>26,074,500</b>	<b>13,051,530</b>	<b>12,329,129</b>	<b>(2,867,857)</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (702,490)</b>	<b>\$ 7,980,474</b>	<b>\$ 14,248,021</b>	<b>\$ 12,585,645</b>
Debt Service as a percentage of noncapital expenditures.	26.7%	9.6%	11.3%	9.6%

Note: The City implemented GASB No. 54 in the fiscal year ended June 30,2010

							Fiscal Year					
							2007	2008	2009	2010	2011	2012
\$	84,150,853	\$	88,632,073	\$	91,340,010	\$	83,508,603	\$	84,252,109	\$	82,159,554	
	2,296,979		1,899,169		1,877,798		973,602		2,501,483		1,987,843	
	28,451,602		42,765,760		27,941,755		28,700,124		38,281,505		34,823,491	
	10,842,358		10,554,651		10,366,112		14,492,767		12,999,466		9,254,906	
	12,375,093		12,166,634		8,673,200		6,318,649		3,629,981		6,051,536	
	4,299,450		4,974,638		4,770,065		1,890,806		1,949,170		4,536,471	
	4,644,958		4,656,346		4,738,281		2,342,583		2,348,728		1,234,704	
	10,997,445		4,026,658		4,439,021		2,744,171		2,782,358		2,191,048	
	12,453,958		8,286,857		2,351,621							
	12,682,555		13,633,572		14,083,346		16,537,589		10,911,973		8,798,042	
	1,140,081		1,486,331		770,811		4,639,198		8,258,197		9,138,214	
	<u>184,335,332</u>		<u>193,082,689</u>		<u>171,352,020</u>		<u>162,148,092</u>		<u>167,914,970</u>		<u>160,175,809</u>	
	12,913,269		14,588,366		16,229,297		13,705,854		14,204,862		15,040,557	
	65,460,131		69,336,877		73,479,724		76,616,881		72,109,425		71,220,254	
	33,913,454		24,861,865		33,420,647		38,432,800		27,655,390		27,968,667	
	12,381,047		13,852,218		12,898,183		14,881,758		10,843,234		9,591,839	
	15,746,646		15,669,045		17,813,964		18,664,638		17,130,401		15,999,867	
	25,540,153		46,019,219		22,067,047		8,953,305		14,513,009		11,290,953	
	6,252,146		5,724,192		6,100,728		6,596,713		7,616,985		14,967,189	
	<u>8,526,638</u>		<u>7,964,401</u>		<u>8,152,267</u>		<u>9,638,213</u>		<u>7,608,092</u>		<u>6,186,648</u>	
	<u>180,733,484</u>		<u>198,016,183</u>		<u>190,161,857</u>		<u>187,490,162</u>		<u>171,681,398</u>		<u>172,265,974</u>	
	3,601,848		(4,933,494)		(18,809,837)		(25,342,070)		(3,766,428)		(12,090,165)	
	-		-		-		-		1,624,761		7,725,000	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		3,500,000		-		-		-		-	
	1,663,000		1,560		7,905		-		-		-	
	37,997,067		25,040,614		24,680,835		27,723,634		32,976,259		23,022,366	
	<u>(36,697,390)</u>		<u>(24,377,845)</u>		<u>(20,484,907)</u>		<u>(22,306,443)</u>		<u>(28,437,187)</u>		<u>(14,530,805)</u>	
	<u>2,962,677</u>		<u>4,164,329</u>		<u>4,203,833</u>		<u>5,417,191</u>		<u>6,163,833</u>		<u>16,216,561</u>	
	-		-		-		-		-		(19,505,666)	
\$	<u>6,564,525</u>	\$	<u>(769,165)</u>	\$	<u>(14,606,004)</u>	\$	<u>(19,924,879)</u>	\$	<u>2,397,405</u>	\$	<u>(15,379,270)</u>	
	9.5%		9.0%		8.5%		9.1%		9.7%		13.1%	

# City of Oceanside

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

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ 25,330,173	\$ 7,111,978	\$ 3,700,253	\$ 3,701,873
Unreserved, designated	-	-	-	-
Unreserved, undesignated	11,359,926	24,706,920	37,879,006	41,657,973
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<b>\$ 36,690,099</b>	<b>\$ 31,818,898</b>	<b>\$ 41,579,259</b>	<b>\$ 45,359,846</b>
All Other Governmental Funds				
Reserved:				
Special revenue funds	\$ 2,611,628	\$ 2,429,146	\$ 3,224,903	\$ 9,014,958
Debt service funds	7,168,681	14,727,685	16,572,344	13,514,019
Capital projects funds	15,097,680	24,380,725	-	14,807,661
Unreserved, designated:				
Special revenue funds	64,926	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	349,671	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	14,554,605	13,047,258	12,607,488	17,875,218
Debt service funds	-	29,524,502	7,689,118	-
Capital projects funds	29,721,530	-	47,606,317	41,465,183
Nonspendable				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	-	-	-	-
Restricted				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	-	-	-	-
Committed				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	-	-	-	-
Assigned				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	-	-	-	-
Unassigned				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	-	-	-	-
<b>Total all other Governmental Funds</b>	<b>\$ 69,568,721</b>	<b>\$ 84,109,316</b>	<b>\$ 87,700,170</b>	<b>\$ 96,677,039</b>
<b>All Governmental Funds</b>	<b>\$ 106,258,820</b>	<b>\$ 115,928,214</b>	<b>\$ 129,279,429</b>	<b>\$ 142,036,885</b>

Note: The City implemented GASB No. 54 in the fiscal year ended June 30, 2010

2007	2008	2009	2010	2011	2012
\$ 3,740,229	\$ 3,607,416	-	-	-	-
-	35,804,645	-	-	-	-
46,202,605	4,711,757	-	-	-	-
-	-	\$ 3,680,434	\$ 11,693,612	\$ 13,378,851	\$ 11,255,881
-	-	-	-	-	-
-	-	15,442,512	15,737,602	15,667,245	16,348,074
-	-	15,680,540	9,051,338	5,806,222	7,472,057
-	-	6,558,093	1,008,053	-	1,997,735
<u>\$ 49,942,834</u>	<u>\$ 44,123,818</u>	<u>\$ 41,361,579</u>	<u>\$ 37,490,605</u>	<u>\$ 34,852,318</u>	<u>\$ 37,073,747</u>
\$ 9,179,056	\$ 22,373,194	-	-	-	-
9,721,949	9,401,419	-	-	-	-
13,727,570	13,525,685	-	-	-	-
-	21,812,104	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45,615,179	14,808,283	-	-	-	-
(12,434,455)	(12,669,680)	-	-	-	-
61,608,352	61,776,493	-	-	-	-
-	-	\$ 214	\$ 23,597,506	\$ 23,575,682	\$ 5,406,933
-	-	-	-	-	-
-	-	13,285,070	18,949,270	335,047	-
-	-	-	4,051,048	24,176,027	-
-	-	1,790,736	7,354,557	7,889,448	7,493,591
-	-	4,412,804	-	-	-
-	-	2,645,521	-	1,432,594	-
-	-	17,306,801	6,489,499	17,881,727	42,681,033
-	-	-	-	-	-
-	-	-	412,349	-	-
-	-	206,462	-	21,030	-
-	-	-	-	-	-
-	-	31,967,903	-	-	-
-	-	-	-	-	-
-	-	54,739,867	56,242,413	46,908,822	-
-	-	3,231,453	2,821,010	1,967,025	4,019,757
-	-	-	-	-	(90,115)
-	-	(13,242,660)	(9,817,564)	(12,029,374)	-
-	-	-	-	-	-
-	-	-	(167,026)	(373,292)	(233,255)
<u>\$ 127,417,651</u>	<u>\$ 131,027,498</u>	<u>\$ 116,344,171</u>	<u>\$ 109,933,062</u>	<u>\$ 111,784,736</u>	<u>\$ 59,277,944</u>
<u>\$ 177,360,485</u>	<u>\$ 175,151,316</u>	<u>\$ 157,705,750</u>	<u>\$ 147,423,667</u>	<u>\$ 146,637,054</u>	<u>\$ 96,351,691</u>

# 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
2003	\$ 19,022,047	\$ 14,377,600	\$ 933,209	\$ 2,057,390	\$ 2,869,643	\$ 2,205,215	\$ 41,465,104
2004	21,166,344	15,298,955	1,351,548	2,239,271	3,155,125	2,871,865	46,083,109
2005	32,063,276	16,802,110	1,525,040	2,473,674	3,519,787	3,171,676	59,555,564
2006	38,983,217	17,404,797	1,451,267	2,908,792	3,711,531	3,671,388	68,130,992
2007	44,484,217	19,548,981	897,005	2,938,174	3,882,369	3,627,323	75,378,069
2008	48,002,987	19,355,845	760,351	3,389,739	3,932,716	3,687,900	79,129,538
2009	49,112,892	18,610,365	666,349	3,889,238	4,130,601	4,064,677	80,474,123
2010	41,072,836	17,045,656	664,486	3,184,613	3,912,710	2,590,262	68,470,562
2011	44,345,948	18,408,283	548,660	3,325,825	4,125,808	2,788,662	73,543,186
2012	45,631,731	18,923,556	627,729	3,817,155	4,041,626	2,557,232	75,599,029
Change 2003-2012	139.9%	31.6%	-32.7%	85.5%	40.8%	16.0%	82.3%

Source: Financial Services Department, Accounting Division

Note: Revenues are from the General Fund only

**THIS PAGE INTENTIONALLY LEFT BLANK**

City of Oceanside

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

Fiscal Year	ASSESSED VALUATIONS			
	Land	Improvements	Personal Property	Total
2003	\$ 3,952,597,283	\$ 6,021,996,378	\$ 210,635,332	\$ 10,185,228,993
2004	4,606,106,935	6,527,429,835	230,249,013	11,363,785,783
2005	5,446,445,740	7,111,669,686	322,243,551	12,880,358,977
2006	6,676,968,166	7,920,412,950	341,089,785	14,938,470,901
2007	8,052,273,214	8,424,362,316	453,725,069	16,930,360,599
2008	8,946,406,079	9,080,678,149	424,946,166	18,452,030,394
2009	9,024,067,353	9,438,343,330	455,685,518	18,918,096,201
2010	8,134,265,718	9,032,754,746	156,958,673	17,323,979,137
2011	7,887,878,904	9,021,522,163	206,519,262	17,115,920,329
2012	7,961,957,259	9,137,698,273	210,019,528	17,309,675,060

Source: County of San Diego

NOTE:

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 Note15: Dissolution of redevelopment agency

EXEMPTIONS					
Homeowner's	Tax Increment	All Other	Net Taxable Value	Direct Tax Rate	Property Tax Revenue
\$ 207,976,179	\$ 452,051,202	\$ 126,357,701	\$ 9,398,843,911	0.202 %	\$ 19,022,047
214,520,710	523,768,158	150,502,216	10,474,994,699	0.202 %	21,166,344
216,130,116	584,103,912	190,068,080	11,890,056,869	0.270 %	32,063,276
222,311,284	697,018,563	202,450,936	13,816,690,118	0.282 %	38,983,217
223,131,924	832,836,578	216,620,223	15,657,771,874	0.284 %	44,484,217
223,068,966	931,606,219	223,594,652	17,073,760,557	0.281 %	48,002,987
223,598,913	1,089,025,866	248,883,479	17,356,587,943	0.283 %	49,112,892
221,666,443	1,105,792,566	249,819,005	15,746,701,123	0.261 %	41,072,836
218,883,810	1,097,822,948	289,636,525	15,509,577,046	0.286 %	44,345,948
215,170,966	*	320,337,222	16,774,166,872	0.265 %	44,410,611



# 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>
2003	0.12456%	0.06215%	0.00075%	1.00000%	1.18746%
2004	0.11032%	0.05932%	0.00067%	1.00000%	1.17031%
2005	0.12550%	0.04989%	0.00000%	1.00000%	1.17539%
2006	0.13498%	0.03393%	0.00000%	1.00000%	1.16891%
2007	0.15597%	0.03022%	0.00000%	1.00000%	1.18619%
2008	0.19334%	0.02793%	0.00000%	1.00000%	1.22127%
2009	0.19342%	0.02075%	0.00000%	1.00000%	1.21417%
2010	0.21311%	0.02318%	0.00000%	1.00000%	1.23629%
2011	0.22287%	0.02507%	0.00000%	1.00000%	1.24794%
2012	0.26110%	0.03004%	0.00000%	1.00000%	1.29114%

(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 Ten Years Ago**

Principal Tax Payers	2012			2003		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Genentech Inc.	\$ 467,313,617	1	2.69%			
P K II El Camino North LP	114,856,130	2	0.66%			
Wyndham Vacation Resorts	101,468,307	3	0.58%			
W2005 M R D Realty LLC	63,000,000	4	0.36%			
Lakeridge-Island Club Apartments Partners	61,429,815	5	0.35%			
Piazza D Oro LLC	61,264,576	6	0.35%			
Cox Communications San Diego	59,565,040	7	0.34%			
A M B D F S Pacific Coast LLC	56,625,896	8	0.33%			
Prime Mesa LP	51,764,815	9	0.30%			
Essex C A L - W A LP	44,795,115	10	0.26%			
Northwestern Mutual Life Ins. Company				\$ 58,534,781	1	0.58%
C T Retail Properties Finance 12 LLC				46,945,570	2	0.47%
Lakeridge Associates				41,380,752	3	0.41%
Pacific Coast Plaza Investments LLC				39,913,900	4	0.40%
Southridge Oxford Limited Partnership				39,213,267	5	0.39%
Sumitomo Metal Mining U.S.A. Inc.				34,675,930	6	0.34%
Cox Communications San Diego				32,987,789	7	0.33%
Riverview Springs Limited				32,768,584	8	0.33%
Concourse Joint Venture				30,537,253	9	0.30%
				29,179,413	10	0.29%
	<u>1,082,083,311</u>		<u>6.22%</u>	<u>386,137,239</u>		<u>3.84%</u>

Source: San Diego County Assessor and HdL Coren & Cone

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
2003	\$ 19,078,758	\$ 17,850,457	93.6%	\$ 215,738	\$ 19,022,047	99.7%	\$ 753,324	3.9%
2004	21,027,106	19,772,652	94.0%	204,803	19,977,454	95.0%	852,186	4.1%
2005	23,664,948	22,246,003	94.0%	192,902	22,438,905	94.8%	1,407,404	5.9%
2006	27,527,769	25,724,882	93.5%	264,784	25,989,665	94.4%	1,669,035	6.1%
2007	31,383,881	28,910,129	92.1%	183,106	29,093,235	92.7%	2,133,102	6.8%
2008	34,633,156	31,292,435	90.4%	700,023	31,992,458	92.4%	2,800,859	8.1%
2009	35,775,425	32,112,699	89.8%	1,091,106	33,203,804	92.8%	2,595,185	7.3%
2010	33,609,099	25,917,944	77.1%	847,183	26,765,127	79.6%	2,363,983	7.0%
2011	32,797,312	29,896,898	91.2%	361,117	30,258,015	92.3%	1,816,848	5.5%
2012	32,816,210	30,357,852	92.5%	72,685	30,430,537	92.7%	1,816,848	5.5%

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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# City of Oceanside

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities					
	Pension Obligation Bonds	Redevelopment Bonds	Capital Leases & Notes Payable	Certificates of Participation	Special Assessment Bonds	Revenue Bonds
2003	\$ -	\$ 42,745,000	\$ 6,939,000	\$ 63,585,000	\$ 5,805,000	\$ 11,015,000
2004	-	60,220,000	7,613,133	63,585,000	2,740,000	10,365,000
2005	-	59,895,000	8,816,880	59,450,000	1,760,000	9,690,000
2006	42,780,000	58,420,000	3,015,944	57,020,000	1,300,000	9,115,000
2007	42,365,000	56,950,000	2,554,195	54,345,000	-	8,525,000
2008	41,825,000	54,975,000	5,589,096	51,535,000	-	7,905,000
2009	41,150,000	52,925,000	5,114,241	48,565,000	-	7,265,000
2010	40,325,000	50,790,000	4,530,024	45,440,000	-	6,595,000
2011	39,345,000	48,560,000	5,042,800	42,145,000	-	5,890,000
2012	38,195,000	*	4,610,611	38,815,000	-	5,165,000

<sup>1</sup> These ratios are calculated using the Price and Population received from the State of California Department of Finance.

\* See Note 15: Dissolution of redevelopment agency

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

---

Business-Type Activities

	Certificates of Participation	Loans Payable	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
\$	26,935,000	\$ 71,862,641	\$ 228,886,641	3.37 %	\$ 1,341
	26,520,000	78,781,943	249,825,076	3.53 %	1,444
	24,795,000	75,605,497	240,012,377	3.42 %	1,374
	23,035,000	74,369,260	269,055,204	3.74 %	1,538
	21,215,000	72,763,761	258,717,956	3.50 %	1,468
	19,335,000	69,208,463	250,372,559	3.41 %	1,406
	27,800,000	50,621,564	233,440,805	3.16 %	1,299
	25,900,000	47,601,969	221,181,993	2.97 %	1,226
	23,930,000	44,513,086	209,425,886	2.74 %	1,245
	22,435,000	41,353,288	150,573,899	1.90 %	888

# City of Oceanside

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

Fiscal Year	Governmental Activities					Total	Percent of Assessed Value <sup>1</sup>	Per Capita	Total Assessed Valuation	Population
	Pension Obligation Bonds	Redevelopment Bonds	Certificates of Participation	Special Assessment Bonds						
2003	\$ -	\$42,745,000	\$38,400,000	\$30,990,000		\$ 112,135,000	1.10%	657	10,185,228,993	170,734
2004	-	60,220,000	63,585,000	2,740,000		126,545,000	1.11%	731	11,363,785,783	173,021
2005	-	59,895,000	59,450,000	1,760,000		121,105,000	0.94%	693	12,880,358,977	174,741
2006	42,780,000	58,420,000	57,020,000	1,300,000		159,520,000	1.07%	912	14,938,470,901	174,953
2007	42,365,000	56,950,000	54,345,000	-		153,660,000	0.91%	872	16,930,360,599	176,271
2008	41,825,000	54,975,000	51,535,000	-		148,335,000	0.80%	833	18,452,030,394	178,102
2009	41,150,000	52,925,000	48,565,000	-		142,640,000	0.75%	794	18,918,096,201	179,681
2010	40,325,000	50,790,000	45,440,000	-		136,555,000	0.78%	757	17,493,006,303	180,376
2011	39,345,000	48,560,000	42,145,000	-		130,050,000	0.76%	773	17,205,265,780	168,173
2012	38,195,000	*	38,815,000	-		77,010,000	0.44%	455	17,381,056,626	169,319

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

\* See Note 15: Dissolution of redevelopment agency

# City of Oceanside

## Direct and Overlapping Governmental Activities Debt As of June 30, 2012

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt		City's Share of Debt 6/30/12
	Debt 6/30/12	% Applicable (1)	
Metropolitan Water District	\$ 196,545,000	0.900%	\$ 1,768,905
Palomar Community College District	318,573,901	5.987%	19,073,019
Carlsbad Unified School District	200,269,282	2.107%	4,219,674
Oceanside Unified School District	232,099,327	99.849%	231,748,857
Vista Unified School District	130,014,882	36.334%	47,239,607
Fallbrook Union High School district	12,430,071	7.192%	893,971
Bonsall Unified School District	16,204,800	20.257%	3,282,606
City of Oceanside Community Facilities District No. 2000-1	24,400,000	100.000%	24,400,000
City of Oceanside Community Facilities District No. 2001-1	20,015,000	100.000%	20,015,000
City of Oceanside Community Facilities District No. 2001-1, Improvement Area No. 1	8,165,000	100.000%	8,165,000
City of Oceanside Community Facilities District No. 2006-1	8,880,000	100.000%	8,880,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 369,686,639
 <u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Diego County General Fund Obligations	\$ 395,115,000	4.727%	\$ 18,677,086
San Diego County Pension Obligations	787,112,618	4.727%	37,206,813
San Diego County Superintendent of Schools Certificates of Participation	18,750,000	4.727%	886,313
Mira Costa Community College District Certificates of Participation	2,740,000	15.023%	416,562
Palomar Community College District Certificates of Participation	5,820,000	5.987%	348,443
Carlsbad Unified School District Certificates of Participation	47,620,000	2.107%	1,003,353
Vista Unified School District Certificates of Participation	5,285,000	36.334%	1,920,252
Bonsall Union School District Certificates of Participation	1,865,000	20.257%	377,793
<b>City of Oceanside General Fund Obligations</b>	<b>38,700,000</b>	<b>100.000%</b>	<b>38,700,000</b>
<b>City of Oceanside Pension Obligations</b>	<b>38,195,000</b>	<b>100.000%</b>	<b>38,195,000</b>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 137,731,618
GROSS COMBINED TOTAL DEBT (2)			\$ 507,418,256 (2)

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.

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

### Ratios to 2011-12 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 2.13%

### Ratios to Adjusted Assessed Valuation:

**Combined Direct Debt (\$76,895,000)** 0.47%

Combined Total Debt 3.11%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12: \$0

Source: California Municipal Statistics, Inc



# City of Oceanside

## Legal Debt Margin Information Last Ten Years

	Fiscal Year			
	2003	2004	2005	2006
Assessed valuation	\$9,398,843,911	\$10,474,994,699	\$ 11,890,056,869	\$13,816,690,118
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	2,349,710,978	2,618,748,675	2,972,514,217	3,454,172,530
Debt limit percentage	15%	15%	15%	15%
Debt limit	352,456,647	392,812,301	445,877,133	518,125,879
Total net debt applicable to limit: General & Pension Obligation Bonds	-	-	-	42,780,000
Legal debt margin	352,456,647	392,812,301	445,877,133	475,345,879
Total debt applicable to the limit as a percentage of the debt limit	0.0%	0.0%	0.0%	8.3%

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

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 15,657,771,874	\$ 17,073,760,557	\$ 17,356,587,943	\$ 17,493,006,303	\$ 17,205,265,780	\$ 17,381,056,626
25%	25%	25%	25%	25%	25%
3,914,442,969	4,268,440,139	4,339,146,986	4,373,251,576	4,301,316,445	4,345,264,157
15%	15%	15%	15%	15%	15%
587,166,445	640,266,021	650,872,048	655,987,736	645,197,467	651,789,623
42,365,000	41,825,000	41,150,000	40,325,000	39,345,000	38,195,000
544,801,445	598,441,021	609,722,048	615,662,736	605,852,467	613,594,623
7.2%	6.5%	6.3%	6.1%	6.1%	5.9%

# City of Oceanside

## Pledged-Revenue Coverage Last Ten Years

Fiscal Year	Water Revenue Bonds						Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	
2003	\$ 37,671,574	\$ 24,185,489	\$13,486,085	\$105,000	\$502,147	\$607,147	22.21
2004	39,255,729	25,928,705	13,327,024	650,000	488,286	1,138,286	11.71
2005	33,147,648	28,772,741	4,374,907	675,000	461,949	1,136,949	3.85
2006	38,067,319	36,127,676	1,939,643	575,000	436,661	1,011,661	1.92
2007	39,415,143	40,413,262	(998,119)	590,000	412,631	1,002,631	(1.00)
2008	42,185,950	40,190,946	1,995,004	620,000	387,214	1,007,214	1.98
2009	42,247,961	40,651,984	1,595,977	640,000	360,279	1,000,279	1.60
2010	43,225,444	44,170,890	(945,446)	670,000	331,779	1,001,779	(0.94)
*2011	47,185,491	43,347,722	3,837,769	705,000	301,176	1,006,176	3.81
*2012	55,177,939	50,913,163	4,264,776	725,000	268,548	993,548	4.29

\*Debt coverage improved due to increase in water revenue. The additional revenue is the result of a rate increase approved by City Council November 2010.

# 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>
2003	170,734	\$ 6,786	\$ 39,750	4.9%
2004	173,021	7,083	40,940	4.9%
2005	174,741	7,011	40,120	4.5%
2006	174,953	7,186	41,070	4.1%
2007	176,271	7,387	41,910	3.8%
2008	178,102	7,335	41,180	4.3%
2009	179,681	7,789	43,352	5.7%
2010	183,095	7,987	43,621	9.3%
2011	168,173	7,381	43,891	10.1%
2012	169,319	7,712	45,546	9.5%

Note: Fiscal Year 2011 reflects the 2010 Federal Census; 2011 and 2012 estimated using the Price and Population information received from the State of California.

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 Ten Years Ago

Business Name	2012	2003
	Business Category	Business Category
7 Eleven	Service Stations	
Apro	Service Stations	
Best Buy	Electronics/Appliance Stores	
Chevron	Service Stations	
CVS Pharmacy	Drug Stores	
Discount Tire	Automotive Supply Store	
Genentech	Drugs/Chemicals	
Home Depot	Lumber/Building Materials	
Kohls	Department Stores	
Lowe's	Lumber/Building Materials	
McDonalds	Restaurants - No Alcohol	
Melrose Arco	Service Stations	
Mission AM PM	Service Stations	
Mobil Oil	Service Stations	
Moshen Oil	Service Stations	
Mossy Nissan	New Motor Vehicle Dealers	
Oceanside Gas & Market	Service Stations	
One Source Distributors	Electrical Equipment	
One Source Supply Solutions	Electrical Equipment	
Ralphs	Grocery Stores Liquor	
Ross	Family Apparel	
San Luis Rey Service Station	Service Stations	
Stater Bros	Grocery Stores Liquor	
Target	Discount Dept Store	
Walmart	Discount Dept Store	
Albertson's		Grocery Stores Liquor
Arco Am Pm Mini Mart		Service Stations
Bed Bath & Beyond		Home Furnishings
Best Buy		Electronics/Appliance Stores
Biggs Harley Davidson		Boats/Motorcycles
Dick's Sporting Goods		Sporting Goods/Bike Stores
Home Depot		Lumber/Building Materials
K Mart		Discount Dept Store
Kia of Oceanside		New Motor Vehicle Sales
Lowe's		Lumber/Building Materials
McDonalds 6278		Restaurants - No Alcohol
Melrose Arco		Service Stations
Mervyns		Department Stores
Mobil Oil		Service Stations
Mossy Nissan		New Motor Vehicle Sales
Motopro		Boats/Motorcycles
Oceanside Ready Mix		Contractors
Ralphs		Grocery Stores Liquor
Sav On Drugs		Drug Stores
Stater Bros		Grocery Stores Liquor
Superior Ready Mix Concrete		Contractors
Target		Discount Dept Store
Toys R Us		Specialty Store
Vons		Grocery Stores Liquor
Walmart		Discount Dept Store
Percent of Fiscal Year Total Paid by Top 25 Accounts	44%	45%

\* Firms listed alphabetically

Source: HdL Coren & Cone

# City of Oceanside

## Full-time Equivalent City Government Employees by Function/Program Last Nine Years

Function	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011*	2012
General Government	118	114	114	117	116	117	105	102	99
Public Safety									
Police	272	281	287	298	323	319	321	321	320
Fire	145	149	149	129	131	129	114	120	118
Public Works	163	167	167	165	119	119	109	121	110
Development Services	33	30	31	32	75	68	51	48	48
Neighborhood Services	48	47	47	79	82	78	71	69	63
Economic & Community Development	13	15	12	14	14	14	14	13	12
Library	76	76	76	44	37	36	35	32	27
Water Utilities	141	141	141	142	141	143	144	143	138
Harbor	41	40	40	39	37	37	26	0	0
Total	1,050	1,060	1,064	1,059	1,075	1,059	990	969	935

Note: The City implemented GASB Statement No. 44 in the fiscal year ended June 30, 2006. Information prior to fiscal year 2004 is not available.

\* Corrected 2011 employee count.

Source: Financial Services Department- Budgeted Positions

# City of Oceanside

## Operating Indicators by Function/Program Last Seven Fiscal Years

	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Police							
Arrests	9,296	10,646	9,139	8,391	7,245	5,961	9,086
Citations	24,502	25,233	22,514	19,697	17,491	23,464	26,639
Fire							
Number of Emergency Calls	11,256	14,090	15,678	15,553	16,692	16,662	17,913
Inspections	2,000	1,700	1,702	1,854	2,000	1,765	1,741
Public Works							
Street Resurfacing (lane miles)	25	25	65	43	54	46	0
Water							
Average Daily Consumption (million gallons)	30	30	30	30	24	23	24
Wastewater							
Average Daily Sewage Treatment (million gallons)	14	13	13	13	12	12	12
Recreation							
Number of Recreation Classes (quarterly)	55	55	157	98	140	120	100
Library							
Total Volumes in Collection	354,105	353,464	298,976	338,773	305,346	274,289	274,097
Total Volumes Loaned	488,848	480,406	516,222	553,323	561,182	497,563	501,410

Note: The City implemented GASB Statement No. 44 in the fiscal year ended June 30, 2006. Information prior to the implementation of GASB Statement 44 is not available.

Source: Various City Departments

**THIS PAGE INTENTIONALLY LEFT BLANK**



# City of Oceanside

## Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
<b>Police</b>				
Number of Police Stations	1	1	1	1
<b>Fire</b>				
Number of Fire Stations	7	7	7	8
Number of Engine Companies	5	5	5	7
Number of Truck/Rescue Companies	2	2	2	1
Number of Ambulances	4	4	4	4
<b>Public Works</b>				
Miles of Streets:	392	394	394	400
Number of Street Lights (City Owned):	7,749	7,823	8,002	8,002
<b>Utilities:</b>				
Miles of Lines and Mains	500	500	500	550
Number of Wastewater Treatment Plants	2	2	2	2
Miles of Sewers	450	450	450	450
<b>Recreation and Cultural:</b>				
Number of Parks (Improved and Unimproved)	38	38	38	38
Area of Parks (In Acres)	592	600	600	600
Recreation & Senior Centers <sup>a</sup>	5	5	5	5
Pools	2	2	2	2
Number of Libraries	2	2	2	3
Number of Library Outlets	n/a	n/a	n/a	n/a
Number of Bookmobiles	2	2	2	2
Computer Terminals for Internet Access (Public)	94	100	100	103
Number of Visitors to Library	n/a	n/a	n/a	570,560

Source: Various City Departments

<sup>a</sup> Estimated

<sup>b</sup> Does not include El Corazon

<sup>c</sup> 2009 included overlapping categories i.e. Linear Park is a sidewalk.

<sup>d</sup> John Landes Recreation Center is currently closed due to budgetary restraints.

Fiscal Year						
2007	2008		2009	2010	2011	2012
1	1		1	1	1	1
8	8		8	8	8	8
6	6		6	6	6	6
2	2		2	2	2	2
4	4		4	4	4	4
400	400		400	400	475	475
8,000	10,000	a	9,345	8,345	8,345	8,345
550	600		600	600	580	580
2	2		2	2	2	2
450	450		450	450	450	450
38	34	c	40	33	33	33
670	375	b	594	810	810	810
5	8		9	6	6	6
2	2		2	2	2	2
2	2		2	2	2	2
2	6		6	4	3	3
2	2		2	1	1	1
106	107		107	76	85	85
609,497	679,120		716,957	576,223	469,610	472,617

**THIS PAGE INTENTIONALLY LEFT BLANK**