

city of
OCEANSIDE CA



Comprehensive Annual Financial Report
For the year ended
June 30, 2014



CITY OF OCEANSIDE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014

Prepared by: Finance Department

CITY OF OCEANSIDE
CALIFORNIA
Comprehensive Annual Financial Report
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014



City Council

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

City Manager
Steve Jepsen
Director of Financial Services
James R. Riley, C.P.A.
Accounting Manager
Jane McPherson, C.P.A.

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CITY OF OCEANSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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City of Oceanside

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

December 10, 2014

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, 2014.

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 unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2014. 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 \$47,768.

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 three legally separate entities for which the City serves as the governing body are also included in this report; the Oceanside Community Development Commission, the Oceanside Small Craft Harbor District, and the Oceanside Public Financing Authority. The City also serves as the Successor Agency for the former Redevelopment Agency. Additional information on these entities is contained in Note 1 and 15 to the Financial Statements.

Economic Outlook

The U.S. economy was and continues to be in the midst of the slow but steady expansion that began four years ago when the Great Recession came to an end. California continues to be a driving force behind the national economic recovery, though the pace of the national recovery remains slow. The State's budget situation has improved sharply predominantly due to the economic recovery, increasing property values, prior budget cuts and temporary taxes provided by Proposition 30.

The City of Oceanside's revenues have stabilized and are projected to increase nominally the next few years. Oceanside's housing market is poised for recovery but the speed and magnitude of the recovery will depend on the overall economy. The median sale price of a single family home in Oceanside increased approximately 16% from September 2012 to September 2013. Sales taxes continue with a modest upward trend, predominantly due to volatile fuel prices.

The City's costs for services have been mitigated due to negotiated MOU's with bargaining groups for employees to pay their full employee-rate of the pension costs as well as capping the City contribution to health insurance payments.

Without further budget adjustments or corrections, a surplus budget is projected for FY 2013-14, and for the following five 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 \$333,350,275.

Debt Administration – As of June 30, 2014 the City had a total of \$150,734,964 in long-term debt. 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 2013-2014 assessed valuation was 2.86% as of June 30, 2014.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both the Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

The preparation and publication of this report would not have been possible without the dedication, 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,

James R. Riley
Financial Services Director

PRINCIPAL OFFICIALS

JUNE 30, 2014

CITY COUNCIL

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

ADMINISTRATION AND DEPARTMENT HEADS

City Manager	Steve Jepsen
City Attorney	John P. Mullen
City Clerk	Zack Beck
City Treasurer	Gary Ernst
Assistant City Manager	Michelle Skaggs-Lawrence
Development Services Director	Vacant
Financial Services Director	James R. Riley
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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

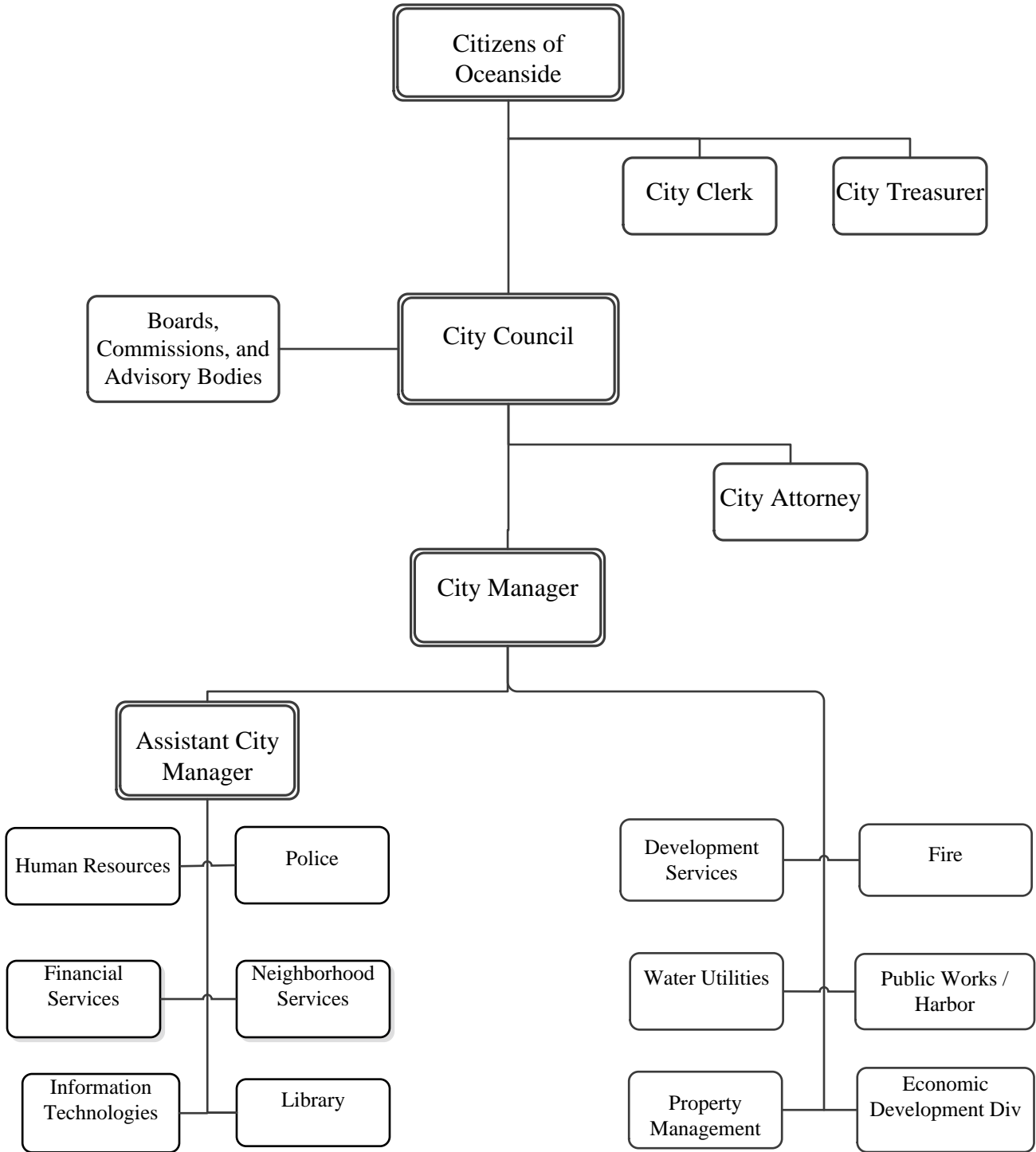
Presented to

**City of Oceanside
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

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 City of Oceanside, California, (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 Comptroller 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

Opinions

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information for the General Fund, Grants Fund, and Housing Assistance Program Fund as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic 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.



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

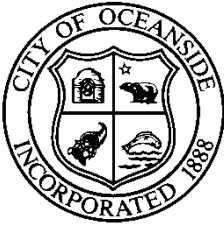
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the City's internal control over financial reporting and compliance.

Lance, Solt & Luyhard, LLP

Brea, California
December 2, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2014

This discussion and analysis of the City of Oceanside's financial performance provides an overview of the fiscal year ended June 30, 2014. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements. A glossary has been provided at the end of this analysis to assist the reader in understanding the terminology used within.

FINANCIAL HIGHLIGHTS

- The City's Total Assets increased overall by \$34.9 million. This is composed of a \$7.1 million increase in Governmental activities and \$27.8 million increase in Business-Type activities.
- The City's Total Net Position increased overall by \$28.7 million. Total Assets increased \$34.9 million and Total Liabilities increased \$6.2 million (due to increase in long term debt).
- Total Net Position was restated by (\$41,287) due to corrections to prior year (see Note 14 in the Notes to the Financial Statements for additional information)
- The City's total revenues increased \$9.8 million from 2013
 - Governmental activities revenues were consistent with 2013.
 - Business-Type activities revenues increased \$9.8 million.
- The City's total expenses increased \$9.4 million from 2013
 - Governmental activities expenses increased \$4.6 million
 - Business-Type activities expenses decreased \$4.8 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). 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 Position and the Statement of Activities

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

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

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

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

Governmental activities - Most of the City's basic services are reported in this category, including General Government, Public Safety, Public Works, Community Development and Community/Cultural Services (including 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 Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City's enterprise funds are the same as the Business-Type activities we report in the Government-Wide statements but provide more detail and additional information, such as cash flows. We use internal service funds (such as the City's Self-Insurance, Fleet Operations and Information Technology funds) to report activities that provide supplies and services to the City's other programs and activities. The Internal Service funds are reported with Governmental activities in the Government-Wide financial statements.

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

Net Position - The City's combined Net Position (i.e. inclusive of *all* City funds) for the fiscal year ended June 30, 2014, are compared to results for 2013 in Table 1.

Table 1

City of Oceanside Net Position						
(in millions of dollars)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current & other assets	\$ 230.4	\$ 215.6	\$ 159.5	\$ 121.4	\$ 389.9	\$ 337.0
Net pension assets	34.5	35.4	0.0	0.0	34.5	35.4
Capital assets	<u>267.0</u>	<u>273.8</u>	<u>434.0</u>	<u>444.3</u>	<u>701.0</u>	<u>718.1</u>
Total assets	<u>531.9</u>	<u>524.8</u>	<u>593.4</u>	<u>565.7</u>	<u>1125.5</u>	<u>1090.5</u>
Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>.3</u>	<u>.2</u>	<u>.3</u>	<u>.2</u>
Long-term debt outstanding	100.0	101.8	72.1	65.8	172.1	167.6
Other liabilities	<u>10.1</u>	<u>9.2</u>	<u>13.3</u>	<u>12.5</u>	<u>23.4</u>	<u>21.7</u>
Total liabilities	<u>110.1</u>	<u>111.0</u>	<u>85.4</u>	<u>78.3</u>	<u>195.5</u>	<u>189.3</u>
Net Position						
Net investment in capital assets	232.9	241.1	364.3	380.7	597.2	621.8
Restricted	116.2	113.5	63.1	26.9	179.3	140.4
Unrestricted	<u>72.7</u>	<u>59.2</u>	<u>80.9</u>	<u>80.0</u>	<u>153.6</u>	<u>139.2</u>
Total Net Position	<u>\$421.8</u>	<u>\$ 413.8</u>	<u>\$508.3</u>	<u>\$ 487.6</u>	<u>\$930.1</u>	<u>\$ 901.4</u>

Net Position represents the most simple test of financial health for the City, indicating the excess (or deficit) of assets and deferred outflows of resources over liabilities. Net Position for the City as a whole increased 3.2% from \$901.4 million at June 30, 2013, to \$930.1 million at June 30, 2014. The \$28.7 million increase in Total Net Position is based on the fact that Total Assets have increased, with unrestricted Net Position increasing significantly from the prior year.

- The overall increase in Total Assets is \$35 million. The Governmental activities total Assets increased \$7.1 million with higher cash/investments offsetting decreases to pension and capital assets. The Business-Type Total Assets activities increased \$27.7 million with higher cash/investments offsetting decreases to capital assets. In summary, the Governmental increase \$7.1 million plus the Business-Type increase \$27.7 million results in an overall *increase* to the City's Total Assets of \$35 million.
- The overall increase in Total Liabilities is \$6.2 million which is the net change attributable to the \$4.5 million increase in the long-term debt and \$1.7 million increase in other liabilities in the Governmental and Business activities (deposits payable, accounts payable and unearned revenue).
- The increase of Total Assets of \$35 million along with a increase of Total Liabilities of \$6.2 million has increased the City's Total Net Position by \$28.7 million or a 3.2% increase from 2013.

As illustrated in Table 2, Total Net Position are comprised of three categories, Net Investment in Capital Assets, Restricted and Unrestricted. The City's Net Investment in Capital Assets makes up over 66% of the City's Total Net Position. A \$38.9 million increase in Restricted Net Position is predominantly due to an increase in restriction for Capital Assets. Business-Type activities reflect increases in restrictions for water/sewer capital projects. The City's total Unrestricted Net Position increased \$14.4 million. The Governmental Unrestricted Net Position category increased \$13.5 million and the Business-Type Unrestricted Net Position category had a positive \$1.1 million increase.

Table 2

City of Oceanside										
Summary of Net Position (in millions)										
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net Investment in Capital Assets	\$314.7	\$338.7	\$380.5	\$419.4	\$442.0	\$635.2	\$630.7	\$629.0	\$621.9	\$597.2
Restricted	101.3	111.6	125.8	132.5	97.4	110.0	141.1	150.1	140.4	179.3
Unrestricted	<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>	<u>139.2</u>	<u>153.6</u>
Total Net Position	\$532.2	\$555.7	\$615.1	\$656.1	\$656.2	\$840.0	\$854.4	\$873.1	\$901.5	\$930.1
\$ increase from prior year	\$24.7	\$23.5	\$ 59.4	\$41.0	\$ 0.1	\$183.8	\$14.1	\$18.6	\$28.5	\$28.6
3% increase from prior year	4.87%	4.42%	10.69%	6.67%	0.02%	28.01%	1.68%	2.19%	3.3%	3.17%

Total City Activities - The City's combined Activities for the fiscal year ended June 30, 2014, is compared to results for 2013 in Table 3. The Statement of Activities reveals an increase of revenues of \$9.8 million from 2013 and expenses increased \$9.4 million. Total revenues less expenditures increased Net Position by \$0.4 million. The majority of this increase was in the Business-Type activities.

Governmental Activities increased Net Position (including transfers) by \$8.1 million in 2014, compared to the \$12.1 million increase in 2013 as identified in Table 3. Increased interest income and unrealized gains of \$3.0 million in our investment portfolio along with \$3.1 million increased charges for services were offset by the \$5.7 million decrease of other revenue (sale of property in 2013). Expenses increased by \$4.6 million in 2014 from 2013. General Government expenses increased \$1.6 million, Public Safety was flat, Public Works increased \$2.1 million and Community Development decreased \$0.5 million. Interest on long-term debt decreased \$0.7 million. Overall, the increase to Net Position for Governmental activities can be attributed to overall revenue and transfers increases.

Table 3

City of Oceanside Activities						
(in thousands of dollars)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
<i>Program Revenues</i>						
Charges for services	\$26,892	\$23,818	\$136,437	\$126,909	\$163,329	\$150,727
Operating grants and contributions	34,769	31,217	0	586	34,769	31,803
Capital grants and contributions	732	5,593	0	0	732	5,593
<i>General Revenues</i>						
Property taxes	49,143	49,143	0	0	49,143	49,143
Sales taxes	20,960	20,716	0	0	20,960	20,716
Other taxes	12,405	11,737	0	0	12,405	11,737
Use of money and property	7,849	4,829	1,959	(536)	9,808	4,293
Other*	<u>8,204</u>	<u>13,890</u>	<u>2,032</u>	<u>3,654</u>	<u>10,236</u>	<u>17,544</u>
Total Revenues	<u>160,954</u>	<u>160,943</u>	<u>140,428</u>	<u>130,613</u>	<u>301,382</u>	<u>291,556</u>
Expenses						
General government	16,456	14,830	0	0	16,456	14,830
Public safety	76,487	76,559	0	0	76,487	76,559
Public works	30,469	28,329	0	0	30,469	28,329
Community development	24,559	25,083	0	0	24,559	25,083
Community/cultural services	14,051	11,911	0	0	14,051	11,911
Interest on long-term debt	2,153	2,861	0	0	2,153	2,861
Water	0	0	56,801	51,800	56,801	51,801
Sewer	0	0	31,538	31,341	31,538	31,341
Waste disposal	0	0	18,746	19,218	18,746	19,218
Other	<u>0</u>	<u>0</u>	<u>1,459</u>	<u>1,403</u>	<u>1,459</u>	<u>1,403</u>
Total Expenses	<u>164,175</u>	<u>159,573</u>	<u>108,544</u>	<u>103,762</u>	<u>272,719</u>	<u>263,335</u>
Increase (decrease) in net position before transfers	(3,221)	1,370	31,884	26,851	28,663	28,221
Transfers	11,287	10,741	(11,287)	(10,741)	0	0
Increase in net position	8,066	12,111	20,597	16,110	28,663	28,221
Beginning net position as restated	<u>413,768</u>	<u>401,745</u>	<u>487,685</u>	<u>471,528</u>	<u>901,453</u>	<u>873,273</u>
Ending net position	<u>\$421,834</u>	<u>\$ 413,856</u>	<u>\$508,282</u>	<u>\$ 487,638</u>	<u>\$ 930,116</u>	<u>\$ 901,494</u>

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

Chart 1

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

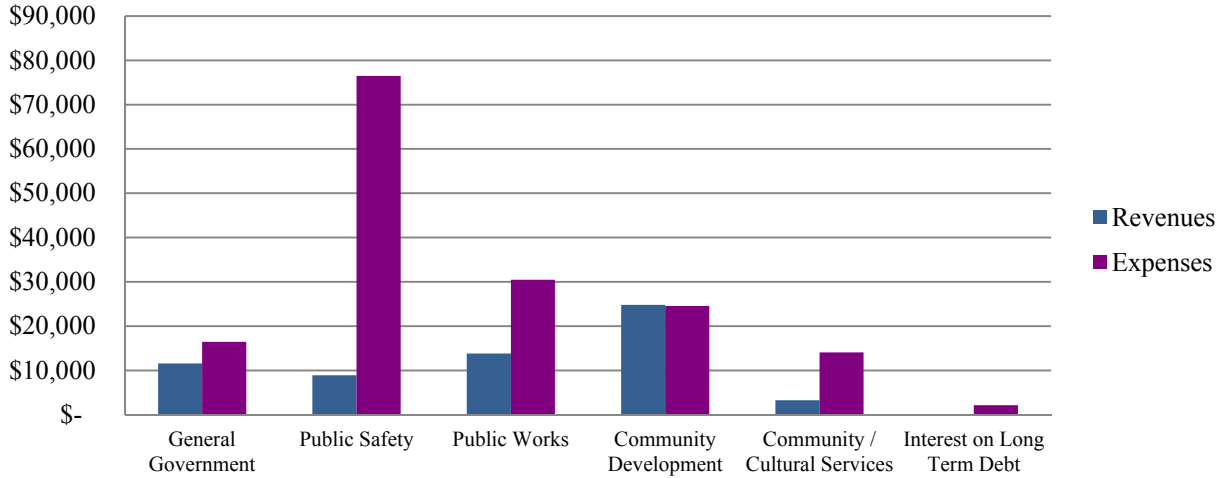
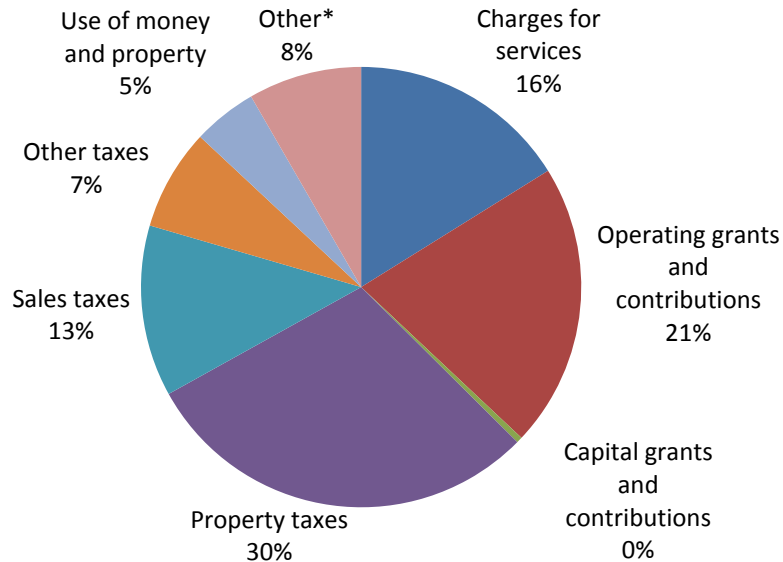


Chart 2 shows that Property Tax, Operating Grants and Contributions, Charges for Service and Sales Tax which are the top four categories of revenue and comprise 82% of funding for Government activities. The *Other* category includes proceeds from the disposition of City real property, intergovernmental administrative fees, developer contributions, and miscellaneous revenues.

Chart 2

Governmental Revenues



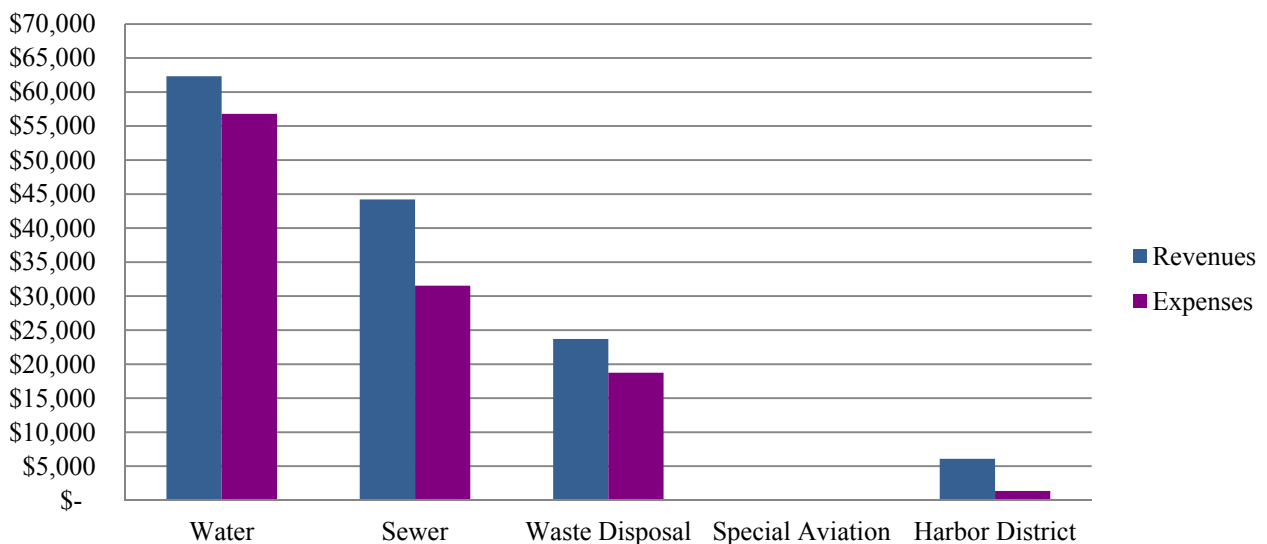
Business-Type Activities for the City of Oceanside include Water, Sewer, Waste Disposal, Harbor, and Special Aviation. These activities increased Net Position (including transfers) by \$20.6 million from the last fiscal year as noted on Table 3. Revenues increased \$9.8 million due to increases in service fees for water and sewer services. Expenses increased by \$4.8 million from 2013 due to an increase in Water expenses. Transfers out (a deduction to Net Position) increased by \$.5 million from the prior year.

The Statement of Revenues, Expenses, and Changes in Net Position for proprietary funds indicate an increase of \$7.9 million in operating revenues from the previous year. The Water and Sewer operating revenue increased \$4.4 and \$3.3 million, respectively, Harbor revenues increased \$31 thousand, and the Waste Disposal operating revenue increased \$0.2 million. Operating expenses for Water increased \$4.1 million and Sewer increased \$.7 million. Administrative costs increased, along with the cost of purchased water, and maintenance and operations costs for Water and Sewer. Waste Disposal expenses decreased \$0.5 million. Harbor operating expenses increased \$0.1 million. 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 2014 with a total net operating income of \$31.9 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 \$52.7 million at year-end for the City's General Fund, as shown on the Balance Sheet, is an increase of \$4.0 million from 2013. Of this total amount, \$11.2 million is nonspendable, \$17.5 million is committed, \$15.7 million is assigned, and \$8.4 million is unassigned. The unassigned 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 \$4.0 million increase in the General Fund balance. General Fund revenues were flat as compared to 2013 increasing \$131,308. General Fund expenditures increased overall \$6.3 million or 5.2%. Other Financing Sources includes a transfer in of \$12.4 million of which \$5.1 million came from the Harbor fund for harbor administrative, maintenance and police services, \$5.5 million from Water and Waste Disposal funds for administrative services, and \$1.2 million from other governmental funds. Other Financing Sources also includes a transfer out of \$4.7 million for grants, and other governmental funds.

The fund balance of Grants Special Revenue Fund increased \$.7 million. Revenues increased \$1.0 million and expenditures increased \$.7 million.

The fund balance of the Housing Assistance Program Special Revenue Fund increased \$.5 million. Revenues increased \$.2 million and expenditures decreased \$1.3 million as compared to 2013.

The fund balance of \$50.7 million in total other governmental funds increased \$4.1 million from 2013. The increase is due to higher returns on investments.

Debt Administration

Debt of Governmental activities realized a net decrease of \$1.4 million. The 2013 Streetlight Retrofit lease agreement (\$4,731,027) offset by net incurred compensated and claims payable contributed to the decrease. 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				
	Balance <u>June 30, 2013</u>	Incurred <u>or Issued</u>	Satisfied <u>or Matured</u>	Balance <u>June 30, 2014</u>
Governmental Activities				
Certificates of Participation	\$32,056,636	0	(\$3,533,306)	\$28,523,330
Capital Leases Payable	611,468	4,731,027	(338,697)	5,003,798
Notes Payable	3,067,000	0	(124,000)	2,943,000
Pension Obligation Bonds	36,860,000	0	(1,535,000)	35,325,000
Claims Payable	15,273,815	3,982,334	(4,979,479)	14,276,670
Compensated Absences	10,924,642	4,449,253	(4,691,580)	10,682,315
Other Post-Employment Benefits	<u>2,358,851</u>	<u>289,823</u>	<u>0</u>	<u>2,648,674</u>
Total Governmental Activities	\$101,152,412	\$13,452,437	\$15,202,062	\$99,402,787

Debt of the Business-Type activities increased in the fiscal year ending 2014 by \$4.3 million. The 2013A Water Refunding bonds (\$19,490,000) were issued to prepay all of City of Oceanside 1998 water revenue refunding bonds, City of Oceanside revenue certification of participation series 2003 and to finance certain improvements. 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				
	Balance July 1, 2013	Incurred or Issued	Satisfied, Adjusted or Matured	Balance June 30, 2014
Business-Type Activities				
Bonds Payable	\$19,535,000	\$21,445,000	(\$6,520,000)	34,470,000
Certificates of Participation	6,020,000	0	(6,020,000)	0
Notes Payable	36,248,337	0	(4,565,993)	31,682,344
Compensated Absences	<u>2,151,221</u>	<u>919,533</u>	<u>(973,937)</u>	<u>2,096,817</u>
Total Business-Type Activities	\$63,954,558	\$22,374,533	(\$18,079,930)	\$68,249,161

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, 2014, net capital assets of the Governmental activities totaled \$267.0 million and the net capital assets of the Business-Type activities totaled \$433.9 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

City of Oceanside				
Capital Assets				
Description	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Land	\$ 43,439,626	\$ 43,439,626	\$ 29,613,703	\$ 29,613,703
Buildings	74,758,564	74,758,564	187,180,469	183,917,649
Improvements	33,492,668	33,492,668	530,886,765	530,580,172
Equipment	64,314,783	64,631,032	12,532,257	12,670,894
Construction in Progress	8,024,383	6,683,159	8,547,222	7,248,821
Infrastructure	<u>306,697,736</u>	<u>302,413,084</u>	<u>0</u>	<u>0</u>
Capital Assets	530,727,760	525,418,133	768,760,416	764,031,239
Accumulated Depreciation	<u>(263,732,971)</u>	<u>(251,600,125)</u>	<u>(334,822,738)</u>	<u>(319,761,708)</u>
Total Capital Assets	\$266,994,789	\$ 273,818,008	\$433,937,678	\$444,269,531

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

Budgets and Budgetary Accounting

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

General Fund Budget – Table 7 is a comparison of actual revenues/expenditures versus the amended budget. It is inclusive of Fund 101 (General Fund) and Fund 102 (Investment Clearing Fund). Revenues received were approximately \$2.1 million more than the amended budget due to on-going increases in sales and other taxes, interest/rentals, and other revenues. Charges to appropriations were \$3.5 million less than the amended budget. Overall, actual revenues exceeded expenditures and transfers by approximately \$4.1 million which increased the General Fund balance. In accordance with the City's Administrative Directive-20, approximately \$.8 million was carried forward to FY 2014-2015 for continued appropriation of incomplete projects and \$1.9 million has been set aside for specific council directed projects. The remaining \$1.4 million is designated as unassigned.

Table 7

City of Oceanside			
General Fund Comparison – Actual and Budget			
	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance (Pos)/(Neg)</u>
Resources (inflows)			
Taxes	\$81,435,423	\$82,818,776	\$1,383,353
Licenses and Permits	2,003,246	1,828,707	(174,539)
Fines and Forfeitures	4,031,527	4,211,163	179,636
Interest and Rentals	3,968,240	5,180,440	1,212,200
Intergovernmental Revenue	538,744	491,859	(46,885)
Charges for Services (includes Admin/In-Lieu)	14,897,743	14,781,927	(115,816)
Other Revenue	<u>20,007,239</u>	<u>19,685,604</u>	<u>95,772</u>
Amount Available for Appropriation	<u>126,882,162</u>	<u>128,998,476</u>	<u>2,116,314</u>
Charges to Appropriations (outflows)			
General Government	16,469,825	15,518,028	1,131,797
Public Safety	74,901,643	74,594,855	306,788
Public Works	12,904,052	12,153,066	750,986
Community Development	7,510,918	6,729,258	781,660
Community/Cultural Services	11,642,871	11,000,672	642,199
Capital Outlay/Debt Service	<u>203,122</u>	<u>154,744</u>	<u>45,378</u>
Charges to Appropriations	<u>123,632,431</u>	<u>0</u>	<u>0</u>
Transfers Out	<u>4,721,960</u>	<u>4,721,717</u>	<u>243</u>
Total Charges to Appropriations and Transfers	<u>\$128,354,391</u>	<u>\$124,872,340</u>	<u>\$3,482,051</u>
Excess of Resources Over (Under)		<u>\$4,126,136</u>	
Charges to Appropriations and Transfers as 6/30/2014			

Table 8 compares the General Fund (inclusive of Fund 101 General Fund and Fund 102 Investment Clearing Fund) original adopted budget of \$122,598,947 to the final budget amount of \$128,354,391 which shows an overall amended increase of \$5,755,444 as delineated below. The variance between the adopted and amended budget includes for continuing appropriations and one-time operating and capital expenditures approved by City Council.

Table 8

City of Oceanside			
General Fund Budget Comparison As Adopted and Amended			
	<u>Adopted</u>	<u>Amended</u>	<u>Increase/ (Decrease)</u>
General Government			
Operational	\$10,456,534	\$10,707,491	\$250,957
Non-Departmental	5,969,666	5,762,334	207,332
Public Safety			
Police	49,373,941	50,061,446	687,505
Fire	24,480,987	24,840,197	359,210
Public Works	12,787,833	12,904,052	116,219
Community Development			
Planning	2,338,171	2,498,539	160,368
Building	1,939,974	2,035,629	95,655
Engineering	2,942,738	2,976,750	34,012
Community and Cultural Services			
Economic and Community Development	1,261,890	1,243,521	18,369
Library	4,565,296	4,671,364	106,068
Neighborhood Services	4,655,731	4,763,666	107,935
Property Management	839,395	964,320	124,925
Transfers/Capital Outlay/Debt	<u>986,791</u>	<u>4,925,082</u>	<u>3,938,291</u>
Total Budget	<u>\$122,598,947</u>	<u>\$128,354,391</u>	<u>\$5,755,444</u>

GLOSSARY

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Office of the Director of Financial Services at 300 North Coast Highway, Oceanside, California, 92054 or phone (760) 435-3830.

CITY OF OCEANSIDE

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 138,320,772	\$ 129,464,745	\$ 267,785,517
Restricted cash and investments	4,844,896	12,188,417	17,033,313
Receivables:			
Accounts	6,256,408	12,823,775	19,080,183
Taxes	4,570,935	-	4,570,935
Notes	73,132,162	577,531	73,709,693
Interest	599,158	5,786	604,944
Other	3,222,735	-	3,222,735
Internal balances	(3,496,755)	3,496,755	-
Prepaid costs	93,661	18,832	112,493
Due from other governments	1,933,398	-	1,933,398
Inventories	260,657	860,406	1,121,063
Net pension asset	34,490,351	-	34,490,351
Land held for resale	700,000	-	700,000
Capital assets not being depreciated	51,464,009	38,160,925	89,624,934
Capital assets, net of depreciation	215,530,780	395,776,753	611,307,533
Total Assets	531,923,167	593,373,925	1,125,297,092
Deferred Outflows of Resources:			
Deferred charge on refunding	-	290,983	290,983
Total Deferred Outflows of Resources	-	290,983	290,983
Liabilities:			
Accounts payable	5,288,672	10,707,200	15,995,872
Accrued liabilities	2,147,855	301,974	2,449,829
Accrued interest	1,010,849	493,977	1,504,826
Unearned revenue	650,021	393,886	1,043,907
Deposits payable	860,559	1,450,641	2,311,200
Due to other governments	156,165	-	156,165
Noncurrent liabilities:			
Due within one year	14,978,485	6,677,324	21,655,809
Due in more than one year	84,996,663	65,358,228	150,354,891
Total Liabilities	110,089,269	85,383,230	195,472,499
Net Position:			
Net investment in capital assets	232,895,300	364,289,926	597,185,226
Restricted for:			
Public safety	1,017,314	-	1,017,314
Capital projects	28,513,779	56,127,650	84,641,429
Debt service	2,237,378	1,000,178	3,237,556
Lighting and landscape districts	6,339,649	-	6,339,649
Community development projects	478,397	-	478,397
Highways	10,855,967	-	10,855,967
Housing program	12,639,959	-	12,639,959
Rate stabilization	-	5,944,326	5,944,326
Unrestricted	126,856,155	80,919,598	207,775,753
Total Net Position	\$ 421,833,898	\$ 508,281,678	\$ 930,115,576

CITY OF OCEANSIDE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 16,455,355	\$ 5,039,215	\$ 6,545,177	\$ -
Public safety	76,486,996	6,673,108	2,237,756	-
Community development	24,559,378	6,687,509	18,097,291	-
Community/cultural services	14,051,321	1,126,533	1,918,241	237,563
Public works	30,469,085	7,365,266	5,970,366	494,674
Interest on long-term debt	2,153,456	-	-	-
Total Governmental Activities	164,175,591	26,891,631	34,768,831	732,237
Business-Type Activities:				
Water	56,800,583	62,320,181	-	-
Sewer	31,537,700	44,210,556	-	-
Waste Disposal	18,745,866	23,706,070	-	-
Special Aviation	86,988	104,298	-	-
Oceanside Small Craft Harbor District	1,372,653	6,095,895	-	-
Total Business-Type Activities	108,543,790	136,437,000	-	-
Total Primary Government	\$ 272,719,381	\$ 163,328,631	\$ 34,768,831	\$ 732,237

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Use of money and property

Other

Gain on sale of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (4,870,963)	\$ -	\$ (4,870,963)
(67,576,132)	-	(67,576,132)
225,422	-	225,422
(10,768,984)	-	(10,768,984)
(16,638,779)	-	(16,638,779)
(2,153,456)	-	(2,153,456)
(101,782,892)	-	(101,782,892)
-	5,519,598	5,519,598
-	12,672,856	12,672,856
-	4,960,204	4,960,204
-	17,310	17,310
-	4,723,242	4,723,242
-	27,893,210	27,893,210
(101,782,892)	27,893,210	(73,889,682)
49,142,577	-	49,142,577
4,707,473	-	4,707,473
20,960,270	-	20,960,270
4,112,292	-	4,112,292
2,449,210	-	2,449,210
1,136,262	-	1,136,262
7,849,076	1,959,130	9,808,206
8,100,064	2,024,680	10,124,744
104,999	6,357	111,356
11,286,667	(11,286,667)	-
109,848,890	(7,296,500)	102,552,390
8,065,998	20,596,710	28,662,708
413,855,576	487,638,579	901,494,155
(87,676)	46,389	(41,287)
\$ 421,833,898	\$ 508,281,678	\$ 930,115,576

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City reports the following major governmental funds:

The **General Fund** is used to account for resources 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, 2014**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Grants</u>	<u>Housing Assistance Program</u>
Assets:			
Cash and investments	\$ 39,846,837	\$ 6,851,516	\$ 2,374,235
Restricted cash and investments	-	-	-
Receivables:			
Accounts	4,708,744	1,303,451	34,544
Taxes	4,570,935	-	-
Notes	12,778,796	38,801,828	20,917,243
Accrued interest	586,263	-	-
Other	3,217,683	-	-
Prepaid costs	62,711	-	-
Due from other governments	-	909,562	4,696
Due from other funds	311,054	-	-
Advances to other funds	1,474,017	-	-
Inventories	13,876	-	-
Land held for resale	700,000	-	-
Total Assets	<u>\$ 68,270,916</u>	<u>\$ 47,866,357</u>	<u>\$ 23,330,718</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 2,110,889	\$ 940,961	\$ 44,746
Accrued liabilities	1,929,359	41,754	29,645
Unearned revenues	117,410	532,611	-
Deposits payable	754,489	-	106,070
Due to other governments	-	-	156,165
Due to other funds	-	-	-
Advances from other funds	-	100,000	-
Total Liabilities	<u>4,912,147</u>	<u>1,615,326</u>	<u>336,626</u>
Deferred Inflows of Resources:			
Unavailable revenues	10,631,330	39,402,935	16,612,870
Total Deferred Inflows of Resources	<u>10,631,330</u>	<u>39,402,935</u>	<u>16,612,870</u>
Fund Balances:			
Nonspendable	11,168,901	-	-
Restricted	-	6,848,096	6,381,222
Committed	17,526,258	-	-
Assigned	15,679,811	-	-
Unassigned	8,352,469	-	-
Total Fund Balances	<u>52,727,439</u>	<u>6,848,096</u>	<u>6,381,222</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 68,270,916</u>	<u>\$ 47,866,357</u>	<u>\$ 23,330,718</u>

CITY OF OCEANSIDE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Cash and investments	\$ 46,417,635	\$ 95,490,223
Restricted cash and investments	4,594,896	4,594,896
Receivables:		
Accounts	199,851	6,246,590
Taxes	-	4,570,935
Notes	634,295	73,132,162
Accrued interest	12,895	599,158
Other	5,052	3,222,735
Prepaid costs	4,626	67,337
Due from other governments	1,019,140	1,933,398
Due from other funds	-	311,054
Advances to other funds	-	1,474,017
Inventories	-	13,876
Land held for resale	-	700,000
Total Assets	\$ 52,888,390	\$ 192,356,381
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 761,849	\$ 3,858,445
Accrued liabilities	32,422	2,033,180
Unearned revenues	-	650,021
Deposits payable	-	860,559
Due to other governments	-	156,165
Due to other funds	311,054	311,054
Advances from other funds	-	100,000
Total Liabilities	1,105,325	7,969,424
Deferred Inflows of Resources:		
Unavailable revenues	1,114,411	67,761,546
Total Deferred Inflows of Resources	1,114,411	67,761,546
Fund Balances:		
Nonspendable	-	11,168,901
Restricted	48,853,125	62,082,443
Committed	-	17,526,258
Assigned	1,908,608	17,588,419
Unassigned	(93,079)	8,259,390
Total Fund Balances	50,668,654	116,625,411
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,888,390	\$ 192,356,381

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CITY OF OCEANSIDE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Fund balances of governmental funds		\$ 116,625,411
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		261,263,387
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Certificates of participation	\$ (29,095,691)	
Pension obligation bonds	(35,325,000)	
Capital leases payable	(5,003,798)	
Notes payable	(2,943,000)	
Compensated Absences	<u>(9,858,172)</u>	(82,225,661)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.		(2,648,674)
Pension contributions were expenditures in the fund financial statements but are deferred and subject to capitalization and amortization on the Statement of Net Position.		34,490,351
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(1,010,849)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		67,761,546
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 position.		<u>27,578,387</u>
Net Position of governmental activities		<u>\$ 421,833,898</u>

CITY OF OCEANSIDE

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds		
	General	Grants	Housing Assistance Program
Revenues:			
Taxes	\$ 82,818,776	\$ -	\$ -
Licenses and permits	1,828,707	-	295,733
Intergovernmental	491,859	4,052,827	14,571,847
Charges for services	14,781,927	16,130	72,129
Interest and rentals	5,180,440	(29,353)	658,255
Fines and forfeitures	4,211,163	-	-
Developer participation	-	594,848	-
Administrative and in lieu charges	6,751,815	-	-
Miscellaneous	577,887	24,860	419,082
Total Revenues	116,642,574	4,659,312	16,017,046
Expenditures:			
Current:			
General government	15,518,028	-	-
Public safety	74,594,855	1,847,681	-
Community development	6,729,258	1,447,627	15,552,983
Community/cultural services	11,000,672	572,380	-
Public works	12,153,066	56,670	-
Capital outlay	17,585	213,155	-
Debt service:			
Principal retirement	113,006	-	-
Interest and fiscal charges	24,153	-	-
Total Expenditures	120,150,623	4,137,513	15,552,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,508,049)	521,799	464,063
Other Financing Sources (Uses):			
Transfers in	12,355,902	254,626	-
Transfers out	(4,721,717)	(102,840)	-
Capital leases issued	-	-	-
Total Other Financing Sources (Uses)	7,634,185	151,786	-
Net Change in Fund Balances	4,126,136	673,585	464,063
Fund Balances, Beginning of Year	48,697,359	6,174,511	5,917,159
Restatements	(96,056)	-	-
Beginning of Year as Restated	48,601,303	6,174,511	5,917,159
Fund Balances, End of Year	\$ 52,727,439	\$ 6,848,096	\$ 6,381,222

CITY OF OCEANSIDE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 82,818,776
Licenses and permits	47,520	2,171,960
Intergovernmental	7,921,657	27,038,190
Charges for services	275,300	15,145,486
Interest and rentals	906,405	6,715,747
Fines and forfeitures	-	4,211,163
Developer participation	1,903,321	2,498,169
Administrative and in lieu charges	2,445,871	9,197,686
Miscellaneous	7,868,398	8,890,227
Total Revenues	21,368,472	158,687,404
Expenditures:		
Current:		
General government	39,046	15,557,074
Public safety	4,081	76,446,617
Community development	970,129	24,699,997
Community/cultural services	264,135	11,837,187
Public works	7,152,286	19,362,022
Capital outlay	9,378,447	9,609,187
Debt service:		
Principal retirement	5,417,997	5,531,003
Interest and fiscal charges	2,267,901	2,292,054
Total Expenditures	25,494,022	165,335,141
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,125,550)	(6,647,737)
Other Financing Sources (Uses):		
Transfers in	5,325,172	17,935,700
Transfers out	(1,855,605)	(6,680,162)
Capital leases issued	4,731,027	4,731,027
Total Other Financing Sources (Uses)	8,200,594	15,986,565
Net Change in Fund Balances	4,075,044	9,338,828
Fund Balances, Beginning of Year	46,585,230	107,374,259
Restatements	8,380	(87,676)
Beginning of Year as Restated	46,593,610	107,286,583
Fund Balances, End of Year	\$ 50,668,654	\$ 116,625,411

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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, 2014**

Net change in fund balances - total governmental funds \$ 9,338,828

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 6,781,811	
Depreciation	(12,499,402)	
Gain/(loss) on sale of capital assets	<u>(153,940)</u>	(5,871,531)

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 Position.

(4,731,027)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal repayments	5,068,306	
Loan repayments	124,000	
Lease repayments	338,697	
Amortization of bond premium	<u>51,662</u>	5,582,665

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

86,936

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.

291,247

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.

(289,823)

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 Position.

(947,919)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

2,162,519

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.

2,444,103

Change in net position of governmental activities

\$ 8,065,998

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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 POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Waste Disposal
Assets:			
Current:			
Cash and investments	\$ 70,448,157	\$ 47,256,671	\$ 7,248,432
Restricted cash and investments	11,177,895	1,000,178	-
Receivables:			
Accounts	7,330,521	4,622,146	649,706
Notes and loans	577,531	-	-
Accrued interest	-	5,786	-
Prepaid costs	18,832	-	-
Inventories	367,092	493,314	-
Total Current Assets	89,920,028	53,378,095	7,898,138
Noncurrent:			
Advances to other funds	3,280,662	-	-
Capital assets - net of accumulated depreciation	181,326,777	237,444,751	35,328
Total Noncurrent Assets	184,607,439	237,444,751	35,328
Total Assets	274,527,467	290,822,846	7,933,466
Deferred Outflows of Resources:			
Deferred charge on refunding	95,555	195,428	-
Total Deferred Outflows of Resources	95,555	195,428	-
Liabilities and Net Position:			
Liabilities:			
Current:			
Accounts payable	7,399,624	1,800,551	1,471,448
Accrued liabilities	147,889	154,085	-
Accrued interest	143,369	323,702	-
Unearned revenues	158,329	-	-
Deposits payable	1,087,649	7,000	-
Compensated absences	438,162	433,120	-
Claims and judgments	-	-	-
Bonds, notes, and capital leases	1,350,000	3,951,596	-
Total Current Liabilities	10,725,022	6,670,054	1,471,448
Noncurrent:			
Advances from other funds	-	3,280,662	-
Compensated absences	358,272	616,473	-
Claims and judgments	-	-	-
Bonds, notes, and capital leases	19,569,440	42,745,699	-
Total Noncurrent Liabilities	19,927,712	46,642,834	-
Total Liabilities	30,652,734	53,312,888	1,471,448
Net Position:			
Net investment in capital assets	160,502,892	190,942,884	35,328
Restricted for capital projects	33,967,600	22,160,050	-
Restricted for debt service	-	1,000,178	-
Restricted for rate stabilization	-	-	5,944,326
Unrestricted	49,499,796	23,602,274	482,364
Total Net Position	\$243,970,288	\$237,705,386	\$ 6,462,018

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - 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 Position per Statement of Net Position

CITY OF OCEANSIDE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Special Aviation	Oceanside Small Craft Harbor District	Totals	
Assets:				
Current:				
Cash and investments	\$ 470,548	\$ 4,040,937	\$ 129,464,745	\$ 42,830,549
Restricted cash and investments	-	10,344	12,188,417	250,000
Receivables:				
Accounts	5,577	215,825	12,823,775	9,818
Notes and loans	-	-	577,531	-
Accrued interest	-	-	5,786	-
Prepaid costs	-	-	18,832	26,324
Inventories	-	-	860,406	246,781
Total Current Assets	476,125	4,267,106	155,939,492	43,363,472
Noncurrent:				
Advances to other funds	-	-	3,280,662	-
Capital assets - net of accumulated depreciation	4,656,479	10,474,343	433,937,678	5,731,402
Total Noncurrent Assets	4,656,479	10,474,343	437,218,340	5,731,402
Total Assets	5,132,604	14,741,449	593,157,832	49,094,874
Deferred Outflows of Resources:				
Deferred charge on refunding	-	-	290,983	-
Total Deferred Outflows of Resources	-	-	290,983	-
Liabilities and Net Position:				
Liabilities:				
Current:				
Accounts payable	1,020	34,557	10,707,200	1,430,227
Accrued liabilities	-	-	301,974	114,675
Accrued interest	10,531	16,375	493,977	-
Unearned revenues	-	235,557	393,886	-
Deposits payable	4,580	351,412	1,450,641	-
Compensated absences	-	64,557	935,839	114,104
Claims and judgments	-	-	-	4,654,396
Bonds, notes, and capital leases	69,889	370,000	5,741,485	-
Total Current Liabilities	86,020	1,072,458	20,025,002	6,313,402
Noncurrent:				
Advances from other funds	1,374,017	-	4,654,679	-
Compensated absences	-	186,233	1,160,978	710,039
Claims and judgments	-	-	-	9,622,274
Bonds, notes, and capital leases	287,111	1,595,000	64,197,250	-
Total Noncurrent Liabilities	1,661,128	1,781,233	70,012,907	10,332,313
Total Liabilities	1,747,148	2,853,691	90,037,909	16,645,715
Net Position:				
Net investment in capital assets	4,299,479	8,509,343	364,289,926	5,731,402
Restricted for capital projects	-	-	56,127,650	-
Restricted for debt service	-	-	1,000,178	-
Restricted for rate stabilization	-	-	5,944,326	-
Unrestricted	(914,023)	3,378,415	76,048,826	26,717,757
Total Net Position	\$ 3,385,456	\$ 11,887,758	\$ 503,410,906	\$ 32,449,159
			\$ 503,410,906	
			4,773,680	
			97,092	
			<u>\$ 508,281,678</u>	

CITY OF OCEANSIDE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Waste Disposal
Operating Revenues:			
Sales and service charges	\$ 62,320,181	\$ 44,210,556	\$ 23,706,070
Fines, Forfeitures, and Penalties	604,736	-	-
Developer fees	339,176	334,529	-
Slip rentals and other related fees	-	-	-
Parking	-	-	-
Miscellaneous	2,055	9,354	26,008
Total Operating Revenues	63,266,148	44,554,439	23,732,078
Operating Expenses:			
Administration and general	6,821,653	6,987,331	239,368
Maintenance and operations	11,077,867	15,178,405	18,501,763
Cost of purchased water	31,210,035	-	-
Depreciation expense	6,417,134	8,113,308	4,735
Total Operating Expenses	55,526,689	30,279,044	18,745,866
Operating Income	7,739,459	14,275,395	4,986,212
Nonoperating Revenues (Expenses):			
Interest revenue	1,165,177	733,799	-
Interest expense	(1,320,344)	(1,309,298)	-
Gain (loss) on disposal of capital assets	3,910	6,458	-
Total Nonoperating Expenses	(151,257)	(569,041)	-
Income Before Transfers	7,588,202	13,706,354	4,986,212
Transfers in	525,421	29,230	-
Transfers out	(1,173,932)	(562,567)	(4,966,441)
Changes in Net Position	6,939,691	13,173,017	19,771
Net Position:			
Beginning of fiscal year, as previously reported	236,990,851	224,525,726	6,442,247
Restatements	39,746	6,643	-
Beginning of fiscal year, as restated	237,030,597	224,532,369	6,442,247
End of Fiscal Year	\$ 243,970,288	\$ 237,705,386	\$ 6,462,018

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues,
Expenses and Changes in Fund Net Position - Proprietary Funds
Adjustment to reflect the consolidation of current fiscal year
internal service funds activities related to enterprise funds

Changes in Net Position of Business-Type Activities per Statement of Activities

CITY OF OCEANSIDE

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014**

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Special Aviation	Oceanside Small Craft Harbor District	Totals	
Operating Revenues:				
Sales and service charges	\$ 104,298	\$ -	\$ 130,341,105	\$ 51,548,784
Fines, Forfeitures, and Penalties	-	-	604,736	-
Developer fees	-	-	673,705	-
Slip rentals and other related fees	-	6,095,895	6,095,895	-
Parking	-	695,017	695,017	-
Miscellaneous	-	13,805	51,222	170,831
Total Operating Revenues	104,298	6,804,717	138,461,680	51,719,615
Operating Expenses:				
Administration and general	-	-	14,048,352	33,129,191
Maintenance and operations	3,218	641,012	45,402,265	14,440,736
Cost of purchased water	-	-	31,210,035	-
Depreciation expense	64,324	676,211	15,275,712	1,744,621
Total Operating Expenses	67,542	1,317,223	105,936,364	49,314,548
Operating Income	36,756	5,487,494	32,525,316	2,405,067
Nonoperating Revenues (Expenses):				
Interest revenue	5,972	54,182	1,959,130	-
Interest expense	(19,446)	(55,430)	(2,704,518)	-
Gain (loss) on disposal of capital assets	-	(4,011)	6,357	104,999
Total Nonoperating Expenses	(13,474)	(5,259)	(739,031)	104,999
Income Before Transfers	23,282	5,482,235	31,786,285	2,510,066
Transfers in	-	-	554,651	506,942
Transfers out	(10,608)	(5,127,770)	(11,841,318)	(475,813)
Changes in Net Position	12,674	354,465	20,499,618	2,541,195
Net Position:				
Beginning of fiscal year, as previously reported	3,372,782	11,533,293	482,864,899	29,907,964
Restatements	-	-	46,389	-
Beginning of fiscal year, as restated	3,372,782	11,533,293	482,911,288	29,907,964
End of Fiscal Year	\$ 3,385,456	\$ 11,887,758	\$ 503,410,906	\$ 32,449,159
			\$ 20,499,618	
			97,092	
			<u>\$ 20,596,710</u>	

CITY OF OCEANSIDE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Waste Disposal</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 62,971,939	\$ 44,495,519	\$ 24,488,992
Cash paid to suppliers for goods and services	(41,481,314)	(14,351,991)	(19,051,527)
Cash paid to employees for services	(6,793,691)	(6,883,679)	(290,657)
Net Cash Provided by Operating Activities	14,696,934	23,259,849	5,146,808
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	525,421	29,230	-
Cash transfers out	(1,173,932)	(562,567)	(4,966,441)
Advance from other funds	-	(102,747)	-
Advance to other funds	102,747	-	-
Net Cash Used in Non-Capital Financing Activities	(545,764)	(636,084)	(4,966,441)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(966,155)	(3,533,592)	-
Proceeds from bonds issued	21,563,727	-	-
Principal paid on capital debt	(10,970,000)	(3,889,770)	-
Interest paid on capital debt	(1,508,070)	(1,444,813)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	8,119,502	(8,868,175)	-
Cash Flows from Investing Activities:			
Interest revenue	1,165,177	733,799	-
Net Cash Used in Investing Activities	1,165,177	733,799	-
Net Decrease in Cash and Cash Equivalents	23,435,849	14,489,389	180,367
Cash and Cash Equivalents, Beginning of Year	58,190,203	33,767,460	7,068,065
Cash and Cash Equivalents, End of Year	\$ 81,626,052	\$ 48,256,849	\$ 7,248,432
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 7,739,459	\$ 14,275,395	\$ 4,986,212
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	6,417,134	8,113,308	4,735
(Increase) decrease in accounts receivable	(294,209)	(58,920)	756,914
(Increase) decrease in prepaid expense	(5,408)	12,366	-
(Increase) decrease in inventory	16,016	13,349	-
Increase (decrease) in accounts payable	730,588	793,699	43,961
Increase (decrease) in accrued liabilities	20,834	26,964	-
Increase (decrease) in deposits payable	22,978	7,000	(593,725)
Increase (decrease) in unearned revenue	42,414	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	7,128	76,688	(51,289)
Total Adjustments	6,957,475	8,984,454	160,596
Net Cash Provided by (Used in) Operating Activities	\$ 14,696,934	\$ 23,259,849	\$ 5,146,808

CITY OF OCEANSIDE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

	<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>	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 103,576	\$ 6,891,193	\$ 138,951,219	\$ 51,823,323
Cash paid to suppliers for goods and services	(46,444)	(681,351)	(75,612,627)	(15,446,856)
Cash paid to employees for services	(3,218)	(86,935)	(14,058,180)	(33,080,191)
Net Cash Provided by Operating Activities	53,914	6,122,907	49,280,412	3,296,276
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	-	-	554,651	506,942
Cash transfers out	(10,608)	(5,127,770)	(11,841,318)	(475,813)
Advance from other funds	-	-	(102,747)	-
Advance to other funds	129,093	-	231,840	-
Net Cash Used in Non-Capital Financing Activities	118,485	(5,127,770)	(11,157,574)	31,129
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(437,755)	(4,937,502)	(687,934)
Proceeds from bonds issued	-	1,965,000	23,528,727	-
Principal paid on capital debt	(66,111)	(2,180,112)	(17,105,993)	-
Interest paid on capital debt	(21,396)	(128,985)	(3,103,264)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(87,507)	(781,852)	(1,618,032)	(687,934)
Cash Flows from Investing Activities:				
Interest revenue	5,972	54,182	1,959,130	-
Net Cash Used in Investing Activities	5,972	54,182	1,959,130	-
Net Decrease in Cash and Cash Equivalents	90,864	267,467	38,463,936	2,639,471
Cash and Cash Equivalents, Beginning of Year	379,684	3,783,814	103,189,226	40,441,078
Cash and Cash Equivalents, End of Year	\$ 470,548	\$ 4,051,281	\$ 141,653,162	\$ 43,080,549
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 36,756	\$ 5,487,494	\$ 32,525,316	\$ 2,405,067
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	64,324	676,211	15,275,712	1,744,621
(Increase) decrease in accounts receivable	(722)	(5,401)	397,662	103,708
(Increase) decrease in prepaid expense	-	-	6,958	(21,546)
(Increase) decrease in inventory	-	-	29,365	10,637
Increase (decrease) in accounts payable	(46,444)	(40,339)	1,481,465	1,934
Increase (decrease) in accrued liabilities	-	-	47,798	80
Increase (decrease) in deposits payable	-	25,274	(538,473)	-
Increase (decrease) in unearned revenue	-	66,603	109,017	-
Increase (decrease) in claims and judgments	-	-	-	(997,145)
Increase (decrease) in compensated absences	-	(86,935)	(54,408)	48,920
Total Adjustments	17,158	635,413	16,755,096	891,209
Net Cash Provided by (Used in) Operating Activities	\$ 53,914	\$ 6,122,907	\$ 49,280,412	\$ 3,296,276

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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 POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund Successor Agency</u>
Assets:		
Cash and investments	\$ 7,093,612	\$ 13,285,353
Restricted cash and investments	6,076,019	3,240,640
Receivables:		
Accounts	51,761	-
Taxes	14,611	-
Land held for resale	-	8,227,392
Capital assets:		
Capital assets, not being depreciated	-	19,389,617
Capital assets, net of accumulated depreciation	-	20,531,352
Total Assets	<u>\$ 13,236,003</u>	<u>64,674,354</u>
Liabilities:		
Accounts payable	\$ 308,083	193,439
Accrued liabilities	-	1,387
Accrued interest	-	702,998
Deposits payable	3,897,935	-
Due to external parties/other agencies	9,029,985	-
Long-term liabilities:		
Due in one year	-	2,655,000
Due in more than one year	-	56,147,136
Total Liabilities	<u>\$ 13,236,003</u>	<u>59,699,960</u>
Net Position:		
Held in trust for other purposes		4,974,394
Total Net Position		<u>\$ 4,974,394</u>

CITY OF OCEANSIDE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2014

	<u>Private-Purpose Trust Fund Successor Agency</u>
Additions:	
Taxes	\$ 5,226,769
Interest and change in fair value of investments	156,226
Contributions from City	117,907
Miscellaneous	334,904
	<hr/>
Total Additions	5,835,806
	<hr/>
Deductions:	
Administrative expenses	2,216,779
Contractual services	345,396
Project Costs	110,961
Interest expense	2,141,279
Contributions to other governments	61,547
	<hr/>
Total Deductions	4,875,962
	<hr/>
Changes in Net Position	959,844
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Net Position - Beginning of Year	4,014,550
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Net Position - End of the Year	\$ 4,974,394
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Note 1: Summary of Significant Accounting Policies

The basic financial statements of the City of Oceanside, California (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The 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 and dissolved January 31, 2012, due to AB 1X 26. The Oceanside Housing Authority was originally established on February 24, 1971, and dissolved April 9, 1975, due to inactivity. It was reactivated on April 9, 1980, pursuant to the State of California Health and Safety Code. This department is responsible for all assisted housing projects within the City. The operations of the Commission are reported as governmental funds of the City.

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. The Building Authority has been dissolved.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

b. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all 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 Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

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

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 Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

Note 1: Summary of Significant Accounting Policies (Continued)

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

Governmental Fund Financial Statements

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

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

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

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

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Proprietary Fund Financial Statements

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

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

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

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations for the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major enterprise funds:

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

The Sewer Fund is used to account for the operation (including 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. Funding for operating expenses is provided by rents and leases.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 Position

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

d. Cash, Cash Equivalents and Investments

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

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

e. Inventory

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

f. Land and Buildings Held for Resale

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 1: Summary of Significant Accounting Policies (Continued)

g. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets 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.

i. Deferred outflows/inflows of resources

In addition to assets, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Note 1: Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

j. Long-Term Liabilities

Government-wide Financial Statements

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

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 Position.

k. Fund Balance and Net Position

Government-wide and Proprietary Financial Statements

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

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

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

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

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

I. Fund Balance Flow Assumption

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

m. Net Position Flow Assumption

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

n. 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 1: Summary of Significant Accounting Policies (Continued)

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

o. 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.

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, 2014:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 138,320,772	\$ 129,464,745	\$ 20,378,965	\$ 288,164,482
Restricted cash and investments	4,844,896	12,188,417	9,316,659	26,349,972
Total cash and investments	\$ 143,165,668	\$ 141,653,162	\$ 29,695,624	\$ 314,514,454

Cash and investments at June 30, 2014, consisted of the following:

Demand deposits	\$ 858,924
Petty Cash	25,073
Investments	313,630,457
Total cash and investments	\$ 314,514,454

Demand Deposits

At June 30, 2014, the carrying amount of the City's deposits was \$883,997 and the bank balance was \$580,431. The \$303,566 difference represents outstanding checks and other reconciling items.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014
Note 2: Cash and Investments (Continued)

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

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States Treasury 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	36-60 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, 2014

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	None
United States Government Sponsored Enterprise Securities	5 years	None	25%
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%
Municipal Bonds	3 years	15%	1%
Local Agency Investment Fund	N/A	None	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	<i>Remaining Maturity (in Months)</i>				Total
	12 Months or Less	13 to 36 Months	36 to 48 Months	48 to 60 Months	
United States Treasury Obligations	\$ -	\$ -	\$ 2,000,780	\$ 1,952,813	\$ 3,953,593
United States Government Sponsored Enterprise Securities	-	-	36,735,528	172,271,719	209,007,247
Corporate Medium Term Notes	-	8,319,330	5,747,253	2,051,460	16,118,043
Municipal Bonds	-	7,800,286	3,998,300	-	11,798,586
Local Agency Investment Fund (LAIF)	46,527,442	-	-	-	46,527,442
Held by Bond Trustees:					
Money Market Mutual Funds	26,225,546	-	-	-	26,225,546
	\$ 72,752,988	\$ 16,119,616	\$ 48,481,861	\$ 176,275,992	\$ 313,630,457

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, 2014, is \$196,900,000 or 68.51% of the City's portfolio (excluding held by bond trustees).

CITY OF OCEANSIDE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

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 and Moody's, as of year-end for each investment type:

Investment Type	Total as of June 30, 2014	Minimum Legal Rating	Exempt from Disclosure	AAA/Aaa	AA+/Aa1	AA to AA-/ Aa2 to Aa3	A+ to A/ A1 to A2	Unrated
United States Treasury Obligations	\$ 3,953,593	N/A	\$ 3,953,593	\$ -	\$ -	\$ -	\$ -	\$ -
United States Government Sponsored Enterprise Securities	209,007,247	N/A	-	-	209,007,247	-	-	-
Corporate Medium Term Notes	16,118,043	N/A	-	2,051,460	2,257,550	9,798,673	2,010,360	-
Municipal Bonds	11,798,586	N/A	-	2,051,760	-	9,746,826	-	-
Local Agency Investment Fund (LAIF) Held by Bond Trustees:	46,527,442	N/A	-	-	-	-	-	46,527,442
Money Market Mutual Funds	26,225,546	AAA/Aaa	-	26,225,546	-	-	-	-
	<u>\$ 313,630,457</u>		<u>\$ 3,953,593</u>	<u>\$ 30,328,766</u>	<u>\$ 211,264,797</u>	<u>\$ 19,545,499</u>	<u>\$ 2,010,360</u>	<u>\$ 46,527,442</u>

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	\$ 47,253,334	15.1%
Federal Home Loan Bank	United States Government Sponsored Enterprise Securities	59,593,755	19.0%
Federal Home Loan Mortgage Corporation	United States Government Sponsored Enterprise Securities	46,065,856	14.7%
Federal National Mortgage Association	United States Government Sponsored Enterprise Securities	56,094,132	17.9%

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, 2014, none of the City's deposits or investments were exposed to custodial credit risk.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

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, 2014, the City had notes receivable reported in the following funds:

General Fund	\$ 12,778,796
Grants Special Revenue Fund	38,801,828
Housing Assistance Program Special Revenue Fund	20,917,243
Community Development Block Grant Non-major Special Revenue Fund	634,295
Water Fund	<u>577,531</u>
Total	<u>\$ 73,709,693</u>

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, 2014, the outstanding balance is \$121,276 and is now being recorded in the General Fund.

The Grants Special Revenue Fund has made various low or noninterest bearing loans to property owners for the rehabilitation of property and first time home buyer program within the City. The notes are payable upon the sale of the property or upon the death of the current property owner. As of June 30, 2014, the outstanding balance including accrued interest of \$4,810,772 is \$38,801,828.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 4: Notes Receivable (Continued)

The Housing Assistance Program Special Revenue Fund has made various low or noninterest bearing loans to property owners for the rehabilitation of property and first time home buyer program within the City. The notes are payable upon the sale of the property or upon the death of the current property owner. As of June 30, 2014, the outstanding balance including accrued interest of \$427,405 is \$20,917,243. 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.

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 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, 2014, the outstanding balance is \$577,531.

The Community Development Block Grant Fund loaned Mental Health \$655,000 on July 1, 2012 for the acquisition and rehabilitation of an apartment complex. The balance outstanding at June 30, 2014 is \$634,295.

Note 5: Interfund Transactions

a. Due To/From Other Funds

At June 30, 2014, there were the following short-term interfund receivables and payables:

Due from Other Funds	Due to Other Funds	
	Non-Major Governmental Funds	Total
General Fund	\$ 311,054	\$ 311,054

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

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 5: Interfund Transactions (Continued)

b. Advances To/From Other Funds

At June 30, 2014, the City had the following long-term interfund receivables and payables:

Advances to Other Funds	Advances from Other Funds			Total
	Grants Fund	Sewer Enterprise Fund	Special Aviation Enterprise Fund	
General Fund	\$ 100,000	\$ -	\$ 1,374,017	\$ 1,474,017
Water Enterprise Fund	-	3,280,662	-	3,280,662
Total	\$ 100,000	\$ 3,280,662	\$ 1,374,017	\$ 4,754,679

The Water Fund advanced funds to the Sewer Enterprise Fund for operational purposes. As of June 30, 2014, the outstanding balance of the loan was \$3,280,662.

The General Fund advanced funds to the Grants Special Revenue Fund and Special Aviation Enterprise Fund for operational purposes. As of June 30, 2014, the outstanding balance of the loans were \$100,000 and \$1,374,017, respectively.

c. Transfers In/Out

Transfers in and out for the year ended June 30, 2014, are as follows:

Transfers Out	Transfers In						Total
	General Fund	Grants	Other Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Internal Service Fund	
General Fund	\$ -	\$ 254,626	\$ 4,399,120	\$ 56,642	\$ -	\$ 11,329	\$ 4,721,717
Grants	40,285	-	-	36,800	25,755	-	102,840
Other Governmental Funds	1,202,784	-	-	167,821	-	485,000	1,855,605
Water Enterprise Fund	714,917	-	459,015	-	-	-	1,173,932
Sewer Enterprise Fund	-	-	307,567	255,000	-	-	562,567
Waste Disposal Enterprise Fund	4,816,441	-	150,000	-	-	-	4,966,441
Special Aviation Enterprise Fund	10,608	-	-	-	-	-	10,608
Small Craft Harbor District	5,127,770	-	-	-	-	-	5,127,770
Internal Service Funds	443,097	-	9,470	9,158	3,475	10,613	475,813
Total	\$ 12,355,902	\$ 254,626	\$ 5,325,172	\$ 525,421	\$ 29,230	\$ 506,942	\$ 18,997,293

Transfers between funds were for operating expenses and capital costs.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 6: Capital Assets

a. Governmental Activities Capital Assets

A summary of changes in the governmental activities capital assets at June 30, 2014, is as follows:

	Balance at July 1, 2013	Transfers	Additions	Deletions	Balance at June 30, 2014
Capital assets not being depreciated:					
Land	\$ 43,439,626	\$ -	\$ -	\$ -	\$ 43,439,626
Construction in progress	6,683,159	(5,012,175)	6,507,339	153,940	8,024,383
Total Capital Assets, Not Being Depreciated	50,122,785	(5,012,175)	6,507,339	153,940	51,464,009
Capital assets being depreciated:					
Buildings and improvements	74,758,564	-	-	-	74,758,564
Improvements other than buildings	33,492,668	-	-	-	33,492,668
Machinery and equipment	64,631,032	727,523	1,067,405	2,111,177	64,314,783
Infrastructure	302,413,084	4,284,652	-	-	306,697,736
Total Capital Assets, Being Depreciated	475,295,348	5,012,175	1,067,405	2,111,177	479,263,751
Less accumulated depreciation for:					
Buildings and improvements	22,095,982	-	2,063,505	-	24,159,487
Improvements other than buildings	8,538,763	-	1,725,497	-	10,264,260
Machinery and equipment	49,845,826	-	3,692,728	2,111,177	51,427,377
Infrastructure	171,119,554	-	6,762,293	-	177,881,847
Total Accumulated Depreciation	251,600,125	-	14,244,023	2,111,177	263,732,971
Total Capital Assets, Being Depreciated, Net	223,695,223	5,012,175	(13,176,618)	-	215,530,780
Governmental Activities Capital Assets, Net	\$ 273,818,008	\$ -	\$ (6,669,279)	\$ 153,940	\$ 266,994,789

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

General Government	\$ 505,123
Public Safety	1,546,636
Public Works	8,225,480
Community Development	17,702
Community/ Cultural Services	2,204,461
Internal Service Funds	1,744,621
Total depreciation expense-governmental activities	\$ 14,244,023

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

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, 2014, is as follows:

	Balance at July 1, 2013	Transfers	Additions	Deletions	Balance at June 30, 2014
Capital assets not being depreciated:					
Land	\$ 29,613,703	\$ -	\$ -	\$ -	\$ 29,613,703
Construction in progress	7,248,821	(3,262,820)	4,561,221	-	8,547,222
Total Capital Assets, Not Being Depreciated	36,862,524	(3,262,820)	4,561,221	-	38,160,925
Capital assets being depreciated:					
Buildings and improvements	183,917,649	3,262,820	-	-	187,180,469
Improvements other than buildings	530,580,172	-	306,593	-	530,886,765
Machinery and equipment	12,670,894	-	83,399	222,036	12,532,257
Total Capital Assets, Being Depreciated	727,168,715	3,262,820	389,992	222,036	730,599,491
Less accumulated depreciation for:					
Buildings and improvements	47,961,615	-	3,767,627	-	51,729,242
Improvements other than buildings	264,053,085	-	10,427,326	-	274,480,411
Machinery and equipment	7,747,008	-	1,080,759	214,682	8,613,085
Total Accumulated Depreciation	319,761,708	-	15,275,712	214,682	334,822,738
Total Capital Assets, Being Depreciated, Net	407,407,007	3,262,820	(14,885,720)	7,354	395,776,753
Business-Type Activities Capital Assets, Net	\$ 444,269,531	\$ -	\$ (10,324,499)	\$ 7,354	\$ 433,937,678

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

Water	\$ 6,417,134
Sewer	8,113,308
Waste Disposal	4,735
Special Aviation	64,324
Oceanside Small Craft Harbor District	676,211
Total depreciation expense-business type activities	\$ 15,275,712

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

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, 2014:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014	Due Within One Year	Due in More Than One Year
Certificate of Participation:						
2005 Refunding COP	\$ 14,525,000	\$ -	\$ (1,835,000)	\$ 12,690,000	\$ 1,905,000	\$ 10,785,000
2011 COP	6,730,000	-	(540,000)	6,190,000	565,000	5,625,000
2013 COPS 2003 Refunding	10,801,636	-	(1,158,306)	9,643,330	1,178,970	8,464,360
Total COPs	32,056,636	-	(3,533,306)	28,523,330	3,648,970	24,874,360
Capital Leases:						
2013 Streetlight Retrofit Lease Agreement	-	4,731,027	(225,691)	4,505,336	336,933	4,168,403
2011 Fire Apparatus	611,468	-	(113,006)	498,462	117,470	380,992
Total Capital Leases	611,468	4,731,027	(338,697)	5,003,798	454,403	4,549,395
Notes Payable:						
2008 HUD 108 Loans	3,067,000	-	(124,000)	2,943,000	130,000	2,813,000
Total Notes Payable	3,067,000	-	(124,000)	2,943,000	130,000	2,813,000
Pension Obligation Bonds	36,860,000	-	(1,535,000)	35,325,000	1,745,000	33,580,000
Claims Payable	15,273,815	3,982,334	(4,979,479)	14,276,670	4,654,396	9,622,274
Compensated Absences	10,924,642	4,449,253	(4,691,580)	10,682,315	4,345,716	6,336,599
Other post-employment benefit obligation	2,358,851	669,896	(380,073)	2,648,674	-	2,648,674
Subtotal	\$ 101,152,412	\$ 13,832,510	\$ (15,582,135)	99,402,787	\$ 14,978,485	\$ 84,424,302
			Add: Unamortized Bond Premium	572,361		
			Total	\$ 99,975,148		

Certificates of Participation

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 \$1,905,000 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, 2014, the outstanding balance of these certificates was \$12,690,000.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Long-Term Liabilities (Continued)

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

Year Ending June 30	Principal	Interest	Total
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	2,150,000	272,250	2,422,250
2019	2,235,000	173,375	2,408,375
2020	2,350,000	58,750	2,408,750
Totals	<u>\$ 12,690,000</u>	<u>\$ 1,806,163</u>	<u>\$ 14,496,163</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 \$565,000 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, 2014, the outstanding balance of these certificates was \$6,190,000.

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 565,000	\$ 231,672	\$ 796,672
2016	590,000	215,457	805,457
2017	620,000	196,864	816,864
2018	640,000	175,616	815,616
2019	675,000	151,260	826,260
2020-2023	3,100,000	293,897	3,393,897
Totals	<u>\$ 6,190,000</u>	<u>\$ 1,264,766</u>	<u>\$ 7,454,766</u>

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

The 2013 Refunding Certificates of Participation were issued by the City to refund the 2003 Certificates of Participation, which were issued by the Financing Authority for the purpose of refinance outstanding 1993 Series A Refunding Certificates of Participation and to lease certain facilities and projects. The current refunding resulted in a cash flow difference of \$6,289,645 and resulted in an economic gain (difference between the present values of the old debt and new debt service payments) of \$5,816,271 or (\$2,137,653 less prior funds on hand). The certificates consist of serial certificates in the amount of \$12,500,000 due in annual installments of \$1,345,000 including interest. Interest rate is 1.776% and payments are payable semiannually on October 1 and April 1. As of June 30, 2014, the outstanding balance of these certificates was \$9,643,330.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Long-Term Liabilities (Continued)

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 1,178,970	\$ 166,030	\$ 1,345,000
2016	1,200,000	145,000	1,345,000
2017	1,221,408	123,592	1,345,000
2018	1,243,196	101,804	1,345,000
2019	1,265,374	79,626	1,345,000
2020-2023	3,534,382	142,704	3,677,086
Totals	<u>\$ 9,643,330</u>	<u>\$ 758,756</u>	<u>\$ 10,402,086</u>

Capital Lease Obligations

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. As of June 30, 2014, the outstanding balance of this lease was \$498,462.

The future minimum lease payments are as follows:

Year Ending June 30	Annual Payment
2015	\$ 137,159
2016	137,159
2017	137,159
2018	137,159
	<u>Less Interest Portion</u>
	(50,174)
	<u>Total Future Minimum Lease Payments</u>
	<u>\$ 498,462</u>

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 are included as part of depreciation expense.

2013 Streetlight Retrofit Lease Agreement

On October 1, 2013, the City entered into a lease/purchase agreement with Banc of America Capital Corp. in the amount of \$4,731,027 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/purchase was subsequently sold to Pinnacle Public Finance on October 24, 2013 under the same term and conditions. The lease is due in annual installments of \$476,219. The lease bears an interest rate of 3.139% and is payable semiannually on June 10 and December 10. As of June 30, 2014, the outstanding balance of this lease was \$4,505,336.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Long-Term Liabilities (Continued)

Year Ending June 30	Annual Payment
2015	\$ 476,219
2016	476,219
2017	476,219
2018	476,219
2019	476,219
2020 - 2024	2,381,095
2025 - 2026	629,573
	<u>Less Interest Portion (886,427)</u>
	<u>Total Future Minimum Lease Payments \$ 4,505,336</u>

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 \$130,000 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, 2014, the outstanding balance of the loans was \$2,943,000.

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 130,000	\$ 145,131	\$ 275,131
2016	138,000	139,452	277,452
2017	146,000	133,194	279,194
2018	154,000	126,413	280,413
2019	162,000	119,159	281,159
2020-2024	958,000	463,002	1,421,002
2025-2029	1,255,000	175,884	1,430,884
Totals	<u>\$ 2,943,000</u>	<u>\$ 1,302,235</u>	<u>\$ 4,245,235</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

CITY OF OCEANSIDE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

Note 7: Long-Term Liabilities (Continued)

of the City's employees. The bonds are due in annual installments of \$1,745,000 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, 2014, the outstanding balance of the bonds was \$35,325,000 and the unamortized bond premium was \$572,361.

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

Year Ending June 30	Principal	Interest	Total
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	2,480,000	1,483,080	3,963,080
2019	2,760,000	1,349,652	4,109,652
2020-2024	18,890,000	4,101,899	22,991,899
2025-2026	5,260,000	155,078	5,415,078
Totals	<u>\$ 35,325,000</u>	<u>\$ 12,186,365</u>	<u>\$ 47,511,365</u>

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. Additional information can be obtained from note 10. Total amount of claims payable for the governmental activities as of June 30, 2014, was \$14,276,670.

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 \$10,682,315 as of June 30, 2014. The general fund has a committed fund balance in the amount of \$1,526,492 in the post-employment leave reserve fund. The remaining liability is liquidated from the appropriate fund that employees are funded from.

Other post-employment benefit obligation

The City's liability in the governmental activities has been accrued and amounts to \$2,648,674. Additional information on the plan can be obtained from note 12. The liability is liquidated from the appropriate fund that employees are funded from.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

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, 2014:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014	Due Within One Year	Due in More Than One Year
Revenue Refunding Bonds:						
1998 Water Revenue Refunding Bonds	\$ 4,400,000	\$ -	\$ (4,400,000)	\$ -	\$ -	\$ -
2013 Gross Revenue Refunding Bonds	-	1,965,000	-	1,965,000	370,000	1,595,000
2013A Water Revenue Refunding Bonds	-	19,490,000	(550,000)	18,940,000	1,350,000	17,590,000
2013A Sewer Revenue Refunding Bonds	15,135,000	-	(1,570,000)	13,565,000	1,590,000	11,975,000
Total Refunding Bonds	19,535,000	21,455,000	(6,520,000)	34,470,000	3,310,000	31,160,000
Certificate of Participation:						
Revenue COP (1993 Water System Refunding Project) Series 2003	6,020,000	-	(6,020,000)	-	-	-
Total COPs	6,020,000	-	(6,020,000)	-	-	-
Notes Payable:						
State Revolving Loan Department of Boating and Waterways	33,645,114	-	(2,319,770)	31,325,344	2,361,596	28,963,748
1984 Loan	177,283	-	(177,283)	-	-	-
1986 Loan	1,013,107	-	(1,013,107)	-	-	-
1994 Loan	989,722	-	(989,722)	-	-	-
Department of Transportation	423,111	-	(66,111)	357,000	69,889	287,111
Total Notes Payable	36,248,337	-	(4,565,993)	31,682,344	2,431,485	29,250,859
Compensated Absences	2,151,221	919,533	(973,937)	2,096,817	935,839	1,160,978
Subtotal	\$ 63,954,558	\$ 22,374,533	\$ (18,079,930)	68,249,161	\$ 6,677,324	\$ 61,571,837
			Less: Unamortized Bond Premiums	3,786,391		
				Total	\$ 72,035,552	

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. The bonds were fully defeased with the issuance of the Oceanside 2013A Refunding Revenue Bonds.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014
Note 7: Long-Term Liabilities (Continued)2013A Sewer Revenue Refunding Bonds - Original Issue \$15,135,000

The bonds were issued by the City to (a) prepay all of City of Oceanside Revenue Certificates of Participation (1993 Wastewater System Refunding Project) Series 2003 and City of Oceanside Revenue Refunding Certificates of Participation, Series 2008; (b) to prepay all amounts due under the 1993 State Loan; (c) to finance certain improvements to the City's Sewer System; and (d) to pay the costs of issuing the 2013A Bonds. The bonds are due in semi-annual installments ranging from \$1,590,000 to \$1,615,000 through November 2028. Interest rates range from 2.0% to 5.0% and are payable semiannually on May 1 and November 1. Bonds are subject to optional redemption prior to maturity. A portion of the proceeds of were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2003 and 2008 Certificates of Participation. As a result, the 2003 and 2008 Certificates of Participation are considered to be defeased and the liability for those bonds has been removed from the statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$209,556. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2028. The City completed the advance refunding to reduce its total debt service payments by \$5,248,340 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$4,649,651 or (\$3,714,329 less refunding funds on hand). As of June 30, 2014, the outstanding balance of these bonds was \$13,565,000. The unamortized bond premium at June 30, 2014, was \$1,806,951.

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 1,590,000	\$ 530,219	\$ 2,120,219
2016	1,615,000	498,419	2,113,419
2017	1,075,000	433,819	1,508,819
2018	1,120,000	390,819	1,510,819
2019	1,160,000	346,019	1,506,019
2020-2024	4,250,000	1,072,794	5,322,794
2025-2028	2,755,000	297,125	3,052,125
Totals	<u>\$ 13,565,000</u>	<u>\$ 3,569,214</u>	<u>\$ 17,134,214</u>

2013A Water Revenue Refunding Bonds - Original Issue \$19,490,000

The bonds were issued by the City to (a) prepay all of City of Oceanside Water Revenue Refunding Bonds (1998 Water Refunding Project) and City of Oceanside Revenue Certificates of Participation (1993 Water System Refunding Project) Series 2003; (b) to finance certain improvements to the City's Water System; and (c) to pay the costs of issuing the 2013A Bonds. The bonds are due in semi-annual installments ranging from \$550,000 to \$1,475,000 through May 2033. Interest rates range from 2.0% to 5.25% and

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Long-Term Liabilities (Continued)

are payable semiannually on May 1 and November 1. Bonds are subject to optional redemption prior to maturity. The City completed the advance refunding to reduce its total debt service payments by \$1,005,141 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,101,012 or (\$756,040 less refunding funds on hand). As of June 30, 2014, the outstanding balance of these bonds was \$18,940,000. The unamortized bond premium at June 30, 2014, was \$1,979,440.

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 1,350,000	\$ 860,213	\$ 2,210,213
2016	1,375,000	833,213	2,208,213
2017	1,425,000	778,213	2,203,213
2018	1,475,000	721,213	2,196,213
2019	1,120,000	662,213	1,782,213
2020 - 2024	4,885,000	2,514,813	7,399,813
2025 - 2029	3,655,000	1,527,738	5,182,738
2030 - 2033	3,655,000	491,925	4,146,925
Totals	<u>\$ 18,940,000</u>	<u>\$ 8,389,541</u>	<u>\$ 27,329,541</u>

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

The bonds were issued by the City to prepay all of the Oceanside Small Craft Harbor District loans payable to the Department of Boating and Waterways. The bonds are due in annual installments ranging from \$95,000 to \$370,000 through August 2023. The interest rate is 2% and is payable annually on August 1. Bonds are not subject to optional redemption prior to maturity. The City completed the advance refunding to reduce its total debt service payments by \$104,087 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$93,752. As of June 30, 2014, the outstanding balance of these bonds was \$1,965,000.

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 370,000	\$ 29,584	\$ 399,584
2016	370,000	31,900	401,900
2017	310,000	24,500	334,500
2018	320,000	18,300	338,300
2019	95,000	11,900	106,900
2020 - 2023	500,000	30,400	530,400
Totals	<u>\$ 1,965,000</u>	<u>\$ 146,584</u>	<u>\$ 2,111,584</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Long-Term Liabilities (Continued)

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. The bonds were fully defeased with the issuance of the 2013A Water Revenue Refunding Bonds.

Notes Payable

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

This loan is a State Revolving Loan Fund Program contract between the State Water Resources Control Board and the City with a maximum loan amount of \$60,000,000 to fund the San Luis Rey Wastewater Treatment Plant generally consisting of upgrades to control odors and improve process performance. The loan is due in installments of \$2,926,391 commencing in January 2007 through 2026. The interest rate is 1.803% payable annually on January 26. As of June 30, 2014, the outstanding balance of these notes was \$31,325,344.

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 2,361,596	\$ 564,795	\$ 2,926,391
2016	2,404,175	522,216	2,926,391
2017	2,447,522	478,869	2,926,391
2018	2,491,651	434,740	2,926,391
2019	2,536,576	389,815	2,926,391
2020-2024	13,385,611	1,246,344	14,631,955
2025-2026	5,698,213	154,567	5,852,780
Totals	<u>\$ 31,325,344</u>	<u>\$ 3,791,346</u>	<u>\$ 35,116,690</u>

Department of Boating and Waterways

These loans were issued as follows: (1) for dock system replacement repair and maintenance. The 1984 loan payable was due in annual installments of \$64,490 through 2015, including interest of 4.5% per annum, (2) for dock system replacement and

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 7: Long-Term Liabilities (Continued)

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 was due in annual installments of \$116,043 through 2023, including interest of 4.5% per annum. On December 1, 2013 the Oceanside Public Financing Authority Gross Revenue Refunding Bonds were issued to pay-off the Department of Boating and Waterways loans. There was no remaining balance as of June 30, 2014.

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 \$54,778 to \$81,222 through 2020. As of June 30, 2014, the outstanding balance of this note was \$357,000.

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 69,889	\$ 18,053	\$ 87,942
2016	73,667	14,519	88,186
2017	77,444	10,794	88,238
2018	81,222	6,877	88,099
2019	54,778	2,770	57,548
Totals	\$ 357,000	\$ 53,013	\$ 410,013

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.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Long-Term Liabilities (Continued)

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, 2014
CFD 2006-1 Pacific Coast Business Park	May 20, 2008	\$ 8,880,000	\$ 8,840,000
CFD 2000-1 Ocean Ranch 2013 Refunding	June 13, 2013	11,175,000	11,175,000
CFD 2001-1 Morro Hills 2013 Refunding	June 13, 2013	6,710,000	6,495,000
CFD 2001-1 Morro Hills Refunding 2014A	February 14, 2014	10,885,000	10,885,000
CFD 2001-1 Morro Hills Imp Area 1 Refunding 2014A	February 14, 2014	7,025,000	7,025,000
CFD 2000-1 Ocean Ranch Refunding 2014A	June 4, 2014	11,755,000	11,755,000

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

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>
Non Spendable					
Inventories	\$ 13,876	\$ -	\$ -	\$ -	\$ 13,876
Prepaid Costs	62,711	-	-	-	62,711
Notes and loans	8,918,297	-	-	-	8,918,297
Land held for resale	700,000	-	-	-	700,000
Advances to other funds	1,474,017	-	-	-	1,474,017
Restricted					
Community development projects	-	478,397	-	-	478,397
Public Safety	-	110,962	-	906,352	1,017,314
Highways	-	-	-	10,855,967	10,855,967
Debt service	-	-	-	2,237,378	2,237,378
Street lighting and landscape maintenance	-	-	-	6,339,649	6,339,649
Housing program	-	6,258,737	6,381,222	-	12,639,959
Capital Projects	-	-	-	28,513,779	28,513,779
Committed					
Community development projects	1,499,766	-	-	-	1,499,766
Healthy city policy	14,500,000	-	-	-	14,500,000
Post employment	1,526,492	-	-	-	1,526,492
Assigned					
Infrastructure	6,815,959	-	-	-	6,815,959
Capital projects	7,069,641	-	-	1,908,608	8,978,249
Debt service	-	-	-	-	-
Other projects	1,794,211	-	-	-	1,794,211
Unassigned					
	8,352,469	-	-	(93,079)	8,259,390
Total Fund Balance	<u>\$ 52,727,439</u>	<u>\$ 6,848,096</u>	<u>\$ 6,381,222</u>	<u>\$ 50,668,654</u>	<u>\$ 116,625,411</u>

Note 9: Other Required Individual Fund Disclosures

a. Deficit Fund Balances

The following funds reported deficit in fund balance at June 30, 2014:

Nonmajor Funds:

Library	\$24,936
Community Development Block Grant	19,314
Strategic Traffic Offender Program (STOP)	48,829

The Library Fund deficit balance is due to revenues under budget. The Community Development Block Grant Fund deficit balance is due to timing of reimbursement. The Strategic Traffic Offender Program (STOP) deficit balance is due to the timing of reimbursements.

b. Budgetary schedules

The Storm Damage Fund and Strategic Traffic Offender Program (STOP) Fund did not adopt a budget and therefore no comparison schedules are presented.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 9: Other Required Individual Fund Disclosures (Continued)

c. Excess of Expenditures over Appropriations

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance with Final Budget</u>	
Major Funds:				
General Fund:				
City Council	\$ 886,812	\$ 905,508	\$ (18,696)	(1)
City Treasurer	902,596	1,040,601	(138,005)	(1)
Fire	24,840,197	24,924,380	(84,183)	(2)
Principal Retirement	-	113,006	(113,006)	(3)
Interest and Fiscal Charges	-	24,153	(24,153)	(5)
Non-Major Funds:				
Library Special Revenue Fund:				
Community/Cultural Services	263,800	264,135	(335)	(4)
CDBG Special Revenue Fund:				
Principal Retirement	119,286	124,000	(4,714)	(7)
General Improvement Capital Project Fund:				
Transfers Out	485,000	632,321	(147,321)	(6)
General Debt Service Fund:				
General Government	7,450	39,046	(31,596)	(3)
Principal Retirement	5,068,306	5,070,500	(2,194)	(3)
Interest and Fiscal Charges	2,102,861	2,102,986	(125)	(3)

Excess of expenditures over appropriations are due to: (1) department unit exceeding the budget due to higher than expected miscellaneous administration expenses, (2) Fire unit exceeding the overtime allotted budget for the fiscal year, (3) refunding bonds were issued and final amounts were higher than expected (4) department unit exceeding the budget due to higher than expected miscellaneous materials and supplies expenses, (5) no expenditure budgeted for purchase of capital outlay however fund expenditures overall are under budget, (6) higher than expected expenditures transferred to other funds and (7) the principal and interest on debt service payments were budgeted for correctly in total, the interest portion was over budget by \$4,714.

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 \$2,500,000. In addition, SANDPIPA has purchased excess insurance coverage from \$2,500,000 to \$44,500,000 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 four fiscal years.

The workers' compensation and general/auto liability claims payable of \$11,850,000 and \$2,426,670, respectively, reported at June 30, 2014, 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.

CITY OF OCEANSIDE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

Note 10: Risk Management (Continued)

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
2012	\$ 12,572,750	\$ 2,640,049	\$ 2,598,531	\$ 12,614,268
2013	12,614,268	4,673,954	2,014,407	15,273,815
2014	15,273,815	3,982,334	4,979,479	14,276,670

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014
Note 11: Retirement Plans (Continued)**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 \$251,358 for the year ended June 30, 2014. 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 2013-2014, were 20.580% and 28.170% of annual covered payroll for the miscellaneous and safety employees, respectively.

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	\$ 7,124,687	\$ 9,005,409	\$ 16,130,096
Interest on net pension asset	(639,661)	(1,043,657)	(1,683,318)
Adjustment to annual required contribution	<u>999,870</u>	<u>1,631,367</u>	<u>2,631,237</u>
Annual pension cost	7,484,896	9,593,119	17,078,015
Contributions made	<u>7,124,687</u>	<u>9,005,409</u>	<u>16,130,096</u>
Decrease in net pension asset	<u>\$ 360,209</u>	<u>\$ 587,710</u>	<u>\$ 947,919</u>
Net pension asset-beginning of year, as originally reported	\$ 13,466,543	\$ 21,971,727	\$ 35,438,270
Decrease in net pension asset	<u>(360,209)</u>	<u>(587,710)</u>	<u>(947,919)</u>
Net pension asset- end of year	<u>\$ 13,106,334</u>	<u>\$ 21,384,017</u>	<u>\$ 34,490,351</u>

The required contribution for the fiscal year 2013-2014 was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of payroll. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected annual salary increases ranging from 3.30% to 14.20% for miscellaneous and 3.30% to 14.20% 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, 2011, was 24 years for miscellaneous employees and 32 years for safety employees.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 11: Retirement Plans (Continued)

Three-Year Trend Information for CalPERS - Miscellaneous				
Fiscal Year	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Assets
2012	\$ 6,690,069	\$ 6,361,787	95%	\$ 13,810,700
2013	7,047,511	6,703,636	95%	13,466,543
2014	7,484,896	7,124,687	95%	13,106,334

Three-Year Trend Information for CalPERS - Safety				
Fiscal Year	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Assets
2012	\$ 9,151,650	\$ 8,616,032	94%	\$ 22,532,787
2013	9,247,764	8,686,704	94%	21,971,727
2014	9,593,119	9,005,409	94%	21,384,017

Funded Status and Funding Progress

As of June 30, 2014, 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 Accrued Liability (UAAL) (a)-(b)	Funded Ratio (b)/(a)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a)-(b)]/(c)
2011	\$ 312,677,302	\$ 226,262,511	\$ 86,414,791	72.4%	\$ 40,869,457	211.4%
2012	317,026,139	222,608,853	94,417,286	70.2%	35,627,327	265.0%
2013	329,625,450	246,538,422	83,087,028	74.8%	34,378,144	241.7%
<i>Safety</i>						
2011	356,061,245	274,706,433	81,354,812	77.2%	32,333,751	251.6%
2012	374,364,841	269,192,395	105,172,446	71.9%	31,535,606	333.5%
2013	392,045,249	297,691,669	94,353,580	75.9%	32,253,103	292.5%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

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 non-OFA retirees, called an "implicit subsidy". This implicit subsidy is considered to be an other post-employment benefit (OPEB) obligation of the City. For the year ended June 30, 2014, the City contribution including subsidy amounted to \$349,161 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 an open-period basis using a 30 year amortization period.

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

Annual required contribution	\$ 688,637
Interest on net OPEB obligation	70,847
Adjustment to annual required contribution	<u>(102,427)</u>
Annual OPEB cost (expense)	657,057
Contribution including subsidy	<u>(349,161)</u>
Increase in net OPEB obligation	307,896
Net OPEB obligation - beginning of year	<u>1,771,166</u>
Net OPEB obligation - end of year	<u><u>\$ 2,079,062</u></u>

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

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

The City's annual OPEB cost, contribution including subsidy, percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the year ended June 30, 2014, and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Contribution including subsidy	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/2012	\$ 521,502	\$ 153,223	29.4%	\$ 1,604,368
6/30/2013	515,959	349,161	67.7%	1,771,166
6/30/2014	657,057	349,161	53.1%	2,079,062

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.

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)
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%
2013	6,271,148	-	6,271,148	0.0%	62,225,267	10.08%

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, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a discount rate of 4.0% per annum, a rate of return on assets of 5.0% per annum, general inflation rate of 2.5% and a healthcare cost trend rate of 8.0%. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over 30 years on a closed basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

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

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.

The OFA MOU was ratified on August 1, 2012. Effective January 1, 2013, the City moved OFA members from 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.

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 \$112/month for calendar year 2012 and \$117/month for calendar year 2013, increased in all future years according to the rate of medical inflation 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, 2014, the City paid \$30,912 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	\$ 23,318
Interest on net OPEB obligation	23,507
Adjustment to annual required contribution	<u>(33,986)</u>
Annual OPEB cost (expense)	12,839
Contributions made, including subsidy	<u>(30,912)</u>
Increase in net OPEB obligation	(18,073)
Net OPEB obligation - beginning of year	<u>587,685</u>
Net OPEB obligation - end of year	<u><u>\$ 569,612</u></u>

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

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

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, 2014, 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
6/30/2012	\$ 143,440	\$ 46,812	32.6%	\$ 476,611
6/30/2013	141,986	30,912	21.8%	587,685
6/30/2014	12,839	30,912	240.8%	569,612

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.

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)
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%
2013	403,223	-	403,223	0.0%	9,415,640	4.28%

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, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a discount rate of 4.0% per annum, a rate of return on assets of 5.0% per annum and a healthcare cost trend rate of 8.0% initially. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over 30 years on a closed basis.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 13: Commitments and Contingencies

Commitments

The following material construction commitments existed at June 30, 2014:

<u>Project</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2014</u>	<u>Remaining Commitments</u>
French Field	\$ 2,563,616	\$ 2,157,435	\$ 406,181
West Coast	2,636,848	2,086,051	550,797

Contingent Liabilities

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

Note 14: Restatement of Fund Balance and Net Position

Beginning Net Position and Fund Balance has been restated as follows:

Governmental Fund Balance and Net Position:

General Fund:	
To correct card room revenue from the prior year.	\$ (96,056)
Gas Tax and Transportation Fund:	
To correct retentions payable for a balance that was paid in fiscal year 2011.	(11,216)
General Improvement Fund:	
To correct retentions payable for balances that were paid in fiscal year 2010 and 2012.	19,596
Total Governmental Fund Balance and Net Position restatement	<u>\$ (87,676)</u>

Proprietary Net Position:

Water Fund:	
To correct retentions payable for a balance that was paid in fiscal year 2011.	\$ 39,746
Sewer Fund:	
To correct retentions payable for a balance that was paid in fiscal year 2013.	6,643
Total Proprietary Net Position restatement	<u>\$ 46,389</u>

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, 2014

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 cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

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

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

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

a. Cash and investments

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

Cash and investments pooled with the City	\$ 13,285,353
Cash and investments with fiscal agent	3,240,640
	<u>16,525,993</u>
	<u>\$ 16,525,993</u>

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

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

b. Capital Assets

An analysis of capital assets as of June 30, 2014, follows:

	Balance at July 1, 2013	Transfers	Additions	Deletions	Balance at June 30, 2014
Capital assets not being depreciated:					
Land	\$ 16,959,469	\$ -	\$ -	\$ -	\$ 16,959,469
Construction in progress	5,084,459	(3,794,116)	1,201,352	61,547	2,430,148
Total Capital Assets, Not Being Depreciated	22,043,928	(3,794,116)	1,201,352	61,547	19,389,617
Capital assets being depreciated:					
Buildings and improvements	27,750,875	-	-	-	27,750,875
Machinery and equipment	200,413	-	-	-	200,413
Infrastructure	1,995,329	3,794,116	-	-	5,789,445
Total Capital Assets, Being Depreciated	29,946,617	3,794,116	-	-	33,740,733
Less accumulated depreciation for:					
Buildings and improvements	11,666,082	-	612,884	-	12,278,966
Machinery and equipment	200,413	-	-	-	200,413
Infrastructure	436,239	-	293,763	-	730,002
Total Accumulated Depreciation	12,302,734	-	906,647	-	13,209,381
Total Capital Assets, Being Depreciated, Net	17,643,883	3,794,116	(906,647)	-	20,531,352
Fiduciary Activities					
Capital Assets, Net	\$ 39,687,811	\$ -	\$ 294,705	\$ 61,547	\$ 39,920,969

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, 2014, was \$8,227,392.

d. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2014, follows.

	Balance June 30, 2013	Deletions	Balance June 30, 2014	Due Within One Year	Due in More than One Year
Fiduciary Funds:					
2002 Tax Allocation Refunding Bonds	\$ 15,670,000	\$ (865,000)	\$ 14,805,000	\$ 910,000	\$ 13,895,000
2003 Tax Allocation Refunding Bonds	3,635,000	(545,000)	3,090,000	570,000	2,520,000
2003 Subordinate Tax Allocation Bonds	13,665,000	(755,000)	12,910,000	790,000	12,120,000
2004 Tax Allocation Refunding Bonds	10,820,000	(375,000)	10,445,000	385,000	10,060,000
Advances from City of Oceanside	17,552,136	-	17,552,136	-	17,552,136
Total Fiduciary Funds	\$ 61,342,136	\$ (2,540,000)	\$ 58,802,136	\$2,655,000	\$ 56,147,136

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

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

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 \$910,000 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. As of June 30, 2014, the outstanding balance of these bonds was \$14,805,000.

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

Year Ending June 30	Principal	Interest	Total
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	1,055,000	645,788	1,700,788
2019	1,115,000	586,113	1,701,113
2020-2024	6,575,000	1,897,850	8,472,850
2025-2026	3,190,000	186,013	3,376,013
Totals	<u>\$ 14,805,000</u>	<u>\$ 5,570,595</u>	<u>\$ 20,375,595</u>

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 \$570,000 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 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, 2014, the outstanding balance of these bonds was \$3,090,000.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

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

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 570,000	\$ 109,300	\$ 679,300
2016	590,000	88,263	678,263
2017	615,000	64,900	679,900
2018	645,000	39,700	684,700
2019	670,000	13,400	683,400
Totals	<u>\$ 3,090,000</u>	<u>\$ 315,563</u>	<u>\$ 3,405,563</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 \$790,000 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, 2014, the outstanding balance of these bonds was \$12,910,000.

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

Year Ending June 30	Principal	Interest	Total
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	925,000	558,265	1,483,265
2019	970,000	507,412	1,477,412
2020-2024	5,740,000	1,631,523	7,371,523
2025-2026	2,775,000	159,343	2,934,343
Totals	<u>\$ 12,910,000</u>	<u>\$ 4,798,807</u>	<u>\$ 17,708,807</u>

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The bonds mature annually through 2024, in amounts ranging from \$385,000 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, 2014, the outstanding balance of these bonds was \$10,445,000.

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 385,000	\$ 448,041	\$ 833,041
2016	400,000	432,341	832,341
2017	415,000	416,041	831,041
2018	425,000	399,241	824,241
2019	445,000	381,563	826,563
2020-2024	6,825,000	1,137,913	7,962,913
2025-2029	1,550,000	34,875	1,584,875
Totals	<u>\$ 10,445,000</u>	<u>\$ 3,250,015</u>	<u>\$ 13,695,015</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 as of June 30, 2014, is \$55,184,980 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$5,226,769 and the debt service obligation on the bonds was \$4,706,347.

Advances from the City of Oceanside

The Commission borrowed in prior years \$1,116,968 for the Supplemental Educational Revenue Augmentation Fund (SERAF) which are now owed to the City of Oceanside Community Development Commission. The Commission also borrowed in prior years \$3,200,117 from the Low-Mod Housing Authority set-aside. The amount is owed to the City of Oceanside Community Development Commission 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. As of June 30, 2014, the outstanding balance is \$12,657,520.

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

The Oceanside Community Development Commission borrowed monies from the City of Oceanside's Water Fund for operational purposes. As of June 30, 2014, the outstanding balance is \$577,531.

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

As of June 30, 2014, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

CITY OF OCEANSIDE

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

Budgetary Information

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

- During May of each fiscal years, 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, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as Restated	\$ 48,601,303	\$ 48,601,303	\$ 48,601,303	\$ -
Resources (Inflows):				
Taxes	78,377,223	81,435,423	82,818,776	1,383,353
Administrative and in lieu charges	6,751,815	6,751,815	6,751,815	-
Licenses and permits	1,682,746	2,003,246	1,828,707	(174,539)
Intergovernmental	526,744	538,744	491,859	(46,885)
Charges for services	13,329,413	14,897,743	14,781,927	(115,816)
Use of money and property	3,653,140	3,968,240	5,180,440	1,212,200
Fines and forfeitures	4,314,227	4,031,527	4,211,163	179,636
Miscellaneous	146,895	490,577	577,887	87,310
Transfers in	12,691,122	12,764,847	12,355,902	(408,945)
Amounts Available for Appropriations	170,074,628	175,483,465	177,599,779	2,116,314
Charges to Appropriations (Outflow):				
General government				
City Council	870,329	886,812	905,508	(18,696)
City Clerk	995,256	1,005,139	949,608	55,531
City Treasurer	902,204	902,596	1,040,601	(138,005)
City Manager	618,199	720,757	655,128	65,629
City Attorney	1,529,114	1,531,088	1,470,112	60,976
Financial Services	4,854,614	4,973,712	4,659,042	314,670
Human Resources	686,818	687,387	644,844	42,543
Nondepartmental	5,969,666	5,762,334	5,193,185	569,149
Public safety				
Police	49,373,941	50,061,446	49,670,475	390,971
Fire	24,480,987	24,840,197	24,924,380	(84,183)
Community development				
Engineering	2,942,738	2,976,750	2,591,159	385,591
Planning	2,338,171	2,498,539	2,188,936	309,603
Building	1,939,974	2,035,629	1,949,163	86,466
Community/cultural services				
Library	4,565,296	4,671,364	4,458,862	212,502
Neighborhood Services Department	4,655,731	4,763,666	4,504,573	259,093
Economic and Community Development	1,261,890	1,243,521	1,179,824	63,697
Property Management	839,395	964,320	857,413	106,907
Public works				
Public Works	12,787,833	12,904,052	12,153,066	750,986
Capital outlay	186,122	203,122	17,585	185,537
Debt service:				
Principal retirement	-	-	113,006	(113,006)
Interest and fiscal charges	-	-	24,153	(24,153)
Transfers out	800,669	4,721,960	4,721,717	243
Total Charges to Appropriations	122,598,947	128,354,391	124,872,340	3,482,051
Budgetary Fund Balance, June 30	\$ 47,475,681	\$ 47,129,074	\$ 52,727,439	\$ 5,598,365

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
GRANTS
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,174,511	\$ 6,174,511	\$ 6,174,511	\$ -
Resources (Inflows):				
Intergovernmental	8,494,893	8,280,958	4,052,827	(4,228,131)
Charges for services	5,400	15,400	16,130	730
Interest and rentals	38,785	392,423	(29,353)	(421,776)
Developer participation	217,562	592,562	594,848	2,286
Miscellaneous	12,880	14,610	24,860	10,250
Transfers in	357,869	5,065,560	254,626	(4,810,934)
Amounts Available for Appropriations	15,301,900	20,536,024	11,088,449	(9,447,575)
Charges to Appropriations (Outflow):				
Public safety	1,663,903	2,627,030	1,847,681	779,349
Community development	4,966,664	9,507,540	1,447,627	8,059,913
Parks and recreation	294,742	806,636	572,380	234,256
Community/Cultural Services	83,958	83,958	56,670	27,288
Capital outlay	2,140,715	832,843	213,155	619,688
Transfers out	103,000	5,018,971	102,840	4,916,131
Total Charges to Appropriations	9,252,982	18,876,978	4,240,353	14,636,625
Budgetary Fund Balance, June 30	\$ 6,048,918	\$ 1,659,046	\$ 6,848,096	\$ 5,189,050

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
HOUSING ASSISTANCE PROGRAM
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,917,159	\$ 5,917,159	\$ 5,917,159	\$ -
Resources (Inflows):				
Licenses and permits	286,101	286,101	295,733	9,632
Intergovernmental	14,532,646	14,717,944	14,571,847	(146,097)
Charges for services	78,759	78,759	72,129	(6,630)
Interest and rentals	483,673	483,673	658,255	174,582
Miscellaneous	2,175,765	2,130,602	419,082	(1,711,520)
Transfers in	60,000	60,000	-	(60,000)
Amounts Available for Appropriations	23,534,103	23,674,238	21,934,205	(1,740,033)
Charges to Appropriations (Outflow):				
Community development	17,779,308	17,734,145	15,552,983	2,181,162
Transfers out	60,000	60,000	-	60,000
Total Charges to Appropriations	17,839,308	17,794,145	15,552,983	2,241,162
Budgetary Fund Balance, June 30	\$ 5,694,795	\$ 5,880,093	\$ 6,381,222	\$ 501,129

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.

Debt Service Funds

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

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

CITY OF OCEANSIDE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	Asset Seizure	Library	Gas Tax and Transportation	Community Development Block Grant
Assets:				
Cash and investments	\$ 895,491	\$ -	\$ 10,471,224	\$ -
Receivables:				
Accounts	-	-	61,707	-
Notes and loans	-	-	-	634,295
Accrued interest	-	-	-	-
Other	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	535,177	257,123
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 895,491	\$ -	\$ 11,068,108	\$ 891,418
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 9,356	\$ 189,526	\$ 20,634
Accrued liabilities	-	-	17,207	9,158
Due to other funds	-	15,580	-	246,645
Total Liabilities	-	24,936	206,733	276,437
Deferred Inflows of Resources:				
Unavailable revenues	-	-	5,408	634,295
Total Deferred Inflows of Resources	-	-	5,408	634,295
Fund Balances:				
Restricted for:				
Public safety	895,491	-	-	-
Capital projects	-	-	-	-
Highways	-	-	10,855,967	-
Street lighting and landscape maintenance	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	(24,936)	-	(19,314)
Total Fund Balances	895,491	(24,936)	10,855,967	(19,314)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 895,491	\$ -	\$ 11,068,108	\$ 891,418

CITY OF OCEANSIDE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	Maintenance Districts	Strategic Traffic Offender Program (STOP)	State & Local Asset Seizure	Storm Damage
Assets:				
Cash and investments	\$ 1,856,820	\$ -	\$ 10,861	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Other	5,052	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	226,840
Restricted assets:				
Cash and investments with fiscal agents	4,588,871	-	-	-
Total Assets	\$ 6,450,743	\$ -	\$ 10,861	\$ 226,840
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 111,094	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	48,829	-	-
Total Liabilities	111,094	48,829	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	10,861	-
Capital projects	-	-	-	226,840
Highways	-	-	-	-
Street lighting and landscape maintenance	6,339,649	-	-	-
Debt service	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	(48,829)	-	-
Total Fund Balances	6,339,649	(48,829)	10,861	226,840
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,450,743	\$ -	\$ 10,861	\$ 226,840

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CITY OF OCEANSIDE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Capital	Debt Service Fund		Total Nonmajor Governmental Funds
	Projects Fund	General Debt Service	Oceanside Lighting District	
	General Improvement			
Assets:				
Cash and investments	\$ 30,962,449	\$ 2,188,361	\$ 32,429	\$ 46,417,635
Receivables:				
Accounts	138,144	-	-	199,851
Notes and loans	-	-	-	634,295
Accrued interest	-	12,895	-	12,895
Other	-	-	-	5,052
Prepaid costs	4,626	-	-	4,626
Due from other governments	-	-	-	1,019,140
Restricted assets:				
Cash and investments with fiscal agents	-	6,025	-	4,594,896
Total Assets	\$ 31,105,219	\$ 2,207,281	\$ 32,429	\$ 52,888,390
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 428,907	\$ 2,332	\$ -	\$ 761,849
Accrued liabilities	6,057	-	-	32,422
Due to other funds	-	-	-	311,054
Total Liabilities	434,964	2,332	-	1,105,325
Deferred Inflows of Resources:				
Unavailable revenues	474,708	-	-	1,114,411
Total Deferred Inflows of Resources	474,708	-	-	1,114,411
Fund Balances:				
Restricted for:				
Public safety	-	-	-	906,352
Capital projects	28,286,939	-	-	28,513,779
Highways	-	-	-	10,855,967
Street lighting and landscape maintenance	-	-	-	6,339,649
Debt service	-	2,204,949	32,429	2,237,378
Assigned to:				
Capital Projects	1,908,608	-	-	1,908,608
Unassigned	-	-	-	(93,079)
Total Fund Balances	30,195,547	2,204,949	32,429	50,668,654
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,105,219	\$ 2,207,281	\$ 32,429	\$ 52,888,390

CITY OF OCEANSIDE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Asset Seizure	Library	Gas Tax and Transportation	Community Development Block Grant
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	79,670	-	6,231,153	1,383,994
Charges for services	-	89,494	-	-
Interest and rental	12,740	21	170,933	(101,973)
Developer participation	-	-	-	-
Miscellaneous	-	68,862	-	-
Total Revenues	92,410	158,377	6,402,086	1,282,021
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	4,081	-	-	-
Community development	-	-	-	970,129
Community/cultural services	-	264,135	-	-
Public works	-	-	4,653,985	-
Capital outlay	74,582	-	2,942,955	78,600
Debt service:				
Principal retirement	-	-	-	124,000
Interest and fiscal charges	-	-	-	150,302
Total Expenditures	78,663	264,135	7,596,940	1,323,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,747	(105,758)	(1,194,854)	(41,010)
Other Financing Sources (Uses):				
Transfers in	-	85,800	155,645	-
Transfers out	-	-	(945,500)	-
Capital leases issued	-	-	-	-
Total Other Financing Sources (Uses)	-	85,800	(789,855)	-
Net Change in Fund Balances	13,747	(19,958)	(1,984,709)	(41,010)
Fund Balances, Beginning of Year	881,744	(4,978)	12,851,892	21,696
Restatements	-	-	(11,216)	-
Beginning of Year, as Restated	881,744	(4,978)	12,840,676	21,696
Fund Balances, End of Year	\$ 895,491	\$ (24,936)	\$ 10,855,967	\$ (19,314)

CITY OF OCEANSIDE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Maintenance Districts	Strategic Traffic Offender Program (STOP)	State & Local Asset Seizure	Storm Damage
Revenues:				
Assessments	\$ 2,445,871	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	226,840
Charges for services	-	-	-	-
Interest and rental	27,190	-	156	-
Developer participation	-	-	-	-
Miscellaneous	1,126	-	-	-
Total Revenues	2,474,187	-	156	226,840
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community/cultural services	-	-	-	-
Public works	2,498,301	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,498,301	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,114)	-	156	226,840
Other Financing Sources (Uses):				
Transfers in	2,533	-	-	-
Transfers out	(277,784)	-	-	-
Capital leases issued	4,731,027	-	-	-
Total Other Financing Sources (Uses)	4,455,776	-	-	-
Net Change in Fund Balances	4,431,662	-	156	226,840
Fund Balances, Beginning of Year	1,907,987	(48,829)	10,705	-
Restatements	-	-	-	-
Beginning of Year, as Restated	1,907,987	(48,829)	10,705	-
Fund Balances, End of Year	\$ 6,339,649	\$ (48,829)	\$ 10,861	\$ 226,840

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CITY OF OCEANSIDE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Capital Projects Fund	Debt Service Fund		Total Nonmajor Governmental Funds
	General Improvement	General Debt Service	Oceanside Lighting District	
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ 2,445,871
Licenses and permits	47,520	-	-	47,520
Intergovernmental	-	-	-	7,921,657
Charges for services	185,806	-	-	275,300
Interest and rental	778,702	18,636	-	906,405
Developer participation	1,903,321	-	-	1,903,321
Miscellaneous	385,684	7,174,616	238,110	7,868,398
Total Revenues	3,301,033	7,193,252	238,110	21,368,472
Expenditures:				
Current:				
General government	-	39,046	-	39,046
Public safety	-	-	-	4,081
Community development	-	-	-	970,129
Community/cultural services	-	-	-	264,135
Public works	-	-	-	7,152,286
Capital outlay	6,282,310	-	-	9,378,447
Debt service:				
Principal retirement	-	5,068,306	225,691	5,417,997
Interest and fiscal charges	-	2,105,180	12,419	2,267,901
Total Expenditures	6,282,310	7,212,532	238,110	25,494,022
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,981,277)	(19,280)	-	(4,125,550)
Other Financing Sources (Uses):				
Transfers in	5,081,194	-	-	5,325,172
Transfers out	(632,321)	-	-	(1,855,605)
Capital leases issued	-	-	-	4,731,027
Total Other Financing Sources (Uses)	4,448,873	-	-	8,200,594
Net Change in Fund Balances	1,467,596	(19,280)	-	4,075,044
Fund Balances, Beginning of Year	28,708,355	2,224,229	32,429	46,585,230
Restatements	19,596	-	-	8,380
Beginning of Year, as Restated	28,727,951	2,224,229	32,429	46,593,610
Fund Balances, End of Year	\$ 30,195,547	\$ 2,204,949	\$ 32,429	\$ 50,668,654

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
ASSET SEIZURE
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 881,744	\$ 881,744	\$ 881,744	\$ -
Resources (Inflows):				
Intergovernmental	50,000	50,000	79,670	29,670
Interest and rentals	5,997	5,997	12,740	6,743
Amounts Available for Appropriations	937,741	937,741	974,154	36,413
Charges to Appropriations (Outflow):				
Public safety	400,089	375,091	4,081	371,010
Capital outlay	49,911	74,909	74,582	327
Total Charges to Appropriations	450,000	450,000	78,663	371,337
Budgetary Fund Balance, June 30	\$ 487,741	\$ 487,741	\$ 895,491	\$ 407,750

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
LIBRARY
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,978)	\$ (4,978)	\$ (4,978)	\$ -
Resources (Inflows):				
Charges for services	110,000	110,000	89,494	(20,506)
Interest and rentals	119	119	21	(98)
Miscellaneous	68,000	68,000	68,862	862
Transfers in	85,800	85,800	85,800	-
Amounts Available for Appropriations	258,941	258,941	239,199	(19,742)
Charges to Appropriations (Outflow):				
Community/cultural services	263,800	263,800	264,135	(335)
Total Charges to Appropriations	263,800	263,800	264,135	(335)
Budgetary Fund Balance, June 30	\$ (4,859)	\$ (4,859)	\$ (24,936)	\$ (20,077)

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
GAS TAX AND TRANSPORTATION
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as Restated	\$ 12,840,676	\$ 12,840,676	\$ 12,840,676	\$ -
Resources (Inflows):				
Intergovernmental	12,602,137	7,317,913	6,231,153	(1,086,760)
Interest and rentals	85,241	85,241	170,933	85,692
Transfers in	150,000	150,000	155,645	5,645
Amounts Available for Appropriations	25,678,054	20,393,830	19,398,407	(995,423)
Charges to Appropriations (Outflow):				
Community/Cultural Services	5,852,125	5,861,381	4,653,985	1,207,396
Capital outlay	10,918,621	12,682,695	2,942,955	9,739,740
Transfers out	945,500	945,500	945,500	-
Total Charges to Appropriations	17,716,246	19,489,576	8,542,440	10,947,136
Budgetary Fund Balance, June 30	\$ 7,961,808	\$ 904,254	\$ 10,855,967	\$ 9,951,713

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,696	\$ 21,696	\$ 21,696	\$ -
Resources (Inflows):				
Intergovernmental	2,863,475	2,811,908	1,383,994	(1,427,914)
Interest and rentals	-	-	(101,973)	(101,973)
Amounts Available for Appropriations	2,885,171	2,833,604	1,303,717	(1,529,887)
Charges to Appropriations (Outflow):				
Community development	2,448,406	2,415,289	970,129	1,445,160
Capital outlay	140,765	122,315	78,600	43,715
Debt service:				
Principal retirement	119,286	119,286	124,000	(4,714)
Interest and fiscal charges	155,016	155,016	150,302	4,714
Total Charges to Appropriations	2,863,473	2,811,906	1,323,031	1,488,875
Budgetary Fund Balance, June 30	\$ 21,698	\$ 21,698	\$ (19,314)	\$ (41,012)

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
MAINTENANCE DISTRICTS
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,907,987	\$ 1,907,987	\$ 1,907,987	\$ -
Resources (Inflows):				
Assessments	2,385,052	2,385,052	2,445,871	60,819
Interest and rentals	11,886	11,886	27,190	15,304
Miscellaneous	-	-	1,126	1,126
Transfers in	-	-	2,533	2,533
Capital leases issued	-	4,645,000	4,731,027	86,027
Amounts Available for Appropriations	4,304,925	8,949,925	9,115,734	165,809
Charges to Appropriations (Outflow):				
Community/Cultural Services	2,125,396	7,458,562	2,498,301	4,960,261
Transfers out	277,784	277,784	277,784	-
Total Charges to Appropriations	2,403,180	7,736,346	2,776,085	4,960,261
Budgetary Fund Balance, June 30	\$ 1,901,745	\$ 1,213,579	\$ 6,339,649	\$ 5,126,070

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
STATE & LOCAL ASSET SEIZURE
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,705	\$ 10,705	\$ 10,705	\$ -
Resources (Inflows):				
Intergovernmental	200	200	-	(200)
Interest and rentals	-	-	156	156
Amounts Available for Appropriations	10,905	10,905	10,861	(44)
Charges to Appropriations (Outflow):				
Public safety	200	200	-	200
Total Charges to Appropriations	200	200	-	200
Budgetary Fund Balance, June 30	\$ 10,705	\$ 10,705	\$ 10,861	\$ 156

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
GENERAL IMPROVEMENT
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as Restated	\$ 28,727,951	\$ 28,727,951	\$ 28,727,951	\$ -
Resources (Inflows):				
Licenses and permits	-	-	47,520	47,520
Intergovernmental	869,000	870,115	-	(870,115)
Charges for services	-	154,000	185,806	31,806
Use of money and property	206,449	492,449	778,702	286,253
Developer participation	954,102	1,329,580	1,903,321	573,741
Miscellaneous	224,000	383,912	385,684	1,772
Transfers in	2,105,000	5,958,320	5,081,194	(877,126)
Amounts Available for Appropriations	33,086,502	37,916,327	37,110,178	(806,149)
Charges to Appropriations (Outflow):				
Capital outlay	14,198,616	25,815,365	6,282,310	19,533,055
Transfers out	85,000	485,000	632,321	(147,321)
Total Charges to Appropriations	14,283,616	26,300,365	6,914,631	19,385,734
Budgetary Fund Balance, June 30	\$ 18,802,886	\$ 11,615,962	\$ 30,195,547	\$ 18,579,585

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,224,229	\$ 2,224,229	\$ 2,224,229	\$ -
Resources (Inflows):				
Interest and rentals	1,349,000	1,349,000	18,636	(1,330,364)
Miscellaneous	5,829,616	5,829,616	7,174,616	1,345,000
Amounts Available for Appropriations	9,402,845	9,402,845	9,417,481	14,636
Charges to Appropriations (Outflow):				
General government	7,450	7,450	39,046	(31,596)
Principal retirement	5,068,306	5,068,306	5,068,306	-
Interest and fiscal charges	2,102,861	2,102,861	2,105,180	(2,319)
Total Charges to Appropriations	7,178,617	7,178,617	7,212,532	(33,915)
Budgetary Fund Balance, June 30	\$ 2,224,228	\$ 2,224,228	\$ 2,204,949	\$ (19,279)

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
OCEANSIDE LIGHTING DISTRICT
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,429	\$ 32,429	\$ 32,429	\$ -
Resources (Inflows):				
Transfers in	-	238,219	238,110	(109)
Amounts Available for Appropriations	32,429	270,648	270,539	(109)
Charges to Appropriations (Outflow):				
Debt service:				
Principal retirement	-	225,691	225,691	-
Interest and fiscal charges	-	12,419	12,419	-
Total Charges to Appropriations	-	238,110	238,110	-
Budgetary Fund Balance, June 30	\$ 32,429	\$ 32,538	\$ 32,429	\$ (109)

INTERNAL SERVICE FUNDS

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

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

CITY OF OCEANSIDE

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	<u>Loss Prevention</u>	<u>General Services</u>	<u>Total</u>
Assets:			
Current:			
Cash and investments	\$ 22,641,351	\$ 20,189,198	\$ 42,830,549
Restricted cash and investments	250,000	-	250,000
Receivables:			
Accounts	7,347	2,471	9,818
Prepaid costs	18,348	7,976	26,324
Inventories	-	246,781	246,781
Total Current Assets	<u>22,917,046</u>	<u>20,446,426</u>	<u>43,363,472</u>
Noncurrent:			
Capital assets - net of accumulated depreciation	85,121	5,646,281	5,731,402
Total Noncurrent Assets	<u>85,121</u>	<u>5,646,281</u>	<u>5,731,402</u>
Total Assets	<u>\$ 23,002,167</u>	<u>\$ 26,092,707</u>	<u>\$ 49,094,874</u>
Liabilities and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 45,057	\$ 1,385,170	\$ 1,430,227
Accrued liabilities	6,871	107,804	114,675
Compensated absences	14,037	100,067	114,104
Claims and judgments	4,654,396	-	4,654,396
Total Current Liabilities	<u>4,720,361</u>	<u>1,593,041</u>	<u>6,313,402</u>
Noncurrent:			
Compensated absences	18,665	691,374	710,039
Claims and judgments	9,622,274	-	9,622,274
Total Noncurrent Liabilities	<u>9,640,939</u>	<u>691,374</u>	<u>10,332,313</u>
Total Liabilities	<u>14,361,300</u>	<u>2,284,415</u>	<u>16,645,715</u>
Net Position:			
Net investment in capital assets	85,121	5,646,281	5,731,402
Unrestricted	8,555,746	18,162,011	26,717,757
Total Net Position	<u>8,640,867</u>	<u>23,808,292</u>	<u>32,449,159</u>
Total Liabilities and Net Position	<u>\$ 23,002,167</u>	<u>\$ 26,092,707</u>	<u>\$ 49,094,874</u>

CITY OF OCEANSIDE

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014**

	<u>Loss Prevention</u>	<u>General Services</u>	<u>Total</u>
Operating Revenues:			
Sales and service charges	\$ 7,707,800	\$ 43,840,984	\$ 51,548,784
Miscellaneous	584	170,247	170,831
Total Operating Revenues	<u>7,708,384</u>	<u>44,011,231</u>	<u>51,719,615</u>
Operating Expenses:			
Personnel services	410,592	32,718,599	33,129,191
Maintenance and operations	4,645,464	9,795,272	14,440,736
Depreciation expense	21,280	1,723,341	1,744,621
Total Operating Expenses	<u>5,077,336</u>	<u>44,237,212</u>	<u>49,314,548</u>
Operating Income (loss)	<u>2,631,048</u>	<u>(225,981)</u>	<u>2,405,067</u>
Nonoperating Revenues (Expenses):			
Gain (loss) on disposal of capital assets	-	104,999	104,999
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>104,999</u>	<u>104,999</u>
Income Before Transfers	2,631,048	(120,982)	2,510,066
Transfers in	-	506,942	506,942
Transfers out	<u>(95,383)</u>	<u>(380,430)</u>	<u>(475,813)</u>
Changes in Net Position	2,535,665	5,530	2,541,195
Net Position:			
Beginning of Fiscal Year	<u>6,105,202</u>	<u>23,802,762</u>	<u>29,907,964</u>
End of Fiscal Year	<u>\$ 8,640,867</u>	<u>\$ 23,808,292</u>	<u>\$ 32,449,159</u>

CITY OF OCEANSIDE

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014**

	Loss Prevention	General Services	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 7,746,523	\$ 44,076,800	\$ 51,823,323
Cash paid to suppliers for goods and services	(5,642,367)	(9,804,489)	(15,446,856)
Cash paid to employees for services	(402,977)	(32,677,214)	(33,080,191)
Net Cash Provided (Used) by Operating Activities	1,701,179	1,595,097	3,296,276
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	(95,383)	(380,430)	(475,813)
Cash transfers in	-	506,942	506,942
Net Cash Provided (Used) by Non-Capital Financing Activities	(95,383)	126,512	31,129
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(687,934)	(687,934)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(687,934)	(687,934)
Net Increase (Decrease) in Cash and Cash Equivalents	1,605,796	1,033,675	2,639,471
Cash and Cash Equivalents at Beginning of Year	21,285,555	19,155,523	40,441,078
Cash and Cash Equivalents at End of Year	\$ 22,891,351	\$ 20,189,198	\$ 43,080,549
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 2,631,048	\$ (225,981)	\$ 2,405,067
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	21,280	1,723,341	1,744,621
(Increase) decrease in accounts receivable	38,139	65,569	103,708
(Increase) decrease in prepaid expense	(18,348)	(3,198)	(21,546)
(Increase) decrease in inventory	-	10,637	10,637
Increase (decrease) in accounts payable	18,590	(16,656)	1,934
Increase (decrease) in accrued liabilities	1,305	(1,225)	80
Increase (decrease) in claims and judgments	(997,145)	-	(997,145)
Increase (decrease) in compensated absences	6,310	42,610	48,920
Total Adjustments	(929,869)	1,821,078	891,209
Net Cash Provided (Used) by Operating Activities	\$ 1,701,179	\$ 1,595,097	\$ 3,296,276

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 STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2014

	Special Assessment District	Deposit	Total
Assets:			
Cash and investments	\$ 3,106,098	\$ 3,987,514	\$ 7,093,612
Restricted cash and investments	6,076,019	-	6,076,019
Receivables:			
Accounts	51,761	-	51,761
Taxes	14,611	-	14,611
Total Assets	<u>\$ 9,248,489</u>	<u>\$ 3,987,514</u>	<u>\$ 13,236,003</u>
Liabilities:			
Accounts payable	\$ 39,240	\$ 268,843	\$ 308,083
Deposits payable	179,264	3,718,671	3,897,935
Due to parties/other agencies	9,029,985	-	9,029,985
Total Liabilities	<u>\$ 9,248,489</u>	<u>\$ 3,987,514</u>	<u>\$ 13,236,003</u>

CITY OF OCEANSIDE

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2014**

	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2014</u>
<u>Special Assessment District</u>				
Assets:				
Pooled cash and investments	\$ 4,392,338	\$ 13,062,943	\$ 14,349,183	\$ 3,106,098
Restricted cash and investments	5,555,514	50,804,710	50,284,205	6,076,019
Receivables:				
Accounts	-	51,761	-	51,761
Taxes	20,043	14,615	20,047	14,611
Total Assets	<u>\$ 9,967,895</u>	<u>\$ 63,934,029</u>	<u>\$ 64,653,435</u>	<u>\$ 9,248,489</u>
Liabilities:				
Accounts payable	\$ 13,564	\$ 144,825	\$ 119,149	\$ 39,240
Deposits payable	290,915	-	111,651	179,264
Due to external parties/other agencies	9,663,416	36,247,043	36,880,474	9,029,985
Total Liabilities	<u>\$ 9,967,895</u>	<u>\$ 36,391,868</u>	<u>\$ 37,111,274</u>	<u>\$ 9,248,489</u>
<u>Deposit</u>				
Assets:				
Pooled cash and investments	\$ 4,234,069	\$ 22,629,600	\$ 22,876,155	\$ 3,987,514
Receivables:				
Accounts	10,322	187,212	197,534	-
Deposits	527,387	15,266,867	15,794,254	-
Total Assets	<u>\$ 4,771,778</u>	<u>\$ 38,083,679</u>	<u>\$ 38,867,943</u>	<u>\$ 3,987,514</u>
Liabilities:				
Accounts payable	\$ 1,282,344	\$ 23,765,949	\$ 24,779,450	\$ 268,843
Deposits payable	3,489,434	10,731,494	10,502,257	3,718,671
Total Liabilities	<u>\$ 4,771,778</u>	<u>\$ 34,497,443</u>	<u>\$ 35,281,707</u>	<u>\$ 3,987,514</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 8,626,407	\$ 35,692,543	\$ 37,225,338	\$ 7,093,612
Restricted cash and investments	5,555,514	50,804,710	50,284,205	6,076,019
Receivables:				
Accounts	10,322	238,973	197,534	51,761
Taxes	20,043	14,615	-	34,658
Deposits	527,387	15,266,867	15,794,254	-
Total Assets	<u>\$ 14,739,673</u>	<u>\$ 102,017,708</u>	<u>\$ 103,501,331</u>	<u>\$ 13,256,050</u>
Liabilities:				
Accounts payable	\$ 1,295,908	\$ 23,910,774	\$ 24,898,599	\$ 308,083
Deposits payable	3,780,349	10,731,494	10,613,908	3,897,935
Due to external parties/other agencies	9,663,416	36,247,043	36,880,474	9,029,985
Total Liabilities	<u>\$ 14,739,673</u>	<u>\$ 70,889,311</u>	<u>\$ 72,392,981</u>	<u>\$ 13,236,003</u>

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DESCRIPTION OF STATISTICAL SECTION CONTENTS

JUNE 30, 2014

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.

City of Oceanside

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

	Fiscal Year			
	2005	2006	2007	2008
Governmental Activities				
Net investment in capital assets	\$ 140,206,876	\$ 162,782,050	\$ 192,580,094	\$ 223,022,078
Restricted for:				
Debt Service	20,725,317	27,428,593	10,400,086	9,401,419
Capital Projects	58,342,462	51,988,076	56,584,296	75,302,178
Specific Projects and Programs	18,624,363	30,309,265	56,971,726	45,513,582
Total Restricted	97,692,142	109,725,934	123,956,108	130,217,179
Unrestricted	34,006,389	28,199,762	45,103,813	45,039,132
Total governmental activities net position	\$ 271,905,407	\$ 300,707,746	\$ 361,640,015	\$ 398,278,389
Business-type Activities				
Net investment in capital assets	\$ 174,541,773	\$ 175,923,102	\$ 187,894,276	\$ 196,363,003
Restricted for:				
Capital projects	3,582,124	1,876,361	1,899,746	2,252,846
Debt service	-	-	-	-
Rate stabilization	-	-	-	-
Unrestricted	82,186,952	77,186,066	63,744,851	59,188,035
Total business-type activities net position	\$ 260,310,849	\$ 254,985,529	\$ 253,538,873	\$ 257,803,884
Primary Government				
Net investment in capital assets	\$ 314,748,649	\$ 338,705,152	\$ 380,474,370	\$ 419,385,081
Restricted	101,274,266	111,602,295	125,855,854	132,470,025
Unrestricted	116,193,341	105,385,828	108,848,664	104,227,167
Total Primary Government net position	\$ 532,216,256	\$ 555,693,275	\$ 615,178,888	\$ 656,082,273

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 234,316,806	\$ 234,789,461	\$ 235,574,067	\$ 243,655,279	\$ 241,149,904	\$ 232,895,300
5,007,853	2,174,867	4,141,868	2,161,962	2,256,658	2,237,378
78,554,859	40,191,226	58,506,353	-	28,708,355	28,513,779
44,045,329	39,150,717	42,884,232	106,653,971	82,545,895	31,331,286
<u>127,608,041</u>	<u>81,516,810</u>	<u>105,532,453</u>	<u>108,815,933</u>	<u>113,510,908</u>	<u>62,082,443</u>
<u>39,968,095</u>	<u>73,283,539</u>	<u>53,795,980</u>	<u>49,273,627</u>	<u>59,194,764</u>	<u>126,856,155</u>
\$ 401,892,942	\$ 389,589,810	\$ 394,902,500	\$ 401,744,839	\$ 413,855,576	\$ 421,833,898
\$ 207,637,088	\$ 400,340,807	\$ 395,086,570	\$ 385,375,753	\$ 380,748,031	\$ 364,289,926
33,894,838	27,552,284	32,998,023	38,054,343	23,556,608	56,127,650
-	955,236	936,607	930,832	1,019,886	1,000,178
-	-	1,700,000	2,318,667	2,318,667	5,944,326
<u>12,766,808</u>	<u>21,602,927</u>	<u>28,535,592</u>	<u>44,681,865</u>	<u>79,945,483</u>	<u>80,919,598</u>
\$ 254,298,734	\$ 450,451,254	\$ 459,256,792	\$ 471,361,460	\$ 487,588,675	\$ 508,281,678
\$ 441,953,894	\$ 635,130,268	\$ 630,660,637	\$ 629,031,032	\$ 621,897,935	\$ 597,185,226
161,502,879	110,024,330	139,467,083	150,119,775	140,406,069	179,312,399
52,734,903	94,886,466	82,331,572	93,955,492	139,190,151	153,617,951
<u>\$ 656,191,676</u>	<u>\$ 840,041,064</u>	<u>\$ 852,459,292</u>	<u>\$ 873,106,299</u>	<u>\$ 901,494,155</u>	<u>\$ 930,115,576</u>

City of Oceanside

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

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 11,345,079	\$ 11,936,686	\$ 13,958,047	\$ 16,004,013
Public safety	55,728,435	61,977,977	64,713,256	68,521,173
Community development	23,377,424	23,295,927	26,915,033	24,715,209
Community/cultural services	11,700,438	12,806,800	14,224,389	14,191,135
Public works	23,140,587	25,475,444	24,585,242	27,088,207
Interest on long-term debt	9,548,310	8,634,066	7,634,724	7,486,339
Total governmental activities	<u>\$ 134,840,273</u>	<u>\$ 144,126,900</u>	<u>\$ 152,030,691</u>	<u>\$ 158,006,076</u>
Business-type activities:				
Water	34,100,516	37,074,165	41,066,482	40,649,208
Sewer	21,607,092	23,735,275	26,465,182	27,039,628
Waste disposal	19,365,317	19,105,879	20,074,362	20,846,158
Special aviation	457,490	483,012	467,505	432,432
Oceanside Small Craft Harbor District	5,115,937	5,501,277	5,700,513	5,807,752
Total business-type activities	<u>80,646,352</u>	<u>85,899,608</u>	<u>93,774,044</u>	<u>94,775,178</u>
Total primary government expenses	<u>\$ 215,486,625</u>	<u>\$ 230,026,508</u>	<u>\$ 245,804,735</u>	<u>\$ 252,781,254</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,435,479	\$ 2,556,047	\$ 2,726,649	\$ 2,910,185
Public safety	4,360,499	5,121,602	4,506,019	5,546,313
Community development	10,641,984	7,539,632	7,426,082	5,992,226
Community/cultural services	870,579	851,456	952,830	1,283,498
Public works	5,909,863	6,830,916	6,546,976	21,137,007
Operating Grants and Contributions	25,830,552	33,579,124	42,771,143	31,173,230
Capital Grants and Contributions	5,356,513	5,274,095	7,612,717	9,418,160
Total governmental activities program revenues	<u>55,405,469</u>	<u>61,752,872</u>	<u>72,542,416</u>	<u>77,460,619</u>
Business-type activities:				
Charges for services:				
Water	35,120,057	36,716,820	39,415,143	42,185,950
Sewer	19,791,178	20,723,540	23,054,008	24,749,371
Waste disposal	19,210,840	19,816,761	20,405,194	20,961,319
Special aviation	296,693	394,072	439,422	464,774
Oceanside Small Craft Harbor District	4,921,907	4,996,577	5,299,861	5,322,666
Operating Grants and Contributions	166,152	-	-	4,220,677
Capital Grants and Contributions	372,451	-	-	-
Total business-type activities program revenues	<u>79,879,278</u>	<u>82,647,770</u>	<u>88,613,628</u>	<u>97,904,757</u>
Total primary government program revenues	<u>\$ 135,284,747</u>	<u>\$ 144,400,642</u>	<u>\$ 161,156,044</u>	<u>\$ 175,365,376</u>
Net (Expense)/Revenue				
Governmental activities	\$ (79,434,804)	\$ (82,374,028)	\$ (79,488,275)	\$ (80,545,457)
Business-type activities	(767,074)	(3,251,838)	(5,160,416)	3,129,579
Total primary government net expense	<u>\$ (80,201,878)</u>	<u>\$ (85,625,866)</u>	<u>\$ (84,648,691)</u>	<u>\$ (77,415,878)</u>

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 19,051,433	\$ 13,967,349	\$ 14,899,107	\$ 16,101,719	\$ 14,830,050	\$ 16,455,355
76,759,409	81,635,635	74,767,172	70,989,600	76,558,916	76,486,996
28,756,441	39,476,894	28,968,430	28,291,313	25,082,898	24,559,378
14,193,259	14,565,149	11,669,455	11,615,707	11,910,768	14,051,321
28,263,292	27,101,514	32,341,519	27,020,879	28,329,168	30,469,085
7,363,801	9,213,229	7,472,655	5,441,528	2,861,072	2,153,456
<u>\$ 174,387,635</u>	<u>\$ 185,959,770</u>	<u>\$ 170,118,338</u>	<u>\$ 159,460,746</u>	<u>\$ 159,572,872</u>	<u>\$ 164,175,591</u>
41,651,535	44,640,059	43,930,562	51,309,115	51,800,928	56,800,583
28,233,964	29,744,119	29,272,281	33,251,371	31,340,700	31,537,700
21,282,754	19,073,268	20,035,442	20,111,113	19,217,767	18,745,866
565,477	230,378	380,711	94,106	90,609	86,988
6,551,918	4,454,450	1,382,005	1,292,291	1,312,457	1,372,653
98,285,648	98,142,274	95,001,001	106,057,996	103,762,461	108,543,790
<u>\$ 272,673,283</u>	<u>\$ 284,102,044</u>	<u>\$ 265,119,339</u>	<u>\$ 265,518,742</u>	<u>\$ 263,335,333</u>	<u>\$ 272,719,381</u>
\$ 2,735,446	\$ 1,510,087	\$ 1,618,641	\$ 2,112,141	\$ 2,479,719	\$ 5,039,215
6,016,525	8,123,510	6,116,702	5,005,344	6,514,143	6,673,108
5,509,157	5,180,697	6,127,879	6,073,887	6,864,969	6,687,509
2,421,512	1,111,571	1,203,242	897,301	974,234	1,126,533
6,881,633	6,721,474	8,424,047	6,978,316	6,984,599	7,365,266
24,119,622	38,057,394	45,593,539	36,121,277	31,216,913	34,768,831
9,997,029	4,824,134	7,479,535	7,490,018	5,593,000	732,237
57,680,924	65,528,867	76,563,585	64,678,284	60,627,577	62,392,699
42,313,563	41,865,765	45,307,197	53,176,890	57,469,143	62,320,181
25,304,602	28,570,644	32,440,442	37,638,074	39,670,129	44,210,556
21,442,968	20,795,455	23,119,454	22,756,966	23,568,208	23,706,070
465,150	144,269	97,633	100,865	102,084	104,298
5,311,555	5,028,536	5,003,985	5,792,048	6,099,713	6,095,895
1,132,596	1,787,839	384,697	1,881,956	586,367	-
-	238,500	-	-	-	-
95,970,434	98,431,008	106,353,408	121,346,799	127,495,644	136,437,000
<u>\$ 153,651,358</u>	<u>\$ 163,959,875</u>	<u>\$ 182,916,993</u>	<u>\$ 186,025,083</u>	<u>\$ 188,123,221</u>	<u>\$ 198,829,699</u>
\$ (116,706,711)	\$ (120,430,903)	\$ (93,554,753)	\$ (94,782,462)	\$ (98,945,295)	\$ (101,782,892)
(2,315,214)	288,734	11,352,407	15,288,803	23,733,183	27,893,210
<u>\$ (119,021,925)</u>	<u>\$ (120,142,169)</u>	<u>\$ (82,202,346)</u>	<u>\$ (79,493,659)</u>	<u>\$ (75,212,112)</u>	<u>\$ (73,889,682)</u>

City of Oceanside

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

	Fiscal Year			
	2005	2006	2007	2008
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 40,004,828	\$ 48,001,309	\$ 54,785,119	\$ 58,663,948
Sales taxes	15,198,456	15,675,218	17,814,047	18,734,655
Other taxes	10,796,296	14,027,416	11,437,735	11,746,323
Total taxes	<u>65,999,580</u>	<u>77,703,943</u>	<u>84,036,901</u>	<u>89,144,926</u>
Intergovernmental unrestricted	11,339,407	11,981,723	12,682,555	13,633,572
Investment Earnings	9,153,835	9,711,778	14,095,895	13,343,619
Developer contributions	6,368,599	10,663,038	-	-
Miscellaneous	1,651,856	329,321	1,072,547	563,443
Loss on sale of assets	9,604,277	61,726	219,935	157,154
Extraordinary gain(loss)	-	-	-	-
Transfers	1,395,108	2,391,713	1,408,380	1,883,945
Total Governmental activities	<u>105,512,662</u>	<u>112,843,242</u>	<u>113,516,213</u>	<u>118,726,659</u>
Business-type activities:				
Investment Earnings	2,520,243	2,274,912	3,945,045	3,017,902
Miscellaneous	-	-	-	-
Loss on sale of assets	-	-	5,599	-
Transfers	(1,395,108)	(2,391,713)	(1,408,380)	(1,883,945)
Total business-type activities:	<u>1,125,135</u>	<u>(116,801)</u>	<u>2,542,264</u>	<u>1,133,957</u>
Total primary government	<u>\$ 106,637,797</u>	<u>\$ 112,726,441</u>	<u>\$ 116,058,477</u>	<u>\$ 119,860,616</u>
Change in Net Position				
Governmental activities	\$ 26,077,858	\$ 30,469,214	\$ 34,027,938	\$ 38,181,202
Business-type activities:	358,061	(3,368,639)	(2,618,152)	4,263,536
Total primary government	<u>\$ 26,435,919</u>	<u>\$ 27,100,575</u>	<u>\$ 31,409,786</u>	<u>\$ 42,444,738</u>

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 61,239,407	\$ 55,979,593	\$ 54,923,310	\$ 51,774,298	\$ 49,143,021	\$ 49,142,577
16,914,344	17,326,635	18,141,424	19,397,588	20,716,764	20,960,270
<u>12,424,966</u>	<u>10,577,615</u>	<u>11,091,446</u>	<u>11,461,700</u>	<u>16,565,848</u>	<u>12,405,237</u>
90,578,717	83,883,843	84,156,180	82,633,586	86,425,633	82,508,084
14,083,346	504,448	830,682	90,581		
9,861,241	8,380,289	9,585,836	15,460,157	4,828,627	7,849,076
-	-	-	-	-	-
423,227	3,673,334	5,749,504	7,753,512	9,061,036	8,100,064
-	-	-	(11,501,480)	-	104,999
-	-	-	6,883,340	10,740,736	11,286,667
<u>8,214,295</u>	<u>4,961,121</u>	<u>7,025,199</u>	<u>6,883,340</u>	<u>10,740,736</u>	<u>11,286,667</u>
<u>123,160,826</u>	<u>101,403,035</u>	<u>107,347,401</u>	<u>101,319,696</u>	<u>111,056,032</u>	<u>109,848,890</u>
2,109,687	982,961	568,677	932,868	(536,263)	1,959,130
-	3,860,425	4,461,855	2,766,337	3,654,356	2,024,680
4,964,630	-	-	-	-	6,357
<u>(8,214,295)</u>	<u>(4,961,121)</u>	<u>(7,025,199)</u>	<u>(6,883,340)</u>	<u>(10,740,736)</u>	<u>(11,286,667)</u>
<u>(1,139,978)</u>	<u>(117,735)</u>	<u>(1,994,667)</u>	<u>(3,184,135)</u>	<u>(7,622,643)</u>	<u>(7,296,500)</u>
<u>\$ 122,020,848</u>	<u>\$ 101,285,300</u>	<u>\$ 105,352,734</u>	<u>\$ 98,135,561</u>	<u>\$ 103,433,389</u>	<u>\$ 102,552,390</u>
6,454,115	(19,027,868)	13,792,648	6,537,234	12,110,737	8,065,998
<u>(3,455,192)</u>	<u>170,999</u>	<u>9,357,740</u>	<u>12,104,668</u>	<u>16,110,540</u>	<u>20,596,710</u>
<u>\$ 2,998,923</u>	<u>\$ (18,856,869)</u>	<u>\$ 23,150,388</u>	<u>\$ 18,641,902</u>	<u>\$ 28,221,277</u>	<u>\$ 28,662,708</u>

City of Oceanside

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Reserved	\$ 3,700,253	\$ 3,701,873	\$ 3,740,229	\$ 3,607,416
Unreserved, designated	-	-	-	35,804,645
Unreserved, undesignated	37,879,006	41,657,973	46,202,605	4,711,757
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	\$ 41,579,259	\$ 45,359,846	\$ 49,942,834	\$ 44,123,818
All Other Governmental Funds				
Reserved:				
Special revenue funds	\$ 3,224,903	\$ 9,014,958	\$ 9,179,056	\$ 22,373,194
Debt service funds	16,572,344	13,514,019	9,721,949	9,401,419
Capital projects funds	-	14,807,661	13,727,570	13,525,685
Unreserved, designated:				
Special revenue funds	-	-	-	21,812,104
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	12,607,488	17,875,218	45,615,179	14,808,283
Debt service funds	7,689,118	-	(12,434,455)	(12,669,680)
Capital projects funds	47,606,317	41,465,183	61,608,352	61,776,493
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	-	-	-	-
Total all other Governmental Funds	\$ 87,700,170	\$ 96,677,039	\$ 127,417,651	\$ 131,027,498
All Governmental Funds	\$ 129,279,429	\$ 142,036,885	\$ 177,360,485	\$ 175,151,316

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
3,680,434	11,693,612	13,378,851	11,255,881	11,280,586	11,168,901
15,442,512	15,737,602	15,667,245	16,348,074	16,213,781	17,526,258
15,680,540	9,051,338	5,806,222	7,472,057	12,712,663	15,679,811
6,558,093	1,008,053	-	1,997,735	8,490,329	8,352,469
<u>\$ 41,361,579</u>	<u>\$ 37,490,605</u>	<u>\$ 34,852,318</u>	<u>\$ 37,073,747</u>	<u>\$ 48,697,359</u>	<u>\$ 52,727,439</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
214	23,597,506	23,575,682	5,406,933	5,366,479	-
-	-	-	-	-	-
13,285,070	18,949,270	335,047	-	-	-
-	4,051,048	24,176,027	-	4,449	-
1,790,736	7,354,557	7,889,448	7,493,591	7,469,221	13,229,318
4,412,804	-	-	-	2,224,229	-
2,645,521	-	1,432,594	-	-	-
17,306,801	6,489,499	17,881,727	42,681,033	43,500,742	48,853,125
-	-	-	-	-	-
-	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	909,617	1,908,608
-	-	-	(90,115)	(744,030)	-
(13,242,660)	(9,817,564)	(12,029,374)	-	-	-
-	-	-	-	-	-
-	(167,026)	(373,292)	(233,255)	(53,807)	(93,079)
<u>\$ 116,344,171</u>	<u>\$ 109,933,062</u>	<u>\$ 111,784,736</u>	<u>\$ 59,277,944</u>	<u>\$ 58,676,900</u>	<u>\$ 63,897,972</u>
<u>\$ 157,705,750</u>	<u>\$ 147,423,667</u>	<u>\$ 146,637,054</u>	<u>\$ 96,351,691</u>	<u>\$ 107,374,259</u>	<u>\$ 116,625,411</u>

City of Oceanside

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
Taxes	\$ 65,421,689	\$ 75,175,577	\$ 84,150,853	\$ 88,632,073
Licenses and permits	2,264,692	2,640,136	2,296,979	1,899,169
Intergovernmental	28,032,701	37,417,423	28,451,602	42,765,760
Charges for services	11,762,268	13,174,726	10,842,358	10,554,651
Interest and rentals	8,970,023	5,600,963	12,375,093	12,166,634
Fines and forfeitures	3,821,194	4,320,726	4,299,450	4,974,638
Lease revenue	2,319,107	2,262,236	4,644,958	4,656,346
Developer fees	6,358,585	10,855,028	10,997,445	4,026,658
Special assessments	7,253,902	7,605,943	12,453,958	8,286,857
Administrative and in lieu charges	11,339,407	11,981,723	12,682,555	13,633,572
Other	1,815,169	596,106	1,140,081	1,486,331
Total Revenues	149,358,737	171,630,587	184,335,332	193,082,689
Expenditures:				
General government	11,252,291	11,675,141	12,913,269	14,588,366
Public safety	55,421,998	59,977,872	65,460,131	69,336,877
Community development	22,786,226	22,569,033	33,913,454	24,861,865
Community/cultural services	10,388,449	11,482,495	12,381,047	13,852,218
Public works	16,400,288	15,198,022	15,746,646	15,669,045
Capital outlay	16,354,681	22,492,632	25,540,153	46,019,219
Debt service				
Principal	5,685,000	4,760,780	6,252,146	5,724,192
Interest	9,150,912	8,021,110	8,526,638	7,964,401
Total Expenditures	147,439,845	156,177,085	180,733,484	198,016,183
Excess of Revenues over (under) expenditures	1,918,892	15,453,502	3,601,848	(4,933,494)
Other Financing Sources (Uses)				
Issuance of long-term debt	-	42,780,000	-	-
Issuance of refunding debt	35,744,583	-	-	-
Bond premium	-	1,032,871	-	-
Payment of unfunded pension liability	-	(42,072,326)	-	-
Redemption of refunded debt	(33,650,000)	-	-	-
Loan proceeds	-	-	-	3,500,000
Proceed from sale of real property	9,434,809	228,100	1,663,000	1,560
Transfers in	12,410,052	16,750,522	37,997,067	25,040,614
Transfers out	(11,610,315)	(21,587,024)	(36,697,390)	(24,377,845)
Total other financing sources (uses)	12,329,129	(2,867,857)	2,962,677	4,164,329
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-
Net change in fund balances	\$ 14,248,021	\$ 12,585,645	\$ 6,564,525	\$ (769,165)
Debt Service as a percentage of noncapital expenditures.	11.3%	9.6%	9.5%	9.0%

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

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 91,340,010	\$ 83,508,603	\$ 84,252,109	\$ 82,159,554	\$ 81,307,547	\$ 82,818,776	
1,877,798	973,602	2,501,483	1,987,843	2,201,628	2,171,960	
27,941,755	28,700,124	38,281,505	34,823,491	28,709,782	27,038,190	
10,366,112	14,492,767	12,999,466	9,254,906	11,649,934	15,145,486	
8,673,200	6,318,649	3,629,981	6,051,536	4,828,626	6,715,747	
4,770,065	1,890,806	1,949,170	4,536,471	4,289,750	4,211,163	
4,738,281	2,342,583	2,348,728	1,234,704	-	-	
4,439,021	2,744,171	2,782,358	2,191,048	2,775,907	2,498,169	
2,351,621	-	-	-	-	-	
14,083,346	16,537,589	10,911,973	8,798,042	8,872,886	9,197,686	
770,811	4,639,198	8,258,197	9,138,214	14,468,524	8,890,227	
<u>171,352,020</u>	<u>162,148,092</u>	<u>167,914,970</u>	<u>160,175,809</u>	<u>159,104,584</u>	<u>158,687,404</u>	
16,229,297	13,705,854	14,204,862	15,040,557	14,102,273	15,557,074	
73,479,724	76,616,881	72,109,425	71,220,254	74,771,213	76,446,617	
33,420,647	38,432,800	27,655,390	27,968,667	25,064,042	24,699,997	
12,898,183	14,881,758	10,843,234	9,591,839	9,847,644	11,837,187	
17,813,964	18,664,638	17,130,401	15,999,867	16,715,563	19,362,022	
22,067,047	8,953,305	14,513,009	11,290,953	6,899,316	9,609,187	
6,100,728	6,596,713	7,616,985	14,967,189	21,152,400	5,531,003	
8,152,267	9,638,213	7,608,092	6,186,648	3,127,280	2,292,054	
<u>190,161,857</u>	<u>187,490,162</u>	<u>171,681,398</u>	<u>172,265,974</u>	<u>171,679,731</u>	<u>165,335,141</u>	
(18,809,837)	(25,342,070)	(3,766,428)	(12,090,165)	(12,575,147)	(6,647,737)	
-	-	1,624,761	7,725,000	12,126,893	4,731,027	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
7,905	-	-	-	-	-	
24,680,835	27,723,634	32,976,259	23,022,366	15,831,614	17,935,700	
(20,484,907)	(22,306,443)	(28,437,187)	(14,530,805)	(4,360,792)	(6,680,162)	
<u>4,203,833</u>	<u>5,417,191</u>	<u>6,163,833</u>	<u>16,216,561</u>	<u>23,597,715</u>	<u>15,986,565</u>	
-	-	-	(19,505,666)	-	-	
<u>\$ (14,606,004)</u>	<u>\$ (19,924,879)</u>	<u>\$ 2,397,405</u>	<u>\$ (15,379,270)</u>	<u>\$ 11,022,568</u>	<u>\$ 9,338,828</u>	

8.5%

9.1%

9.7%

13.1%

14.7%

5.0%

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City of Oceanside

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

Fiscal Year	Property	Sales and Use	Property Transfer	Transient Occupancy	Franchises	Licenses	Total
2005	\$ 32,063,276	\$ 16,802,110	\$ 1,525,040	\$ 2,473,674	\$ 3,519,787	\$ 3,171,676	\$ 59,555,563
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	80,474,122
2010	41,072,836	17,045,656	664,486	3,184,613	3,912,710	2,590,262	68,470,563
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
2013	45,578,034	20,427,305	690,461	4,239,186	3,981,353	2,344,023	77,260,362
2014	47,167,486	21,251,247	875,716	4,707,473	4,112,292	2,449,210	80,563,424
Change 2005-2014	47.1%	26.5%	-42.6%	90.3%	16.8%	-22.8%	35.3%

Source: Financial Services Department, Accounting Division

Note: Revenues are from the General Fund only

City of Oceanside

Schedule of Assessed Valuation Last Ten Fiscal Years

Fiscal Year	ASSESSED VALUATIONS			
	Land	Improvements	Personal Property	Total
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
2013	7,872,723,361	9,188,547,651	172,271,697	17,233,542,709
2014	8,095,710,824	9,389,176,806	166,785,707	17,651,673,337

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
\$ 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
209,521,671	*	335,956,443	16,688,064,595	0.246 %	41,072,836
204,943,661	*	344,215,225	17,102,514,451	0.276 %	47,167,486

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>
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%
2013	0.26665%	0.03175%	0.00000%	1.00000%	1.29840%
2014	0.25871%	0.02770%	0.00000%	1.00000%	1.28641%

(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	2014			2005		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Genentech Inc.	\$ 423,429,020	1	2.39%			
P K II El Camino North LP	95,852,374	2	0.54%			
Walmart Real Estate Business Trust	75,572,449	3	0.43%			
Wyndham Vacation Resorts	68,315,917	4	0.39%			
Lakeridge-Island Club Apartments Partners	63,896,822	5	0.36%			
Cox Communications San Diego	61,020,658	6	0.34%			
W2005 M R D Realty LLC	60,000,000	7	0.34%			
Cole of Oceanside California LP	55,590,000	8	0.31%			
Prime Mesa LP	54,114,308	9	0.31%			
Piazza Doro LLC	52,274,582	10	0.30%			
IDEC Pharmaceuticals Corporation				\$ 214,319,751	1	1.69%
Pan Pacific Retail Properties Inc.				80,629,434	2	0.64%
Northwestern Mutual Life Ins. Company				60,820,171	3	0.48%
Biogen IDEC Inc.				59,222,082	4	0.47%
E Q R-Mission Hills LLC				55,903,461	5	0.44%
Lakeridge-Island Club Apartments Partners				55,334,461	6	0.44%
Pacific Coast Plaza Investments LLC				45,982,452	7	0.36%
CREA Rancho Del Oro LLC				35,629,875	8	0.28%
Trendwest Leasing LLC LF Worldmark				34,557,277	9	0.27%
Frank Mission Marketplace LLC				34,319,607	10	0.27%
	<u>1,010,066,130</u>		<u>5.71%</u>	<u>676,718,571</u>		<u>5.34%</u>

Source: San Diego County Assessor and HdL Coren & Cone

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City of Oceanside

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Penalties Interest and Other Years Collections (2)	Total Collections		Delinquent Taxes Receivable	
		Amount (2)	% of Levy		Amount	% of Current Levy	Amount	% of Current Levy
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%	1,690,640	5.2%
2013	32,717,637	30,899,311	94.4%	284,066	31,183,377	95.3%	1,512,637	4.6%
2014	33,230,696	31,654,633	95.3%	187,360	31,841,993	95.8%	1,460,119	4.4%

Source: County of San Diego

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

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

City of Oceanside

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	Pension Obligation Bonds	Redevelopment Bonds	Capital Leases & Notes Payable	Certificates of Participation	Special Assessment Bonds
2005	\$ -	\$ 59,895,000	\$ 8,816,880	\$ 59,450,000	\$ 1,760,000
2006	42,780,000	58,420,000	3,015,944	57,020,000	1,300,000
2007	42,365,000	56,950,000	2,554,195	54,345,000	-
2008	41,825,000	54,975,000	5,589,096	51,535,000	-
2009	41,150,000	52,925,000	5,114,241	48,565,000	-
2010	40,325,000	50,790,000	4,530,024	45,440,000	-
2011	39,345,000	48,560,000	5,042,800	42,145,000	-
2012	38,195,000	*	4,610,611	38,815,000	-
2013	36,860,000	*	3,678,468	32,680,659	-
2014	35,325,000	*	7,946,798	29,095,691	-

¹ 2005 - 2012 ratios were calculated using the Price and Population received from the State of California Department of Finance.

² 2013 - 2014 ratio was calculated using Per Capita Personal Income as provided by HDL.

* See Note 15: Dissolution of redevelopment agency

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

Business-Type Activities

Revenue Bonds	Certificates of Participation	Loans Payable	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
\$ 9,690,000	\$ 24,795,000	\$ 75,605,497	\$ 240,012,377	3.42 %	1,374
9,115,000	23,035,000	74,369,260	269,055,204	3.74 %	1,538
8,525,000	21,215,000	72,763,761	258,717,956	3.50 %	1,468
7,905,000	19,335,000	69,208,463	250,372,559	3.41 %	1,406
7,265,000	27,800,000	50,621,564	233,440,805	3.16 %	1,299
6,595,000	25,900,000	47,601,969	221,181,993	2.97 %	1,226
5,890,000	23,930,000	44,513,086	209,425,886	2.74 %	1,245
5,165,000	22,435,000	41,353,288	150,573,899	1.90 %	888
19,525,145	6,020,000	36,248,337	135,012,609	2.79 %	797
38,256,391	-	31,682,344	142,306,224	3.13 %	831

City of Oceanside

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percent of Assessed Value ¹	Per Capita	Total Assessed Valuation	Population
	Pension Obligation Bonds	Redevelopment Bonds	Certificates of Participation	Special Assessment Bonds	Total				
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
2013	36,860,000	*	32,056,636	-	68,916,636	0.40%	407	17,323,915,631	169,350
2014	35,325,000	*	28,523,330	-	63,848,330	0.36%	373	17,715,328,740	171,183

¹ 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, 2014

	Total Debt Debt 6/30/14	% Applicable (1)	City's Share of Debt 6/30/14
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 132,275,000	0.808%	\$ 1,068,782
Palomar Community College District	312,768,901	5.138%	16,070,066
Carlsbad Unified School District	190,233,489	2.019%	3,840,814
Oceanside Unified School District	228,579,327	99.822%	228,172,456
Vista Unified School District	114,524,882	33.669%	38,559,383
Fallbrook Union High School district	8,020,071	8.150%	653,636
Bonsall Unified School District	15,499,680	21.481%	3,329,486
City of Oceanside Community Facilities District No. 2000-1	22,930,000	100.000%	22,930,000
City of Oceanside Community Facilities District No. 2001-1	17,595,000	100.000%	17,595,000
City of Oceanside Community Facilities District No. 2001-1, Improvement Area No. 1	7,695,000	100.000%	7,695,000
City of Oceanside Community Facilities District No. 2006-1	8,840,000	100.000%	8,840,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 348,754,623
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Diego County General Fund Obligations	\$ 379,835,000	4.484%	\$ 17,031,801
San Diego County Pension Obligations	720,855,256	4.484%	32,323,150
San Diego County Superintendent of Schools Certificates of Participation	16,125,000	4.484%	723,045
Mira Costa Community College District Certificates of Participation	2,060,000	16.045%	330,527
Palomar Community College District Certificates of Participation	4,855,000	5.138%	249,450
Carlsbad Unified School District Certificates of Participation	40,095,000	2.019%	809,518
Vista Unified School District Certificates of Participation	4,325,000	33.669%	1,456,184
Bonsall Union School District Certificates of Participation	1,700,000	21.481%	365,177
City of Oceanside General Fund Obligations	28,523,330	100.000%	28,523,330
City of Oceanside Pension Obligations	35,325,000	100.000%	35,325,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 117,137,182
GROSS COMBINED TOTAL DEBT (2)			\$ 465,891,805 (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 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.96%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$63,848,330) 0.36%

Combined Total Debt 2.86%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/14: \$0

Source: California Municipal Statistics, Inc

City of Oceanside

Legal Debt Margin Information Last Ten Years

	Fiscal Year			
	2005	2006	2007	2008
Assessed valuation	\$ 11,890,056,869	\$ 13,816,690,118	\$ 15,657,771,874	\$ 17,073,760,557
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	2,972,514,217	3,454,172,530	3,914,442,969	4,268,440,139
Debt limit percentage	15%	15%	15%	15%
Debt limit	445,877,133	518,125,879	587,166,445	640,266,021
Total net debt applicable to limit:				
General & Pension Obligation Bonds	-	42,780,000	42,365,000	41,825,000
Legal debt margin	445,877,133	475,345,879	544,801,445	598,441,021
Total debt applicable to the limit as a percentage of the debt limit	0.0%	8.3%	7.2%	6.5%

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					
2009	2010	2011	2012	2013	2014
\$ 17,356,587,943	\$ 17,493,006,303	\$ 17,205,265,780	\$ 17,381,056,626	\$ 17,323,915,631	\$ 17,715,328,740
25%	25%	25%	25%	25%	25%
4,339,146,986	4,373,251,576	4,301,316,445	4,345,264,157	4,330,978,908	4,428,832,185
15%	15%	15%	15%	15%	15%
650,872,048	655,987,736	645,197,467	651,789,623	649,646,836	664,324,828
41,150,000	40,325,000	39,345,000	38,195,000	36,860,000	35,325,000
609,722,048	615,662,736	605,852,467	613,594,623	612,786,836	628,999,828
6.3%	6.1%	6.1%	5.9%	5.7%	5.3%

City of Oceanside

Pledged-Revenue Coverage Last Ten Years

Water Revenue Bonds							
Fiscal Year	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
*2013	58,828,063	51,404,369	7,423,694	765,000	233,805	998,805	7.43
**2014	63,266,148	55,526,689	7,739,459	550,000	638,889	1,188,889	6.51

Sewer Revenue Bonds							
Fiscal Year	Sewer Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
^2014	\$ 44,554,439	\$30,279,044	\$14,275,395	\$1,570,000	\$550,698	\$2,120,698	6.73

*Debt coverage improved due to increase in water revenue.

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

^2013 Sewer Refunding Bond was issued by the City

City of Oceanside

Demographic and Economic Statistics Last Ten Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (Millions \$)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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%
2013	169,350	8,108	47,878	6.6%
2014	171,183	8,177	47,768	5.7%

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	2014	2005
	Business Category	Business Category
7 Eleven	Service Stations	
Albertsons	Grocery Stores Liquor	
Apro	Service Stations	
Best Buy	Electronics/Appliance Stores	
Chevron	Service Stations	
Circle K	Service Stations	
CVS Pharmacy	Drug Stores	
Express Fuel	Service Stations	
G & M Oil Company	Service Stations	
Home Depot	Lumber/Building Materials	
Kohls	Department Stores	
Lowes	Lumber/Building Materials	
Melrose Arco	Service Stations	
Mission AM PM	Service Stations	
Moshen Oil	Service Stations	
Mossy Nissan	New Motor Vehicle Dealers	
MWI	Plumbing/Electical Supplies	
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	
Target	Discount Dept Store	
Walmart	Discount Dept Store	
Albertsons		Grocery Stores Liquor
Arco AM PM Mini Mart		Service Stations
Bed Bath & Beyond		Home Furnishings
Best Buy		Electronics/Appliance Stores
Chevron		Service Stations
Home Depot		Lumber/Building Materials
K Mart		Discount Dept Store
Kia of Oceanside		New Motor Vehicle Sales
Kohls		Department Stores
Lowes		Lumber/Building Materials
Melrose Arco		Service Stations
Mervyns		Department Stores
Mobil Oil		Service Stations
Morally Wholesale		Plumbing/Electrical Supplies
Moshen Oil		Service Stations
Mossy Nissan		New Motor Vehicle Sales
Motopro		Boats/Motorcycles
North San Diego County Transit Development		Government/Social Org.
Oceanside Ready Mix		Contractors
Ralphs		Grocery Stores Liquor
Sav On		Drug Stores
Stater Bros		Grocery Stores Liquor
Superior Ready Mix Concrete		Contractors
Target		Discount Dept Store
Walmart		Discount Dept Store
Percent of Fiscal Year Total Paid by Top 25 Accounts	42%	45%

* Firms listed alphabetically

Source: HdL Coren & Cone

City of Oceanside

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

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
General Government	114	114	117	116	117	105	102	99	120	118
Public Safety										
Police	281	287	298	323	319	321	321	320	320	319
Fire	149	149	129	131	129	114	120	118	119	119
Public Works	167	167	165	119	119	109	121	110	91	88
Development Services	30	31	32	75	68	51	48	48	47	47
Neighborhood Services	47	47	79	82	78	71	69	63	59	55
Economic & Community Development	15	12	14	14	14	14	13	12	2	2
Library	76	76	44	37	36	35	32	27	26	26
Water Utilities	141	141	142	141	143	144	143	138	138	141
Harbor	40	40	39	37	37	26	0	0	0	0
Total	1,060	1,064	1,059	1,075	1,060	990	969	935	922	915

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

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City of Oceanside

Operating Indicators by Function/Program Last Nine Fiscal Years

	Fiscal Year								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police									
Arrests	9,296	10,646	9,139	8,391	7,245	5,961	9,086	7,920	6,841
Citations	24,502	25,233	22,514	19,697	17,491	23,464	26,639	23,467	23,082
Fire									
Number of Emergency Calls	11,256	14,090	15,678	15,553	16,692	16,662	17,913	17,811	17,975
Inspections	2,000	1,700	1,702	1,854	2,000	1,765	1,741	2,225	2,321
Public Works									
Street Resurfacing (lane miles)	25	25	65	43	54	46	0	40	14
Water									
Average Daily Consumption (million gallons)	30	30	30	30	24	23	24	24	25
Wastewater									
Average Daily Sewage Treatment (million gallons)	14	13	13	13	12	12	12	12	11
Recreation									
Number of Recreation Classes (quarterly)	55	55	157	98	140	120	100	130	130
Library									
Total Volumes in Collection	354,105	353,464	298,976	338,773	305,346	274,289	274,097	261,999	250,331
Total Volumes Loaned	488,848	480,406	516,222	553,323	561,182	497,563	501,410	489,361	478,695

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

City of Oceanside

Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year		
	2005	2006	2007
Police			
Number of Police Stations	1	1	1
Fire			
Number of Fire Stations	7	8	8
Number of Engine Companies	5	7	6
Number of Truck/Rescue Companies	2	1	2
Number of Ambulances	4	4	4
Public Works			
Miles of Streets:	394	400	400
Number of Street Lights (City Owned):	8,002	8,002	8,000
Utilities:			
Miles of Lines and Mains	500	550	550
Number of Wastewater Treatment Plants	2	2	2
Miles of Sewers	450	450	450
Recreation and Cultural:			
Number of Parks (Improved and Unimproved)	38	38	38
Area of Parks (In Acres)	600	600	670
Recreation & Senior Centers	5	5	5
Pools	2	2	2
Number of Libraries	2	3	2
Number of Library Outlets	n/a	n/a	2
Number of Bookmobiles	2	2	2
Computer Terminals for Internet Access (Public)	100	103	106
Number of Visitors to Library	n/a	570,560	609,497

Source: Various City Departments

^a Estimated

^b Does not include El Corazon

^c 2009 included overlapping categories i.e. Linear Park is a sidewalk.

^d John Landes Recreation Center is currently closed due to budgetary restraints.

		Fiscal Year					
2008		2009	2010	2011	2012	2013	2014
1		1	1	1	1	1	1
8		8	8	8	8	8	8
6		6	6	6	6	6	6
2		2	2	2	2	2	2
4		4	4	4	4	4	4
400		400	400	475	475	480	480
10,000	a	9,345	8,345	8,345	8,345	8,445	8,546
600		600	600	580	580	580	580
2		2	2	2	2	2	2
450		450	450	450	450	450	450
34	c	40	33	33	33	33	33
375	b	594	810	810	810	810	810
8		9	6	6	6	6	6
2		2	2	2	2	2	2
2		2	2	2	2	2	2
6		6	4	3	3	3	3
2		2	1	1	1	1	2
107		107	76	85	85	85	87
679,120		716,957	576,223	469,610	472,617	485,035	396,597

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