

An aerial photograph of Oceanside, California, showing the harbor filled with boats, a modern high-rise building, and the coastline with waves breaking on the beach under a blue sky with scattered clouds.

City of OCEANSIDE

CALIFORNIA

**Annual Financial Report
For the year ended June 30, 2021**

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CITY OF OCEANSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

Prepared by: Finance Department

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CITY OF OCEANSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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City of Oceanside

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

December 15, 2021

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

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Oceanside (City) for the fiscal year ended June 30, 2021.

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

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2021. The independent auditor's report is presented as the first component of the financial section of this report.

The City is also required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance and the United States Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, along with the independent auditors' reports on internal controls and compliance with applicable laws, can be found in a separately issued single audit report.

The Financial Section includes the Management's Discussion & Analysis (MD&A). GAAP requires that management provide a narrative, introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and

should be read in conjunction with it. The City of Oceanside's MD&A can be found immediately following the report of the independent auditors.

City of Oceanside Profile

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

Per the California Department of Finance, the population of Oceanside is 176,754, making it the third largest city in San Diego County. The median household income for the City is \$78,080 per Claritas, LLC..

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

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

Economic Outlook

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

Property taxes increased compared to the prior year and are expected to continue to increase as the City continues to grow with new homes being built and increasing housing prices, along with new commercial properties and hotels. The property tax revenue increase is consistent with the projected increase in overall assessed values of properties in Oceanside. Continued building development and increasing housing prices are expected to continue into FY 2021-22.

Sales tax also increased from the prior year and was higher than where it was two years ago, before the COVID-19 crisis began. Contributing to this increase was the increased allocations to the use-tax pool due to the Wayfair/AB147 legislative change in 2019. This legislative change requires out-of-state retailers to collect and remit Californian's sales and use tax. Distributions to the San Diego use tax pool remained strong in the fiscal year due to internet sales remaining strong. The City also saw a significant increase in the sales at general consumer goods retailers and the sale of building and construction supplies from the booming home improvement market.

The City also collected an additional \$16.4 million of sales tax during the fiscal year from Measure X, a 7-year one-half percent transaction and use tax, that went into effect April 1, 2019. Revenues generated by Measure X are committed by the City Council for improved public safety services including programs to address homelessness, emergency response, and infrastructure improvements focused on roads, public safety, and beachfront improvements.

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

Along with higher than anticipated General Fund revenues, the City spent less than planned, resulting in a General Fund surplus for the year. Spending was lower than budgeted due to careful spending city-wide and a large number of vacancies from the tight labor market. Additionally, General Fund expenses were applied to one-time COVID relief funds such as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and American Rescue Plan Act (ARPA) funds.

Although economic recovery remains hard to predict in the near term given the uncertainty and magnitude of the pandemic, the City anticipates to continue to see increases in property tax, transient occupancy tax, and sales tax revenues in the future given the continued development, increases in assessed property values, growth of the tourism sector including restaurants and hotels, and the addition of Measure X.

Long-term Financial Planning

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

CalPERS retirement costs continue to play a dominant role in expense forecasting. The City's pension cost is projected to increase an average of \$1 million each year over the next five years in the general fund. The City has implemented a plan to help mitigate growing employee costs. Employee bargaining groups are being asked to pay a higher percentage of the total costs and the City has capped the City contribution to employee health care. The City is also paying down the pension unfunded liability with one-time funds and has directed a portion of the interest income to pay down the unfunded liability.

Additionally, \$5.1 million of the General Fund balance has been assigned to CalPERS pension costs should there be an unexpected increase in rates or a reduction in General Fund revenues. An IRS Section 115 Trust was also created to earmark funds to be used only for CalPERS expenses. To date, \$16 million has been deposited into the trust and the trust has earned over \$2.6 million since inception. No funds have been withdrawn from the trust.

Financial Policies

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

Appropriations Limit – Proposition 4, known as the Gann Initiative, was passed in 1979 to limit government spending by capping the total proceeds of taxes that may be appropriated in a fiscal year. When a city exceeds the limit, excess tax revenue must be returned to the citizens through refunds, rebates, or other means. The City is well below the established Gann limit of \$435,259,118.

Debt Administration – As of June 30, 2021 the City had a total of \$125,351,039 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 2020-21 assessed valuation was 1.54% as of June 30, 2021.

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 for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both the Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in blue ink, reading "Jill Moya". The signature is written in a cursive style with a large, sweeping initial "J" and a long horizontal line extending from the end of the name.

Jill Moya, CPA
Interim Financial Services Director

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PRINCIPAL OFFICIALS

JUNE 30, 2021

CITY COUNCIL

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

ADMINISTRATION AND DEPARTMENT HEADS

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Oceanside
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Citizens of Oceanside

**Boards, Commissions,
and Advisory Bodies**

City Council
Mayor Esther Sanchez
Deputy Mayor Ryan Keim
Councilmember Kori Jensen
Councilmember Christopher Rodriguez
Councilmember Peter Weiss

City Clerk
Zeb Navarro

City Treasurer
Victor Roy

City Attorney
John P. Mullen

City Manager
Deanna Lorson

Assistant City Manager
Michael Gossman

**Deputy City
Manager/Development
Services Director**
Jonathan Borrego

**Development Services
Dept.**
Darlene Nicando
Deputy Director

Police Dept.
Fred Armijo
Chief

**Human Resources
Dept.**
Rob O'Brien
Director

**Financial Services
Dept.**
Jill Moya
Interim Director

**Economic
Development Division**
Michelle Geller
Manager

Fire Dept.
Rick Robinson
Chief

**Neighborhood
Services Dept**
Leilani Hines
Director

Library Dept.
Sherri Cosby
Director

Public Works Dept.
Hamid Bahadori
Interim Director

Water Utilities Dept.
Cari Dale
Director

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis; the budgetary comparison schedules for the General Fund, Grants Fund, American Rescue Plan Fund, and Housing Assistance Program Fund; the schedules of changes in net pension liability and related ratios; the schedules of plan contributions; and the schedule of changes in total other post-employment benefits (OPEB) liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Brea, California
November 23, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2021

This discussion and analysis of the City of Oceanside's (City) financial performance provides an overview of the fiscal year ended June 30, 2021. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements. A glossary has been provided at the end of this analysis to assist the reader in understanding the terminology used within.

FINANCIAL HIGHLIGHTS

- The City has fared well through the effects of the COVID-19 pandemic as demonstrated by:
 - An \$1.9 million increase in Transient Occupancy Taxes from the prior year when hotels and short-term rentals were closed for part to the year.
 - Sales tax was up \$6.3 million from prior year, due in part to the reopening of restaurants and hotels and the return of tourism to Oceanside's economy.
 - The City received \$16.2 million of American Rescue Plan Act (ARPA) funds in May 2021 and another payment of \$16.2 million is expected in May 2022. The City is currently in the process of developing a comprehensive spending plan for these funds.
- The William A. Wagner Aquatics Center opened in the summer of 2021 for a total project cost of \$25.2 million. This project was funded by 2019 Lease Revenue Bonds issued in fiscal year 2019-2020.
- Water Utilities issued Water Revenue Bonds for \$25.3 million and used \$16.6 million of the Water Infrastructure Finance and Innovation Act (WIFIA) loan to fund various capital projects including Oceanside's Pure Water project.
- The City's Total Assets increased overall by \$121.7 million. This is comprised of a \$45.8 million increase in Governmental activities assets and \$75.9 million increase in Business-Type activities assets.
- The City's Total Net Position increased overall by \$50.3 million. Governmental activities net position increased \$25.2 million and Business-Type activities net position increased \$25.1 million.
- The City's total revenues increased \$28.5 million from 2020.
 - Governmental activities revenues increased \$20.7 million. Property tax revenues increased \$4.3 million, sales tax revenue increased by \$6.3 million, and other taxes (including TOT) increased by \$2.1 million. Charges for services and revenues from operating and capital grants and contributions increased by \$2.1 million and \$9.6 million respectively. These increases were offset by a decrease in use of money and property of \$3.6 million.
 - Business-Type activities revenues increased \$7.7 million. The increase was due to \$12.2 million increase in revenues from charges for services, offset by a decrease in use of money and property of \$5.5 million.
- The City's total expenses increased \$11.4 million from 2020.
 - Governmental activities expenses increased \$11.1 million. These increases were from Public Safety and Public Works offset by a decrease in General Government expenses.
 - Business-Type activities expenses remained relatively flat with only a \$0.3 million increase from 2020.
- General Fund had a surplus of \$23.9 million in one-time funds for the year ending June 30, 2021. Of this surplus, \$5 million goes to Measure X reserves and the COVID-19 business

loan program reserves. The remaining \$18.9 million have been assigned by the Financial Services Director per Council policy for the following:

- PERS Unfunded Liability payment - \$9.45 million
- Assigned – San Luis Rey River Project - \$6 million
- Assigned - Infrastructure - \$3 million
- Unassigned - \$0.45 million

THE FINANCIAL STATEMENTS

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

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

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

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

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

Reporting the City's Most Significant Funds

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

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

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

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

Net Position - The City's combined Net Position (i.e. inclusive of all City funds) for the fiscal year ended June 30, 2021 is compared to results for June 30, 2020 in Table 1.

Table 1

City of Oceanside Statement of Net Position						
(in millions of dollars)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current & other assets	\$ 373.7	\$ 345.2	\$ 250.0	\$ 235.9	\$ 623.7	\$ 581.1
Capital assets	324.3	307.0	541.3	479.5	865.6	786.5
Total assets	<u>698.0</u>	<u>652.2</u>	<u>791.3</u>	<u>715.4</u>	<u>1,489.3</u>	<u>1,367.6</u>
Deferred Outflows of Resources	<u>46.3</u>	<u>50.8</u>	<u>4.3</u>	<u>6.6</u>	<u>50.6</u>	<u>57.4</u>
Long-term debt outstanding	324.1	321.0	99.6	58.2	423.7	379.2
Other liabilities	38.1	22.4	29.2	20.0	67.3	42.4
Total liabilities	<u>362.2</u>	<u>343.4</u>	<u>128.8</u>	<u>78.2</u>	<u>491.0</u>	<u>421.6</u>
Deferred Inflows of Resources	<u>2.9</u>	<u>5.6</u>	<u>0.5</u>	<u>2.6</u>	<u>3.4</u>	<u>8.2</u>
Net Position						
Net investment in capital assets	292.8	273.4	464.2	443.1	757.0	716.5
Restricted	100.6	108.8	30.7	173.8	131.3	282.6
Unrestricted	(14.2)	(28.2)	171.4	24.3	157.2	(3.9)
Total Net Position	<u>\$ 379.2</u>	<u>\$ 354.0</u>	<u>\$ 666.3</u>	<u>\$ 641.2</u>	<u>\$ 1,045.5</u>	<u>\$ 995.2</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 and deferred inflows of resources. Net Position for the City as a whole increased \$50.3 million for a total of \$1,045.5 million at June 30, 2021 from \$995.2 million at June 30, 2020 for a 5.1% increase of Total Net Position.
- The overall increase in total assets is \$121.7 million. The Governmental Activities total assets increased \$45.8 million due to increase of \$21.5 million in cash and investments and increase of \$17.3 million in capital assets. The Business-Type Activities total assets activities increased \$75.9 million due to increase of \$11.1 million in cash and investments and increase in \$61.8 million in capital assets.
- The overall increase in total liabilities is \$69.4 million. The Governmental Activities total liabilities increased \$18.8 million mostly due to an increase of \$15.8 million in other liabilities because of the unearned revenue from the ARPA funds that was received in May 2021 but had not all been spent by June 30, 2021. The Business-Type Activities total liabilities increased by \$50.6 million due to an increase of \$41.4 million in long-term debt mainly from the issuance of the 2020A Water Revenue bonds for \$25.3 million and \$16.6 million drawn down during the fiscal year from the WIFIA Loan.
- Deferred outflows of resources decreased by \$6.8 million. Governmental Activities decreased \$4.5 million and Business-Type Activities decreased \$2.3 million due to changes in pension related items.
- Deferred inflows of resources decreased by \$4.8 million. Governmental Activities decreased \$2.7 million and Business-Type Activities decreased \$2.1 million due to changes in pension related items.

As illustrated in Table 2, Total Net Position is comprised of three categories, Net Investment in Capital Assets, Restricted and Unrestricted. The City's net investment in capital assets makes up 72.4% of the City's Total Net Position. The City's total Restricted Net Position decreased \$151.3 million from 2020 while the Unrestricted Net Position increased by \$161.1 million. This change was due to a reclassification of funds from restricted to unrestricted to better reflect the requirements of fund use.

Table 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Investment in Capital Assets	\$ 629.0	\$ 621.9	\$ 597.2	\$ 634.2	\$ 658.8	\$ 685.8	\$ 708.9	\$ 734.5	\$ 716.5	\$ 757.0
Restricted	150.1	140.4	125.1	112.9	129.4	132.9	144.6	169.2	282.6	131.3
Unrestricted	<u>94.0</u>	<u>139.2</u>	<u>207.8</u>	<u>10.5</u>	<u>12.0</u>	<u>33.7</u>	<u>56.1</u>	<u>58.4</u>	<u>(3.9)</u>	<u>157.2</u>
Total Net Position	\$ 873.1	\$ 901.5	\$ 930.1	\$ 757.6	\$ 800.2	\$ 852.4	\$ 909.6	\$ 962.1	\$ 995.2	\$ 1,045.5
\$ increase (decrease) from prior year	\$ 18.7	\$ 28.4	\$ 28.6	\$ (172.5)	\$ 42.6	\$ 52.2	\$ 57.2	\$ 52.5	\$ 33.1	\$ 50.3
% increase (decrease) from prior year	2.2%	3.3%	3.2%	-18.5%	5.6%	6.5%	6.7%	5.8%	3.4%	5.1%

Total City Activities - The City's combined Activities for the fiscal year ended June 30, 2021 is compared to results for June 30, 2020 in Table 3. The Statement of Activities reveals an increase of revenues of \$28.5 million from 2020 and expenses increased \$11.4 million. For 2021, total revenues less expenditures increased Net Position by \$50.3 million. Governmental activities increased by \$25.2 million and Business-Type Activities increased by \$25.1 million.

Governmental Activities - Net Position (including transfers) increased by \$25.2 million in 2021. Program Revenues increased \$11.7 million as a result of increased funding of operating grants and contributions. General Revenues increased \$9.0 million due to increases in sales and property tax. Total Government expenses increased by \$11.1 million in 2021. General Government expenses decreased \$1.5 million, Public Safety increased \$7.7 million, Public Works increased \$4.5 million, Community Development remained the same and Community/Cultural Services increased \$0.6 million. Interest on long-term debt decreased \$0.2 million due to paying down the debt principal. Transfers to Government Activities increased \$0.7 million.

Table 3

City of Oceanside Activities						
(in thousands of dollars)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
<i>Program Revenues</i>						
Charges for services	\$ 43,706	\$ 41,639	\$ 162,047	\$ 149,843	\$ 205,753	\$ 191,482
Operating grants and contributions	45,478	35,845	-	-	45,478	35,845
Capital grants and contributions	2,939	2,939	-	-	2,939	2,939
<i>General Revenues</i>						
Property taxes	72,750	68,425	-	-	72,750	68,425
Sales taxes	43,376	37,051	-	-	43,376	37,051
Other taxes	17,815	15,731	-	-	17,815	15,731
Use of money and property	14,058	17,686	1,583	7,035	15,641	24,721
Other	<u>5,921</u>	<u>6,016</u>	<u>5,501</u>	<u>4,511</u>	<u>11,422</u>	<u>10,527</u>
Total Revenues	<u>246,043</u>	<u>225,332</u>	<u>169,131</u>	<u>161,389</u>	<u>415,174</u>	<u>386,721</u>
Expenses						
General government	26,937	28,450	-	-	26,937	28,450
Public safety	111,843	104,132	-	-	111,843	104,132
Public works	37,990	33,537	-	-	37,990	33,537
Community development	37,291	37,266	-	-	37,291	37,266
Community/cultural services	19,155	18,567	-	-	19,155	18,567
Interest on long-term debt	869	1,075	-	-	869	1,075
Water	-	-	68,474	64,550	68,474	64,550
Sewer	-	-	37,389	41,019	37,389	41,019
Waste disposal	-	-	23,576	23,187	23,576	23,187
Other	<u>-</u>	<u>-</u>	<u>1,462</u>	<u>1,808</u>	<u>1,462</u>	<u>1,808</u>
Total Expenses	<u>234,085</u>	<u>223,027</u>	<u>130,901</u>	<u>130,564</u>	<u>364,986</u>	<u>353,591</u>
Increase (decrease) in net position before transfers and gain on sale of assets	11,958	2,305	38,230	30,825	50,188	33,130
Transfers	<u>13,202</u>	<u>12,504</u>	<u>(13,202)</u>	<u>(12,504)</u>	<u>-</u>	<u>-</u>
Increase in net position	25,160	14,809	25,028	18,321	50,188	33,130
Beginning net position as restated	<u>353,991</u>	<u>339,182</u>	<u>641,233</u>	<u>622,912</u>	<u>995,224</u>	<u>962,094</u>
Ending net position	<u>\$ 379,151</u>	<u>\$ 353,991</u>	<u>\$ 666,261</u>	<u>\$ 641,233</u>	<u>\$ 1,045,412</u>	<u>\$ 995,224</u>

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

Chart 1

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

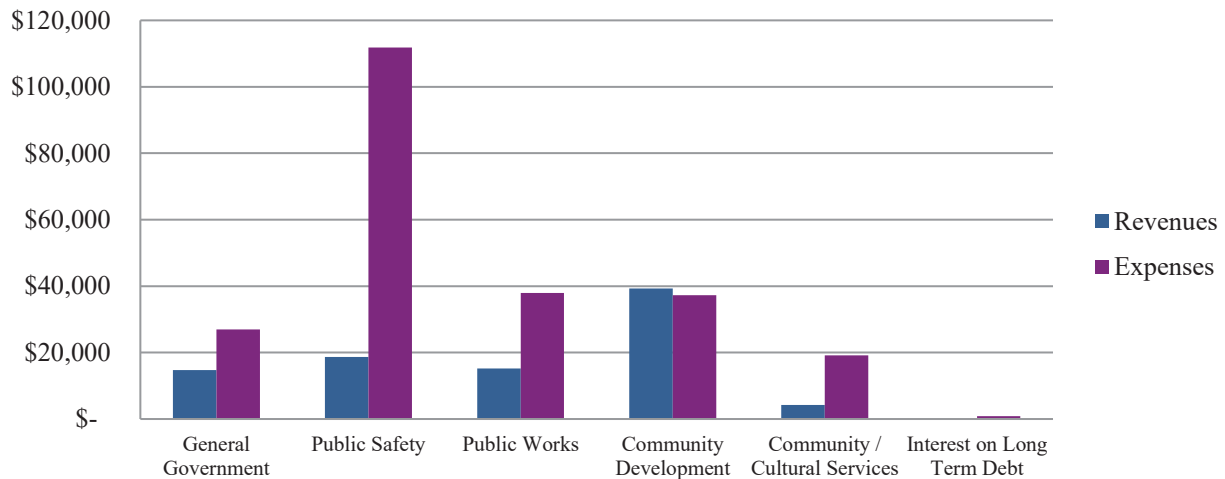
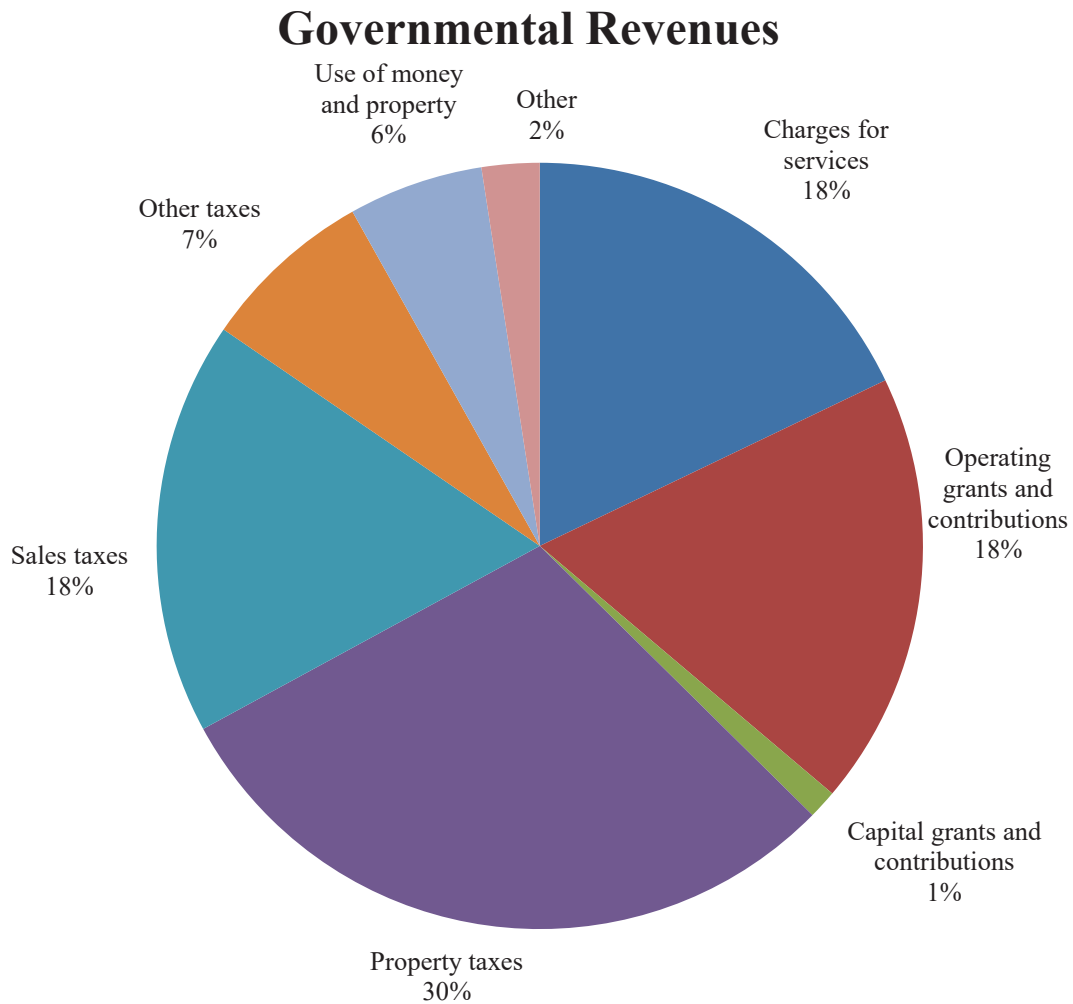


Chart 2 shows that Property Tax, Charges for Services, Sales Tax, and Operating Grants and Contributions and are the top four categories of revenue and comprise 83% of funding for Government activities. The Other Taxes category includes Transient Occupancy Taxes, Franchise Taxes, and Business License Tax. The Other category includes proceeds from the disposition of City real property, intergovernmental administrative fees, developer contributions, and miscellaneous revenues.

Chart 2



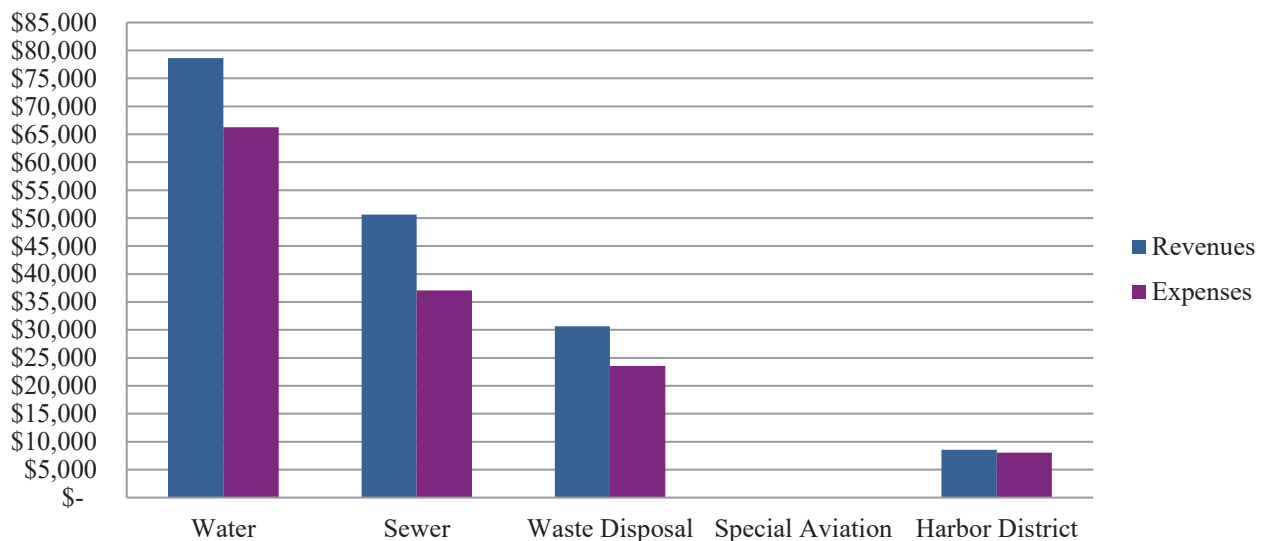
Business-Type Activities for the City of Oceanside include Water, Sewer, Solid Waste, Harbor, and Special Aviation. The Net Position (including transfers) increased \$25.1 million over last fiscal year as noted on Table 3. Revenues increased \$7.7 million due to an increase in charges for services. Expenses increased \$0.3 million compared to 2020. Transfers out to other funds (a deduction to Net Position) increased \$0.7 million as compared to the prior year.

The Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds reflect an increase of \$13.5 million in total operating revenues from the previous year. The Water operating revenue increased \$9.3 million and Sewer operating revenue increased \$2.2 million. Waste Disposal operating revenue increased \$1.3 million and Harbor revenues increased \$0.8 million. Operating expenses for Water increased \$2.7 million and Sewer decreased \$3.4 million. In Water, administrative costs decreased \$0.4 million, the cost of purchased water increased \$4.1 million due to an increase in the amount of water purchased, and maintenance and operations costs decreased by \$1.3 million. Sewer administrative costs decreased \$0.6 million and maintenance and operations costs decreased \$2.8 million. In Waste Disposal, maintenance and operations costs increased \$0.4 million. Harbor maintenance and operations costs decreased \$0.4 million. The City's General Fund pays the Harbor administrative, maintenance and police functions and the City's General Fund is reimbursed by the Harbor. These costs increased \$0.7 million from 2020.

Overall, the Business-Type activities operating revenue exceeded operating expenses (before transfers and contributions) for fiscal year 2020-21 with a total net operating income of \$40.3 million.

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

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



Financial Analysis of the City's Funds

The City's General Fund had a total fund balance of \$107.3 million at year-end, as shown on the Balance Sheet. This is an increase of \$23.9 million from 2020 and is due to increases in sales tax, property tax, and other taxes such as transient occupancy tax, as well as increases in charges for services. Of this total amount, \$2.6 million is nonspendable, \$18.6 million is restricted, \$21.9 million is committed, \$47.7 million is assigned, and \$16.5 million is unassigned. The unassigned fund balance 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 9.

The Statement of Revenues, Expenditures and Changes in Fund Balances also reflects the \$23.9 million increase in the General Fund balance. General Fund revenues increased approximately \$13.4 million from 2020. General Fund expenditures decreased overall \$3.6 million. Other Financing Sources includes a transfer in of \$14.6 million of which \$6.7 million came from the Harbor fund for harbor administrative, maintenance and police services, and \$5.8 million from Water and Waste Disposal funds for administrative services. Other Financing uses also includes a transfer out of \$11.7 million for general improvement capital projects and grants.

The fund balance of the Grants Special Revenue Fund decreased \$2.1 million. Revenues increased \$4.6 million due to increases in reimbursements for intergovernmental grants. Expenditures increased \$7.2 million as compared to 2020 due to increased capital outlay expenditures.

The fund balance of the American Rescue Plan Special Revenue Fund remained \$0. Revenues were \$0.3 million, and expenditures were \$0.3 million. This is a new fund for the fiscal year with no prior year comparative data. These transactions are for funding received from the American Rescue Plan Act passed by Congress for coronavirus emergency assistance.

The fund balance of the Housing Assistance Program Special Revenue Fund increased \$1.0 million.

Debt Administration

Governmental activities debt outstanding at year-end increased \$3.1 million as noted in Table 4. The most significant increase to long-term liabilities was to the pension liability which increased \$6.9 million from prior year. This increase was offset by the decrease in the total outstanding long-term debt of \$5.7 million from prior year. The decrease was the result of debt service payments made on bonds and notes payable. More detail about the City's long-term liabilities, including retirement plans, is presented in Note 10, 12, 13, and 14 to the financial statements.

Table 4

City of Oceanside				
Governmental Debt Outstanding				
	Balance at June 30, 2020	Incurred or Issued	Satisfied or Matured	Balance at June 30, 2021
Governmental Activities				
Certificates of Participation	\$ 5,061,883	\$ -	\$ (1,626,592)	\$ 3,435,291
Capital Leases Payable	2,316,325	-	(406,430)	1,909,895
Notes Payable	2,159,697	-	(198,656)	1,961,041
Pension Obligation Bonds	20,495,000	-	(3,445,000)	17,050,000
Lease Revenue Bonds	22,745,000	-	-	22,745,000
Claims Payable	20,583,650	4,287,089	(4,077,754)	20,792,985
Compensated Absences	14,056,696	6,229,412	(5,512,291)	14,773,817
Net Pension Liability	220,583,398	6,921,017	-	227,504,415
Total OPEB Liability	9,553,658	1,035,095	-	10,588,753
Unamortized Bond Premiums	3,487,475	-	(114,358)	3,373,117
Total Governmental Activities	\$321,042,782	\$18,472,613	\$(15,381,081)	\$324,134,314

Business-Type debt activities increased in the fiscal year ending 2021 by \$41.4 million. The most significant increase to long-term liabilities was to the bonds payable due to the \$25.3 million issuance of the 2020A Water Revenue bonds. Additionally, the direct borrowings increased due to \$16.6 being drawn from the WIFIA Loan during the fiscal year.

Table 5

City of Oceanside				
Business-Type Activities Debt Outstanding				
	Balance at June 30, 2020	Incurred or Issued	Satisfied, Adjusted or Matured	Balance at June 30, 2021
Business-Type Activities				
Bonds Payable	\$ 17,230,000	\$ 34,225,000	\$(10,845,000)	\$ 40,610,000
Notes Payable	16,501,514	16,557,355	(2,628,869)	30,430,000
Net Pension Liability	19,887,229	437,729	-	20,324,958
Compensated Absences	2,202,828	1,214,660	(933,024)	2,484,464
Unamortized Bond Premiums	2,372,128	5,006,295	(1,631,833)	5,746,590
Total Business-Type Activities	\$ 58,193,699	\$ 57,441,039	\$(16,038,726)	\$ 99,596,012

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, 2021, net capital assets of the Governmental activities totaled \$324.3 million and the net capital assets of the Business-Type activities totaled \$541.3 million. Depreciation on capital assets is recognized in the Government-Wide financial statements.

Table 6

City of Oceanside				
Capital Assets				
<u>Description</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 62,246,590	\$ 60,405,687	\$ 29,613,703	\$ 29,613,703
Buildings	135,950,140	110,321,460	243,474,747	243,478,122
Improvements	83,877,612	74,957,179	569,594,236	568,622,975
Equipment	76,850,327	75,371,781	28,952,705	29,081,001
Construction in Progress	19,981,212	26,099,707	115,531,967	37,120,832
Infrastructure	312,585,729	312,585,729	-	-
Capital Assets	\$ 691,491,610	\$ 659,741,543	\$ 987,167,358	\$ 907,916,633
Accumulated Depreciation	(367,182,183)	(352,743,185)	(445,827,706)	(428,367,322)
Total Capital Assets	\$ 324,309,427	\$ 306,998,358	\$ 541,339,652	\$ 479,549,311

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

Budgets and Budgetary Accounting

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

General Fund Budget – Table 7 is a comparison of actual revenues/expenditures versus the amended budget. It is inclusive of Fund 101 (General Fund), Fund 102 (Investment Clearing Fund), Fund 103 (Measure X Fund), and Fund 104 (COVID Small Business Loan Program Fund). It is important to remember that the budget to actual variance of \$33.1 million shown in Table 7 does not represent available one-time funds. The actual excess of resources over charges of \$23.9 million is available as one-time funds and has been assigned by the Financial Services Director per Council policy for specific uses. Revenues received were approximately \$21.2 million more than the amended budget. Because of the uncertainty of the economic impacts of the COVID-19 Pandemic, the FY 2020-21 General Fund budget was fiscally conservative and did not include any restorations from the adjustments made in the previous year as a response to the onset of the pandemic. Fortunately, the impact of the pandemic to the city's tax revenue was not significant and the actual tax revenue exceeded budgeted revenue by \$18.8 million.

Charges to appropriations were in line with the amended budget. Overall, actual revenues exceeded expenditures and transfers by approximately \$23.9 million which increased the General Fund balance. Of this amount, \$5 million went to Measure X reserves and the COVID-19 business loan program reserves, \$9.45 million was assigned by the Financial Services Director per Council policy for PERS Unfunded Liability payment, \$6 million as assigned for the San Luis Rey River Project, \$3 million was assigned for infrastructure projects, and \$0.45 million was left in Unassigned fund balance.

Table 7

City of Oceanside			
General Fund Comparison – Actual and Budget Year Ended June 30, 2021			
	Amended <u>Budget</u>	<u>Actual</u>	Variance <u>Pos/(Neg)</u>
Resources (inflows)			
Taxes	\$115,149,545	\$133,940,366	\$18,790,821
Licenses and permits	3,991,744	3,725,324	(266,420)
Intergovernmental	275,123	275,225	102
Charges for services	18,634,935	21,023,071	2,388,136
Use of money and property	7,549,284	8,872,277	1,322,993
Fines and forfeitures	3,570,491	2,813,321	(757,170)
Administrative and in lieu charges	6,857,264	6,855,180	(2,084)
Miscellaneous	173,042	230,113	57,071
Transfers in	14,977,415	14,663,914	(313,501)
Amount Available for Appropriations	\$171,178,843	\$192,398,791	\$21,219,948
Charges to Appropriations (outflows)			
General Government	\$ 25,908,615	\$ 24,279,943	\$ 1,628,672
Public Safety	98,597,636	93,872,527	4,725,109
Community Development	10,597,653	8,653,374	1,944,279
Community/Cultural Services	17,129,355	14,946,278	2,183,077
Public Works	16,561,250	15,044,655	1,516,595
Capital Outlay			-
Debt Service	15,654	9,710	5,944
Transfers Out	11,563,770	11,672,980	(109,210)
Total Charges to Appropriations	\$180,373,933	\$168,479,467	\$11,894,466
Excess of Resources Over (Under)			
Charges to Appropriations as of June 30, 2021	<u>\$ (9,195,090)</u>	<u>\$ 23,919,324</u>	<u>\$33,114,414</u>

Table 8 compares the General Fund (inclusive of Fund 101 General Fund, Fund 102 Investment Clearing Fund, Fund 103 Measure X, and Fund 104 COVID Small Business Loan Program Fund) original adopted budget of \$170.0 million to the final budget amount of \$180.4 million which shows an overall amended increase of \$10.3 million as delineated below. The variance between the adopted and amended budget includes increases for continuing appropriations and one-time capital expenditures approved by City Council.

Table 8

City of Oceanside			
General Fund Budget Comparison As Adopted and Amended Year Ended June 30, 2021			
	<u>Adopted</u>	<u>Amended</u>	<u>Increase/ (Decrease)</u>
General Government			
Operational	\$ 17,369,599	\$ 18,611,729	\$ 1,242,130
Non-Departmental	6,728,654	7,296,886	568,232
Public Safety			
Police	62,676,097	63,893,791	1,217,694
Fire	34,246,279	34,703,845	457,566
Public Works	16,053,350	16,561,250	507,900
Community Development			
Planning	2,428,737	2,705,615	276,878
Building	2,762,674	2,880,397	117,723
Engineering	4,220,697	5,011,641	790,944
Community and Cultural Services			
Economic and Community Development	882,215	1,712,893	830,678
Library	5,351,263	5,586,381	235,118
Neighborhood Services	7,557,020	8,618,973	1,061,953
Property Management	1,124,660	1,211,108	86,448
Transfers/Capital Outlay/Debt	<u>8,635,104</u>	<u>11,579,424</u>	<u>2,944,320</u>
Total Budget	\$ 170,036,349	\$ 180,373,933	\$ 10,337,584

GLOSSARY

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments (Note 3)	\$ 234,557,227	\$ 228,013,542	\$ 462,570,769
Restricted assets:			
Cash and investments (Note 3)	19,198,114	-	19,198,114
Cash and investments held with fiscal agents (Note 3)	4,193,199	178,545	4,371,744
Receivables:			
Accounts	7,754,729	16,400,355	24,155,084
Taxes	9,000,569	-	9,000,569
Notes and loans (Note 5)	91,437,791	-	91,437,791
Accrued interest	1,200,801	-	1,200,801
Other	2,316,070	-	2,316,070
Internal balances (Note 6)	(4,842,750)	4,842,750	-
Due from other governments	7,307,572	-	7,307,572
Inventories	329,080	498,442	827,522
Land held for resale	700,000	-	700,000
Prepaid costs	531,438	5,488	536,926
Capital assets (Note 7):			
Capital assets, not being depreciated	82,227,802	145,145,670	227,373,472
Capital assets, net of depreciation	242,081,625	396,193,982	638,275,607
Total Assets	697,993,267	791,278,774	1,489,272,041
Deferred Outflows of Resources:			
Deferred charge on refunding	-	96,537	96,537
Pension deferrals (Note 13)	42,437,284	4,236,568	46,673,852
Other post-employment benefit deferrals (Note 14)	3,830,788	-	3,830,788
Total Deferred Outflows of Resources	46,268,072	4,333,105	50,601,177
Liabilities:			
Accounts payable	11,865,068	26,485,094	38,350,162
Accrued liabilities	6,456,045	934,604	7,390,649
Due to other governments	295,221	-	295,221
Accrued interest	441,741	331,967	773,708
Unearned revenue	18,144,958	53,687	18,198,645
Deposits payable	906,683	1,436,434	2,343,117
Compensated absences, due within one year (Note 9)	5,793,507	1,053,795	6,847,302
Claims and judgments, due within one year (Note 12)	4,093,446	-	4,093,446
Capital leases, due within one year (Note 8)	419,334	-	419,334
Bonds and notes payable, due within one year (Note 10)	5,616,809	5,306,268	10,923,077
Noncurrent liabilities, due in more than one year:			
Compensated absences (Note 9)	8,980,310	1,430,669	10,410,979
Claims and judgments (Note 12)	16,699,539	-	16,699,539
Capital leases (Note 8)	1,490,561	-	1,490,561
Bonds and notes payable (Note 10)	42,947,640	71,480,322	114,427,962
Net pension liability (Note 13)	227,504,415	20,324,958	247,829,373
Other post-employment benefits liability (Note 14)	10,588,753	-	10,588,753
Total Liabilities	362,244,030	128,837,798	491,081,828
Deferred Inflows of Resources:			
Deferred charge on refunding	171,709	461,974	633,683
Pension deferrals (Note 13)	2,562,229	50,985	2,613,214
Other post-employment benefit deferrals (Note 14)	131,757	-	131,757
Total Deferred Inflows of Resources	2,865,695	512,959	3,378,654
Net Position:			
Net investment in capital assets	292,811,112	464,187,625	756,998,737
Restricted:			
Community development projects	11,293,894	-	11,293,894
Public safety	1,174,920	-	1,174,920
Pension stabilization (Section 115 Trust)	18,614,390	-	18,614,390
Debt service	2,325,792	-	2,325,792
Street lighting and landscape maintenance	2,246,385	-	2,246,385
Highways	4,819,969	-	4,819,969
Housing assistance program	5,417,570	-	5,417,570
Capital projects	54,690,174	23,607,629	78,297,803
Rate stabilization	-	7,057,251	7,057,251
Unrestricted	(14,242,592)	171,408,617	157,166,025
Total Net Position	\$ 379,151,614	\$ 666,261,122	\$ 1,045,412,736

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

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 26,937,456	\$ 13,528,004	\$ 1,181,635	\$ -
Public safety	111,843,498	9,221,437	9,388,604	67,892
Community development	37,290,469	13,395,807	25,792,719	92,652
Community/cultural services	19,154,809	2,222,685	2,003,448	-
Public works	37,989,756	5,337,965	7,111,736	2,778,692
Interest on long-term debt	869,099	-	-	-
Total Governmental Activities	234,085,087	43,705,898	45,478,142	2,939,236
Business-Type Activities:				
Water	68,473,713	74,905,652	-	-
Sewer	37,389,306	49,050,370	-	-
Waste Disposal	23,575,875	30,664,852	-	-
Special Aviation	162,563	93,553	-	-
Oceanside Small Craft Harbor District	1,299,613	7,332,074	-	-
Total Business-Type Activities	130,901,070	162,046,501	-	-
Total Primary Government	\$ 364,986,157	\$ 205,752,399	\$ 45,478,142	\$ 2,939,236

General Revenues:

Taxes:

Property taxes, general purpose levy (Note 4)

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Use of money and property

Other

Transfers (Note 6)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (12,227,817)	\$ -	\$ (12,227,817)
(93,165,565)	-	(93,165,565)
1,990,709	-	1,990,709
(14,928,676)	-	(14,928,676)
(22,761,363)	-	(22,761,363)
(869,099)	-	(869,099)
(141,961,811)	-	(141,961,811)
-	6,431,939	6,431,939
-	11,661,064	11,661,064
-	7,088,977	7,088,977
-	(69,010)	(69,010)
-	6,032,461	6,032,461
-	31,145,431	31,145,431
(141,961,811)	31,145,431	(110,816,380)
72,749,276	-	72,749,276
9,282,023	-	9,282,023
43,376,175	-	43,376,175
4,300,716	-	4,300,716
3,432,360	-	3,432,360
799,816	-	799,816
14,058,160	1,583,481	15,641,641
5,921,384	5,501,455	11,422,839
13,202,242	(13,202,242)	-
167,122,152	(6,117,306)	161,004,846
25,160,341	25,028,125	50,188,466
353,991,273	641,232,997	995,224,270
\$ 379,151,614	\$ 666,261,122	\$ 1,045,412,736

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

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City reports the following major governmental funds:

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

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

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

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

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

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

CITY OF OCEANSIDE, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	General	Grants	American Rescue Plan	Housing Assistance Program
Assets:				
Cash and investments (Note 3):	\$ 78,672,971	\$ 11,526,971	\$ 15,916,528	\$ 5,792,987
Cash and investments	-	344,483	-	-
Cash and investments held by fiscal agents	18,614,390	-	-	283,724
Receivables:				
Accounts	7,508,790	-	-	73,895
Taxes	8,386,815	-	-	-
Notes and loans (Note 5)	107,669	73,743,642	-	16,900,208
Accrued interest	1,200,801	-	-	-
Other	2,316,070	-	-	-
Due from other funds (Note 6)	5,252,589	-	-	-
Due from other governments	-	5,956,659	-	356,829
Inventories	10,000	-	-	-
Land held for resale	700,000	-	-	-
Prepaid costs	231,676	-	-	2,444
Advances to other funds (Note 6)	1,659,371	-	-	-
Total Assets	\$ 124,661,142	\$ 91,571,755	\$ 15,916,528	\$ 23,410,087
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 4,073,985	\$ 1,361,976	\$ -	\$ 94,000
Accrued liabilities	5,910,607	50,614	-	51,632
Deposits payable	746,678	-	-	113,177
Due to other governments	-	-	-	295,221
Due to other funds (Note 6)	-	4,411,503	-	59,342
Unearned revenues	25,942	575,643	15,916,528	476,493
Total Liabilities	10,757,212	6,399,736	15,916,528	1,089,865
Deferred Inflows of Resources:				
Unavailable revenues	6,562,693	78,956,449	-	16,963,063
Total Deferred Inflows of Resources	6,562,693	78,956,449	-	16,963,063
Fund Balances:				
Nonspendable:				
Inventories	10,000	-	-	-
Land held for resale	700,000	-	-	-
Prepaid costs	231,676	-	-	2,444
Long-term interfund advances	1,659,371	-	-	-
Restricted:				
Community development projects	-	6,081,087	-	-
Public safety	-	134,483	-	-
Pension stabilization (Section 115 Trust)	18,614,390	-	-	-
Debt service	-	-	-	-
Street lighting and landscape maintenance	-	-	-	-
Highways	-	-	-	-
Housing assistance program	-	-	-	5,354,715
Capital projects	-	-	-	-
Committed:				
Community development projects	21,917,199	-	-	-
Assigned:				
Post-employment leave	1,885,092	-	-	-
Employee compensation	500,000	-	-	-
Workers compensation	7,633,000	-	-	-
Infrastructure	5,816,620	-	-	-
Revenue/economic stabilization	9,604,300	-	-	-
PERS supplemental reserve	5,043,112	-	-	-
Measure X	10,626,590	-	-	-
Long-term planning	980,682	-	-	-
Pier maintenance	4,207,070	-	-	-
COVID-19 small business loan program	153,676	-	-	-
Other	1,281,791	-	-	-
Unassigned	16,476,668	-	-	-
Total Fund Balances	107,341,237	6,215,570	-	5,357,159
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 124,661,142	\$ 91,571,755	\$ 15,916,528	\$ 23,410,087

CITY OF OCEANSIDE, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Capital Projects Fund		
	General Improvement	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments (Note 3):	\$ 54,783,168	\$ 11,763,567	\$ 178,456,192
Cash and investments	3,848,358	-	4,192,841
Cash and investments held by fiscal agents	-	358	18,898,472
Receivables:			
Accounts	-	-	7,582,685
Taxes	-	613,754	9,000,569
Notes and loans (Note 5)	142,055	544,217	91,437,791
Accrued interest	-	-	1,200,801
Other	-	-	2,316,070
Due from other funds (Note 6)	-	-	5,252,589
Due from other governments	120,284	873,800	7,307,572
Inventories	-	-	10,000
Land held for resale	-	-	700,000
Prepaid costs	-	-	234,120
Advances to other funds (Note 6)	-	-	1,659,371
Total Assets	\$ 58,893,865	\$ 13,795,696	\$ 328,249,073
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 2,566,284	\$ 1,985,988	\$ 10,082,233
Accrued liabilities	15,161	73,982	6,101,996
Deposits payable	46,828	-	906,683
Due to other governments	-	-	295,221
Due to other funds (Note 6)	-	781,744	5,252,589
Unearned revenues	1,150,352	-	18,144,958
Total Liabilities	3,778,625	2,841,714	40,783,680
Deferred Inflows of Resources:			
Unavailable revenues	508,313	620,287	103,610,805
Total Deferred Inflows of Resources	508,313	620,287	103,610,805
Fund Balances:			
Nonspendable:			
Inventories	-	-	10,000
Land held for resale	-	-	700,000
Prepaid costs	-	-	234,120
Long-term interfund advances	-	-	1,659,371
Restricted:			
Community development projects	-	-	6,081,087
Public safety	-	1,040,437	1,174,920
Pension stabilization (Section 115 Trust)	-	-	18,614,390
Debt service	-	2,325,792	2,325,792
Street lighting and landscape maintenance	-	2,246,385	2,246,385
Highways	-	4,743,899	4,743,899
Housing assistance program	-	-	5,354,715
Capital projects	54,181,861	-	54,181,861
Committed:			
Community development projects	-	-	21,917,199
Assigned:			
Post-employment leave	-	-	1,885,092
Employee compensation	-	-	500,000
Workers compensation	-	-	7,633,000
Infrastructure	-	-	5,816,620
Revenue/economic stabilization	-	-	9,604,300
PERS supplemental reserve	-	-	5,043,112
Measure X	-	-	10,626,590
Long-term planning	-	-	980,682
Pier maintenance	425,066	-	4,632,136
COVID-19 small business loan program	-	-	153,676
Other	-	-	1,281,791
Unassigned	-	(22,818)	16,453,850
Total Fund Balances	54,606,927	10,333,695	183,854,588
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 58,893,865	\$ 13,795,696	\$ 328,249,073

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

Amounts reported for Governmental Activities in the Statement of Net Position (page 23) are different because:

Total Fund Balances - Governmental Funds (page 29) \$ 183,854,588

Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. The details of this \$315,287,753 are as follows:

Capital assets, not being depreciated	\$ 82,227,802	
Capital assets, being depreciated	576,751,443	
Less: accumulated depreciation	(343,691,492)	
Net adjustment to increase Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		315,287,753

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 103,610,805

Internal Service Funds are used by management to charge the cost of loss prevention and general services to individual funds. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position. The details of this \$29,487,871 difference are as follows:

Net Position of the Internal Service Funds	36,374,974	
Less: internal payable representing charges in excess of cost to business-type activities - prior years	(6,477,994)	
Less: internal payable representing charges in excess of cost to business-type activities - current year	(409,109)	
Net adjustment to increase Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		29,487,871

Deferred outflows of resources related to pensions and other post-employment benefits are a consumption of resources applicable to a future period and, therefore, are not reported in the funds. The details of this \$45,065,493 are as follows:

Pensions:		
Employer pension contributions made subsequent to the measurement date	26,726,805	
Changes of assumptions	1,399,210	
Differences between expected and actual experience	5,086,537	
Differences between expected and actual earnings	8,022,153	
Other Post-Employment Benefits:		
Changes of assumptions	2,149,876	
Differences between expected and actual experience	1,680,912	
Net adjustment to increase Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		45,065,493

Long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore, are not reported in the funds. The details of this (\$292,503,465) are as follows:

Bonds payable	(43,230,291)	
Add: Deferred gain on refunding (to be amortized over life of debt)	(171,709)	
Add: Issuance premium (to be amortized over life of debt)	(3,373,117)	
Loans payable	(1,952,583)	
Capital leases	(1,909,895)	
Compensated absences	(13,948,484)	
Accrued interest payable	(441,741)	
Net pension liability	(219,886,892)	
Other post-employment benefits obligations	(10,588,753)	
Net adjustment to decrease Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		(295,503,465)

Deferred inflows of resources related to pensions and other post-employment benefits are an acquisition of net position applicable to a future period and, therefore, are not reported in the funds. The details of this (\$2,651,431) are as follows:

Pensions:		
Changes of assumptions	(860,221)	
Differences between expected and actual experience	(1,659,453)	
Other Post-Employment Benefits:		
Changes of assumptions	(131,757)	
Net adjustment to decrease Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities		(2,651,431)

Net Position of Governmental Activities \$ 379,151,614

CITY OF OCEANSIDE, CALIFORNIA

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

	Special Revenue Funds			
	General	Grants	American Rescue Plan	Housing Assistance Program
Revenues:				
Taxes	\$ 133,940,366	\$ -	\$ -	\$ -
Licenses and permits	3,725,324	-	-	381,936
Intergovernmental	275,225	12,125,426	256,733	21,214,884
Charges for services	21,023,071	12,330	-	28,759
Use of money and property	8,872,277	462,294	-	2,982,379
Fines and forfeitures	2,813,321	-	-	-
Developer participation	-	764,798	-	-
Administrative and in lieu charges	6,855,180	-	-	-
Miscellaneous	230,113	10,790	-	187,489
Total Revenues	177,734,877	13,375,638	256,733	24,795,447
Expenditures:				
Current:				
General government	24,279,943	-	-	-
Public safety	93,872,527	6,775,905	256,733	-
Community development	8,653,374	3,692,406	-	23,782,457
Community/cultural services	14,946,278	85,847	-	-
Public works	15,044,655	48,428	-	-
Capital outlay	-	5,071,814	-	-
Debt service:				
Principal retirement (Note 10)	9,710	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	156,806,487	15,674,400	256,733	23,782,457
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,928,390	(2,298,762)	-	1,012,990
Other Financing Sources (Uses):				
Transfers in (Note 6)	14,663,914	340,970	-	-
Transfers out (Note 6)	(11,672,980)	(111,426)	-	-
Total Other Financing Sources (Uses)	2,990,934	229,544	-	-
Net Change in Fund Balances	23,919,324	(2,069,218)	-	1,012,990
Fund Balances - Beginning	83,421,913	8,284,788	-	4,344,169
Fund Balances - Ending	\$ 107,341,237	\$ 6,215,570	\$ -	\$ 5,357,159

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

CITY OF OCEANSIDE, CALIFORNIA

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

	Capital Projects Fund		
	General Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 133,940,366
Licenses and permits	-	-	4,107,260
Intergovernmental	-	11,439,990	45,312,258
Charges for services	264,543	-	21,328,703
Use of money and property	183,014	1,024,225	13,524,189
Fines and forfeitures	-	-	2,813,321
Developer participation	2,651,156	-	3,415,954
Administrative and in lieu charges	-	2,980,265	9,835,445
Miscellaneous	2,131,144	5,574,487	8,134,023
Total Revenues	5,229,857	21,018,967	242,411,519
Expenditures:			
Current:			
General government	2,710,248	-	26,990,191
Public safety	-	60,883	100,966,048
Community development	641,655	-	36,769,892
Community/cultural services	-	1,788,234	16,820,359
Public works	3,234,378	10,892,279	29,219,740
Capital outlay	25,878,153	774,785	31,724,752
Debt service:			
Principal retirement (Note 10)	-	5,659,403	5,669,113
Interest and fiscal charges	-	1,098,774	1,098,774
Total Expenditures	32,464,434	20,274,358	249,258,869
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,234,577)	744,609	(6,847,350)
Other Financing Sources (Uses):			
Transfers in (Note 6)	11,332,010	8,217	26,345,111
Transfers out (Note 6)	(75,000)	(1,157,130)	(13,016,536)
Total Other Financing Sources (Uses)	11,257,010	(1,148,913)	13,328,575
Net Change in Fund Balances	(15,977,567)	(404,304)	6,481,225
Fund Balances - Beginning	70,584,494	10,737,999	177,373,363
Fund Balances - Ending	\$ 54,606,927	\$ 10,333,695	\$ 183,854,588

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

CITY OF OCEANSIDE, CALIFORNIA

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

Amounts reported for Governmental Activities in the Statement of Activities (pages 24-25) are different because:

Net Change in Fund Balances - Total Governmental Funds (page 33) \$ 6,481,225

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. The details of this \$17,456,712 difference are as follows:

Capital outlay	\$ 30,696,582	
Depreciation expense	(13,239,870)	
Net adjustment to increase Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities		17,456,712

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 3,586,328

The issuance of long-term liabilities (e.g. bonds, loans) provides current financial resources to Governmental Funds, while the repayment of the principal of long-term liabilities consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of premiums, discounts, and similar items when the liability is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term liabilities and related items. The details of this \$5,675,606 difference are as follows:

Principal repayments:		
Bonds payable	5,071,592	
Loans payable	197,584	
Capital leases	406,430	
Net adjustment to decrease Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities		5,675,606

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds. The details of this (\$10,413,421) difference are as follows:

Compensated absences	(709,126)	
Pension liability	(9,574,858)	
Other post-employment benefits obligation	(352,619)	
Accrued interest	51,588	
Amortization of bond premiums	114,358	
Amortization of deferred gains on refunding	57,236	
Net adjustment to decrease Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities		(10,413,421)

The Internal Service Funds are used by management to charge the cost of loss prevention and general services to individual funds. The net revenue of certain activities of Internal Service Funds is reported with Governmental Activities. The details of this \$2,373,891 difference are as follows:

Change in Net Position of the Internal Service Funds	2,783,000	
Less: Gain from charges to Business-Type Activities	(409,109)	
Net adjustment to increase Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities		2,373,891

Change in Net Position of Governmental Activities \$ 25,160,341

PROPRIETARY FUND FINANCIAL STATEMENTS

The City reports the following major proprietary funds:

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

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

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

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

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

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

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Waste Disposal	Special Aviation
Assets:				
Current Assets:				
Cash and investments (Note 3)	\$ 88,501,745	\$ 126,089,620	\$ 6,983,470	\$ 931,949
Restricted cash and investments (Note 3)	32,032	146,513	-	-
Accounts receivable	8,255,240	6,970,870	981,458	-
Prepaid costs	4,943	545	-	-
Inventories	249,316	249,126	-	-
Total Current Assets	97,043,276	133,456,674	7,964,928	931,949
Noncurrent Assets:				
Advances to other funds (Note 6)	-	-	-	-
Capital assets, not being depreciated (Note 7)	108,135,545	30,313,377	35,328	3,835,398
Capital assets, being depreciated (Note 7)	369,523,124	434,868,603	3,320,922	2,105,071
Less accumulated depreciation (Note 7)	(191,033,163)	(228,234,256)	(617,559)	(1,424,106)
Total Noncurrent Assets	286,625,506	236,947,724	2,738,691	4,516,363
Total Assets	383,668,782	370,404,398	10,703,619	5,448,312
Deferred Outflows of Resources:				
Deferred charge on refunding	-	96,537	-	-
Pension deferrals (Note 13)	1,973,561	2,129,820	133,187	-
Total Deferred Outflows of Resources	1,973,561	2,226,357	133,187	-
Liabilities:				
Current Liabilities:				
Accounts payable	20,395,189	3,410,111	1,905,441	-
Accrued liabilities	465,598	443,861	25,145	-
Accrued interest	191,737	137,688	-	-
Unearned revenues	5,000	-	-	-
Deposits payable	1,024,874	-	-	-
Compensated absences (Note 9)	537,862	506,109	9,824	-
Accrued claims and judgments (Note 12)	-	-	-	-
Bonds and notes payable (Note 10)	1,965,000	3,241,268	-	-
Total Current Liabilities	24,585,260	7,739,037	1,940,410	-
Noncurrent Liabilities:				
Advances from other funds (Note 6)	-	-	-	1,659,371
Compensated absences (Note 9)	671,096	727,424	32,149	-
Accrued claims and judgments (Note 12)	-	-	-	-
Bonds and notes payable (Note 10)	55,216,355	16,058,967	-	-
Net pension liability (Note 13)	9,379,376	10,349,558	596,024	-
Total Noncurrent Liabilities	65,266,827	27,135,949	628,173	1,659,371
Total Liabilities	89,852,087	34,874,986	2,568,583	1,659,371
Deferred Inflows of Resources:				
Pension deferrals (Note 13)	27,317	22,968	700	-
Deferred charge on refunding	461,974	-	-	-
Total Deferred Inflows of Resources	489,291	22,968	700	-
Net Position:				
Net investment in capital assets	228,982,177	217,744,026	2,738,691	4,516,363
Restricted for capital projects	22,893,231	714,398	-	-
Restricted for rate stabilization	1,528,419	-	5,528,832	-
Unrestricted	41,897,138	119,274,377	-	(727,422)
Total Net Position	\$ 295,300,965	\$ 337,732,801	\$ 8,267,523	\$ 3,788,941

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

Net Position of Business-Type Activities

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Oceanside Small Craft Harbor District	Totals	
Assets:			
Current Assets:			
Cash and investments (Note 3)	\$ 5,506,758	\$ 228,013,542	\$ 56,101,035
Restricted cash and investments (Note 3)	-	178,545	300,000
Accounts receivable	192,787	16,400,355	172,044
Prepaid costs	-	5,488	297,318
Inventories	-	498,442	319,080
Total Current Assets	5,699,545	245,096,372	57,189,477
Noncurrent Assets:			
Advances to other funds (Note 6)	-	-	384,982
Capital assets, not being depreciated (Note 7)	2,826,022	145,145,670	-
Capital assets, being depreciated (Note 7)	32,203,968	842,021,688	32,512,365
Less accumulated depreciation (Note 7)	(24,518,622)	(445,827,706)	(23,490,691)
Total Noncurrent Assets	10,511,368	541,339,652	9,406,656
Total Assets	16,210,913	786,436,024	66,596,133
Deferred Outflows of Resources:			
Deferred charge on refunding	-	96,537	-
Pension deferrals (Note 13)	-	4,236,568	1,202,579
Total Deferred Outflows of Resources	-	4,333,105	1,202,579
Liabilities:			
Current Liabilities:			
Accounts payable	774,353	26,485,094	1,782,835
Accrued liabilities	-	934,604	354,049
Accrued interest	2,542	331,967	-
Unearned revenues	48,687	53,687	-
Deposits payable	411,560	1,436,434	-
Compensated absences (Note 9)	-	1,053,795	323,651
Accrued claims and judgments (Note 12)	-	-	4,093,446
Bonds and notes payable (Note 10)	100,000	5,306,268	1,430
Total Current Liabilities	1,337,142	35,601,849	6,555,411
Noncurrent Liabilities:			
Advances from other funds (Note 6)	384,982	2,044,353	-
Compensated absences (Note 9)	-	1,430,669	501,682
Accrued claims and judgments (Note 12)	-	-	16,699,539
Bonds and notes payable (Note 10)	205,000	71,480,322	7,028
Net pension liability (Note 13)	-	20,324,958	7,617,523
Total Noncurrent Liabilities	589,982	95,280,302	24,825,772
Total Liabilities	1,927,124	130,882,151	31,381,183
Deferred Inflows of Resources:			
Pension deferrals (Note 13)	-	50,985	42,555
Deferred charge on refunding	-	461,974	-
Total Deferred Inflows of Resources	-	512,959	42,555
Net Position:			
Net investment in capital assets	10,206,368	464,187,625	9,013,216
Restricted for capital projects	-	23,607,629	-
Restricted for rate stabilization	-	7,057,251	-
Unrestricted	4,077,421	164,521,514	27,361,758
Total Net Position	\$ 14,283,789	659,374,019	\$ 36,374,974
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds		6,887,103	
Net Position of Business-Type Activities		\$ 666,261,122	

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

CITY OF OCEANSIDE, CALIFORNIA

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

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Waste Disposal	Special Aviation
Operating Revenues:				
Sales and service charges	\$ 74,905,652	\$ 49,050,370	\$ 30,664,852	\$ 93,553
Fines, forfeitures, and penalties	269,224	49,094	-	-
Developer fees	1,079,131	1,044,202	-	-
Slip rentals and other related fees	-	-	-	-
Parking	-	-	-	-
Miscellaneous	2,386,874	483,624	-	-
Total Operating Revenues	78,640,881	50,627,290	30,664,852	93,553
Operating Expenses:				
Administration and general	9,629,218	9,977,294	508,420	-
Maintenance and operations	13,470,807	17,933,014	22,876,786	2,349
Cost of purchased water	35,443,142	-	-	-
Depreciation expense	7,746,628	9,133,093	190,669	76,047
Total Operating Expenses	66,289,795	37,043,401	23,575,875	78,396
Operating Income	12,351,086	13,583,889	7,088,977	15,157
Nonoperating Revenues (Expenses):				
Investment income	322,144	218,377	-	779
Interest expense	(2,402,380)	(536,552)	-	(84,167)
Gain on disposal of capital assets	-	-	-	-
Total Nonoperating Revenues (Expenses)	(2,080,236)	(318,175)	-	(83,388)
Income before Transfers	10,270,850	13,265,714	7,088,977	(68,231)
Transfers in (Note 6)	64,284	-	-	-
Transfers out (Note 6)	(780,685)	-	(5,763,993)	-
Changes in Net Position	9,554,449	13,265,714	1,324,984	(68,231)
Net Position - Beginning	285,746,516	324,467,087	6,942,539	3,857,172
Net Position - Ending	\$ 295,300,965	\$ 337,732,801	\$ 8,267,523	\$ 3,788,941
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds				
Change in Net Position of Business-Type Activities				

CITY OF OCEANSIDE, CALIFORNIA

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

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Oceanside Small Craft Harbor District	Totals	
Operating Revenues:			
Sales and service charges	\$ 30,220	\$ 154,744,647	\$ 70,710,382
Fines, forfeitures, and penalties	135,300	453,618	-
Developer fees	-	2,123,333	-
Slip rentals and other related fees	7,197,044	7,197,044	-
Parking	1,159,952	1,159,952	-
Miscellaneous	37,237	2,907,735	453,166
Total Operating Revenues	8,559,753	168,586,329	71,163,548
Operating Expenses:			
Administration and general	-	20,114,932	49,866,378
Maintenance and operations	840,214	55,123,170	16,146,001
Cost of purchased water	-	35,443,142	-
Depreciation expense	448,639	17,595,076	2,287,175
Total Operating Expenses	1,288,853	128,276,320	68,299,554
Operating Income	7,270,900	40,310,009	2,863,994
Nonoperating Revenues (Expenses):			
Investment income	3,808	545,108	4,490
Interest expense	(10,760)	(3,033,859)	-
Gain on disposal of capital assets	-	-	40,849
Total Nonoperating Revenues (Expenses)	(6,952)	(2,488,751)	45,339
Income before Transfers	7,263,948	37,821,258	2,909,333
Transfers in (Note 6)	-	64,284	52,666
Transfers out (Note 6)	(6,721,848)	(13,266,526)	(178,999)
Changes in Net Position	542,100	24,619,016	2,783,000
Net Position - Beginning	13,741,689		33,591,974
Net Position - Ending	\$ 14,283,789		\$ 36,374,974
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds		409,109	
Change in Net Position of Business-Type Activities		\$ 25,028,125	

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

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Waste Disposal	Special Aviation
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 75,678,967	\$ 48,286,972	\$ 30,596,211	\$ 93,553
Receipts from interfund services and charges	-	-	-	-
Other receipts	2,386,874	483,624	-	-
Payments to suppliers and service providers	(27,907,263)	(17,053,605)	(23,039,923)	(2,349)
Payments to employees for salaries and benefits	(22,782,791)	(9,837,609)	(456,554)	-
Net Cash Provided by Operating Activities	27,375,787	21,879,382	7,099,734	91,204
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from other funds	64,284	-	-	-
Cash transfers to other funds	(780,685)	-	(5,763,993)	-
Net Cash (Used for) Non-Capital Financing Activities	(716,401)	-	(5,763,993)	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(68,332,464)	(8,137,078)	-	-
Proceeds from disposal of capital assets	-	-	-	-
Repayment made on advances from other funds	-	-	-	-
Advance received from other funds	-	-	-	(5,031)
Principal paid on capital debt	(1,550,000)	(3,883,869)	-	-
Interest paid on capital debt	(3,343,115)	(681,163)	-	(84,167)
Defeasance of capital debt	(7,940,000)	-	-	-
Net Cash (Used for) Capital and Related Financing Activities	(25,376,929)	(12,702,110)	-	(89,198)
Cash Flows from Investing Activities:				
Investment income	322,144	218,377	-	779
Net Cash Provided by Investing Activities	322,144	218,377	-	779
Net Increase (Decrease) in Cash and Cash Equivalents	1,604,601	9,395,649	1,335,741	2,785
Cash and Cash Equivalents, July 1	86,929,176	116,840,484	5,647,729	929,164
Cash and Cash Equivalents, June 30	\$ 88,533,777	\$ 126,236,133	\$ 6,983,470	\$ 931,949
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:				
Cash and investments	\$ 88,501,745	\$ 126,089,620	\$ 6,983,470	\$ 931,949
Restricted cash and investments	32,032	146,513	-	-
Cash and Cash Equivalents, June 30	\$ 88,533,777	\$ 126,236,133	\$ 6,983,470	\$ 931,949
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 12,351,086	\$ 13,583,889	\$ 7,088,977	\$ 15,157
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	7,746,628	9,133,093	190,669	76,047
(Increase) decrease in accounts receivable	(519,415)	(1,856,694)	(68,641)	-
(Increase) decrease in prepaid costs	57	(545)	-	-
(Increase) decrease in inventories	15,982	(205,762)	-	-
Increase (decrease) in accounts payable	7,519,840	1,085,716	(163,137)	-
Increase in accrued liabilities	57,424	25,066	8,551	-
Increase in unearned revenues	-	-	-	-
Increase (decrease) in deposits payable	(55,625)	-	-	-
Increase in compensated absences	211,954	57,674	12,008	-
Increase in accrued claims and judgments	-	-	-	-
Increase (decrease) in net pension liability	47,856	56,945	31,307	-
Total Adjustments	15,024,701	8,295,493	10,757	76,047
Net Cash Provided by Operating Activities	\$ 27,375,787	\$ 21,879,382	\$ 7,099,734	\$ 91,204
Non-Cash Investing, Capital, and Financing Activities:				
Amortization of bond premium/discounts	\$ 1,501,210	\$ 130,623	\$ -	\$ -
Amortization of deferred charge on bond refundings	-	14,127	-	-
Unrealized loss on investments	(867,598)	(947,490)	-	(8,429)

CITY OF OCEANSIDE, CALIFORNIA

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

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Oceanside Small Craft Harbor District	Totals	
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 8,713,877	\$ 163,369,580	\$ -
Receipts from interfund services and charges	-	-	70,884,488
Other receipts	37,237	2,907,735	662,501
Payments to suppliers and service providers	(171,271)	(68,174,411)	(16,265,214)
Payments to employees for salaries and benefits	-	(33,076,954)	(49,907,915)
Net Cash Provided by Operating Activities	8,579,843	65,025,950	5,373,860
Cash Flows from Non-Capital Financing Activities:			
Cash transfers from other funds	-	64,284	52,666
Cash transfers to other funds	(6,721,848)	(13,266,526)	(178,999)
Net Cash (Used for) Non-Capital Financing Activities	(6,721,848)	(13,202,242)	(126,333)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(2,915,874)	(79,385,416)	(2,141,532)
Proceeds from disposal of capital assets	-	-	40,849
Repayment made on advances from other funds	(23,510)	(23,510)	-
Advance received from other funds	-	(5,031)	23,510
Principal paid on capital debt	(100,000)	(5,533,869)	(1,072)
Interest paid on capital debt	(11,593)	(4,120,038)	-
Defeasance of capital debt	-	(7,940,000)	-
Net Cash (Used for) Capital and Related Financing Activities	(3,050,977)	(41,219,214)	(2,078,245)
Cash Flows from Investing Activities:			
Investment income	3,808	545,108	4,490
Net Cash Provided by Investing Activities	3,808	545,108	4,490
Net Increase (Decrease) in Cash and Cash Equivalents	(1,189,174)	11,149,602	3,173,772
Cash and Cash Equivalents, July 1	6,695,932	217,042,485	53,227,263
Cash and Cash Equivalents, June 30	\$ 5,506,758	\$ 228,192,087	\$ 56,401,035
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:			
Cash and investments	\$ 5,506,758	\$ 228,013,542	\$ 56,101,035
Restricted cash and investments	-	178,545	300,000
Cash and Cash Equivalents, June 30	<u>\$ 5,506,758</u>	<u>\$ 228,192,087</u>	<u>\$ 56,401,035</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 7,270,900	\$ 40,310,009	\$ 2,863,994
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	448,639	17,595,076	2,287,175
(Increase) decrease in accounts receivable	172,098	(2,272,652)	174,106
(Increase) decrease in prepaid costs	-	(488)	(6,386)
(Increase) decrease in inventories	-	(189,780)	(34,355)
Increase (decrease) in accounts payable	668,943	9,111,362	(78,472)
Increase in accrued liabilities	-	91,041	59,977
Increase in unearned revenues	12,143	12,143	-
Increase (decrease) in deposits payable	7,120	(48,505)	-
Increase in compensated absences	-	281,636	7,995
Increase in accrued claims and judgments	-	-	209,335
Increase (decrease) in net pension liability	-	136,108	(109,509)
Total Adjustments	1,308,943	24,715,941	2,509,866
Net Cash Provided by Operating Activities	\$ 8,579,843	\$ 65,025,950	\$ 5,373,860
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of bond premium/discounts	\$ -	\$ 1,631,833	\$ -
Amortization of deferred charge on bond refundings	-	14,127	-
Unrealized loss on investments	(51,625)	(1,875,142)	-

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

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FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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

CITY OF OCEANSIDE, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	Private-Purpose Trust Fund	
	Successor Agency	Custodial Funds
Assets:		
Cash and cash equivalents	\$ 3,272,347	\$ 6,446,575
Receivables:		
Taxes for assessment districts	-	4,468
Interest	-	2,470
Total Receivables	-	6,938
Investments at fair value:		
Money market mutual funds	1,548,447	9,596,560
Total Investments	1,548,447	9,596,560
Prepaid costs	93,100	-
Total Assets	4,913,894	16,050,073
Liabilities:		
Accounts payable	-	80,259
Accrued interest payable	240,987	615,752
Bonds payable - due within one year	3,215,000	2,015,000
Bonds payable - due in more than one year	14,040,790	41,990,000
Total Liabilities	17,496,777	44,701,011
Net Position:		
Restricted for:		
Individuals, organizations, and other governments	(12,582,883)	(28,650,938)
Total Net Position	\$ (12,582,883)	\$ (28,650,938)

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

CITY OF OCEANSIDE, CALIFORNIA

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

	Private-Purpose Trust Fund	
	Successor Agency	Custodial Funds
Additions:		
Investment earnings:		
Net decrease in fair value of investments	\$ (7,618)	\$ (1,369)
Interest	309,190	49,255
Total Investment Earnings	301,572	47,886
Property taxes	3,970,315	-
Taxes and special assessments collections	-	3,742,238
Miscellaneous income	14,250	249,101
Total Additions	4,286,137	4,039,225
Deductions:		
Administrative expenses	26,830	213,026
Contractual services	-	236,025
Interest expense	781,783	1,926,583
Total Deductions	808,613	2,375,634
Net Increase in Fiduciary Net Position	3,477,524	1,663,591
Net Position - Beginning	(16,060,407)	(30,314,529)
Net Position - Ending	\$ (12,582,883)	\$ (28,650,938)

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

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

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

a. Financial Reporting Entity

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

b. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Governmental Fund Financial Statements

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

Proprietary Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

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

Additionally, the government reports the following internal service funds:

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary Fund Financial Statements

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

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

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, 2021

Note 1: Summary of Significant Accounting Policies (Continued)**g. Capital Assets**

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

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

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

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

h. Net Pension Liability

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

The following timeframes are used for pension reporting:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)**i. Other Post-Employment Benefits (OPEB)**

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

The following timeframes are used for OPEB reporting:

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

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

j. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position and the Governmental Fund Balance Sheet report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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 reports deferred outflows of resources for pension contributions made after the actuarial measurement date, for the differences between expected and actual experiences in pension and OPEB liabilities, and changes in actuarial assumptions used in calculating the pension and OPEB liabilities, and the net difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized on a straight-line basis over the expected average remaining service life of plan participants. The government also reports deferred outflows of resources for charges on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 one item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues, ambulance billings, and developer deposits. These amounts are deferred and recognized as an inflow of resources in the period when the amounts become available. In addition, the government has deferred inflows of resources relating to the net pension and total OPEB obligations reported in the government-wide statement of net position and the proprietary funds. These deferred inflows of resources are the result of actuarially determined differences between expected and actual plan experiences for pensions, and changes in actuarial assumptions related to pensions and OPEB. These amounts are deferred and amortized over the expected average remaining service life of plan participants, with the exception of the net difference between expected and actual earnings on pension plan investments which is amortized over five years.

k. Long-Term Liabilities

Government-wide Financial Statements

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

Governmental Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

I. 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 prepaids, inventory, or endowments.

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

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

m. Fund Balance Flow Assumption

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

n. Net Position Flow Assumption

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

o. Compensated Absences

Government-wide Financial Statements

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

Fund Financial Statements

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

p. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)**q. Implementation of GASB Statement No. 98**

The City early adopted GASB Statement No. 98, the *Annual Comprehensive Financial Report*, which establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**Note 2: Stewardship, Compliance, and Accountability****Deficit Fund Balances**

The Community Development Block Grant nonmajor special revenue fund reported a deficit in fund balance in the amount of \$22,818 at June 30, 2021. This deficit is due to the timing of grant reimbursements and will be eliminated through future years' receipt of grant funding for previously incurred expenditures.

III. DETAILED NOTES ON ALL FUNDS**Note 3: Cash and Investments**

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

The following is a summary of cash and investments at June 30, 2021:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 234,557,227	\$ 228,013,542	\$ 9,718,922	\$ 472,289,691
Restricted cash and investments	19,198,114	-	-	19,198,114
Cash and investments held with fiscal agents	4,193,199	178,545	11,145,007	15,516,751
	<u>\$ 257,948,540</u>	<u>\$ 228,192,087</u>	<u>\$ 20,863,929</u>	<u>\$ 507,004,556</u>

Cash and investments at June 30, 2021 consisted of the following:

Demand deposits	\$ 60,567,919
Petty cash	5,079
Pension stabilization trust	18,614,390
Investments	<u>427,817,168</u>
	<u>\$ 507,004,556</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 3: Cash and Investments (Continued)**Demand Deposits**

At June 30, 2021, the carrying amount of the City's deposits was \$60,567,919 and the bank balance was \$60,253,854. The \$314,065 difference represents outstanding checks and other reconciling items.

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

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

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

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

N/A - Not Applicable

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 3: Cash and Investments (Continued)**Investments Authorized by Debt Agreements**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Enterprise Obligations	5 years	None	None
Bankers' Acceptances	180 days	20%	5%
Certificates of Deposit	3 years	None	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Commercial Paper	270 days	25%	None
Investment Agreements	N/A	None	N/A
Money Market Mutual Funds	N/A	None	None
Municipal Bonds	5 years	None	None
Local Agency Investment Fund	N/A	None	None

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Remaining Maturity (In Months)				Total
	12 Months or Less	13 to 36 Months	36 to 48 Months	48 to 60 Months	
United States Treasury Obligations	\$ -	\$ -	\$ -	\$ 21,892,160	\$ 21,892,160
United States Government Sponsored Enterprise Securities	22,719,160	4,096,160	-	72,339,760	99,155,080
Medium Term Notes	11,993,408	34,742,770	6,308,820	8,440,960	61,485,958
Negotiable Certificates of Deposit	14,000,172	15,564,855	3,321,701	-	32,886,728
Municipal Bonds	5,587,514	19,540,779	11,053,485	10,686,268	46,868,045
Local Agency Investment Fund	150,012,446	-	-	-	150,012,446
Restricted Investments:					
Money Market Mutual Funds	18,614,390	-	-	-	18,614,390
Held by Fiscal Agents:					
Money Market Mutual Funds	15,516,751	-	-	-	15,516,751
	<u>\$ 238,443,841</u>	<u>\$ 73,944,564</u>	<u>\$ 20,684,006</u>	<u>\$ 113,359,148</u>	<u>\$ 446,431,558</u>

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City holds investments in callable federal agency securities that are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2021, is \$83,625,728 or 20.4% of the City's portfolio (excluding held by fiscal agents).

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, by Standards and Poor and Moody's, as of year-end for each investment type:

Investment Type	Total as of June 30, 2021	Minimum Legal Rating	Exempt from Disclosure	AAA/Aaa	AA to AA-/ Aa1 to Aa3	A+ to A-/ A1 to A3	Unrated
United States Treasury Obligations	\$ 21,892,160	N/A	\$ -	\$ 21,892,160	\$ -	\$ -	\$ -
United States Government Sponsored							
Enterprise Securities	99,155,080	N/A	4,812,850	-	94,342,230	-	-
Medium Term Notes	61,485,958	A	-	4,727,548	13,825,605	42,932,805	-
Negotiable Certificates of Deposit	32,886,728	N/A	-	2,998,044	9,335,851	2,742,017	17,810,817
Municipal Bonds	46,868,045	A1	-	13,071,094	33,297,966	-	498,985
Local Agency Investment Fund	150,012,446	N/A	150,012,446	-	-	-	-
Restricted Investments:							
Money Market Mutual Funds	18,614,390	N/A	18,614,390	-	-	-	-
Held by Fiscal Agents:							
Money Market Mutual Funds	15,516,751	N/A	15,516,751	-	-	-	-
	<u>\$446,431,558</u>		<u>\$188,956,437</u>	<u>\$42,688,846</u>	<u>\$150,801,652</u>	<u>\$45,674,822</u>	<u>\$18,309,802</u>

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount	Percent of Investment
Federal Home Loan Banks	United States Government Sponsored Enterprise Securities	\$ 56,829,060	13.8%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of June 30, 2021, none of the City's deposits or investments were exposed to custodial credit risk.

Investment in State Investment Pool (LAIF)

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

Pension Stabilization Trust

During the period from April 5, 2018, to May 29, 2018, the City deposited a total of \$10,000,000 into an IRS Section 115 Trust for the purpose of setting funding aside for the unfunded pension liability. In September 2020, the City deposited another \$6,000,000 into the Trust. At June 30, 2021, the market value of the assets held in trust is \$18,614,390. The assets of the trust are reported as restricted cash and investments in the City's General Fund, with a corresponding restriction in the General Fund's fund balance.

Fair Value Measurement of Investments

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

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

The City has the following recurring fair market value measurements as of June 30, 2021:

Investment Type	Fair Value	Level		
		1	2	Uncategorized
United States Treasury Obligations	\$ 21,892,160	\$ 21,892,160	\$ -	\$ -
United States Government Sponsored				
Enterprise Securities	99,155,080	-	99,155,080	-
Medium Term Notes	61,485,958	-	61,485,958	-
Negotiable Certificates of Deposit	32,886,728	-	32,886,728	-
Municipal Bonds	46,868,045	-	46,868,045	-
Local Agency Investment Fund	150,012,446	-	-	150,012,446
Restricted Investments:				
Money Market Mutual Funds	18,614,390	-	18,614,390	-
Held by Fiscal Agents:				
Money Market Mutual Funds	15,516,751	-	15,516,751	-
	<u>\$ 446,431,558</u>	<u>\$ 21,892,160</u>	<u>\$ 274,526,952</u>	<u>\$ 150,012,446</u>

Note 4: Property Taxes

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

Note 5: Notes Receivable

At June 30, 2021, the City had notes receivable reported in the following funds:

General Fund	\$ 107,669
Grants Fund	73,743,642
Housing Assistance Program	16,900,208
Community Development Block Grant	544,217
General Improvement	142,055
	<u>\$ 91,437,791</u>

The General Fund has made various loans to small businesses as part of the COVID-19 Business Loan Program. The notes are payable no later than 120 days after the City affirmatively declares that the state of local emergency regarding the novel coronavirus is over. As of June 30, 2021, the outstanding balance of all loans is \$107,669.

The Grants Special Revenue Fund has made various low or noninterest bearing loans to property owners for the rehabilitation of property and first-time home buyer program within the City. The notes are payable upon the sale of the property or upon the death of the current property owner. As of June 30, 2021, the outstanding balance is \$73,743,642.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 5: 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, 2021, the outstanding balance is \$16,900,208.

The Community Development Block Grant Fund loaned Mental Health Systems, Inc. \$655,000 on July 1, 2012, for the acquisition and rehabilitation of an apartment complex. The balance outstanding at June 30, 2021 is \$544,217.

The General Improvement Fund provided a \$100,000 loan to SoCal SC, L.P. on March 5, 2014 to aid the acceleration of construction of a recreational complex. The balance outstanding, including accrued interest, at June 30, 2021 is \$142,055.

Note 6: Interfund Transactions**a. Interfund Receivables and Payables**

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

Due to/from Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Grants	\$ 4,411,503
General Fund	Housing Assistance Program	59,342
General Fund	Other Governmental Funds	781,744
Total		<u>\$ 5,252,589</u>

Loan to/from Other Funds		
Advances From	Advances To	Amount
General Fund	Special Aviation	\$ 1,659,371
Internal Service Funds	Oceanside Small Craft Harbor District	384,982
Total		<u>\$ 2,044,353</u>

The General Fund advanced funds to the Special Aviation Enterprise Fund for operational purposes. As of June 30, 2021, the outstanding balance of the loans were \$1,659,371. The General Services Internal Service Fund advanced funds to the Oceanside Small Craft Harbor District for the purpose of purchasing a new police vessel for harbor patrol. As of June 30, 2021, the outstanding balance of the loan was \$384,982.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6: Interfund Transactions (Continued)

b. Transfers In/Out

Transfers in and out for the year ended June 30, 2021, are as follows:

Transfers In	Transfers Out								Total
	General Fund	Grants	General Improvement	Other Governmental Funds	Water	Waste Disposal	Oceanside Small Craft Harbor District	Internal Service Funds	
General Fund	\$ -	\$ 71,522	\$ 75,000	\$ 1,157,130	\$ 780,685	\$ 5,763,993	\$ 6,721,848	\$ 93,736	\$ 14,663,914
Grants	340,970	-	-	-	-	-	-	-	340,970
General Improvement	11,332,010	-	-	-	-	-	-	-	11,332,010
Other Governmental Funds	-	-	-	-	-	-	-	8,217	8,217
Water	-	39,904	-	-	-	-	-	24,380	64,284
Internal Service Funds	-	-	-	-	-	-	-	52,666	52,666
	<u>\$ 11,672,980</u>	<u>\$ 111,426</u>	<u>\$ 75,000</u>	<u>\$ 1,157,130</u>	<u>\$ 780,685</u>	<u>\$ 5,763,993</u>	<u>\$ 6,721,848</u>	<u>\$ 178,999</u>	<u>\$ 26,462,061</u>

The General Fund transferred \$340,970 to the Grants Fund to support costs associated with grants and housing assistance programs and transferred \$11,332,010 to the General Improvement Fund for maintenance and capital expenditures.

The Grants Fund transferred \$71,522 to the General Fund to cover NCTD overhead costs and \$39,904 to the Water Fund for participation in the North San Diego County Regional Recycled Water Project.

The General Improvement Fund transferred \$75,000 to the General Fund to cover general and administrative costs.

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

The Water Fund transferred \$780,685 to the General Fund for maintenance of the City's flood control and storm drain systems.

The Waste Disposal Fund transferred \$5,763,993 to the General Fund to support street sweeping, code enforcement, and related waste disposal costs.

The Oceanside Small Craft Harbor District transferred \$6,721,848 to the General Fund to provide for harbor administrative, maintenance, and police services.

The Internal Service Funds transferred \$178,999 to various City funds, including \$93,736 to the General Fund, for costs made by the Funds towards the City's unfunded pension liability. The Internal Service Funds also transferred \$52,666 for costs related to the City's risk management and self-insurance programs, and \$32,597 to the Water Fund and Other Governmental Funds for maintenance costs.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 7: Capital Assets

a. Governmental Activities Capital Assets

A summary of changes in the governmental activities capital assets at June 30, 2021, is as follows:

<u>Governmental Activities</u>	Balance July 1, 2020	CIP Transfers	Additions	Deletions	Balance June 30, 2021
Capital assets, non-depreciable:					
Land	\$ 60,405,687	\$ -	\$ 1,840,903	\$ -	\$ 62,246,590
Construction in progress	26,099,707	(34,942,148)	28,823,653	-	19,981,212
Total capital assets, non-depreciable	86,505,394	(34,942,148)	30,664,556	-	82,227,802
Capital assets, depreciable:					
Buildings and improvements	110,321,460	25,628,680	-	-	135,950,140
Improvements other than buildings	74,957,179	8,920,433	-	-	83,877,612
Machinery and equipment	75,371,781	393,035	2,173,558	(1,088,047)	76,850,327
Infrastructure	312,585,729	-	-	-	312,585,729
Total capital assets, depreciable	573,236,149	34,942,148	2,173,558	(1,088,047)	609,263,808
Less accumulated depreciation:					
Buildings and improvements	(53,528,843)	-	(3,112,217)	-	(56,641,060)
Improvements other than buildings	(29,854,665)	-	(3,892,663)	-	(33,747,328)
Machinery and equipment	(56,021,254)	-	(3,417,498)	1,088,047	(58,350,705)
Infrastructure	(213,338,423)	-	(5,104,667)	-	(218,443,090)
Total accumulated depreciation	(352,743,185)	-	(15,527,045)	1,088,047	(367,182,183)
Net capital assets, depreciable	220,492,964	34,942,148	(13,353,487)	-	242,081,625
Capital assets - governmental	\$ 306,998,358	\$ -	\$ 17,311,069	\$ -	\$ 324,309,427

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

General Government	\$ 99,273
Public Safety	1,584,781
Public Works	8,725,715
Community Development	642,480
Community/Cultural Services	2,187,621
Internal Service Funds	2,287,175
Total Depreciation expense-governmental activities	<u>\$ 15,527,045</u>

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 7: Capital Assets (Continued)

b. Business-Type Activities Capital Assets

A summary of changes in the business-type activities capital assets at June 30, 2021, is as follows:

<u>Business-Type Activities</u>	Balance July 1, 2020	CIP Transfers	Additions	Deletions	Balance June 30, 2021
Capital assets, non-depreciable:					
Land	\$ 29,613,703	\$ -	\$ -	\$ -	\$ 29,613,703
Construction in progress	37,120,832	(974,282)	79,385,417	-	115,531,967
Total capital assets, non-depreciable	66,734,535	(974,282)	79,385,417	-	145,145,670
Capital assets, depreciable:					
Buildings and improvements	243,478,122	-	-	(3,375)	243,474,747
Improvements other than buildings	568,622,975	974,282	-	(3,021)	569,594,236
Machinery and equipment	29,081,001	-	-	(128,296)	28,952,705
Total capital assets, depreciable	841,182,098	974,282	-	(134,692)	842,021,688
Less accumulated depreciation:					
Buildings and improvements	(76,956,148)	-	(4,987,627)	3,375	(81,940,400)
Improvements other than buildings	(338,154,500)	-	(10,764,343)	3,021	(348,915,822)
Machinery and equipment	(13,256,674)	-	(1,843,106)	128,296	(14,971,484)
Total accumulated depreciation	(428,367,322)	-	(17,595,076)	134,692	(445,827,706)
Net capital assets, depreciable	412,814,776	974,282	(17,595,076)	-	396,193,982
Capital assets - governmental	\$ 479,549,311	\$ -	\$ 61,790,341	\$ -	\$ 541,339,652

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

Water	\$ 7,746,628
Sewer	9,133,093
Waste Disposal	190,669
Special Aviation	76,047
Oceanside Small Craft Harbor District	448,639
Total depreciation expense-business type activities	<u>\$ 17,595,076</u>

Note 8: Capital Lease Obligations

The following is a summary of changes in governmental activities' capital lease obligations for the year ended June 30, 2021:

<u>Description</u>	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year	Due in More than One Year
<u>Governmental Activities:</u>						
2013 Streetlight Retrofit Lease Agreement	\$ 2,316,325	\$ -	\$ 406,430	\$ 1,909,895	\$ 419,334	\$ 1,490,561

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021**Note 8: Capital Lease Obligations (Continued)**2013 Streetlight Retrofit Lease Agreement

On October 10, 2013, the City entered into a lease/purchase agreement with Banc of America Capital Corporation 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 3.15% and is payable semiannually on June 10 and December 10. As of June 30, 2021, the outstanding balance of this lease was \$1,909,895.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Year Ending June 30	Annual Payment
2022	\$ 476,219
2023	476,219
2024	476,219
2025	476,219
2026	153,355
	2,058,231
Less Interest	(148,336)
Total	<u>\$ 1,909,895</u>

Note 9: Compensated Absences

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due in More Than One Year
Governmental Activities	\$ 14,056,696	\$ 6,229,412	\$ 5,512,291	\$ 14,773,817	\$ 5,793,507	\$ 8,980,310
Business-Type Activities	2,202,828	1,214,660	933,024	2,484,464	1,053,795	1,430,669
Total	<u>\$ 16,259,524</u>	<u>\$ 7,444,072</u>	<u>\$ 6,445,315</u>	<u>\$ 17,258,281</u>	<u>\$ 6,847,302</u>	<u>\$ 10,410,979</u>

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) amounts to \$17,258,281 at June 30, 2021. The liability is typically liquidated from the funds that the employees are charged to, primarily the General, Water, Sewer, and Waste Disposal funds. Compensated absences have no repayment schedule and are payable as employees utilize earned leave time.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

Description	Balance at June 30, 2020	Additions	Defeased	Deletions	Balance at June 30, 2021	Due Within One Year	Due in More than One Year
Governmental Activities:							
Bonds Payable:							
2011 Refunding COP	\$ 2,385,000	\$ -	\$ -	\$ 750,000	\$ 1,635,000	\$ 795,000	\$ 840,000
2013 Refunding COP, Series A	2,676,883	-	-	876,592	1,800,291	893,153	907,138
2015 Taxable Pension Obligation Bond	20,495,000	-	-	3,445,000	17,050,000	3,720,000	13,330,000
2019 Lease Revenue Bond	22,745,000	-	-	-	22,745,000	-	22,745,000
Unamortized Bond Premium/(Discount)	3,487,475	-	-	114,358	3,373,117	-	3,373,117
Direct Borrowings and Direct Placements:							
2016 San Diego Gas & Electric Loan	117,697	-	-	17,656	100,041	17,656	82,385
2019 HUD Section 108 Refunding Loan	2,042,000	-	-	181,000	1,861,000	191,000	1,670,000
Subtotal - Governmental Activities	53,949,055	-	-	5,384,606	48,564,449	5,616,809	42,947,640
Business-Type Activities:							
Bonds Payable:							
2013A Water Revenue Refunding Bonds	11,035,000	-	7,940,000	1,215,000	1,880,000	1,280,000	600,000
2013A Sewer Revenue Refunding Bonds	5,790,000	-	-	1,255,000	4,535,000	565,000	3,970,000
2020A Water Revenue Bonds	-	25,275,000	-	335,000	24,940,000	445,000	24,495,000
2021A Water Revenue Refunding Bonds	-	8,950,000	-	-	8,950,000	240,000	8,710,000
Unamortized Bond Premium/(Discount)	2,372,128	5,006,295	1,348,915	282,918	5,746,590	-	5,746,590
Direct Borrowings and Direct Placements:							
2013 Gross Revenue Refunding Bonds	405,000	-	-	100,000	305,000	100,000	205,000
State Water Resources Control Board Loan	16,501,514	-	-	2,628,869	13,872,645	2,676,268	11,196,377
WIFIA Loan	-	16,557,355	-	-	16,557,355	-	16,557,355
Subtotal - Business-Type Activities	36,103,642	55,788,650	9,288,915	5,816,787	76,786,590	5,306,268	71,480,322
Total Long-Term Debt	\$ 90,052,697	\$ 55,788,650	\$ 9,288,915	\$ 11,201,393	\$ 125,351,039	\$ 10,923,077	\$ 114,427,962

a. Governmental Activities – Bonds Payable

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

The 2011 Refunding Certificates of Participation were issued by the Oceanside Public Financing Authority (the Financing Authority) to refund the 1998 Certificates of Participation, which were issued by the Financing Authority for the purpose of reimbursing the City for costs of acquisition of certain real property and improvements to be used as police and library facilities. The certificates consist of serial certificates in the amount of \$7,725,000 due in annual installments of \$675,000 to \$860,034. Interest rates range from 2.19% to 4.77% and are payable semiannually on December 1 and June 1. At June 30, 2021, the outstanding balance of these certificates was \$1,635,000.

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

The 2013 Refunding Certificates of Participation were issued by the Financing Authority to refund the 2003 Certificates of Participation, which were issued by the Financing Authority to refinance the outstanding 1993 Series A Refunding Certificates of Participation and to lease certain facilities and projects. The certificates consist of serial certificates in the amount of \$12,500,000 due in annual installments of \$916,461 to \$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, 2021, the outstanding balance of these certificates was \$1,800,291.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Long-Term Debt (Continued)

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

On August 11, 2015, the City issued \$32,020,000 Taxable Pension Obligation Refunding Bonds, Series 2015 for the purpose of refunding the 2005 Taxable Pension Obligation Bonds. The bonds are due in annual installments of \$270,000 to \$4,700,000. Interest rates range from 1.406% to 4.275% and are payable semiannually on February 15 and August 15. As of June 30, 2021, the outstanding balance was \$17,050,000 and unamortized bond discount was \$26,554.

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

On November 1, 2019, the Financing Authority issued the 2019 Lease Revenue Bonds (El Corazon Aquatics Center Project) for a par amount of \$22,745,000. The net proceeds of the sale of the Series 2019 Bonds will be used to (i) finance the costs of the acquisition, construction, and installation of certain capital improvements constituting the El Corazon Aquatics Center and related improvements, facilities and equipment, and (ii) pay the costs incurred in connection with the issuance of the 2019 Bonds. The Series 2019 Bonds are equally and ratably payable from and secured by base rental payments and certain amounts on deposit in the funds and accounts established under the bond indenture. In the event of default, the bond trustee may terminate the lease agreement and recover certain damages from the City or may retain the lease agreement and hold the City liable for all base rental payments thereunder. There is no acceleration in the event of default. The bonds are payable commencing on November 1, 2023, in principal amounts ranging from \$455,000 to \$1,355,000 at interest rates ranging from 4 percent to 5 percent, and mature November 1, 2049. As of June 30, 2021, the outstanding balance was \$22,745,000 and unamortized bond premium was \$3,399,671.

b. Governmental Activities – Direct Borrowings and Direct Placements

2016 San Diego Gas & Electric Financing Loan Agreement

In May 2016, the City entered into eleven individual contracts with San Diego Gas & Electric to finance a portion of the City-wide LED streetlight retrofit project. The various loans are due in monthly installments ranging from \$38 to \$454. The loans are for a term of 115 months and carry a zero-percent interest rate. At June 30, 2021, the outstanding balance of the loans was \$100,041.

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

In January 2019, the City entered into a contract with the United States Department of Housing and Urban Development for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5308, to refinance the 2008 HUD 108 Loans. The loans are due in annual installments ranging from \$171,000 to \$279,000. Interest is payable quarterly at a rate of 4.8 percent. The outstanding balance at June 30, 2021, was \$1,861,000. The City pledged grant allocations and program income as security for the loan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 10: Long-Term Debt (Continued)**c. Governmental Activities – Debt Service Requirements to Maturity**

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

Year Ending June 30,	Governmental Activities					
	Bonds Payable		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 5,408,153	\$ 1,644,892	\$ 208,656	\$ 48,723	\$ 5,616,809	\$ 1,693,615
2023	5,762,138	1,453,408	219,656	43,696	5,981,794	1,497,104
2024	4,800,000	1,244,970	230,656	38,335	5,030,656	1,283,305
2025	5,175,000	1,033,380	242,656	32,546	5,417,656	1,065,926
2026	770,000	902,771	254,656	26,299	1,024,656	929,070
2027-2031	2,860,000	4,119,175	804,761	35,761	3,664,761	4,154,936
2032-2036	3,575,000	3,378,025			3,575,000	3,378,025
2037-2041	4,405,000	2,549,100			4,405,000	2,549,100
2042-2046	5,365,000	1,575,500			5,365,000	1,575,500
2047-2050	5,110,000	418,800			5,110,000	418,800
	<u>\$ 43,230,291</u>	<u>\$ 18,320,021</u>	<u>\$ 1,961,041</u>	<u>\$ 225,360</u>	<u>\$ 45,191,332</u>	<u>\$ 18,545,381</u>

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

The bonds were issued by the City to (a) prepay all of City of Oceanside Water Revenue Refunding Bonds (1998 Water Refunding Project) and City of Oceanside Revenue Certificates of Participation (1993 Water System Refunding Project) Series 2003; (b) finance certain improvements to the City's Water System; and (c) pay the costs of issuing the 2013A Bonds. The bonds are due in annual installments ranging from \$600,000 to \$1,475,000 through May 2033. Interest rates range from 2.0% to 5.25% and are payable semiannually on May 1 and November 1. Bonds are subject to optional redemption prior to maturity. As of June 30, 2021, the outstanding balance was \$1,880,000 and unamortized bond premium was \$0.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Long-Term Debt (Continued)

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

The bonds were issued by the City to (a) prepay all of City of Oceanside Revenue Certificates of Participation (1993 Wastewater System Refunding Project) Series 2003 and City of Oceanside Revenue Refunding Certificates of Participation, Series 2008; (b) prepay all amounts due under the 1993 State Loan; (c) finance certain improvements to the City's Sewer System; and (d) pay the costs of issuing the 2013A Bonds. The bond principal is due in semi-annual installments ranging from \$565,000 to \$1,255,000 through May 2028. Interest rates range from 2.0% to 5.0% and are payable semiannually on May 1 and November 1. Bonds are subject to optional redemption prior to maturity. As of June 30, 2021, the outstanding balance was \$4,535,000 and unamortized bond premium was \$892,590.

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

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

On July 9, 2020, the City issued the Water Revenue Bonds, Series 2020A in an amount of \$25,275,000. The net proceeds of the sale of the Series 2019 Bonds will be used to (i) finance a portion of the acquisition and construction of certain capital improvements to the water system of the City, and (ii) pay the costs of issuance of the 2020 Bonds. The bonds are limited obligations of the City payable solely from net revenues, which consist of revenues of the City's water system remaining after the payment of operation and maintenance costs, and from amounts on deposit in certain funds and accounts created under the bond indenture. In the event of default, the bond trustee may, at the direction of the majority of the bondholders, declare the outstanding principal and interest accrued thereon due and payable immediately. There is no acceleration in the event of default. The bonds are payable commencing on November 1, 2020, in principal amounts ranging from \$335,000 to \$1,385,000 at an interest rate of 4 percent mature May 1, 2051. As of June 30, 2021, the outstanding balance was \$24,940,000 and unamortized bond premium was \$4,854,000.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Long-Term Debt (Continued)

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

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

The bonds were issued by the City to prepay all of the Oceanside Small Craft Harbor District loans payable to the Department of Boating and Waterways. The bonds are due in annual installments ranging from \$95,000 to \$320,000 through August 2023. The interest rate is 2% and is payable semi-annually on February 1 and August 1. Bonds are not subject to optional redemption prior to maturity. As of June 30, 2021, the outstanding balance of these bonds was \$305,000.

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

This loan is a State Revolving Loan Fund Program contract between the State Water Resources Control Board and the City with a maximum loan amount of \$60,000,000 to fund the San Luis Rey Wastewater Treatment Plant generally consisting of upgrades to control odors and improve process performance. The loan is due in installments of \$2,926,391 commencing in January 2007 through 2026. The interest rate is 1.803% payable annually on January 26. As of June 30, 2021, the outstanding balance of these notes was \$13,872,645.

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

On September 16, 2020, the City executed a Water Infrastructure Finance and Innovation Act loan (WIFIA loan) agreement with the United States Environmental Protection Agency for the Pure Water and Upper and Lower Recycled Water Distribution System Project. The City has drawn a total of \$16,557,355 from the WIFIA loan of June 30, 2021. The WIFIA loan amount up to \$69,115,487 will be drawn upon the project completion. The loan has a fixed interest rate of 1.19 percent and is payable commencing on May 1, 2023, in principal amounts ranging from \$1,692,082 to \$2,500,126. Loan maturity is scheduled to be May 1, 2056. In the event of default, the EPA may suspend or terminate all its obligations, may debar the City from further participation in any other EPA programs, and may declare the unpaid principal amount of the WIFIA note to be immediately due and payable along with all interest accrued.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Long-Term Debt (Continued)

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

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

Year Ending June 30,	Business-Type Activities					
	Bonds Payable		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,530,000	\$ 1,824,645	\$ 2,776,268	\$ 255,224	\$ 5,306,268	\$ 2,079,869
2023	1,890,000	1,724,024	4,513,917	1,039,802	6,403,917	2,763,826
2024	1,900,000	1,246,250	4,588,313	968,234	6,488,313	2,214,484
2025	1,950,000	1,197,810	4,553,837	896,536	6,503,837	2,094,346
2026	2,005,000	1,138,901	4,625,507	824,739	6,630,507	1,963,640
2027-2031	8,620,000	4,810,434	9,074,993	3,542,373	17,694,993	8,352,807
2032-2036	5,375,000	3,708,234	602,165	7,226	5,977,165	3,715,460
2037-2041	4,335,000	2,873,600	-	-	-	-
2042-2046	5,280,000	1,934,000	-	-	-	-
2047-2051	6,420,000	790,400	-	-	-	-
	<u>\$ 40,305,000</u>	<u>\$ 21,248,298</u>	<u>\$ 30,735,000</u>	<u>\$ 7,534,134</u>	<u>\$ 55,005,000</u>	<u>\$ 23,184,432</u>

Note 11: Debt Without City Commitment

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

Issuer	Date of Issue	Amount of Issue	Balance at June 30, 2021
CFD 2000-1 Ocean Ranch 2013 Refunding	June 13, 2013	\$ 11,175,000	\$ 8,865,000
CFD 2000-1 Ocean Ranch 2014 Refunding	June 4, 2014	\$ 11,755,000	\$ 10,300,000
CFD 2001-1 Morro Hills 2013 Refunding	June 13, 2013	\$ 6,710,000	\$ 4,180,000
CFD 2001-1 Morro Hills Refunding 2014A	February 14, 2014	\$ 10,885,000	\$ 7,390,000
CFD 2001-1 Morro Hills Imp Area 1 Refunding 2014A	February 14, 2014	\$ 7,025,000	\$ 4,795,000
CFD 2006-1 Pacific Coast Bus Park Refunding 2017	January 26, 2017	\$ 9,060,000	\$ 8,475,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 12: Risk Management

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

The workers' compensation and general/auto liability claims payable of \$3,429,985 and \$17,363,000, respectively, reported at June 30, 2021, are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability amounts were as follows:

Year Ended June 30	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2019	18,634,523	6,036,250	5,034,561	19,636,212
2020	19,636,212	5,723,420	4,775,982	20,583,650
2021	20,583,650	4,287,089	4,077,754	20,792,985

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 12: Risk Management (Continued)

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

Note 13: Retirement Plans**a. General Information about the Pension Plans**Plan Descriptions

The Miscellaneous and Safety Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plans' respective June 30, 2018 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. These reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

Benefits Provided

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

	Miscellaneous Plan			Safety Plan	
	Prior to January 1, 2011*	January 1, 2011 to January 1, 2013*	January 1, 2013 and Thereafter	Prior to January 1, 2013*	January 1, 2013 and Thereafter
Hire Date:					
Benefit Formula:	2.7% @ 55	2% @ 60	2% @ 62	3% @ 50	2.7% @ 57
Benefit Vesting Schedule:	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service
Benefit Payments:	Monthly for life	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement Age:	Minimum 50 years	Minimum 50 years	Minimum 52 years	Minimum 50 years	Minimum 50 years
Monthly Benefits, as a % of Eligible Compensation:	2.0% - 2.7%, 50 - 63+ years, respectively	1.092% - 2.418%, 50 - 63+ years, respectively	1.0% - 2.5%, 52 - 67+ years, respectively	3% 50 - 55+ years	2.0% - 2.7%, 50 - 63+ years, respectively
Required Employee Contribution Rates:	8.000%	7.000%	6.750%	9.000%	13.000%
Required Employer Contribution Rates:	24.519%	25.519%	25.769%	35.160%	31.160%
Total Contribution:	32.519%	32.519%	32.519%	44.160%	44.160%

* Closed to new entrants

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13: Retirement Plans (Continued)

At June 30, 2019 (the valuation date), the following employees were covered by the benefit terms of the plan:

Description	Number of Members	
	Miscellaneous	Safety
Active members	554	322
Transferred members	418	90
Terminated members	347	63
Retired members and beneficiaries	934	480
Total	2,253	955

b. Contribution Description

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

For the year ended June 30, 2021, the employer contributions recognized as a reduction to the net pension liability for all the Miscellaneous Plan and Safety Plan were \$15,489,718 and \$20,523,475, respectively.

c. Net Pension Liability

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13: Retirement Plans (Continued)Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of a contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

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

Long-term Expected Rate of Return

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 13: Retirement Plans (Continued)

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

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

¹ In the CalPERS ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next for years, while at the same time retaining the current target rate of return. The Board also approved adding 5 percent leverage to increase investment diversification. The new asset allocation takes effect July 1, 2022 and is expected to decrease employer contribution rates from less than 1 percent to a decrease of more than 2 percent depending on the plan type. Employees in the PEPRAs plans will likely see increases in their contribution rates. Contribution changes will take effect in fiscal year 2023-24.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13: Retirement Plans (Continued)

Changes in the Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
<u>Miscellaneous Plan</u>			
Balance at 6/30/2019	\$ 451,709,074	\$ 338,153,949	\$ 113,555,125
Changes Recognized for the Measurement Period:			
Service Cost	7,413,674	-	7,413,674
Interest on Total Pension Liability	31,525,103	-	31,525,103
Differences Between Expected and Actual Experience	(3,056,423)	-	(3,056,423)
Contributions - Employer	-	14,923,305	(14,923,305)
Contributions - Employees	-	3,198,437	(3,198,437)
Net Investment Income	-	16,878,900	(16,878,900)
Benefit Payments, Including Refunds of Employee Contributions	(22,897,930)	(22,897,930)	-
Administrative Expense	-	(476,714)	476,714
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes During 2019-20	12,984,424	11,625,998	1,358,426
Balance at 6/30/2020	464,693,498	349,779,947	114,913,551
<u>Safety Plan</u>			
Balance at 6/30/2019	546,259,162	419,343,660	126,915,502
Changes Recognized for the Measurement Period:			
Service Cost	11,010,401	-	11,010,401
Interest on Total Pension Liability	38,503,013	-	38,503,013
Differences Between Expected and Actual Experience	332,595	-	332,595
Contributions - Employer	-	19,810,064	(19,810,064)
Contributions - Employees	-	3,795,384	(3,795,384)
Net Investment Income	-	20,831,413	(20,831,413)
Benefit Payments, Including Refunds of Employee Contributions	(27,186,576)	(27,186,576)	-
Administrative Expense	-	(591,172)	591,172
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes During 2019-20	22,659,433	16,659,113	6,000,320
Balance at 6/30/2020	568,918,595	436,002,773	132,915,822
Total - Miscellaneous and Safety Plans	\$1,033,612,093	\$ 785,782,720	\$ 247,829,373

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 13: Retirement Plans (Continued)Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	Discount Rate (-1%) 6.15%	Current Discount Rate 7.15%	Discount Rate (+1%) 8.15%
Miscellaneous Plan	\$ 174,630,137	\$ 114,913,551	\$ 65,427,133
Safety Plan	210,458,153	132,915,822	69,286,970
Total	<u>\$ 385,088,290</u>	<u>\$ 247,829,373</u>	<u>\$ 134,714,103</u>

d. Pension Plan Fiduciary Net Position

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

e. IRS Section 115 Pension Trust

The City holds investments in an IRS Section 115 Trust for pension stabilization. The current market value of the trust is \$18,614,390. This trust fund is not included in the calculation of the net pension liability, as the assets are not in the custody of the plan administrator, CalPERS. Refer to Note 3 for additional information.

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

For the year ended June 30, 2021, the City recognized pension expense as follows:

Miscellaneous	Safety	Total
<u>\$ 15,193,964</u>	<u>\$ 27,979,909</u>	<u>\$ 43,173,873</u>

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021**Note 13: Retirement Plans (Continued)**

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions made Subsequent to the Measurement Date	\$ 15,357,182	\$ -
Changes of Assumptions	-	-
Differences between Expected and Actual Experience	1,125,405	1,782,913
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,608,465	-
Subtotal - Miscellaneous Plan	19,091,052	1,782,913
Safety Plan		
Employer Contributions made Subsequent to the Measurement Date	18,215,233	-
Changes of Assumptions	1,360,126	625,695
Differences between Expected and Actual Experience	4,415,972	204,606
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,591,469	-
Subtotal - Safety Plan	27,582,800	830,301
Total	\$ 46,673,852	\$ 2,613,214

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

Net Difference between projected and actual earnings on pension plan investments 5 year straight-line amortization

All other amounts Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The EARSL for the Plan for the measurement period ending June 30, 2020 is 2.4 years, which was obtained by dividing the total service years of 5,348 (the sum of remaining service lifetimes of the active employees) by 2,251 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13: Retirement Plans (Continued)

The EARS� for the Plan for the measurement period ending June 30, 2020 is 4.0 years, which was obtained by dividing the total service years of 3,799 (the sum of remaining service lifetimes of the active employees) by 948 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The \$33,572,415 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2022	\$ (1,603,206)	\$ 1,465,566	\$ (137,640)
2023	403,292	2,968,975	3,372,267
2024	1,742,096	2,306,607	4,048,703
2025	1,408,775	1,796,118	3,204,893

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 14: Post-Employment Benefits Other Than Pensions (Continued)Benefits Provided

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

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

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by benefit terms:

<u>Description</u>	<u>Number of Members</u>
Active employees eligible for future benefits	770
Retirees currently receiving benefits	100
Total	<u>870</u>

b. Total OPEB Liability

The City's total OPEB liability of \$10,588,753 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 14: Post-Employment Benefits Other Than Pensions (Continued)

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

Mortality and retirement rates were based on the 2017 CalPERS Experience Study. All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of the 2017 CalPERS Experience Study for the period of 1997 through 2015.

c. Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at June 30, 2019 Measurement Date	\$ 9,553,658
Changes Recognized for the Measurement Period:	
Service Cost	418,290
Interest on Total OPEB Liability	329,520
Benefit Payments	(695,903)
Changes in Assumptions	983,188
Net Changes During 2019-20	1,035,095
Balance at June 30, 2020 Measurement Date	\$ 10,588,753

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% at measurement date June 30, 2019 to 2.20% at measurement date June 30, 2020.

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.20%) or 1-percentage-point higher (3.20%) than the current discount rate:

	Discount Rate (-1%) 1.20%	Current Discount Rate 2.20%	Discount Rate (+1%) 3.20%
Total OPEB Liability	\$ 11,229,586	\$ 10,588,753	\$ 9,800,674

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 14: Post-Employment Benefits Other Than Pensions (Continued)Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	Trend Rate (-1%) 3.00%	Current Trend Rate 4.00%	Trend Rate (+1%) 5.00%
Total OPEB Liability	\$ 9,548,037	\$ 10,588,753	\$ 11,880,087

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$1,048,522. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,149,876	\$ 131,757
Differences between Expected and Actual Experience	1,680,912	-
Total	\$ 3,830,788	\$ 131,757

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

Fiscal Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2022	\$ 300,712
2023	300,712
2024	281,887
2025	338,356
2026	338,356
Thereafter	2,139,008

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 15: Commitments and Contingencies**Commitments**

The following material construction commitments existed at June 30, 2021:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2021	Remaining Commitments
Construction Support	\$ 5,425,763	\$ 1,904,575	\$ 3,521,188
Plan & Design Lower SLRWRF	4,942,531	3,700,981	1,241,550
Seismic Retrofit	4,380,479	564,554	3,815,925
Condition Assessment & Access Imprvmnt	4,425,634	3,346,044	1,079,590
OBlvd Lift Stnt Relocation	8,841,823	3,283,824	5,557,999
Pure Water OSide AWPf	60,296,500	46,655,399	13,641,101
OOP & Tracer Study	1,478,444	384,848	1,093,596
Beachfront Imprvmnts	10,502,257	6,847,923	3,654,335
Lower 1 Recycled Water Conveyance System	18,915,889	9,325,052	9,590,837
Pure Water Oceanside Conveyance	9,550,709	5,202,836	4,347,874
MBGPF- Well Expnsn	1,789,409	579,258	1,210,151
SLR Reclamation	1,099,056	12,735	1,086,321
Animal Control	8,516,388	1,620,456	6,895,932
Body Worn Cameras	1,885,625	886,166	999,460
Biosolids Hauling & Offset Disposal - 3 Year Contr	2,282,000	352,997	1,929,003
	<u>\$ 144,332,507</u>	<u>\$ 84,667,647</u>	<u>\$ 59,664,860</u>

Contingent Liabilities

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

Note 16: Tax Abatement Agreement

On September 10, 2014, the City entered into a transient occupancy tax abatement agreement with a local developer. This agreement allows for a 100 percent transient occupancy tax abatement during the first three years after Phase I hotel is open, a 100 percent transient occupancy tax abatement during the first three years after Phase II hotel is open, and then the City and developer will share transient occupancy taxes at varying levels for a period of fifteen years on the Phase I hotel and fourteen years on the Phase II hotel. The total amount of transient occupancy tax to be abated under this agreement amounts to \$11,335,250. As part of this agreement, the City also agreed to subsidize the developer by abating off-site mitigation fees in the amount of \$609,750, and development impact fees in the amount of \$1,743,267. This agreement expires on September 10, 2029. For the fiscal year ended June 30, 2021 the amount of transient occupancy tax abated under this agreement amounts to \$150,518.

On November 28, 2018, the City entered into a sales tax abatement agreement with a local developer. This agreement allows for an abatement of new taxable gross retail sales tax above \$100,000, increasing by 3 percent per year, within each fiscal year up to an aggregate of \$5,000,000 or the 10-year term of the agreement, whichever comes first. New taxable gross sales tax excludes revenues generated by Measure X, the one-half percent transaction and use tax. This agreement expires November 28, 2028. For the fiscal year ended June 30, 2021, the amount of sales tax abated under this agreement amounts to \$0.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency

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

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

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

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

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

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

a. Cash and investments

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

Cash and investments pooled with the City	\$ 3,272,347
Cash and investments with fiscal agent	<u>1,548,447</u>
	<u><u>\$ 4,820,794</u></u>

b. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2021, were as follows.

Description	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year	Due in More than One Year
Bonds Payable:						
2015A Tax Allocation Refunding Bonds	\$ 12,850,000	\$ -	\$ 2,105,000	\$ 10,745,000	\$ 2,210,000	\$ 8,535,000
2015B Tax Allocation Refunding Bonds	6,340,000	-	980,000	5,360,000	1,005,000	4,355,000
Unamortized Bond Premium/(Discount)	1,426,796	-	276,006	1,150,790	-	1,150,790
Total	<u>\$ 20,616,796</u>	<u>\$ -</u>	<u>\$ 3,361,006</u>	<u>\$ 17,255,790</u>	<u>\$ 3,215,000</u>	<u>\$ 14,040,790</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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

Bonds Payable

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

The 2015 Tax Allocation Refunding Bonds Series A were issued to refund the Commission's outstanding 2002, 2003, and 2004 Tax Allocation Series bonds. The bonds mature annually through 2025, in amounts ranging from \$1,225,000 to \$2,555,000. Interest rates vary from 2.0% to a maximum of 5.0% and are payable semiannually on March 1 and September 1, commencing September 1, 2016. As of June 30, 2021, the outstanding balance of the bonds is \$10,745,000. If an event of default has occurred, the bond trustee may declare the principal amount of the bonds, together with the accrued interest thereon, to be due and payable immediately.

2015B Tax Allocation Refunding Bonds - Original Issue \$10,080,000

The 2015 Tax Allocation Refunding Bonds Series B were issued to refund the Commission's outstanding 2002, 2003, and 2004 Tax Allocation Series bonds. The bonds mature annually through 2025, in amounts ranging from \$915,000 to \$1,145,000. Interest rates vary from 1.0% to a maximum of 4.0% and are payable semiannually on March 1 and September 1, commencing September 1, 2016. As of June 30, 2021, the outstanding balance of the bonds is \$5,360,000. If an event of default has occurred, the bond trustee may declare the principal amount of the bonds, together with the accrued interest thereon, to be due and payable immediately.

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it received. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the redevelopment activities of the Community Development Commission, property taxes allocated to redevelopment activities no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt as of June 30, 2021, is \$17,861,995 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$3,970,315 and the debt service obligation on the bonds was \$3,873,450.

CITY OF OCEANSIDE, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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

Debt Service Requirements to Maturity

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,215,000	\$ 652,638	\$ 3,867,638
2023	3,355,000	507,494	3,862,494
2024	3,505,000	353,075	3,858,075
2025	3,660,000	190,263	3,850,263
2026	2,370,000	53,525	2,423,525
	<u>\$ 16,105,000</u>	<u>\$ 1,756,995</u>	<u>\$ 17,861,995</u>

c. Insurance

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

d. Commitments and Contingencies

As of June 30, 2021, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

REQUIRED SUPPLEMENTARY INFORMATION

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Note 1: Budgetary Information

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

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

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

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

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

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 83,421,913	\$ 83,421,913	\$ 83,421,913	\$ -
Resources (Inflows):				
Taxes	115,149,545	115,149,545	133,940,366	18,790,821
Licenses and permits	3,991,744	3,991,744	3,725,324	(266,420)
Intergovernmental	275,123	275,123	275,225	102
Charges for services	18,277,193	18,634,935	21,023,071	2,388,136
Use of money and property	7,549,284	7,549,284	8,872,277	1,322,993
Fines and forfeitures	3,570,491	3,570,491	2,813,321	(757,170)
Administrative and in lieu charges	6,857,264	6,857,264	6,855,180	(2,084)
Miscellaneous	173,042	173,042	230,113	57,071
Transfers in	14,884,907	14,977,415	14,663,914	(313,501)
Amounts Available for Appropriations	254,150,506	254,600,756	275,820,704	21,219,948
Charges to Appropriations (Outflows):				
General government				
City Council	1,139,526	1,233,184	875,190	357,994
City Clerk	1,330,721	1,899,744	1,304,499	595,245
City Treasurer	1,695,502	1,692,617	1,371,037	321,580
City Manager	4,734,351	4,976,942	4,231,322	745,620
City Attorney	2,019,035	2,034,033	2,028,581	5,452
Financial Services	5,213,810	5,531,465	4,833,828	697,637
Human Resources	696,179	706,313	642,625	63,688
Budget Activities/Services	540,475	537,431	515,610	21,821
Pension Stabilization Trust	-	-	49,161	(49,161)
Nondepartmental	6,728,654	7,296,886	8,428,090	(1,131,204)
Public safety				
Police	62,676,097	63,893,791	60,614,592	3,279,199
Fire	34,246,279	34,703,845	33,257,935	1,445,910
Community development				
Engineering	4,220,697	5,011,641	3,767,827	1,243,814
Planning	2,428,737	2,705,615	2,114,538	591,077
Building	2,762,674	2,880,397	2,771,009	109,388
Community/cultural services				
Library	5,351,263	5,586,381	5,201,507	384,874
Neighborhood Services Department	7,557,020	8,618,973	7,516,518	1,102,455
Economic and Community Development	882,215	1,712,893	1,377,244	335,649
Property Management	1,103,698	1,190,146	830,047	360,099
Block 20 Lease Assessment	20,962	20,962	20,962	-
Public works				
Public Works	16,053,350	16,561,250	15,044,655	1,516,595
Debt service:				
Principal retirement	15,654	15,654	9,710	5,944
Transfers out	8,619,450	11,563,770	11,672,980	(109,210)
Total Charges to Appropriations	170,036,349	180,373,933	168,479,467	11,894,466
Budgetary Fund Balance, June 30	\$ 84,114,157	\$ 74,226,823	\$ 107,341,237	\$ 33,114,414

The notes to required supplementary information are an integral part of this schedule.

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GRANTS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 8,284,788	\$ 8,284,788	\$ 8,284,788	\$ -
Resources (Inflows):				
Intergovernmental	10,859,923	37,251,098	12,125,426	(25,125,672)
Charges for services	21,800	21,800	12,330	(9,470)
Use of money and property	175,888	182,275	462,294	280,019
Developer participation	1,955,928	1,955,928	764,798	(1,191,130)
Miscellaneous	9,500	19,500	10,790	(8,710)
Transfers in	350,709	350,709	340,970	(9,739)
Amounts Available for Appropriations	21,658,536	48,066,098	22,001,396	(26,064,702)
Charges to Appropriations (Outflows):				
Public safety	982,884	7,779,235	6,775,905	1,003,330
Community development	6,629,971	14,006,388	3,692,406	10,313,982
Parks and recreation	29,749	877,932	85,847	792,085
Community/cultural services	-	79,075	48,428	30,647
Capital outlay	4,088,500	15,550,933	5,071,814	10,479,119
Transfers out	93,496	93,496	111,426	(17,930)
Total Charges to Appropriations	11,824,600	38,387,059	15,785,826	22,601,233
Budgetary Fund Balance, June 30	\$ 9,833,936	\$ 9,679,039	\$ 6,215,570	\$ (3,463,469)

The notes to required supplementary information are an integral part of this schedule.

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 AMERICAN RESCUE PLAN
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	-	256,733	256,733
Amounts Available for Appropriations	-	-	256,733	256,733
Charges to Appropriations (Outflows):				
Public safety	-	256,733	256,733	-
Total Charges to Appropriations	-	256,733	256,733	-
Budgetary Fund Balance (Deficit), June 30	\$ -	\$ (256,733)	\$ -	\$ 256,733

The notes to required supplementary information are an integral part of this schedule.

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
HOUSING ASSISTANCE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 4,344,169	\$ 4,344,169	\$ 4,344,169	\$ -
Resources (Inflows):				
Licenses and permits	316,993	316,993	381,936	64,943
Intergovernmental	21,767,572	21,792,490	21,214,884	(577,606)
Charges for services	66,634	66,634	28,759	(37,875)
Use of money and property	728,231	3,404,549	2,982,379	(422,170)
Miscellaneous	509,972	509,972	187,489	(322,483)
Amounts Available for Appropriations	27,733,571	30,434,807	29,139,616	(1,295,191)
Charges to Appropriations (Outflows):				
Community development	24,153,182	26,855,143	23,782,457	3,072,686
Total Charges to Appropriations	24,153,182	26,855,143	23,782,457	3,072,686
Budgetary Fund Balance, June 30	\$ 3,580,389	\$ 3,579,664	\$ 5,357,159	\$ 1,777,495

The notes to required supplementary information are an integral part of this schedule.

CITY OF OCEANSIDE, CALIFORNIA

MISCELLANEOUS PLAN

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

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

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

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

Changes of Assumptions: None in 2020 or 2021. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2015, amounts reported were based on the 7.5 percent discount rate.

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

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

CITY OF OCEANSIDE, CALIFORNIA

SAFETY PLAN

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

	2021 6/30/2020	2020 6/30/2019
Measurement Date		
Total Pension Liability:		
Service cost	\$ 11,010,401	\$ 10,774,961
Interest on total pension liability	38,503,013	36,940,765
Changes in assumptions	-	-
Difference between expected and actual experience	332,595	6,774,359
Benefit payments, including refunds of employee contributions	(27,186,576)	(25,446,261)
Net change in total pension liability	22,659,433	29,043,824
Total pension liability - beginning	546,259,162	517,215,338
Total pension liability - ending (a)	568,918,595	546,259,162
Plan Fiduciary Net Position:		
Contributions - employer	19,810,064	19,254,700
Contributions - employee	3,795,384	3,462,100
Net investment income	20,831,413	26,072,873
Benefit payments, including refunds of employee contributions	(27,186,576)	(25,446,261)
Net plan to plan resource movement	-	-
Administrative expense	(591,172)	(282,795)
Other miscellaneous expense	-	922
Net change in fiduciary net position	16,659,113	23,061,539
Plan fiduciary net position - beginning	419,343,660	396,282,121
Plan fiduciary net position - ending (b)	436,002,773	419,343,660
Plan net pension liability - ending (a) - (b)	\$ 132,915,822	\$ 126,915,502
Plan fiduciary net position as a percentage of the total pension liability	76.6%	76.8%
Covered payroll	\$ 35,551,829	\$ 34,414,901
Plan net pension liability as a percentage of covered payroll	373.9%	368.8%

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

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

Changes of Assumptions: None in 2021 or 2020. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2015, amounts reported were based on the 7.5 percent discount rate.

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

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

CITY OF OCEANSIDE, CALIFORNIA

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

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

Notes to Schedule of Plan Contributions:

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

Actuarial Cost Method: Entry Age Normal

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

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

Inflation: 2.50%

Salary Increases: Varies by Entry Age and Service

Payroll Growth: 2.75%

Investment Rate of Return: 7.25% (net of administrative expenses)

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

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

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

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

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

CITY OF OCEANSIDE, CALIFORNIA

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

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

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

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

⁽²⁾ Includes value of implicit subsidy

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

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

Debt Service Funds

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

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

CITY OF OCEANSIDE, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Special Revenue Funds				
	Asset Seizure	Gas Tax and Transportation	Community Development Block Grant	Maintenance Districts
Assets:				
Cash and investments	\$ 1,023,248	\$ 5,959,998	\$ -	\$ 2,343,637
Restricted cash and investments held by fiscal agents	-	-	-	-
Taxes receivable	-	599,083	-	14,671
Notes and loans receivable	-	-	544,217	-
Due from other governments	-	76,070	796,616	1,114
Total Assets	\$ 1,023,248	\$ 6,635,151	\$ 1,340,833	\$ 2,359,422
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 1,755,506	\$ 117,445	\$ 113,037
Accrued liabilities	-	59,676	14,306	-
Due to other funds	-	-	687,683	-
Total Liabilities	-	1,815,182	819,434	113,037
Deferred Inflows of Resources:				
Unavailable revenues	-	76,070	544,217	-
Total Deferred Inflows of Resources	-	76,070	544,217	-
Fund Balances (Deficits):				
Restricted:				
Public safety	1,023,248	-	-	-
Debt service	-	-	-	-
Street lighting and landscape maintenance	-	-	-	2,246,385
Highways	-	4,743,899	-	-
Unassigned	-	-	(22,818)	-
Total Fund Balances (Deficits)	1,023,248	4,743,899	(22,818)	2,246,385
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,023,248	\$ 6,635,151	\$ 1,340,833	\$ 2,359,422

CITY OF OCEANSIDE, CALIFORNIA

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

	Special Revenue Fund	Debt Service Funds		Total Nonmajor Governmental Funds
	State & Local Asset Seizure	General Debt Service	Oceanside Lighting District	
Assets:				
Cash and investments	\$ 17,189	\$ 2,387,066	\$ 32,429	\$ 11,763,567
Restricted cash and investments held by fiscal agents	-	358	-	358
Taxes receivable	-	-	-	613,754
Notes and loans receivable	-	-	-	544,217
Due from other governments	-	-	-	873,800
Total Assets	\$ 17,189	\$ 2,387,424	\$ 32,429	\$ 13,795,696
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,985,988
Accrued liabilities	-	-	-	73,982
Due to other funds	-	94,061	-	781,744
Total Liabilities	-	94,061	-	2,841,714
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	620,287
Total Deferred Inflows of Resources	-	-	-	620,287
Fund Balances (Deficits):				
Restricted:				
Public safety	17,189	-	-	1,040,437
Debt service	-	2,293,363	32,429	2,325,792
Street lighting and landscape maintenance	-	-	-	2,246,385
Highways	-	-	-	4,743,899
Unassigned	-	-	-	(22,818)
Total Fund Balances (Deficits)	17,189	2,293,363	32,429	10,333,695
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 17,189	\$ 2,387,424	\$ 32,429	\$ 13,795,696

CITY OF OCEANSIDE, CALIFORNIA

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

Special Revenue Funds				
	Asset Seizure	Gas Tax and Transportation	Community Development Block Grant	Maintenance Districts
Revenues:				
Intergovernmental	\$ 5,751	\$ 9,440,179	\$ 1,981,730	\$ -
Use of money and property	8,777	6,608	41,007	2,623
Administrative and in lieu charges	-	-	-	2,980,265
Miscellaneous	-	-	-	3,243
Total Revenues	14,528	9,446,787	2,022,737	2,986,131
Expenditures:				
Current:				
Public safety	36,625	-	-	-
Community/cultural services	-	-	1,788,234	-
Public works	-	8,635,894	-	2,256,385
Capital outlay	-	774,785	-	-
Debt service:				
Principal retirement	-	-	181,000	381
Interest and fiscal charges	-	-	53,485	-
Total Expenditures	36,625	9,410,679	2,022,719	2,256,766
Excess (Deficiency) of Revenues over (under) Expenditures	(22,097)	36,108	18	729,365
Other Financing Sources (Uses):				
Transfers in	-	8,008	-	209
Transfers out	-	(635,000)	-	(522,130)
Total Other Financing Sources (Uses)	-	(626,992)	-	(521,921)
Net Change in Fund Balances	(22,097)	(590,884)	18	207,444
Fund Balances (Deficit) - Beginning	1,045,345	5,334,783	(22,836)	2,038,941
Fund Balances (Deficit) - Ending	\$ 1,023,248	\$ 4,743,899	\$ (22,818)	\$ 2,246,385

CITY OF OCEANSIDE, CALIFORNIA

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

	Special Revenue Fund	Debt Service Funds		Total Nonmajor Governmental Funds
	State & Local Asset Seizure	General Debt Service	Oceanside Lighting District	
Revenues:				
Intergovernmental	\$ 12,330	\$ -	\$ -	\$ 11,439,990
Use of money and property	45	965,165	-	1,024,225
Administrative and in lieu charges	-	-	-	2,980,265
Miscellaneous	-	5,095,025	476,219	5,574,487
Total Revenues	12,375	6,060,190	476,219	21,018,967
Expenditures:				
Current:				
Public safety	24,258	-	-	60,883
Community/cultural services	-	-	-	1,788,234
Public works	-	-	-	10,892,279
Capital outlay	-	-	-	774,785
Debt service:				
Principal retirement	-	5,071,592	406,430	5,659,403
Interest and fiscal charges	-	975,500	69,789	1,098,774
Total Expenditures	24,258	6,047,092	476,219	20,274,358
Excess (Deficiency) of Revenues over (under) Expenditures	(11,883)	13,098	-	744,609
Other Financing Sources (Uses):				
Transfers in	-	-	-	8,217
Transfers out	-	-	-	(1,157,130)
Total Other Financing Sources (Uses)	-	-	-	(1,148,913)
Net Change in Fund Balances	(11,883)	13,098	-	(404,304)
Fund Balances (Deficit) - Beginning	29,072	2,280,265	32,429	10,737,999
Fund Balances (Deficit) - Ending	\$ 17,189	\$ 2,293,363	\$ 32,429	\$ 10,333,695

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
ASSET SEIZURE
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,045,345	\$ 1,045,345	\$ 1,045,345	\$ -
Resources (Inflows):				
Intergovernmental	35,000	45,000	5,751	(39,249)
Use of money and property	4,500	11,500	8,777	(2,723)
Amounts Available for Appropriations	1,084,845	1,101,845	1,059,873	(41,972)
Charges to Appropriations (Outflows):				
Public safety	404,500	748,000	36,625	711,375
Total Charges to Appropriations	404,500	748,000	36,625	711,375
Budgetary Fund Balance, June 30	\$ 680,345	\$ 353,845	\$ 1,023,248	\$ 669,403

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 GAS TAX AND TRANSPORTATION
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,334,783	\$ 5,334,783	\$ 5,334,783	\$ -
Resources (Inflows):				
Intergovernmental	11,833,111	11,771,142	9,440,179	(2,330,963)
Use of money and property	22,526	22,526	6,608	(15,918)
Transfers in	-	-	8,008	8,008
Amounts Available for Appropriations	17,190,420	17,128,451	14,789,578	(2,338,873)
Charges to Appropriations (Outflows):				
Community/cultural services	5,647,852	13,074,415	8,635,894	4,438,521
Capital outlay	2,100,000	2,924,216	774,785	2,149,431
Transfers out	635,000	635,000	635,000	-
Total Charges to Appropriations	8,382,852	16,633,631	10,045,679	6,587,952
Budgetary Fund Balance, June 30	\$ 8,807,568	\$ 494,820	\$ 4,743,899	\$ 4,249,079

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund (Deficit), July 1	\$ (22,836)	\$ (22,836)	\$ (22,836)	\$ -
Resources (Inflows):				
Intergovernmental	2,107,676	4,163,417	1,981,730	(2,181,687)
Use of money and property	80,459	80,459	41,007	(39,452)
Amounts Available for Appropriations	2,165,299	4,221,040	1,999,901	(2,221,139)
Charges to Appropriations (Outflows):				
Community development	1,952,498	4,013,162	1,788,234	2,224,928
Debt service:				
Principal retirement	181,000	181,000	181,000	-
Interest and fiscal charges	53,485	53,485	53,485	-
Total Charges to Appropriations	2,186,983	4,247,647	2,022,719	2,224,928
Budgetary Fund (Deficit), June 30	\$ (21,684)	\$ (26,607)	\$ (22,818)	\$ 3,789

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 MAINTENANCE DISTRICTS
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,038,941	\$ 2,038,941	\$ 2,038,941	\$ -
Resources (Inflows):				
Assessments	2,953,768	2,953,768	2,980,265	26,497
Use of money and property	9,009	9,009	2,623	(6,386)
Miscellaneous	-	-	3,243	3,243
Transfers in	-	-	209	209
Amounts Available for Appropriations	5,001,718	5,001,718	5,025,281	23,563
Charges to Appropriations (Outflows):				
Community/cultural services	2,782,325	2,781,932	2,256,385	525,547
Debt service:				
Principal retirement	572	572	381	191
Transfers out	522,130	522,130	522,130	-
Total Charges to Appropriations	3,305,027	3,304,634	2,778,896	525,738
Budgetary Fund Balance, June 30	\$ 1,696,691	\$ 1,697,084	\$ 2,246,385	\$ 549,301

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 STATE & LOCAL ASSET SEIZURE
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 29,072	\$ 29,072	\$ 29,072	\$ -
Resources (Inflows):				
Intergovernmental	4,000	4,000	12,330	8,330
Use of money and property	-	-	45	45
Amounts Available for Appropriations	33,072	33,072	41,447	8,375
Charges to Appropriations (Outflows):				
Public safety	4,000	28,700	24,258	4,442
Total Charges to Appropriations	4,000	28,700	24,258	4,442
Budgetary Fund Balance, June 30	\$ 29,072	\$ 4,372	\$ 17,189	\$ 12,817

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
GENERAL IMPROVEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 70,584,494	\$ 70,584,494	\$ 70,584,494	\$ -
Resources (Inflows):				
Charges for services	379,200	379,200	264,543	(114,657)
Use of money and property	700,000	700,000	183,014	(516,986)
Developer participation	4,552,279	4,552,279	2,651,156	(1,901,123)
Miscellaneous	-	-	2,131,144	2,131,144
Transfers in	8,268,741	11,213,061	11,332,010	118,949
Amounts Available for Appropriations	84,484,714	87,429,034	87,146,361	(282,673)
Charges to Appropriations (Outflows):				
General government	4,150,000	6,339,771	2,710,248	3,629,523
Community development	417,758	636,816	641,655	(4,839)
Public works	1,281,855	4,669,026	3,234,378	1,434,648
Capital outlay	13,108,741	54,945,970	25,878,153	29,067,817
Transfers out	50,000	75,000	75,000	-
Total Charges to Appropriations	19,008,354	66,666,583	32,539,434	34,127,149
Budgetary Fund Balance, June 30	\$ 65,476,360	\$ 20,762,451	\$ 54,606,927	\$ 33,844,476

CITY OF OCEANSIDE, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 GENERAL DEBT SERVICE
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,280,265	\$ 2,280,265	\$ 2,280,265	\$ -
Resources (Inflows):				
Use of money and property	961,500	961,500	965,165	3,665
Miscellaneous	5,095,025	5,095,025	5,095,025	-
Amounts Available for Appropriations	8,336,790	8,336,790	8,340,455	3,665
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	5,071,592	5,071,592	5,071,592	-
Interest and fiscal charges	984,934	984,934	975,500	9,434
Total Charges to Appropriations	6,056,526	6,056,526	6,047,092	9,434
Budgetary Fund Balance, June 30	\$ 2,280,264	\$ 2,280,264	\$ 2,293,363	\$ 13,099

CITY OF OCEANSIDE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
OCEANSIDE LIGHTING DISTRICT
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 32,429	\$ 32,429	\$ 32,429	\$ -
Resources (Inflows):				
Miscellaneous	476,219	476,219	476,219	-
Amounts Available for Appropriations	508,648	508,648	508,648	-
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	406,430	406,430	406,430	-
Interest and fiscal charges	69,789	69,789	69,789	-
Total Charges to Appropriations	476,219	476,219	476,219	-
Budgetary Fund Balance, June 30	\$ 32,429	\$ 32,429	\$ 32,429	\$ -

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INTERNAL SERVICE FUNDS

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

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

CITY OF OCEANSIDE, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Loss Prevention	General Services	Total
Assets:			
Current Assets:			
Cash and investments	\$ 26,209,957	\$ 29,891,078	\$ 56,101,035
Restricted cash and investments	300,000	-	300,000
Accounts receivable	159,785	12,259	172,044
Prepaid costs	-	297,318	297,318
Inventories	-	319,080	319,080
Total Current Assets	<u>26,669,742</u>	<u>30,519,735</u>	<u>57,189,477</u>
Noncurrent Assets:			
Advances to other funds	-	384,982	384,982
Capital assets, being depreciated	212,802	32,299,563	32,512,365
Less accumulated depreciation	<u>(212,802)</u>	<u>(23,277,889)</u>	<u>(23,490,691)</u>
Total Noncurrent Assets	<u>-</u>	<u>9,406,656</u>	<u>9,406,656</u>
Total Assets	<u>26,669,742</u>	<u>39,926,391</u>	<u>66,596,133</u>
Deferred Outflows of Resources:			
Pension deferrals	122,233	1,080,346	1,202,579
Total Deferred Outflows of Resources	<u>122,233</u>	<u>1,080,346</u>	<u>1,202,579</u>
Liabilities:			
Current Liabilities:			
Accounts payable	310,713	1,472,122	1,782,835
Accrued liabilities	18,916	335,133	354,049
Compensated absences	13,440	310,211	323,651
Accrued claims and judgments	4,093,446	-	4,093,446
Notes payable	-	1,430	1,430
Total Current Liabilities	<u>4,436,515</u>	<u>2,118,896</u>	<u>6,555,411</u>
Noncurrent Liabilities:			
Compensated absences	20,833	480,849	501,682
Accrued claims and judgments	16,699,539	-	16,699,539
Notes payable	-	7,028	7,028
Net pension liability	630,723	6,986,800	7,617,523
Total Noncurrent Liabilities	<u>17,351,095</u>	<u>7,474,677</u>	<u>24,825,772</u>
Total Liabilities	<u>21,787,610</u>	<u>9,593,573</u>	<u>31,381,183</u>
Deferred Inflows of Resources:			
Pension deferrals	4,364	38,191	42,555
Total Deferred Inflows of Resources	<u>4,364</u>	<u>38,191</u>	<u>42,555</u>
Net Position:			
Net investment in capital assets	-	9,013,216	9,013,216
Unrestricted	5,000,001	22,361,757	27,361,758
Total Net Position	<u>\$ 5,000,001</u>	<u>\$ 31,374,973</u>	<u>\$ 36,374,974</u>

CITY OF OCEANSIDE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Loss Prevention	General Services	Total
Operating Revenues:			
Sales and service charges	\$ 7,057,285	\$ 63,653,097	\$ 70,710,382
Miscellaneous	31,916	421,250	453,166
Total Operating Revenues	7,089,201	64,074,347	71,163,548
Operating Expenses:			
Personnel services	524,451	49,341,927	49,866,378
Maintenance and operations	6,387,249	9,758,752	16,146,001
Depreciation expense	-	2,287,175	2,287,175
Total Operating Expenses	6,911,700	61,387,854	68,299,554
Operating Income	177,501	2,686,493	2,863,994
Investment income	-	4,490	4,490
Gain on disposal of capital assets	-	40,849	40,849
Total Nonoperating Revenues	-	45,339	45,339
Income Before Transfers	177,501	2,731,832	2,909,333
Transfers in	-	52,666	52,666
Transfers out	(178,999)	-	(178,999)
Change in Net Position	(1,498)	2,784,498	2,783,000
Net Position - Beginning	5,001,499	28,590,475	33,591,974
Net Position - Ending	\$ 5,000,001	\$ 31,374,973	\$ 36,374,974

CITY OF OCEANSIDE, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Loss Prevention	General Services	Total
Cash Flows from Operating Activities:			
Receipts from interfund charges	\$ 7,139,193	\$ 63,745,295	\$ 70,884,488
Other receipts	241,251	421,250	662,501
Payments to suppliers and providers	(6,396,064)	(9,869,150)	(16,265,214)
Payments to employees for salaries and benefits	(536,870)	(49,371,045)	(49,907,915)
Net Cash Provided by Operating Activities	447,510	4,926,350	5,373,860
Cash Flows from Non-Capital Financing Activities:			
Cash transfers from other funds	-	52,666	52,666
Cash transfers to other funds	(178,999)	-	(178,999)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(178,999)	52,666	(126,333)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(2,141,532)	(2,141,532)
Proceeds from disposal of capital assets	-	40,849	40,849
Principal paid on capital debt	-	(1,072)	(1,072)
Repayment received on advance to other funds	-	23,510	23,510
Net Cash (Used for) Capital and Related Financing Activities	-	(2,078,245)	(2,078,245)
Cash Flows from Investing Activities:			
Investment income	-	4,490	4,490
Net Cash Provided by Investing Activities	-	4,490	4,490
Net Increase in Cash and Cash Equivalents	268,511	2,905,261	3,173,772
Cash and Cash Equivalents, July 1 (including \$300,000 for the Loss Prevention Fund reported in restricted accounts)	26,241,446	26,985,817	53,227,263
Cash and Cash Equivalents, June 30 (including \$300,000 for the Loss Prevention Fund reported in restricted accounts)	\$ 26,509,957	\$ 29,891,078	\$ 56,401,035
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 177,501	\$ 2,686,493	\$ 2,863,994
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	2,287,175	2,287,175
Decrease in accounts receivable	81,908	92,198	174,106
(Increase) decrease in prepaid costs	1,050	(7,436)	(6,386)
(Increase) in inventories	-	(34,355)	(34,355)
(Decrease) in accounts payable	(9,865)	(68,607)	(78,472)
Increase in accrued liabilities	1,784	58,193	59,977
Increase in compensated absences	159	7,836	7,995
Increase in claims and judgments	209,335	-	209,335
(Decrease) in pensions and related items	(14,362)	(95,147)	(109,509)
Total Adjustments	270,009	2,239,857	2,509,866
Net Cash Provided by Operating Activities	\$ 447,510	\$ 4,926,350	\$ 5,373,860

CUSTODIAL FUNDS

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

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

CITY OF OCEANSIDE, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

	Special Assessment District	Deposit	Total
Assets:			
Cash and cash equivalents	\$ 128,264	\$ 6,318,311	\$ 6,446,575
Receivables:			
Taxes for assessment districts	4,468	-	4,468
Interest	2,470	-	2,470
Total Receivables	6,938	-	6,938
Investments at fair value:			
Money market mutual funds	9,596,560	-	9,596,560
Total Investments	9,596,560	-	9,596,560
Total Assets	9,731,762	6,318,311	16,050,073
Liabilities:			
Accounts payable	44,437	35,822	80,259
Accrued interest payable	615,752	-	615,752
Bonds payable - due within one year	2,015,000	-	2,015,000
Bonds payable - due in more than one year	41,990,000	-	41,990,000
Total Liabilities	44,665,189	35,822	44,701,011
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	(34,933,427)	6,282,489	(28,650,938)
Total Net Position	\$ (34,933,427)	\$ 6,282,489	\$ (28,650,938)

CITY OF OCEANSIDE, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Assessment District	Deposit	Total
Additions:			
Investment earnings:			
Net increase in fair value of investments	\$ (1,369)	\$ -	\$ (1,369)
Interest	49,255	-	49,255
Total Investment Earnings	47,886	-	47,886
Taxes and special assessments collections	3,742,238	-	3,742,238
Miscellaneous income	249,101	-	249,101
Total Additions	4,039,225	-	4,039,225
Deductions:			
Administrative expenses	78,396	134,630	213,026
Contractual services	236,025	-	236,025
Interest expense	1,926,583	-	1,926,583
Total Deductions	2,241,004	134,630	2,375,634
Net Increase (Decrease) in Fiduciary Net Position	1,798,221	(134,630)	1,663,591
Net Position - Beginning	(36,731,648)	6,417,119	(30,314,529)
Net Position - Ending	\$ (34,933,427)	\$ 6,282,489	\$ (28,650,938)

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DESCRIPTION OF STATISTICAL SECTION CONTENTS

JUNE 30, 2021

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			
	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets	\$ 243,655,279	\$ 241,149,904	\$ 246,144,971	\$ 266,146,413
Restricted for:				
Debt Service	2,161,962	2,256,658	2,237,378	2,256,538
Capital Projects		28,708,355	29,702,850	33,941,840
Specific Projects and Programs	106,653,971	82,545,895	85,489,088	21,814,282
Total Restricted	108,815,933	113,510,908	117,429,316	58,012,660
Unrestricted	49,273,627	59,194,764	58,259,611	(82,447,190)
Total governmental activities net position	\$ 401,744,839	\$ 413,855,576	\$ 421,833,898	\$ 241,711,883
Business-type Activities				
Net investment in capital assets	\$ 385,375,753	\$ 380,748,031	\$ 364,159,043	\$ 368,135,588
Restricted for:				
Capital projects	38,054,343	23,556,608	56,127,650	47,783,461
Debt service	930,832	1,019,886	1,000,178	961,741
Rate stabilization	2,318,667	2,318,667	0	6,078,455
Unrestricted	44,681,865	79,945,483	86,994,807	92,909,730
Total business-type activities net position	\$ 471,361,460	\$ 487,588,675	\$ 508,281,678	\$ 515,868,975
Primary Government				
Net investment in capital assets	\$ 629,031,032	\$ 621,897,935	\$ 610,304,014	\$ 634,282,001
Restricted	150,119,775	140,406,069	174,557,144	109,926,675
Unrestricted	93,955,492	138,201,395	145,254,418	13,372,182
Total Primary Government net position	\$ 873,106,299	\$ 900,505,399	\$ 930,115,576	\$ 757,580,858

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 271,158,974	\$ 282,775,916	\$ 284,435,863	\$ 292,804,444	\$ 273,355,507	\$ 292,811,112
2,595,789	2,588,474	2,602,920	2,679,104	2,312,694	2,325,792
41,373,208	33,510,793	39,454,169	40,657,178	71,204,587	54,690,174
21,637,543	17,373,883	26,071,742	31,716,726	35,348,199	43,567,128
65,606,540	53,473,150	68,128,831	75,053,008	108,865,480	100,583,094
(73,967,078)	(50,292,346)	(37,820,563)	(28,675,795)	(28,229,714)	(14,242,592)
\$ 262,798,436	\$ 285,956,720	\$ 314,744,131	\$ 339,181,657	\$ 353,991,273	\$ 379,151,614
\$ 387,599,614	\$ 403,023,876	\$ 424,457,531	\$ 441,719,343	\$ 443,147,841	\$ 464,187,625
56,933,570	74,021,628	71,303,919	90,962,906	169,779,265	23,607,629
769,774	81,447				
6,078,455	5,276,131	5,216,020	3,093,211	4,013,180	7,057,251
85,997,831	84,047,668	93,865,168	87,136,684	24,292,711	171,408,617
\$ 537,379,244	\$ 566,450,750	\$ 594,842,638	\$ 622,912,144	\$ 641,232,997	\$ 666,261,122
\$ 658,758,588	\$ 685,799,792	\$ 708,893,394	\$ 734,523,787	\$ 716,503,348	\$ 756,998,737
129,388,339	132,852,356	144,648,770	169,109,125	282,657,925	131,247,974
12,030,753	33,755,322	56,044,605	58,460,889	(3,937,003)	157,166,025
\$ 800,177,680	\$ 852,407,470	\$ 909,586,769	\$ 962,093,801	\$ 995,224,270	\$ 1,045,412,736

City of Oceanside

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

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 16,101,719	\$ 14,830,050	\$ 16,455,355	\$ 16,671,736
Public safety	70,989,600	76,558,916	76,486,996	80,525,772
Community development	28,291,313	25,082,898	24,559,378	30,564,852
Community/cultural services	11,615,707	11,910,768	14,051,321	12,941,427
Public works	27,020,879	28,329,168	30,469,085	37,084,193
Interest on long-term debt	5,441,528	2,861,072	2,151,302	2,078,438
Total governmental activities	<u>\$ 159,460,746</u>	<u>\$ 159,572,872</u>	<u>\$ 164,173,437</u>	<u>\$ 179,866,418</u>
Business-type activities:				
Water	51,309,115	51,800,928	56,800,583	56,314,612
Sewer	33,251,371	31,340,700	31,537,700	31,516,720
Waste disposal	20,111,113	19,217,767	18,745,866	19,323,265
Special aviation	94,106	90,609	86,988	83,305
Oceanside Small Craft Harbor District	1,292,291	1,312,457	1,372,653	1,366,092
Total business-type activities	<u>106,057,996</u>	<u>103,762,461</u>	<u>108,543,790</u>	<u>108,603,994</u>
Total primary government expenses	<u>\$ 265,518,742</u>	<u>\$ 263,335,333</u>	<u>\$ 272,717,227</u>	<u>\$ 288,470,412</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,112,141	\$ 2,479,719	\$ 5,039,215	\$ 9,642,667
Public safety	5,005,344	6,514,143	6,673,108	8,867,434
Community development	6,073,887	6,864,969	6,687,509	8,400,755
Community/cultural services	897,301	974,234	1,126,533	840,123
Public works	6,978,316	6,984,599	7,365,266	5,359,055
Operating Grants and Contributions	36,121,277	31,216,913	34,768,831	31,943,724
Capital Grants and Contributions	7,490,018	5,593,000	732,237	2,328,368
Total governmental activities program revenues	<u>64,678,284</u>	<u>60,627,577</u>	<u>62,392,699</u>	<u>67,382,126</u>
Business-type activities:				
Charges for services:				
Water	53,176,890	57,469,143	62,320,181	59,703,297
Sewer	37,638,074	39,670,129	44,210,556	46,181,396
Waste disposal	22,756,966	23,568,208	23,706,070	24,473,562
Special aviation	100,865	102,084	104,298	96,131
Oceanside Small Craft Harbor District	5,792,048	6,099,713	6,095,895	6,267,995
Operating Grants and Contributions	1,881,956	586,367	-	118,470
Capital Grants and Contributions	-	-	-	939,000
Total business-type activities program revenues	<u>121,346,799</u>	<u>127,495,644</u>	<u>136,437,000</u>	<u>137,779,851</u>
Total primary government program revenues	<u>\$ 186,025,083</u>	<u>\$ 188,123,221</u>	<u>\$ 198,829,699</u>	<u>\$ 205,161,977</u>
Net (Expense)/Revenue				
Governmental activities	\$ (94,782,462)	\$ (98,945,295)	\$ (101,780,738)	\$ (112,484,292)
Business-type activities	15,288,803	23,733,183	27,893,210	29,175,857
Total primary government net expense	<u>\$ (79,493,659)</u>	<u>\$ (75,212,112)</u>	<u>\$ (73,887,528)</u>	<u>\$ (83,308,435)</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 15,552,936	\$ 15,296,527	\$ 25,402,641	\$ 23,705,007	\$ 28,450,401	\$ 26,937,456
83,064,936	84,872,862	88,194,832	95,275,203	104,131,430	111,843,498
32,224,969	33,709,839	30,724,146	32,323,593	37,266,131	37,290,469
13,545,812	14,776,797	18,330,643	16,494,113	18,567,090	19,154,809
30,968,801	35,778,483	45,262,298	41,646,397	33,537,113	37,989,756
1,645,159	802,656	649,868	389,984	1,075,255	869,099
<u>\$ 177,002,613</u>	<u>\$ 185,237,164</u>	<u>\$ 208,564,428</u>	<u>\$ 209,834,297</u>	<u>\$ 223,027,420</u>	<u>\$ 234,085,087</u>
55,292,508	55,915,076	61,368,335	62,055,388	64,549,971	68,473,713
31,470,309	30,604,682	27,395,744	33,235,157	41,018,989	37,389,306
19,240,727	19,684,911	20,251,509	21,150,326	23,187,100	23,575,875
92,086	104,671	84,677	177,315	163,004	162,563
1,363,913	1,210,663	1,188,233	1,799,482	1,645,462	1,299,613
<u>107,459,543</u>	<u>107,520,003</u>	<u>110,288,498</u>	<u>118,417,668</u>	<u>130,564,526</u>	<u>130,901,070</u>
<u>\$ 284,462,156</u>	<u>\$ 292,757,167</u>	<u>\$ 318,852,926</u>	<u>\$ 328,251,965</u>	<u>\$ 353,591,946</u>	<u>\$ 364,986,157</u>
\$ 10,588,709	\$ 12,750,353	\$ 10,468,701	\$ 10,248,702	\$ 10,542,631	\$ 13,528,004
7,008,828	7,661,652	8,062,777	8,147,742	7,686,860	9,221,437
11,865,536	17,649,387	16,112,696	16,493,180	15,106,948	13,395,807
1,912,587	2,097,115	2,192,652	2,292,387	2,167,597	2,222,685
5,716,976	5,368,106	5,536,544	5,755,385	6,135,002	5,337,965
40,680,408	29,965,637	48,126,396	30,434,781	35,845,311	45,478,142
10,857,618	8,319,217	10,733,561	12,978,753	2,938,495	2,939,236
<u>88,630,662</u>	<u>83,811,467</u>	<u>101,233,327</u>	<u>86,350,930</u>	<u>80,422,844</u>	<u>92,123,276</u>
58,870,606	65,750,944	70,911,470	65,950,368	67,368,304	74,905,652
44,918,587	45,395,610	44,986,466	48,212,072	46,188,366	49,050,370
25,093,298	25,505,957	25,901,726	27,066,874	29,392,540	30,664,852
123,129	113,913	74,644	-	-	93,553
6,339,274	6,627,547	6,653,343	7,155,443	6,893,952	7,332,074
-	-	-	75,000	-	-
-	-	-	-	-	-
<u>135,344,894</u>	<u>143,393,971</u>	<u>148,527,649</u>	<u>148,459,757</u>	<u>149,843,162</u>	<u>162,046,501</u>
<u>\$ 223,975,556</u>	<u>\$ 227,205,438</u>	<u>\$ 249,760,976</u>	<u>\$ 234,810,687</u>	<u>\$ 230,266,006</u>	<u>\$ 254,169,777</u>
\$ (88,371,951)	\$ (101,425,697)	\$ (107,331,101)	\$ (123,483,367)	\$ (142,604,576)	\$ (141,961,811)
27,885,351	35,873,968	38,239,151	30,042,089	19,278,636	31,145,431
<u>\$ (60,486,600)</u>	<u>\$ (65,551,729)</u>	<u>\$ (69,091,950)</u>	<u>\$ (93,441,278)</u>	<u>\$ (123,325,940)</u>	<u>\$ (110,816,380)</u>

City of Oceanside

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

	Fiscal Year			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 51,774,298	\$ 49,143,021	\$ 49,142,577	\$ 51,170,308
Sales taxes	19,397,588	20,716,764	20,960,270	21,748,689
Other taxes	11,461,700	16,565,848	12,405,237	14,344,548
Total taxes	82,633,586	86,425,633	82,508,084	87,263,545
Intergovernmental unrestricted	90,581			
Investment Earnings	-	-	-	-
Developer contributions	-	-	-	-
Miscellaneous	23,213,669	13,889,663	15,946,986	14,949,969
Loss on sale of assets	-	-	-	130,127
Extraordinary gain(loss)	(11,501,480)	-	104,999	33,177,247
Transfers	6,883,340	10,740,736	11,286,667	10,910,791
Total Governmental activities	101,319,696	111,056,032	109,846,736	146,431,679
Business-type activities:				
Investment Earnings	932,868	(536,263)	1,959,130	1,574,239
Miscellaneous	2,766,337	3,654,356	2,024,680	2,966,379
Loss on sale of assets	-	-	6,357	-
Transfers	(6,883,340)	(10,740,736)	(11,286,667)	(10,910,791)
Total business-type activities:	(3,184,135)	(7,622,643)	(7,296,500)	(6,370,173)
Total primary government	\$ 98,135,561	\$ 103,433,389	\$ 102,550,236	\$ 140,061,506
Change in Net Position				
Governmental activities	6,537,234	12,110,737	8,065,998	33,947,387
Business-type activities:	12,104,668	16,110,540	20,596,710	22,805,684
Total primary government	\$ 18,641,902	\$ 28,221,277	\$ 28,662,708	\$ 56,753,071

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 54,205,419	\$ 57,600,747	\$ 61,606,355	\$ 64,970,213	\$ 68,425,495	\$ 72,749,276
22,150,105	22,130,638	22,671,662	26,892,609	37,051,161	43,376,175
14,928,000	15,261,245	16,412,384	17,180,512	15,730,984	17,814,915
91,283,524	94,992,630	100,690,401	109,043,334	121,207,640	133,940,366
-	-	-	-	-	-
-	-	-	-	-	-
14,856,503	16,737,491	19,955,645	25,125,242	23,702,739	19,979,544
-	-	-	-	-	-
-	165,162	-	-	-	-
12,218,129	13,403,896	17,149,010	13,752,317	12,503,813	13,202,242
118,358,156	125,299,179	137,795,056	147,920,893	157,414,192	167,122,152
1,914,261	934,405	1,595,238	6,508,995	7,035,432	1,583,481
3,928,786	5,667,029	5,706,509	5,270,739	4,510,598	5,501,455
-	-	-	-	-	-
(12,218,129)	(13,403,896)	(17,149,010)	(13,752,317)	(12,503,813)	(13,202,242)
(6,375,082)	(6,802,462)	(9,847,263)	(1,972,583)	(957,783)	(6,117,306)
\$ 111,983,074	\$ 118,496,717	\$ 127,947,793	\$ 145,948,310	\$ 156,456,409	\$ 161,004,846
29,986,205	23,873,482	30,463,955	24,437,526	14,809,616	25,160,341
21,510,269	29,071,506	28,391,888	28,069,506	18,320,853	25,028,125
\$ 51,496,474	\$ 52,944,988	\$ 58,855,843	\$ 52,507,032	\$ 33,130,469	\$ 50,188,466

City of Oceanside

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 11,255,881	\$ 11,280,586	\$ 11,168,901	\$ 11,113,123
Restricted	-	-	-	-
Committed	16,348,074	16,213,781	17,526,258	17,160,366
Assigned	7,472,057	12,712,663	15,679,811	18,835,653
Unassigned	1,997,735	8,490,329	8,352,469	11,844,123
Total General Fund	<u>\$ 37,073,747</u>	<u>\$ 48,697,359</u>	<u>\$ 52,727,439</u>	<u>\$ 58,953,265</u>
All Other Governmental Funds				
Nonspendable				
Special revenue funds	\$ 5,406,933	\$ 5,366,479	\$ -	\$ -
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	-	4,449	-	-
Restricted				
Special revenue funds	7,493,591	7,469,221	13,229,318	13,030,490
Debt service funds	-	2,224,229	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	42,681,033	43,500,742	46,547,909	44,982,170
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	4,019,757	909,617	4,213,824	-
Unassigned				
Special revenue funds	(90,115)	(744,030)	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Other Governmental Funds	(233,255)	(53,807)	(93,079)	(60,012)
Total all other Governmental Funds	<u>\$ 59,277,944</u>	<u>\$ 58,676,900</u>	<u>\$ 63,897,972</u>	<u>\$ 57,952,648</u>
All Governmental Funds	<u>\$ 96,351,691</u>	<u>\$ 107,374,259</u>	<u>\$ 116,625,411</u>	<u>\$ 116,905,913</u>

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 2,317,462	\$ 2,389,107	\$ 2,657,521	\$ 2,546,455	\$ 2,482,989	\$ 2,601,047
-	-	9,993,649	10,537,671	11,148,456	18,614,390
19,516,594	19,765,583	22,303,807	20,413,909	20,424,871	21,917,199
33,527,796	42,489,683	33,134,264	44,579,611	49,106,457	47,731,933
2,129,908	2,099,212	1,107,192	1,541,510	259,140	16,476,668
<u>\$ 57,491,760</u>	<u>\$ 66,743,585</u>	<u>\$ 69,196,433</u>	<u>\$ 79,619,156</u>	<u>\$ 83,421,913</u>	<u>\$ 107,341,237</u>
\$ -	\$ 8,169	\$ 936	\$ 8,180	\$ 6,936	\$ 2,444
-	-	-	-	-	-
-	585,000	-	-	-	-
-	-	208,807	-	-	-
14,045,390	10,691,295	12,552,874	12,000,511	12,622,021	11,570,285
2,563,360	-	-	-	-	-
41,373,208	33,510,793	-	-	70,584,494	54,181,861
7,624,582	9,271,062	45,582,308	49,265,781	10,760,835	10,356,513
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	425,066
-	-	-	-	-	-
(2,718,367)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(100,689)	(139,423)	(19,556)	(15,789)	(22,836)	(22,818)
<u>\$ 62,787,484</u>	<u>\$ 53,926,896</u>	<u>\$ 58,325,369</u>	<u>\$ 61,258,683</u>	<u>\$ 93,951,450</u>	<u>\$ 76,513,351</u>
<u>\$ 120,279,244</u>	<u>\$ 120,670,481</u>	<u>\$ 127,521,802</u>	<u>\$ 140,877,839</u>	<u>\$ 177,373,363</u>	<u>\$ 183,854,588</u>

City of Oceanside

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues:				
Taxes	\$ 82,159,554	\$ 81,307,547	\$ 82,818,776	\$ 86,981,734
Licenses and permits	1,987,843	2,201,628	2,171,960	2,205,931
Intergovernmental	34,823,491	28,709,782	27,038,190	30,517,109
Charges for services	9,254,906	11,649,934	15,145,486	15,745,425
Interest and rentals	6,051,536	4,828,626	6,715,747	8,306,216
Fines and forfeitures	4,536,471	4,289,750	4,211,163	3,947,380
Lease revenue	1,234,704	-	-	-
Developer fees	2,191,048	2,775,907	2,498,169	2,068,849
Special assessments	-	-	-	-
Administrative and in lieu charges	8,798,042	8,872,886	9,197,686	9,273,016
Contribution from Successor Agency	-	-	-	-
Other	9,138,214	14,468,524	8,652,117	9,155,313
Total Revenues	160,175,809	159,104,584	158,449,294	168,200,973
Expenditures:				
General government	15,040,557	14,102,273	15,557,074	15,770,645
Public safety	71,220,254	74,771,213	76,446,617	82,300,876
Community development	27,968,667	25,064,042	24,700,043	28,324,390
Community/cultural services	9,591,839	9,847,644	11,837,141	12,360,663
Public works	15,999,867	16,715,563	19,123,912	20,150,010
Capital outlay	11,290,953	6,899,316	9,609,187	16,402,049
Debt service				
Principal	14,967,189	21,152,400	5,533,197	5,978,373
Interest	6,186,648	3,127,280	2,289,860	2,213,452
Bond issuance costs	-	-	-	-
Total Expenditures	172,265,974	171,679,731	165,097,031	183,500,458
Excess of Revenues over (under) expenditures	(12,090,165)	(12,575,147)	(6,647,737)	(15,299,485)
Other Financing Sources (Uses)				
Issuance of long-term debt	7,725,000	12,126,893	4,731,027	-
Issuance of refunding debt	-	-	-	-
Bond premium	-	-	-	-
Payment of unfunded pension liability	-	-	-	-
Redemption of refunded debt	-	-	-	-
Loan proceeds	-	-	-	-
Proceed from sale of real property	-	-	-	786,000
Transfers in	23,022,366	15,831,614	18,173,810	20,692,139
Transfers out	(14,530,805)	(4,360,792)	(6,918,272)	(5,898,152)
Total other financing sources (uses)	16,216,561	23,597,715	15,986,565	15,579,987
Extraordinary gain/(loss) on dissolution of redevelopment agency	(19,505,666)	-	-	-
Special Items	-	-	-	-
Net change in fund balances	<u>\$ (15,379,270)</u>	<u>\$ 11,022,568</u>	<u>\$ 9,338,828</u>	<u>\$ 280,502</u>
Debt Service as a percentage of noncapital expenditures.	13.1%	14.6%	4.9%	4.7%

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

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 92,398,458	\$ 94,992,630	\$ 100,690,401	\$ 109,043,334	\$ 121,207,640	\$ 133,940,366	
3,002,897	4,131,518	4,191,893	4,251,308	4,026,620	4,107,260	
38,274,496	33,782,804	38,036,075	44,027,263	37,530,692	45,312,258	
16,484,313	19,128,674	16,801,185	17,382,544	16,997,079	21,328,703	
10,153,764	11,294,813	14,021,724	17,376,726	17,135,129	13,524,189	
3,636,224	3,582,534	3,880,292	3,500,764	3,626,249	2,813,321	
-	-	-	-	-	-	
3,278,143	8,315,056	6,402,849	6,379,267	5,533,286	3,415,954	
-	-	-	-	-	-	
9,402,106	9,329,520	9,224,128	8,922,780	9,705,714	9,835,445	
6,000,000	-	-	-	-	-	
9,551,724	6,409,469	6,749,932	7,307,909	6,993,475	8,134,023	
192,182,125	190,967,018	199,998,479	218,191,895	222,755,884	242,411,519	
15,743,065	15,154,065	23,831,381	23,670,406	28,059,301	26,990,191	
86,435,756	86,976,976	89,713,361	94,145,443	96,112,996	100,966,048	
32,366,663	31,859,013	28,957,273	31,646,718	36,000,774	36,769,892	
12,500,483	14,974,123	14,447,165	14,626,737	15,837,632	16,820,359	
21,905,999	23,753,492	28,200,906	26,736,693	23,396,466	29,219,740	
15,235,160	22,636,767	17,133,972	17,184,656	17,068,010	31,724,752	
46,762,743	7,058,009	7,379,072	9,773,404	7,543,648	5,669,113	
1,730,103	1,044,950	897,358	684,032	1,155,900	1,098,774	
494,230	-	-	-	-	-	
233,174,202	203,457,395	210,560,488	218,468,089	225,174,727	249,258,869	
(40,992,077)	(12,490,377)	(10,562,009)	(276,194)	(2,418,843)	(6,847,350)	
-	-	-	-	-	-	
40,355,000	-	-	-	-	-	
606,016	-	-	-	3,599,190	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	155,494	2,213,000	22,745,000	-	
-	-	-	-	-	-	
17,429,585	21,222,539	23,186,875	20,843,662	55,321,885	26,345,111	
(5,125,541)	(7,625,727)	(5,929,039)	(5,107,346)	(42,751,708)	(13,016,536)	
53,265,060	13,596,812	17,413,330	17,949,316	38,914,367	13,328,575	
-	-	-	-	-	-	
-	-	-	(4,317,085)	-	-	
\$ 12,272,983	\$ 1,106,435	\$ 6,851,321	\$ 13,356,037	\$ 36,495,524	\$ 6,481,225	
22.1%	4.4%	4.1%	5.0%	4.2%	3.1%	

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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
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
2015	49,251,587	21,452,095	892,327	5,950,709	4,470,596	2,700,272	84,717,586
2016	51,874,767	23,265,039	1,000,623	6,574,179	4,493,687	2,706,109	89,914,404
2017	55,113,613	22,130,638	1,076,478	7,066,170	4,185,453	2,812,886	92,385,238
2018	58,496,100	22,671,661	1,190,591	7,944,470	4,241,056	3,022,177	97,566,055
2019	63,883,081	24,155,296	1,087,132	8,509,768	4,271,004	3,212,961	105,119,242
2020	67,216,625	37,051,162	1,208,869	7,359,497	4,251,317	3,244,103	120,331,572
2021	71,352,379	43,376,175	1,396,897	9,282,023	4,300,716	3,432,360	133,140,550
Change 2012-2021	56.4%	129.2%	122.5%	143.2%	6.4%	34.2%	76.1%

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
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
2015	8,683,742,020	9,839,413,669	219,813,967	18,742,969,656
2016	9,287,367,799	10,202,305,174	185,365,982	19,675,038,955
2017	9,956,177,981	10,663,321,344	251,412,274	20,870,911,599
2018	10,679,348,905	11,247,074,394	307,972,603	22,234,395,902
2019	11,469,470,694	11,805,171,159	364,425,781	23,639,067,634
2020	12,204,793,720	12,478,771,806	320,497,599	25,004,063,125
2021	12,917,987,608	13,160,603,963	305,789,972	26,384,381,543

Source: County of San Diego

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

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

EXEMPTIONS			Net Taxable Value	Direct Tax Rate	Property Tax Revenue
Homeowner's	Tax Increment	All Other			
215,170,966	*	320,337,222	16,774,166,872	0.272 %	45,631,731
209,521,671	*	335,956,443	16,688,064,595	0.273 %	45,578,034
204,943,661	*	344,215,225	17,102,514,451	0.276 %	47,167,486
201,562,704	*	364,331,723	18,177,075,229	0.271 %	49,251,587
198,243,898	*	379,259,306	19,097,535,751	0.272 %	51,874,767
196,660,960	*	405,190,781	20,269,059,858	0.272 %	55,113,613
194,632,977	*	427,420,513	21,612,342,412	0.271 %	58,496,100
194,799,231	*	467,492,508	22,976,775,895	0.278 %	63,883,081
197,019,782	*	521,482,712	24,285,560,631	0.277 %	67,216,625
194,248,295	*	549,615,176	25,640,518,072	0.278 %	71,352,379

City of Oceanside

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	Education	Special Districts Improvements	City of Oceanside	Basic County/ City Rate	Total Tax Rate (1)
2012	0.26110%	0.03004%	0.24388%	1.00000%	1.53502%
2013	0.26665%	0.03175%	0.24228%	1.00000%	1.54068%
2014	0.25871%	0.02770%	0.19349%	1.00000%	1.47990%
2015	0.25185%	0.03146%	0.19287%	1.00000%	1.47618%
2016	0.25120%	0.02942%	0.19282%	1.00000%	1.47344%
2017	0.24331%	0.03020%	0.18912%	1.00000%	1.46263%
2018	0.27054%	0.03104%	0.18914%	1.00000%	1.49072%
2019	0.26562%	0.03100%	0.18924%	1.00000%	1.48586%
2020	0.31539%	0.00350%	0.18924%	1.00000%	1.50813%
2021	0.31851%	0.00350%	0.18927%	1.00000%	1.51128%

(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	2021			2012		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Genentech Inc	\$ 427,442,222	1	1.62%			
P K II El Camino North LP	138,405,364	2	0.52%			
G F P Oceanside	121,264,098	3	0.46%			
Gilead Sciences Inc	119,644,294	4	0.45%			
Rexford Industrial Realty LP	104,731,400	5	0.40%			
Guardian Piazza Doro LLC	91,935,188	6	0.35%			
FPAWC Rancho Del Oro LLC	89,047,197	7	0.34%			
Rancho Presidio Fee Owner LLC	86,997,000	8	0.33%			
Walmart Real Estate Business Trust	84,032,710	9	0.32%			
Lakeridge-Island Club Apartments Partners	72,051,176	10	0.27%			
Genentech Inc.				\$ 467,313,617	1	2.69%
P K II El Camino North LP				114,856,130	2	0.66%
Wyndham Vacation Resorts				101,468,307	3	0.58%
W2005 M R D Realty LLC				63,000,000	4	0.36%
Lakeridge-Island Club Apartments Partners				61,429,815	5	0.35%
Piazza D Oro LLC				61,264,576	6	0.35%
Cox Communications San Diego				59,565,040	7	0.34%
A M B D F S Pacific Coast LLC				56,625,896	8	0.33%
Prime Mesa LP				51,764,815	9	0.30%
Essex C A L - W A LP				44,795,115	10	0.26%
	<u>\$ 1,335,550,649</u>		<u>5.06%</u>	<u>\$ 1,082,083,311</u>		<u>6.22%</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
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%
2015	34,914,895	33,431,694	95.8%	163,579	33,595,273	96.2%	988,804	2.8%
2016	36,515,160	35,166,254	96.3%	195,113	35,361,367	96.8%	1,138,605	3.1%
2017	38,597,840	37,385,953	96.9%	162,427	37,548,380	97.3%	1,170,607	3.0%
2018	41,138,189	39,799,843	96.7%	198,037	39,997,880	97.2%	1,095,676	2.7%
2019	43,555,209	42,186,390	96.9%	94,605	42,280,995	97.1%	1,263,595	2.9%
2020	45,895,092	44,216,119	96.3%	179,484	44,395,603	96.7%	1,534,972	3.3%
2021	48,752,161	46,845,370	96.1%	360,408	47,205,778	96.8%	1,546,610	3.2%

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	Lease Revenue Bonds	Certificates of Participation
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
2015	33,580,000	*	7,362,394	-	25,389,486
2016	32,020,000	*	15,089,652	-	12,770,699
2017	29,435,000	*	12,458,051	-	10,777,303
2018	26,660,000	*	9,905,059	-	8,742,118
2019	23,690,000	*	4,543,353	-	6,649,757
2020	20,495,000	*	2,159,697	22,745,000	8,549,358
2021	17,050,000	*	1,961,041	22,745,000	6,808,408

¹ 2012 ratio was calculated using the Price and Population received from the State of California Department of Finance.

² 2013 - 2021 ratios were calculated using Per Capita Personal Income as provided by HDL.

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

Business-Type Activities					
Revenue Bonds	Certificates of Participation	Loans Payable	Total Primary Government	Percentage of Personal Income ^{1,2}	Per Capita ¹
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
34,710,680	-	29,250,858	130,293,418	2.75 %	760
31,114,970	-	26,773,016	117,768,337	2.45 %	669
28,069,259	-	24,248,049	104,987,662	2.14 %	595
24,918,549	-	21,675,178	91,900,904	1.79 %	518
22,307,838	-	19,083,824	76,274,772	1.38 %	428
19,602,128	-	16,501,514	90,052,697	1.54 %	508
46,356,590	-	30,430,000	125,351,039	2.05 %	709

City of Oceanside

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total	Percent of Assessed Value ¹	Per Capita	Total Assessed Valuation	Population
	Pension Obligation Bonds	Redevelopment Bonds	Certificates of Participation	Lease Revenue Bonds					
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
2015	33,580,000	*	24,874,361	-	58,454,361	0.31%	342	18,780,841,789	170,791
2016	32,020,000	*	12,299,360	-	44,319,360	0.22%	252	19,721,367,813	175,948
2017	29,435,000	*	10,457,952	-	39,892,952	0.19%	226	20,914,477,517	176,461
2018	26,660,000	*	8,574,755	-	35,234,755	0.16%	199	22,324,441,314	177,362
2019	23,690,000	*	6,649,757	-	30,339,757	0.13%	170	23,698,960,502	178,021
2020	20,495,000	*	8,549,358	22,745,000	51,789,358	0.21%	292	25,030,808,682	177,335
2021	17,050,000	*	6,808,408	22,745,000	46,603,408	0.18%	264	26,427,955,114	176,754

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

City of Oceanside

Direct and Overlapping Governmental Activities Debt As of June 30, 2021

	Total Debt 6/30/2021	% Applicable (1)	City's Share of 6/30/2021
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 26,830,000	0.807%	\$ 216,518
Mira Costa Community College District	306,265,000	16.266%	49,817,065
Palomar Community College District	650,751,375	5.126%	33,357,515
Carlsbad Unified School District	317,807,031	1.771%	5,628,363
Oceanside Unified School District	253,121,176	99.780%	252,564,309
Vista Unified School District	124,109,880	32.497%	40,331,988
Bonsall Unified School District	9,282,673	22.882%	2,124,061
City of Oceanside Community Facilities District No. 2000-1	19,165,000	100.000%	19,165,000
City of Oceanside Community Facilities District No. 2001-1	11,615,000	100.000%	11,615,000
City of Oceanside Community Facilities District No. 2001-1, Improvement Area No. 1	4,815,000	100.000%	4,815,000
City of Oceanside Community Facilities District No. 2006-1	8,475,000	100.000%	8,475,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 428,109,819
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Diego County General Fund Obligations	\$ 211,585,000	4.511%	\$ 9,544,599
San Diego County Pension Obligations	400,125,000	4.511%	18,049,639
San Diego County Superintendent of Schools Certificates of Participation	8,585,000	4.511%	387,269
Palomar Community College District Certificates of Participation	1,560,000	5.126%	79,966
Carlsbad Unified School District Certificates of Participation	38,190,000	1.771%	676,345
Vista Unified School District Certificates of Participation	995,000	32.497%	323,345
Bonsall Union School District Certificates of Participation	6,850,000	22.882%	1,567,417
City of Oceanside General Fund Obligations	29,553,408	100.000%	29,553,408
City of Oceanside Pension Obligations	17,050,000	100.000%	17,050,000
City of Oceanside Notes Obligations	1,961,041	100.000%	1,961,041
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 79,193,029
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		100.000%	16,105,000
TOTAL DIRECT DEBT			48,564,449
TOTAL OVERLAPPING DEBT			\$ 474,843,399
GROSS COMBINED TOTAL DEBT			\$ 523,407,848

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

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.62%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$43,230,292) 0.16%

Combined Total Debt 1.96%

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

Total Overlapping Tax Increment Debt 0.93%

Source: California Municipal Statistics, Inc

City of Oceanside

Legal Debt Margin Information Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Assessed valuation	\$ 17,381,056,626	\$ 17,323,915,631	\$ 17,715,328,740	\$ 18,780,841,789
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	4,345,264,157	4,330,978,908	4,428,832,185	4,695,210,447
Debt limit percentage	15%	15%	15%	15%
Debt limit	651,789,623	649,646,836	664,324,828	704,281,567
Total net debt applicable to limit: General & Pension Obligation Bonds	38,195,000	36,860,000	35,325,000	33,580,000
Legal debt margin	613,594,623	612,786,836	628,999,828	670,701,567
Total debt applicable to the limit as a percentage of the debt limit	5.9%	5.7%	5.3%	4.8%

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 19,721,367,813	\$ 20,914,477,517	\$ 22,324,441,314	\$ 23,698,960,502	\$ 25,030,808,682	\$ 26,427,955,114
25%	25%	25%	25%	25%	25%
4,930,341,953	5,228,619,379	5,581,110,329	5,924,740,126	6,257,702,171	6,606,988,779
15%	15%	15%	15%	15%	15%
739,551,293	784,292,907	837,166,549	888,711,019	938,655,326	991,048,317
32,020,000	29,435,000	26,660,000	23,690,000	20,495,000	17,050,000
707,531,293	754,857,907	810,506,549	865,021,019	918,160,326	973,998,317
4.3%	3.8%	3.2%	2.7%	2.2%	1.7%

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	
*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
**2015	61,018,738	55,069,339	5,949,399	1,350,000	860,213	2,210,213	2.69
**2016	60,589,287	54,093,986	6,495,301	1,375,000	833,213	2,208,213	2.94
**2017	69,041,943	54,741,069	14,300,874	1,425,000	778,213	2,203,213	6.49
**2018	73,622,607	60,136,522	13,486,085	1,475,000	721,213	2,196,213	6.14
**2019	68,164,609	61,017,580	7,147,029	1,120,000	662,213	1,782,213	4.01
**2020	69,352,073	63,563,497	5,788,576	1,160,000	617,413	1,777,413	3.26
**2021	78,640,881	66,289,795	12,351,086	1,550,000	1,340,129	2,890,129	4.27
Sewer Revenue Bonds							
Fiscal Year	Sewer Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
^2014	44,554,439	30,279,044	14,275,395	1,570,000	550,698	2,120,698	6.73
2015	47,048,104	30,448,939	16,599,165	1,590,000	530,219	2,120,219	7.83
2016	46,371,556	30,470,684	15,900,872	1,615,000	498,419	2,113,419	7.52
2017	47,599,766	29,796,336	17,803,430	1,075,000	433,819	1,508,819	11.80
2018	47,800,364	26,629,434	21,170,930	1,120,000	390,819	1,510,819	14.01
2019	61,017,580	32,660,817	28,356,763	1,160,000	346,019	1,506,019	18.83
2020	48,428,421	40,475,718	7,952,703	1,215,000	299,619	1,514,619	5.25
2021	50,627,290	37,043,401	13,583,889	1,255,000	251,019	1,506,019	9.02

*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>
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%
2015	170,791	8,470	49,592	6.6%
2016	175,948	9,194	52,256	5.3%
2017	176,461	9,561	54,184	4.8%
2018	177,362	9,963	56,172	3.7%
2019	178,021	10,385	58,335	3.4%
2020	177,335	10,731	60,511	3.3%
2021	176,754	11,308	63,978	10.0%

Note: Fiscal Year 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

	2021	2012
Business Name	Business Category	Business Category
Albertsons	Grocery Stores	
Best Buy	Electronics/Appliance Stores	
Chevron	Service Stations	
Chick Fil A	Quick-Service Restaurants	
Circle K	Service Stations	
CVS Pharmacy	Drug Stores	
Discount Tire	Automotive Supply Stores	
G&M	Service Stations	
Home Depot	Building Materials	
In N Out Burger	Quick-Service Restaurants	
Kohls	Department Stores	
Krannich Solar West	Energy/Utilities	
Lowe's	Building Materials	
McDonald's	Quick-Service Restaurants	
Mohsen Oil	Service Stations	
Mossy Nissan	New Motor Vehicle Dealers	
MWI Plumbers Supply	Plumbing/Electrical Supplies	
New Flyer of America	Trailers/Auto Parts	
Ross	Family Apparel	
Stater Bros	Grocery Stores	
Superior Ready Mix	Contractors	
Target	Discount Dept Stores	
TJ Maxx	Family Apparel	
United Oil	Service Stations	
Walmart Supercenter	Discount Dept Stores	
7 Eleven		Service Stations
Arco AM PM		Service Stations
Arco AM PM		Service Stations
Best Buy		Electronics/Appliance Stores
Chevron		Service Stations
Circle K		Service Stations
CVS Pharmacy		Drug Stores
Discount Tire		Automotive Supply Stores
Express Fuel		Service Stations
Genentech		Medical/Biotech
Home Depot		Building Materials
Kohls		Department Stores
Lowe's		Building Materials
McDonalds		Quick-Service Restaurants
Melrose Shell		Service Stations
Mission Gas & Mini Mart		Service Stations
Mohsen Oil		Service Stations
Mossy Nissan		New Motor Vehicle Dealers
One Source Distributors		Electrical Equipment
OneSource Supply Solutions		Energy/Utilities
Ralphs		Grocery Stores
Ross		Family Apparel
Target		Discount Dept Stores
United Oil		Service Stations
Walmart Supercenter		Discount Dept Stores
Percent of Fiscal Year Total Paid by Top 25 Accounts	42%	44%

* Firms listed alphabetically

Source: HdL Coren & Cone

City of Oceanside

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	99	120	118	117	124	118	101	102	104	104
Public Safety										
Police	320	320	319	321	322	327	325	325	327	328
Fire	118	119	119	131	130	126	126	127	142	142
Public Works	110	91	88	88	88	93	113	113	113	113
Development Services	48	47	47	54	58	60	58	58	58	59
Neighborhood Services	63	59	55	56	57	58	60	60	60	60
Economic & Community Development	12	2	2	2	2	4	4	4	4	4
Library	27	26	26	26	27	27	27	27	26	26
Water Utilities	138	138	141	144	144	147	152	151	150	150
Harbor	0	0	0	0	0	0	0	0	0	0
Total	935	922	915	939	952	960	966	967	984	986

Note:

Source: Financial Services Department- Budgeted Positions

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City of Oceanside

Operating Indicators by Function/Program Last Ten Fiscal Years

	2012	2013	2014	2015	Fiscal Year		2018	2019	2020	2021
					2016	2017				
Police										
Arrests	9,086	7,920	6,841	6,031	5,021	5,426	5,505	5,993	5,794	5,018
Citations	26,639	23,467	23,082	15,910	13,654	15,462	7,098	8,368	11,469	12,577
Fire										
Number of Emergency Calls	17,913	17,811	17,975	19,777	20,430	21,009	21,408	20,913	21,157	21,202
Inspections	1,741	2,225	2,321	3,155	2,491	3,057	4,002	3,642	3,335	3,296
Public Works										
Street Resurfacing (lane miles)	0	40	14	52	49	3	40	9	8	34
Water										
Average Daily Consumption (million gallons)	24	24	25	25	19	20	22	19	18	18
Wastewater										
Average Daily Sewage Treatment (million gallons)	12	12	11	11	11	12	10	10	10	10
Recreation										
Number of Recreation Classes (quarterly)	100	130	130	130	145	165	170	160	100	118
Library										
Total Volumes in Collection	274,097	261,999	250,331	259,442	200,211	197,529	196,732	194,443	192,724	166,495
Total Volumes Loaned	501,410	489,361	478,695	491,451	453,213	398,206	405,474	412,925	256,277	305,983

Source: Various City Departments

City of Oceanside

Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
Police					
Number of Police Stations	1	1	1	1	1
Fire					
Number of Fire Stations	8	8	8	8	8
Number of Engine Companies	6	6	6	6	6
Number of Truck/Rescue Companies	2	2	2	2	2
Number of Ambulances	4	4	4	4	5
Public Works					
Miles of Streets:	475	480	480	480	480
Number of Street Lights (City Owned):	8,345	8,445	8,546	8,546	8,546
Utilities:					
Miles of Lines and Mains	580	580	580	580	593
Number of Wastewater Treatment Plants	2	2	2	2	2
Miles of Sewers	450	450	450	450	460
Recreation and Cultural:					
Number of Parks (Improved and Unimproved)	33	33	33	33	33
Area of Parks (In Acres)	810	810	810	810	810
Recreation & Senior Centers	6	6	6	6	6
Pools	2	2	2	2	2
Number of Libraries	2	2	2	2	2
Number of Library Outlets	3	3	3	3	3
Number of Bookmobiles	1	1	2	2	2
Computer Terminals for Internet Access (Public)	85	85	87	87	75
Number of Visitors to Library	472,617	485,035	396,597	483,521	476,019

Source: Various City Departments

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

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