

city of
OCEANSIDE
CALIFORNIA



www.ci.oceanside.ca.us

Comprehensive Annual Financial Report
For the year ended June 30, 2015

CITY OF OCEANSIDE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015

Prepared by: Finance Department

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CITY OF OCEANSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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City of Oceanside

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

December 8, 2015

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oceanside (the City) for the fiscal year ended June 30, 2015.

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

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is presented as the first component of the financial section of this report.

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

City of Oceanside Profile

The City of Oceanside (City) is a charter city that was incorporated on January 3, 1888. It is located 35 miles north of San Diego and 83 miles south of Los Angeles. The City is located on the Pacific Ocean, offering a moderate climate that ranks as one of the most desirable in the nation. Oceanside boasts 3.5 miles of coastline, a harbor with over 900 boat slips, and one of the longest wooden piers on the West Coast, measuring 1,942 feet

in length. The City occupies a land area of 42 square miles and provides a full range of services, including police, fire, library, water, sewer, street and other infrastructure construction and maintenance, parks and recreation services. The City also maintains an airport and a small craft harbor.

The population of Oceanside is estimated at 170,000, making it the third largest city in San Diego County. The median household income for the City is \$47,768.

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

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

Economic Outlook

The U.S. economy continues to improve due to continued improvements in the labor market and stable costs resulting in a lower rate of inflation. At the state level, California continues to see increases in revenues in property tax and personal taxes. California's expenditures remain relatively flat.

The City of Oceanside's revenues have stabilized and are projected to increase nominally the next few years. Oceanside housing prices, along with new commercial properties and hotels will result in consistent increases property tax and transient occupancy tax revenues. Sales taxes are projected to remain flat due to lower fuel prices and slow growth in retail establishments.

The City's costs for services have been partially mitigated due to negotiated MOU's with bargaining groups for employees to pay their full employee-rate of the pension costs as well as capping the City contribution to health insurance payments. However, with recent smoothing of costs implemented by CalPERS, the City's burden has been increased over \$1.5 million per year.

Without further budget adjustments or corrections, a nominal surplus budget is projected for FY 2015-16 and for the following five years.

Financial Policies

Budgeting - The annual budget serves as the foundation for the City's financial planning and control. The City Manager presents the proposed budget to the City Council for review prior to the beginning of the fiscal year. The City Council is required to hold

public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The budget is prepared according to fund and department (e.g., police). The City Manager is authorized to transfer funds appropriated within the same fund and department. Revisions that alter the total appropriations of any department or fund must be approved by City Council.

Appropriations Limit – Proposition 4, known as the Gann Initiative, was passed in 1979 to limit government spending by capping the total proceeds of taxes that may be appropriated in a fiscal year. When a city exceeds the limit, excess tax revenue must be returned to the citizens through refunds, rebates, or other means. The City is well below the established Gann limit of \$335,709,855.

Debt Administration – As of June 30, 2015 the City had a total of \$130,293,419 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 2014-2015 assessed valuation was 2.65% as of June 30, 2015.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both the Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

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

Jane M. McPherson
Interim Financial Services Director

PRINCIPAL OFFICIALS

JUNE 30, 2015

CITY COUNCIL

Jim Wood, Mayor
Chuck Lowery, Deputy Mayor
Jack Feller, Council Member
Jerome Kern, Council Member
Esther Sanchez, Council Member

ADMINISTRATION AND DEPARTMENT HEADS

City Manager	Michelle Skaggs Lawrence
City Attorney	John P. Mullen
City Clerk	Zack Beck
City Treasurer	Gary Ernst
Assistant City Manager	Peter Weiss
Development Services Director	Rick Brown
Interim Financial Services Director	Jane McPherson
Fire Chief	Darryl Hebert
Housing & Neighborhood Services Director	Margery Pierce
Human Resources Director	Pat Nunez
Library Services Director	Sherri Cosby
Police Chief	Frank McCoy, Jr.
Water Utilities Director	Cari Dale



Government Finance Officers Association

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

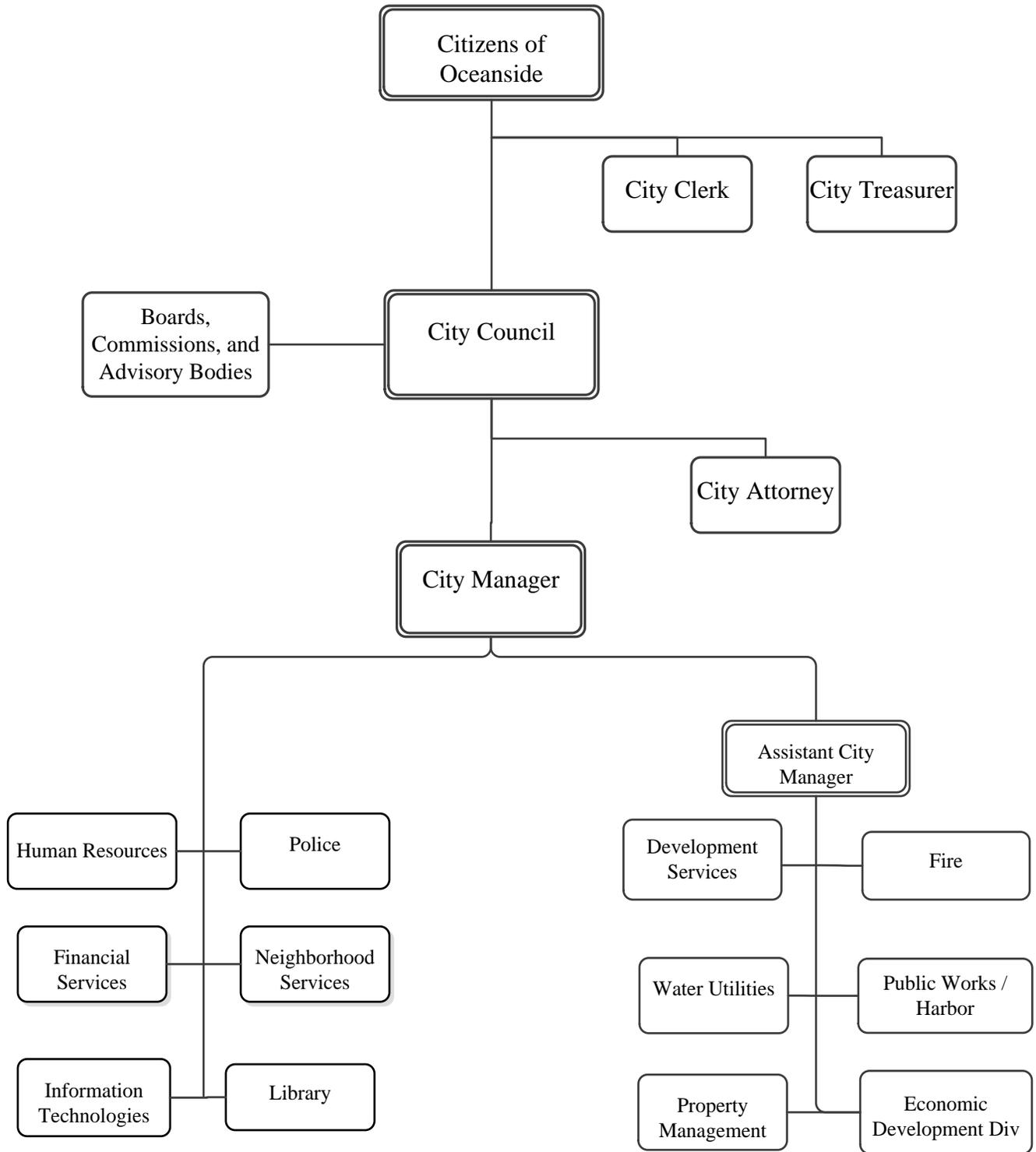
Presented to

**City of Oceanside
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oceanside, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oceanside, California, as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, grants special revenue fund, and the housing assistance program special revenue fund, the schedule of changes in net pension liability and related ratios, and the schedule of plan contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the nonmajor fund budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Brea California
December 7, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2015

This discussion and analysis of the City of Oceanside's financial performance provides an overview of the fiscal year ended June 30, 2015. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements. A glossary has been provided at the end of this analysis to assist the reader in understanding the terminology used within.

FINANCIAL HIGHLIGHTS

- The City's Total Assets increased overall by \$15.6 million. This is composed of a \$2.4 million decrease in Governmental activities assets and \$18.0 million increase in Business-Type activities assets.
- The City's Total Net Position decreased overall by \$172.5 million. The significant decline was due to the implementation of new Governmental Accounting Standards Board (GASB) Statement No. 68 during Fiscal Year 2014-15, which required that the City begin reporting its net pension liabilities (\$167.9 million) on the Statement of Net Position. Although the situation surrounding the City's pension plans has not changed, the way in which they are accounted for and reported in the financial statements has changed based on the new guidance provided in GASB Statement No. 68.
- The City's total revenues increased \$10.7 million from 2014
 - Governmental activities revenues increased \$8.8 million
 - Business-Type activities revenues increased \$1.9 million
- The City's total expenses increased \$15.8 million from 2014
 - Governmental activities expenses increased \$15.7 million
 - Business-Type activities expenses decreased \$.6 million
- General Fund had a surplus of \$6.2 million in one-time funds for the year ending June 30, 2015. These one-time funds have been assigned by Council for the following:
 - El Corazon pool - \$1.2 million
 - Sand Replenishment - \$.6 million
 - Infrastructure Reserves - \$2.7 million
 - Post Employee Retirement Leave Fund - \$1.7 million

THE FINANCIAL STATEMENTS

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

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

The Fund Financial Statements include statements for each of the three categories of activities – Governmental, Business-Type (proprietary) and Fiduciary. The Governmental activities (other than internal service activities) are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The Business-Type activities are prepared using the economic

resources measurement focus and the accrual basis of accounting. The Fiduciary activities include a private purpose trust and agency funds which only report a balance sheet and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

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

Reporting the City's Most Significant Funds

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

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

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

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

Net Position - The City's combined Net Position (i.e. inclusive of *all* City funds) for the fiscal year ended June 30, 2015 is compared to results for 2014 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current & other assets	\$234.0	\$230.4	\$179.5	\$159.4	\$413.5	\$389.8
Net pension assets	0	34.5	0	0.0	0	34.5
Capital assets	<u>295.5</u>	<u>267.0</u>	<u>431.9</u>	<u>434.0</u>	<u>727.4</u>	<u>701.0</u>
Total assets	<u>\$529.5</u>	<u>\$531.9</u>	<u>\$611.4</u>	<u>\$593.4</u>	<u>\$1,140.9</u>	<u>\$1,125.3</u>
Deferred Outflows of Resources	<u>\$15.9</u>	<u>\$0</u>	<u>\$1.5</u>	<u>\$3</u>	<u>\$17.4</u>	<u>\$3</u>
Long-term debt outstanding	\$252.6	\$100.0	\$78.8	\$72.1	\$331.4	\$172.1
Other liabilities	<u>11.3</u>	<u>10.1</u>	<u>15.0</u>	<u>13.3</u>	<u>26.3</u>	<u>23.4</u>
Total liabilities	<u>\$263.9</u>	<u>\$110.1</u>	<u>\$93.8</u>	<u>\$85.4</u>	<u>\$357.7</u>	<u>\$195.5</u>
Deferred Inflows of Resources	<u>\$39.8</u>	<u>\$0</u>	<u>\$3.2</u>	<u>\$0</u>	<u>\$43.0</u>	<u>\$0</u>
Net Position						
Net investment in capital assets	\$266.1	\$232.9	\$368.1	\$364.3	\$634.2	\$597.2
Restricted	58.0	62.1	54.9	63.1	\$112.9	125.1
Unrestricted	<u>(82.4)</u>	<u>126.8</u>	<u>\$92.9</u>	<u>80.9</u>	<u>\$10.5</u>	<u>207.8</u>
Total Net Position	<u>\$241.7</u>	<u>\$ 421.8</u>	<u>\$515.9</u>	<u>\$ 508.3</u>	<u>\$757.6</u>	<u>\$ 930.1</u>

- Net Position represents the most simple test of financial health for the City, indicating the excess (or deficit) of assets and deferred outflows of resources over liabilities. Net Position for the City as a whole decreased \$172.5 million from \$930.1 million at June 30, 2014 to \$757.6 million at June 30, 2015. The 18.5 % decrease of Total Net Position. The significant decline was due to the implementation of new Governmental Accounting Standards Board (GASB) Statement No. 68 during Fiscal Year 2014-15, which required that the City begin reporting its net pension liabilities (\$167.9 million) on the Statement of Net Position. Although the situation surrounding the City's pension plans has not changed, the way in which they are accounted for and reported in the financial statements has changed based on the new guidance provided in GASB Statement No. 68.
- The overall increase in Total Assets is \$15.6 million. The Governmental activities total Assets decreased \$2.4 million with lower cash/investments and net pension assets offsetting increases to capital assets. The Business-Type Total Assets activities increased \$18.0 million with higher cash/investments offsetting decreases to capital assets. In summary, the Governmental decrease \$2.4 million plus the Business-Type increase \$18.0 million results in an overall *increase* to the City's Total Assets of \$15.6 million.
- The overall increase in Total Liabilities is \$162.2 million which is attributable to the implementation of GASB Statement No. 68 as noted above. The recording of the net pension liability increased Governmental activities liabilities by \$153.8 million and Business-Type activities by \$8.4 million.
- The increase of Total Assets of \$15.6 million along with an increase of Total Liabilities of \$162.2 million has decreased the City's Total Net Position by \$172.5 million or an 18.5% decrease from 2014.

As illustrated in Table 2, Total Net Position is comprised of three categories, Net Investment in Capital Assets, Restricted and Unrestricted. The City's large net investment in capital assets makes up over 83.7% of the City's Total Net Position. A decrease in Restricted Net Position of \$15.1 million is predominantly due to an increase in restriction for capital projects and a decrease in lighting and landscape districts and highways Restricted Net Position. The Unrestricted Net Position decreased \$194.4 million which is attributable to prior period adjustments recorded for the net pension liability. The Governmental Unrestricted Net Position category decreased \$206.3 million which relates to the recordation of the pension liability. The Business-Type Unrestricted Net Position category had a positive \$12.0 million increase.

Table 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Investment in Capital Assets	\$338.7	\$380.5	\$419.4	\$442.0	\$635.2	\$630.7	\$629.0	\$621.9	\$597.2	\$634.2
Restricted	111.6	125.8	132.5	97.4	110.0	141.1	150.1	140.4	125.1	112.9
Unrestricted	<u>105.4</u>	<u>108.8</u>	<u>104.2</u>	<u>116.8</u>	<u>94.8</u>	<u>82.6</u>	<u>94.0</u>	<u>139.2</u>	<u>207.8</u>	<u>10.5</u>
Total Net Position	\$555.7	\$615.1	\$656.1	\$656.2	\$840.0	\$854.4	\$873.1	\$901.5	\$930.1	\$757.6
\$ increase (decrease) from prior year	\$23.5	\$59.4	\$41.0	\$ 0.1	\$183.8	\$14.4	\$18.7	\$28.4	\$28.6	\$(172.5)
% increase (decrease) from prior year	4.42%	10.69%	6.67%	0.02%	28.01%	1.71%	2.19%	3.3%	3.2%	(18.5%)

Total City Activities - The City's combined Activities for the fiscal year ended June 30, 2015 is compared to results for 2014 in Table 3. The Statement of Activities reveals an increase of revenues of \$10.7 million from 2014 and expenses increased \$15.8 million. Total revenues less expenditures increased Net Position by \$23.6 million. The majority of this increase was in the Business-Type activities.

Governmental Activities - Net Position (including transfers) increased by \$33.9 million in 2015 compared to the \$8.1 million increase in 2014 as identified in Table 3. An overall increase in Program Revenues of \$5.0 million, along with a \$5.8 million increase for General Revenues (specifically in sales and other taxes, and other revenue) are indicative of a reduction in federal and state operating grants for housing and public safety, along with increase revenue due to the sale of the property. Expenses increased by \$15.8 million in 2015. General Government expenses increased \$3.6 million, Public Safety increased \$4.0 million, Public Works increased \$3.2 million and Community Development increased \$6.0 million. Interest on long-term debt decreased \$0.08 million. Overall, the increase to Net Position for Governmental activities can be attributed to an extraordinary gain on the transfer of assets from the Successor Agency to the City.

Table 3

City of Oceanside Activities						
(in thousands of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
<i>Program Revenues</i>						
Charges for services	\$33,110	\$26,892	\$136,723	\$136,437	\$169,833	\$163,329
Operating grants and contributions	31,943	34,769	119	0	32,062	34,769
Capital grants and contributions	2,328	732	939	0	3,267	732
<i>General Revenues</i>						
Property taxes	51,170	49,143	0	0	51,170	49,143
Sales taxes	21,749	20,960	0	0	21,749	20,960
Other taxes	14,345	12,405	0	0	14,345	12,405
Use of money and property	5,637	7,849	1,574	1,959	7,211	9,808
Other	<u>9,442</u>	<u>8,204</u>	<u>2,966</u>	<u>2,032</u>	<u>12,408</u>	<u>10,236</u>
Total Revenues	<u>\$169,724</u>	<u>\$160,954</u>	<u>\$142,321</u>	<u>\$140,428</u>	<u>\$312,045</u>	<u>\$301,382</u>
Expenses						
General government	\$20,073	\$16,456	\$0	\$0	\$20,073	\$16,456
Public safety	80,526	76,487	0	0	80,526	76,487
Public works	33,683	30,469	0	0	33,683	30,469
Community development	30,564	24,559	0	0	30,564	24,559
Community/cultural services	12,942	14,051	0	0	12,942	14,051
Interest on long-term debt	2,078	2,153	0	0	2,078	2,153
Water	0	0	56,315	56,801	56,315	56,801
Sewer	0	0	31,517	31,538	31,517	31,538
Waste disposal	0	0	19,323	18,746	19,323	18,746
Other	<u>0</u>	<u>0</u>	<u>1,449</u>	<u>1,459</u>	<u>1,449</u>	<u>1,459</u>
Total Expenses	<u>\$179,866</u>	<u>\$164,175</u>	<u>\$108,604</u>	<u>\$108,544</u>	<u>\$288,470</u>	<u>\$272,719</u>
Increase (decrease) in net position before transfers and extraordinary gain	(\$10,142)	(\$3,221)	\$33,717	\$31,884	\$23,575	\$28,663
Transfers	\$10,912	\$11,287	(\$10,912)	(\$11,287)	0	0
Extraordinary gain	\$33,177	0	0	0	\$33,177	0
Increase in net position	\$33,947	\$8,066	\$22,805	\$ 20,597	\$56,752	28,663
Beginning net position as restated	<u>\$207,765</u>	<u>413,768</u>	<u>493,064</u>	<u>487,685</u>	<u>700,829</u>	<u>901,453</u>
Ending net position	<u>\$241,712</u>	<u>\$421,834</u>	<u>\$515,869</u>	<u>\$508,282</u>	<u>\$757,581</u>	<u>\$930,116</u>

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

Chart 1

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

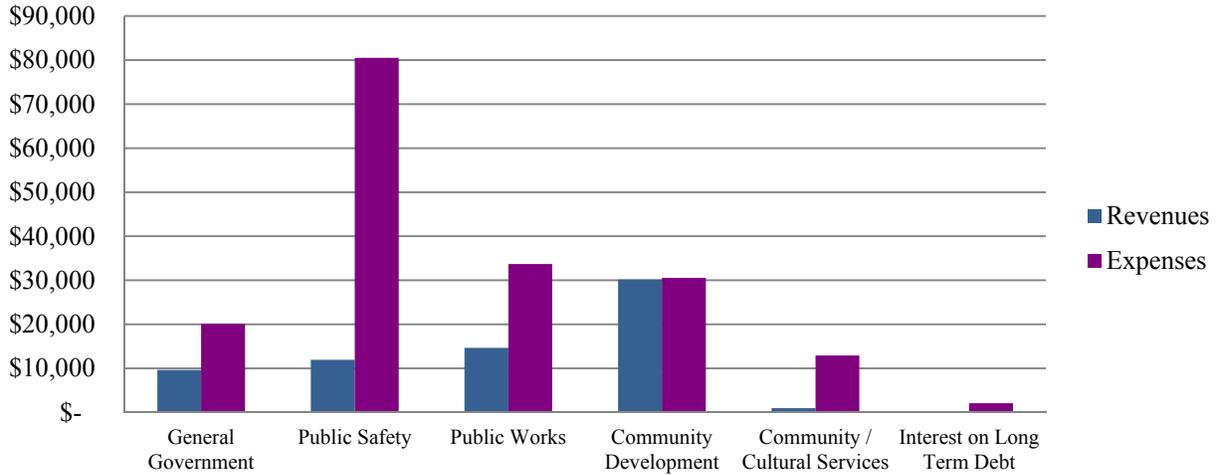
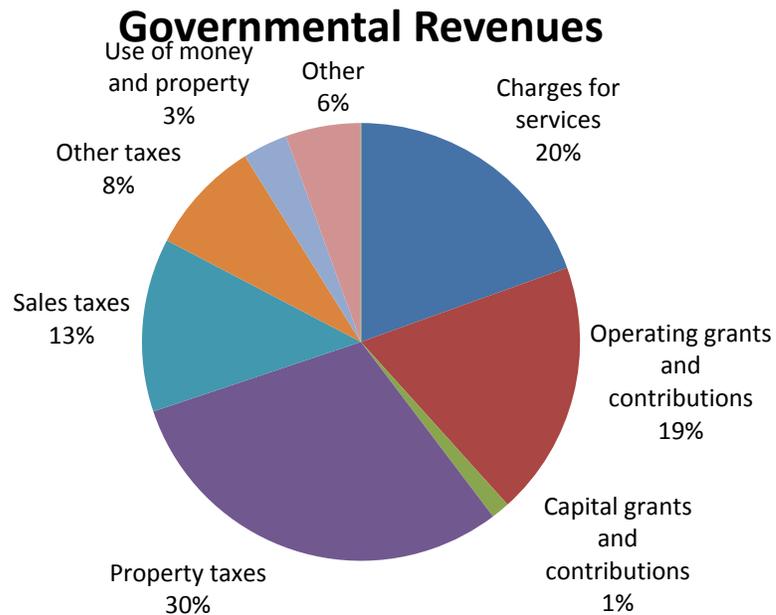


Chart 2 shows that Property Tax, Operating Grants and Contributions, Charges for Service and Sales Tax which are the top four categories of revenue and comprise 82% of funding for Government activities. The Other category includes proceeds from the disposition of City real property, intergovernmental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

Chart 2



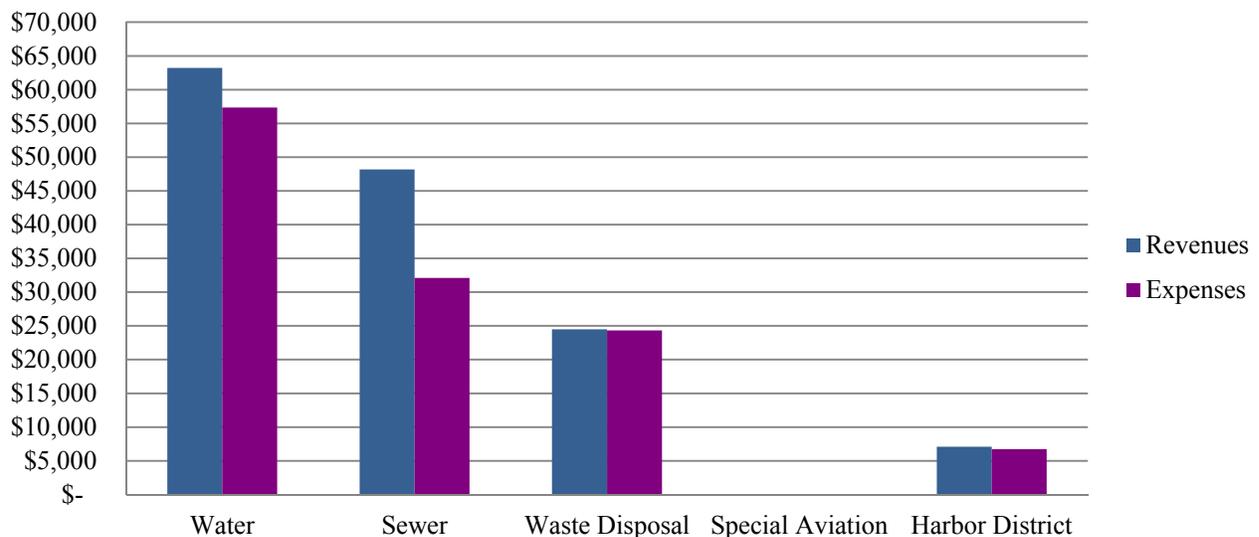
Business-Type Activities for the City of Oceanside include Water, Sewer, Solid Waste, Harbor, and Special Aviation. These activities increased Net Position (including transfers) by \$22.8 million from the last fiscal year as noted on Table 3. Revenues increased \$1.9 million due to increases in service fees for water and sewer services. Expenses were nearly flat compared to 2014. Transfers out (a deduction to Net Position) decreased by \$.4 million from the prior year.

The Statement of Revenues, Expenses, and Changes in Net Position for proprietary funds indicate an increase of \$1.2 million in operating revenues from the previous year. The Water operating revenue decreased \$2.2 and Sewer operating revenue increased \$2.5 million. Harbor revenues increased \$0.2 million, and Waste Disposal operating revenue increased \$0.7 million. Operating expenses for Water decreased \$0.5 million and Sewer increased \$.2 million. In Water expenses, administrative costs and the cost of purchased water decreased from the prior year and, and maintenance and operations costs increased. Sewer administrative costs and maintenance costs increased from the prior year. Waste Disposal expenses increased in both the administrative costs and maintenance and operations costs. Harbor operating expenses remained flat. 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 \$.2 million from 2014.

Overall, the Business-Type activities operating revenue exceeded operating expenses (before transfers and contributions) for fiscal year 2014-15 with a total net operating income of \$33.4 million.

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

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



Financial Analysis of the City's Funds

The total fund balance of \$58.9 million at year-end for the City's General Fund, as shown on the Balance Sheet, is an increase of \$6.2 million from 2014. Of this total amount, \$11.1 million is nonspendable, \$17.2 million is committed, \$18.8 million is assigned, and \$11.8 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 8.

The Statement of Revenues, Expenditures and Changes in Fund Balances also reflects the \$6.2 million increase in the General Fund balance. General Fund revenues increased approximately \$8.4 million from 2014. General Fund expenditures increased overall \$7.1 million or 6%. Other Financing Sources includes a transfer in of \$12.2 million of which \$5.4 million came from the Harbor fund for harbor administrative, maintenance and police services, \$5.6 million from Water and Waste Disposal funds for administrative services, and \$1.2 million from other governmental funds. Other Financing Sources also includes a transfer out of \$3.8 million for grants, general improvement capital projects, internal services, and other governmental funds.

The fund balance of the Grants Special Revenue Fund decreased \$.3 million. Revenues increased \$.8 million and expenditures increased \$2.4 million as compared to 2014.

The fund balance of the Housing Assistance Program Special Revenue Fund increased \$.1 million. Revenues increased \$.1 million and expenditures increased \$.3 million as compared to 2014.

The fund balance of \$44.9 million in total other governmental funds decreased \$5.7 million from 2014. The decrease is due to an increase of capital projects including the lighting district bulb upgrade.

Debt Administration

Governmental activities debt realized a net decrease of \$42.6 million as noted in Table 4. The most significant increases and decreases to long-term liabilities pertained to the net pension liability for the pension plan, which is being reported in the financial statements for the first time in conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68. More detail about the City's long-term liabilities is presented in Note 7 and Retirement Plans in Note 11 to the financial statements.

Table 4

City of Oceanside				
Governmental Debt Outstanding				
	Adjusted Balance <u>June 30, 2014</u>	Incurred or Issued	Satisfied or Matured	Balance <u>June 30, 2015</u>
Governmental Activities				
Certificates of Participation	\$28,523,330		(\$3,648,969)	\$24,874,361
Capital Leases Payable	5,003,798		(454,404)	4,549,394
Notes Payable	2,943,000		(130,000)	2,813,000
Pension Obligation Bonds	35,325,000		(1,745,000)	33,580,000
Claims Payable	14,276,670	9,158,074	(5,925,503)	17,509,241
Compensated Absences	10,682,315	4,504,366	(4,356,837)	10,829,844
Net Pension Liability	195,277,214	67,535,187	(107,840,346)	\$154,972,055
Other Post-Employment Benefits	<u>2,648,674</u>	<u>661,947</u>	<u>(380,073)</u>	<u>2,930,548</u>
Total Governmental Activities	\$294,680,001	\$81,859,574	(\$124,481,132)	\$252,058,443

Business-Type debt activities decreased in the fiscal year ending 2015 by \$9.4 million. As noted above in the Governmental Activities Debt, the net pension liability was the main reason for the significant change.

Table 5

City of Oceanside				
Business-Type Activities Debt Outstanding				
	Adjusted Balance <u>July 1, 2014</u>	Incurred or Issued	Satisfied, Adjusted or Matured	Balance <u>June 30, 2015</u>
Business-Type Activities				
Bonds Payable	\$34,470,000		(\$3,310,000)	\$31,160,000
Notes Payable	31,682,344		(2,431,486)	29,250,858
Net Pension Liability	16,409,636	5,338,346	(8,736,647)	13,011,334
Compensated Absences	<u>2,096,817</u>	<u>840,438</u>	<u>(1,102,856)</u>	<u>1,834,399</u>
Total Business-Type Activities	\$84,658,797	\$6,178,784	(\$15,580,989)	\$75,256,591

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, 2015, net capital assets of the Governmental activities totaled \$295.6 million and the net capital assets of the Business-Type activities totaled \$431.8 million. Depreciation on capital assets is recognized in the Government-Wide financial statements.

Table 6

City of Oceanside				
Capital Assets				
Description	Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
Land	\$56,085,522	\$ 43,439,626	\$29,613,703	\$ 29,613,703
Buildings	102,965,873	74,758,564	188,593,448	187,180,469
Improvements	39,282,112	33,492,668	534,483,036	530,886,765
Equipment	67,380,355	64,314,783	12,512,351	12,532,257
Construction in Progress	8,599,421	8,024,383	16,578,592	8,547,222
Infrastructure	<u>312,585,729</u>	<u>306,697,736</u>	<u>0</u>	<u>0</u>
Capital Assets	\$586,899,012	\$530,727,760	\$781,781,130	\$768,760,416
Accumulated Depreciation	<u>(291,328,844)</u>	<u>(263,732,971)</u>	<u>(349,936,970)</u>	<u>(334,822,738)</u>
Total Capital Assets	\$295,570,168	\$ 266,994,789	\$431,844,160	\$433,937,678

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

Budgets and Budgetary Accounting

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

General Fund Budget – Table 7 is a comparison of actual revenues/expenditures versus the amended budget. It is inclusive of Fund 101 (General Fund) and Fund 102 (Investment Clearing Fund). It is important to remember that the budget to actual variance of \$12.6 million shown in Table 7 does not represent available one-time funds. The actual excess of resources over charges of \$6.2 is available as one-time funds and has been assigned by Council for specific uses as outlined on page 5. Revenues received were approximately \$7.8 million more than the amended budget due to on-going increases in property and other taxes and intergovernmental revenues. Charges to appropriations were \$4.7 million less than the amended budget. Overall, actual revenues exceeded expenditures and transfers by approximately \$6.2 million which increased the General Fund fund balance. In accordance with the City's Administrative Directive 20, approximately \$2.5 million was carried forward to FY 2015-2016 for continued appropriation of incomplete projects and \$3.7 million was set aside for specific council directed projects.

Table 7

City of Oceanside

General Fund Comparison – Actual and Budget Year Ended June 30, 2015

	Amended Budget	Actual	Variance (Pos)/(Neg)
Resources (inflows)			
Taxes	\$83,578,600	\$86,981,734	\$3,403,134
Licenses and permits	2,089,400	1,949,802	(139,598)
Intergovernmental	499,000	3,107,257	2,608,257
Charges for services	13,402,342	15,411,943	2,009,601
Use of money and property	6,082,363	6,745,746	663,383
Fines and forfeitures	4,188,850	3,947,380	(241,470)
Administrative and in lieu charges	6,854,073	6,849,002	(5,071)
Miscellaneous	20,000	57,400	37,400
Transfers in	<u>12,754,222</u>	<u>12,245,109</u>	<u>(509,113)</u>
Amount Available for Appropriations	\$129,468,850	\$137,295,373	\$7,826,523
Charges to Appropriations (outflows)			
General Government	\$19,011,853	\$15,743,525	\$3,268,328
Public Safety	77,755,385	79,381,277	(1,625,892)
Community Development	8,009,529	7,234,796	774,733
Community/Cultural Services	12,392,568	11,540,589	851,979
Public Works	13,099,599	12,465,173	634,426
Capital Outlay	1,762,430	739,252	1,023,178
Debt Service	0	137,159	(137,159)
Transfers Out	<u>3,778,948</u>	<u>3,827,776</u>	<u>(48,828)</u>
Total Charges to Appropriations	<u>\$135,810,312</u>	<u>\$131,069,547</u>	<u>\$4,740,765</u>
Excess of Resources Over (Under) Charges to Appropriations as of June 30, 2015	<u>(\$6,341,462)</u>	<u>\$6,225,826</u>	<u>\$12,567,288</u>

Table 8 compares the General Fund (inclusive of Fund 101 General Fund and Fund 102 Investment Clearing Fund) original adopted budget of \$131,137,835 to the final budget amount of \$135,810,312 which shows an overall amended increase of \$4,672,477 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, 2015			
	<u>Adopted</u>	<u>Amended</u>	<u>Increase/ (Decrease)</u>
General Government			
Operational	\$11,168,689	\$11,402,215	\$233,526
Non-Departmental	8,047,737	7,609,638	(438,099)
Public Safety			
Police	51,226,260	51,225,671	(589)
Fire	25,810,385	26,529,714	719,329
Public Works	13,087,800	13,099,599	11,799
Community Development			
Planning	1,486,931	1,562,515	75,584
Building	2,114,244	2,132,339	18,095
Engineering	4,177,596	4,314,675	137,079
Community and Cultural Services			
Economic and Community Development	380,980	401,331	20,351
Library	4,659,725	4,592,123	(67,602)
Neighborhood Services	6,070,882	6,324,356	253,474
Property Management	902,885	1,074,758	171,873
Transfers/Capital Outlay/Debt	<u>2,003,721</u>	<u>5,541,378</u>	<u>3,537,657</u>
Total Budget	<u>\$131,137,835</u>	<u>\$135,810,312</u>	<u>\$4,672,477</u>

GLOSSARY

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

CITY OF OCEANSIDE

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 144,960,085	\$ 155,179,758	\$ 300,139,843
Restricted cash and investments	634,603	8,396,537	9,031,140
Receivables:			
Accounts	7,086,077	11,351,011	18,437,088
Taxes	5,199,026	-	5,199,026
Notes	75,535,405	-	75,535,405
Interest	581,272	5,786	587,058
Other	1,723,974	-	1,723,974
Internal balances	(3,780,639)	3,780,639	-
Prepaid costs	68,968	12,070	81,038
Due from other governments	1,006,756	-	1,006,756
Inventories	259,077	808,184	1,067,261
Land held for resale	700,000	-	700,000
Capital assets not being depreciated	64,684,943	46,192,295	110,877,238
Capital assets, net of depreciation	230,885,225	385,651,865	616,537,090
Total Assets	529,544,772	611,378,145	1,140,922,917
Deferred Outflows of Resources:			
Deferred charge on refunding	-	252,967	252,967
Deferred pension-related items	15,949,612	1,227,050	17,176,662
Total Deferred Outflows of Resources	15,949,612	1,480,017	17,429,629
Total Assets and Deferred Outflows of Resources	\$ 545,494,384	\$ 612,858,162	\$ 1,158,352,546
Liabilities:			
Accounts payable	\$ 5,635,458	\$ 12,284,462	\$ 17,919,920
Accrued liabilities	2,565,691	388,668	2,954,359
Accrued interest	933,071	461,290	1,394,361
Unearned revenue	1,173,880	417,038	1,590,918
Deposits payable	854,909	1,408,044	2,262,953
Due to other governments	159,027	-	159,027
Noncurrent liabilities:			
Due within one year	18,046,922	6,751,503	24,798,425
Due in more than one year	76,624,043	59,044,435	135,668,478
Net pension liability	154,972,055	13,011,334	167,983,389
Other post-employment benefits liability	2,930,548	-	2,930,548
Total Liabilities	263,895,604	93,766,774	357,662,378
Deferred Inflows of Resources:			
Deferred pension-related items	39,886,897	3,222,413	43,109,310
Total Deferred Inflows of Resources	39,886,897	3,222,413	43,109,310
Net Position:			
Net investment in capital assets	266,146,413	368,135,588	634,282,001
Restricted for:			
Public safety	1,101,028	-	1,101,028
Capital projects	33,941,840	47,783,461	81,725,301
Debt service	2,256,538	961,741	3,218,279
Lighting and landscape districts	2,204,689	-	2,204,689
Community development projects	399,994	-	399,994
Highways	5,576,875	-	5,576,875
Housing program	12,531,696	-	12,531,696
Rate stabilization	-	6,078,455	6,078,455
Unrestricted	(82,447,190)	92,909,730	10,462,540
Total Net Position	241,711,883	515,868,975	757,580,858
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 545,494,384	\$ 612,858,162	\$ 1,158,352,546

CITY OF OCEANSIDE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 16,671,736	\$ 9,642,667	\$ -	\$ -
Public safety	80,525,772	8,867,434	2,641,549	432,364
Community development	30,564,852	8,400,755	21,798,309	-
Community/cultural services	12,941,427	840,123	-	112,128
Public works	37,084,193	5,359,055	7,503,866	1,783,876
Interest on long-term debt	2,078,438	-	-	-
Total Governmental Activities	179,866,418	33,110,034	31,943,724	2,328,368
Business-Type Activities:				
Water	56,314,612	59,703,297	118,470	685,000
Sewer	31,516,720	46,181,396	-	254,000
Waste Disposal	19,323,265	24,473,562	-	-
Special Aviation	83,305	96,131	-	-
Oceanside Small Craft Harbor District	1,366,092	6,267,995	-	-
Total Business-Type Activities	108,603,994	136,722,381	118,470	939,000
Total Primary Government	\$ 288,470,412	\$ 169,832,415	\$ 32,062,194	\$ 3,267,368

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Use of money and property

Other

Gain on sale of capital asset

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

Transfers

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

Change in Net Position

Net Position Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (7,029,069)	\$ -	\$ (7,029,069)
(68,584,425)	-	(68,584,425)
(365,788)	-	(365,788)
(11,989,176)	-	(11,989,176)
(22,437,396)	-	(22,437,396)
(2,078,438)	-	(2,078,438)
(112,484,292)	-	(112,484,292)
-	4,192,155	4,192,155
-	14,918,676	14,918,676
-	5,150,297	5,150,297
-	12,826	12,826
-	4,901,903	4,901,903
-	29,175,857	29,175,857
(112,484,292)	29,175,857	(83,308,435)
51,170,308	-	51,170,308
5,950,710	-	5,950,710
21,748,689	-	21,748,689
4,470,596	-	4,470,596
2,700,273	-	2,700,273
1,222,969	-	1,222,969
5,637,197	1,574,239	7,211,436
9,312,772	2,966,379	12,279,151
130,127	-	130,127
33,177,247	-	33,177,247
10,910,791	(10,910,791)	-
146,431,679	(6,370,173)	140,061,506
33,947,387	22,805,684	56,753,071
421,833,898	508,281,678	930,115,576
(214,069,402)	(15,218,387)	(229,287,789)
\$ 241,711,883	\$ 515,868,975	\$ 757,580,858

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City reports the following major governmental funds:

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

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

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

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

CITY OF OCEANSIDE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Grants</u>	<u>Housing Assistance Program</u>
Assets:			
Cash and investments	\$ 43,951,225	\$ 6,605,230	\$ 2,513,144
Restricted cash and investments	-	-	-
Receivables:			
Accounts	6,773,995	-	84,720
Taxes	5,193,735	-	-
Notes	12,657,520	41,176,269	21,078,433
Accrued interest	568,377	-	-
Other	1,723,974	-	-
Prepaid costs	34,786	3,520	900
Due from other governments	-	793,535	2,148
Due from other funds	981,661	-	-
Advances to other funds	1,443,500	-	-
Inventories	16,540	-	-
Land held for resale	700,000	-	-
Total Assets	<u>\$ 74,045,313</u>	<u>\$ 48,578,554</u>	<u>\$ 23,679,345</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 2,127,731	\$ 211,661	\$ 81,718
Accrued liabilities	2,330,794	49,067	22,928
Unearned revenues	186,680	547,200	-
Deposits payable	748,150	-	106,759
Due to other governments	-	-	148,786
Due to other funds	-	466,177	40,593
Total Liabilities	<u>5,393,355</u>	<u>1,274,105</u>	<u>400,784</u>
Deferred Inflows of Resources:			
Unavailable revenues	9,698,693	40,732,745	16,819,775
Total Deferred Inflows of Resources	<u>9,698,693</u>	<u>40,732,745</u>	<u>16,819,775</u>
Fund Balances:			
Nonspendable	11,113,123	-	-
Restricted	-	6,571,704	6,458,786
Committed	17,160,366	-	-
Assigned	18,835,653	-	-
Unassigned	11,844,123	-	-
Total Fund Balances	<u>58,953,265</u>	<u>6,571,704</u>	<u>6,458,786</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 74,045,313</u>	<u>\$ 48,578,554</u>	<u>\$ 23,679,345</u>

CITY OF OCEANSIDE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:		
Cash and investments	\$ 47,220,041	\$ 100,289,640
Restricted cash and investments	634,603	634,603
Receivables:		
Accounts	94,838	6,953,553
Taxes	5,291	5,199,026
Notes	623,183	75,535,405
Accrued interest	12,895	581,272
Other	-	1,723,974
Prepaid costs	18,184	57,390
Due from other governments	211,073	1,006,756
Due from other funds	-	981,661
Advances to other funds	-	1,443,500
Inventories	-	16,540
Land held for resale	-	700,000
	<u> </u>	<u> </u>
Total Assets	<u>\$ 48,820,108</u>	<u>\$ 195,123,320</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 1,809,992	\$ 4,231,102
Accrued liabilities	43,826	2,446,615
Unearned revenues	440,000	1,173,880
Deposits payable	-	854,909
Due to other governments	10,241	159,027
Due to other funds	474,891	981,661
	<u> </u>	<u> </u>
Total Liabilities	<u>2,778,950</u>	<u>9,847,194</u>
Deferred Inflows of Resources:		
Unavailable revenues	1,119,000	68,370,213
	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>1,119,000</u>	<u>68,370,213</u>
Fund Balances:		
Nonspendable	-	11,113,123
Restricted	44,982,170	58,012,660
Committed	-	17,160,366
Assigned	-	18,835,653
Unassigned	(60,012)	11,784,111
	<u> </u>	<u> </u>
Total Fund Balances	<u>44,922,158</u>	<u>116,905,913</u>
	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 48,820,108</u>	<u>\$ 195,123,320</u>

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CITY OF OCEANSIDE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Fund balances of governmental funds		\$ 116,905,913
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		288,789,748
Long-term debt and compensated absences have not been included in the governmental fund activity:		
Certificates of participation	\$(24,874,361)	
Pension obligation bonds	(34,095,125)	
Notes payable	(2,813,000)	
Capital leases	(4,549,394)	
Compensated Absences	<u>(10,136,138)</u>	(76,468,018)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(933,071)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.		(2,930,548)
Deferred outflows related to contributions made after the actuarial measurement date.		15,486,953
Governmental funds report all pension contributions as expenditures; however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.		(150,066,142)
Deferred inflows related to the net difference between projected and actual earnings on pension plan investments.		(38,671,890)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		68,370,213
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>21,228,725</u>
Net Position of governmental activities		<u><u>\$ 241,711,883</u></u>

CITY OF OCEANSIDE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Grants</u>	<u>Housing Assistance Program</u>
Revenues:			
Taxes	\$ 86,981,734	\$ -	\$ -
Licenses and permits	1,949,802	-	256,129
Intergovernmental	3,107,257	5,141,826	14,445,679
Charges for services	15,411,943	3,845	65,730
Interest and rentals	6,745,746	193,911	511,842
Fines and forfeitures	3,947,380	-	-
Developer participation	-	99,150	-
Administrative and in lieu charges	6,849,002	-	-
Miscellaneous	57,400	21,362	614,613
Total Revenues	<u>125,050,264</u>	<u>5,460,094</u>	<u>15,893,993</u>
Expenditures:			
Current:			
General government	15,743,525	-	-
Public safety	79,381,277	2,919,599	-
Community development	7,234,796	2,751,670	15,816,429
Community/cultural services	11,540,589	423,899	-
Public works	12,465,173	134,881	-
Capital outlay	739,252	266,543	-
Debt service:			
Principal retirement	117,470	-	-
Interest and fiscal charges	19,689	-	-
Total Expenditures	<u>127,241,771</u>	<u>6,496,592</u>	<u>15,816,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,191,507)</u>	<u>(1,036,498)</u>	<u>77,564</u>
Other Financing Sources (Uses):			
Transfers in	12,245,109	947,456	-
Transfers out	(3,827,776)	(187,350)	-
Contribution from Successor Agency	-	-	-
Total Other Financing Sources (Uses)	<u>8,417,333</u>	<u>760,106</u>	<u>-</u>
Net Change in Fund Balances	6,225,826	(276,392)	77,564
Fund Balances, Beginning of Year	<u>52,727,439</u>	<u>6,848,096</u>	<u>6,381,222</u>
Fund Balances, End of Year	<u>\$ 58,953,265</u>	<u>\$ 6,571,704</u>	<u>\$ 6,458,786</u>

CITY OF OCEANSIDE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 86,981,734
Licenses and permits	-	2,205,931
Intergovernmental	7,822,347	30,517,109
Charges for services	263,907	15,745,425
Interest and rentals	854,717	8,306,216
Fines and forfeitures	-	3,947,380
Developer participation	1,969,699	2,068,849
Administrative and in lieu charges	2,424,014	9,273,016
Miscellaneous	8,461,938	9,155,313
Total Revenues	21,796,622	168,200,973
Expenditures:		
Current:		
General government	27,120	15,770,645
Public safety	-	82,300,876
Community development	2,521,495	28,324,390
Community/cultural services	396,175	12,360,663
Public works	7,549,956	20,150,010
Capital outlay	15,396,254	16,402,049
Debt service:		
Principal retirement	5,860,903	5,978,373
Interest and fiscal charges	2,193,763	2,213,452
Total Expenditures	33,945,666	183,500,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,149,044)	(15,299,485)
Other Financing Sources (Uses):		
Transfers in	7,499,574	20,692,139
Transfers out	(1,883,026)	(5,898,152)
Contribution from Successor Agency	786,000	786,000
Total Other Financing Sources (Uses)	6,402,548	15,579,987
Net Change in Fund Balances	(5,746,496)	280,502
Fund Balances, Beginning of Year	50,668,654	116,625,411
Fund Balances, End of Year	\$ 44,922,158	\$ 116,905,913

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CITY OF OCEANSIDE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net change in fund balances - total governmental funds \$ 280,502

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 7,495,234	
Depreciation	(13,276,247)	
Gain/(loss) on sale of capital assets	<u>33,307,374</u>	27,526,361

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

Principal repayments	5,393,969	
Loan repayments	130,000	
Lease repayments	454,404	
Amortization of bond premium	<u>57,236</u>	6,035,609

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

77,778

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(277,966)

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditure in governmental funds.

1,202,366

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense.

(281,874)

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

608,667

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

(1,224,056)

Change in net position of governmental activities

\$ 33,947,387

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PROPRIETARY FUND FINANCIAL STATEMENTS

The City reports the following major proprietary funds:

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

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

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

The **Special Aviation Fund** is used to account for the operation of the Oceanside (General Aviation) Airport.

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

CITY OF OCEANSIDE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Waste Disposal
Assets:			
Current:			
Cash and investments	\$ 81,048,585	\$ 61,826,890	\$ 7,416,220
Restricted cash and investments	7,401,235	995,302	-
Receivables:			
Accounts	5,573,281	4,862,331	687,841
Accrued interest	-	5,786	-
Prepaid costs	9,535	2,535	-
Inventories	361,234	446,950	-
Total Current Assets	94,393,870	68,139,794	8,104,061
Noncurrent:			
Advances to other funds	3,173,292	-	-
Capital assets - net of accumulated depreciation	181,798,692	235,614,136	35,328
Total Noncurrent Assets	184,971,984	235,614,136	35,328
Total Assets	279,365,854	303,753,930	8,139,389
Deferred Outflows of Resources:			
Deferred charge on refunding	71,666	181,301	-
Deferred pension-related items	568,451	626,563	32,036
Total Deferred Outflows of Resources	640,117	807,864	32,036
Total Assets and Deferred Outflows of Resources	\$ 280,005,971	\$ 304,561,794	\$ 8,171,425
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 7,807,703	\$ 2,961,322	\$ 1,502,914
Accrued liabilities	167,392	213,100	8,176
Accrued interest	138,869	300,660	-
Unearned revenues	175,711	-	-
Deposits payable	1,168,462	-	-
Compensated absences	435,200	415,294	22,703
Claims and judgments	-	-	-
Bonds, notes, and capital leases	1,375,000	4,019,175	-
Total Current Liabilities	11,268,337	7,909,551	1,533,793
Noncurrent:			
Advances from other funds	-	3,173,292	-
Compensated absences	323,167	587,312	-
Claims and judgments	-	-	-
Bonds, notes, and capital leases	18,089,352	38,595,901	-
Net pension liability	6,027,715	6,643,918	339,701
Total Noncurrent Liabilities	24,440,234	49,000,423	339,701
Total Liabilities	35,708,571	56,909,974	1,873,494
Deferred Inflows of Resources:			
Deferred pension-related items	1,492,836	1,645,446	84,131
Total Deferred Inflows of Resources	1,492,836	1,645,446	84,131
Net Position:			
Net investment in capital assets	162,406,006	193,180,361	35,328
Restricted for capital projects	42,319,105	5,464,356	-
Restricted for debt service	-	961,741	-
Restricted for rate stabilization	-	-	6,078,455
Unrestricted	38,079,453	46,399,916	100,017
Total Net Position	242,804,564	246,006,374	6,213,800
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 280,005,971	\$ 304,561,794	\$ 8,171,425

Reconciliation of Net Position to the Statement of Net Position

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

Net Position per Statement of Net Position

CITY OF OCEANSIDE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Special Aviation	Oceanside Small Craft Harbor District	Totals	
Assets:				
Current:				
Cash and investments	\$ 540,184	\$ 4,347,879	\$ 155,179,758	\$ 44,420,445
Restricted cash and investments	-	-	8,396,537	250,000
Receivables:				
Accounts	3,252	224,306	11,351,011	132,524
Accrued interest	-	-	5,786	-
Prepaid costs	-	-	12,070	11,578
Inventories	-	-	808,184	242,537
Total Current Assets	543,436	4,572,185	175,753,346	45,057,084
Noncurrent:				
Advances to other funds	-	-	3,173,292	-
Capital assets - net of accumulated depreciation	4,592,153	9,803,851	431,844,160	6,780,420
Total Noncurrent Assets	4,592,153	9,803,851	435,017,452	6,780,420
Total Assets	5,135,589	14,376,036	610,770,798	51,837,504
Deferred Outflows of Resources:				
Deferred charge on refunding	-	-	252,967	-
Deferred pension-related items	-	-	1,227,050	462,659
Total Deferred Outflows of Resources	-	-	1,480,017	462,659
Total Assets and Deferred Outflows of Resources	\$ 5,135,589	\$ 14,376,036	\$ 612,250,815	\$ 52,300,163
Liabilities, Deferred Inflows of Resources and Net Position:				
Liabilities:				
Current:				
Accounts payable	\$ -	\$ 12,523	\$ 12,284,462	\$ 1,404,356
Accrued liabilities	-	-	388,668	119,076
Accrued interest	8,469	13,292	461,290	-
Unearned revenues	-	241,327	417,038	-
Deposits payable	4,580	235,002	1,408,044	-
Compensated absences	-	40,464	913,661	336,131
Claims and judgments	-	-	-	7,267,175
Bonds, notes, and capital leases	73,667	370,000	5,837,842	-
Total Current Liabilities	86,716	912,608	21,711,005	9,126,738
Noncurrent:				
Advances from other funds	1,443,500	-	4,616,792	-
Compensated absences	-	10,259	920,738	357,575
Claims and judgments	-	-	-	10,242,066
Bonds, notes, and capital leases	213,444	1,225,000	58,123,697	-
Net pension liability	-	-	13,011,334	4,905,913
Total Noncurrent Liabilities	1,656,944	1,235,259	76,672,561	15,505,554
Total Liabilities	1,743,660	2,147,867	98,383,566	24,632,292
Deferred Inflows of Resources:				
Deferred pension-related items	-	-	3,222,413	1,215,007
Total Deferred Inflows of Resources	-	-	3,222,413	1,215,007
Net Position:				
Net investment in capital assets	4,305,042	8,208,851	368,135,588	6,780,420
Restricted for capital projects	-	-	47,783,461	-
Restricted for debt service	-	-	961,741	-
Restricted for rate stabilization	-	-	6,078,455	-
Unrestricted	(913,113)	4,019,318	87,685,591	19,672,444
Total Net Position	3,391,929	12,228,169	510,644,836	26,452,864
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,135,589	\$ 14,376,036	\$ 612,250,815	\$ 52,300,163

\$ 510,644,836

4,870,772

353,367

\$ 515,868,975

CITY OF OCEANSIDE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Waste Disposal
Operating Revenues:			
Sales and service charges	\$ 59,703,297	\$ 46,181,396	\$ 24,473,562
Fines, Forfeitures, and Penalties	594,105	-	-
Developer fees	714,801	688,091	-
Slip rentals and other related fees	-	-	-
Parking	-	-	-
Miscellaneous	6,535	178,617	6,250
Total Operating Revenues	61,018,738	47,048,104	24,479,812
Operating Expenses:			
Administration and general	6,618,268	7,112,216	351,963
Maintenance and operations	11,538,019	15,213,533	18,971,302
Cost of purchased water	30,526,733	-	-
Depreciation expense	6,386,319	8,123,190	-
Bad debt expense	-	-	-
Total Operating Expenses	55,069,339	30,448,939	19,323,265
Operating Income	5,949,399	16,599,165	5,156,547
Nonoperating Revenues (Expenses):			
Intergovernmental	118,470	-	-
Interest revenue	907,080	626,738	-
Interest expense	(1,432,691)	(1,233,730)	-
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Expenses	(407,141)	(606,992)	-
Income Before Transfers and Contributions	5,542,258	15,992,173	5,156,547
Transfers in	502,571	243,281	-
Transfers out	(845,383)	(417,571)	(5,007,443)
Contributions from Successor Agency	685,000	254,000	-
Changes in Net Position	5,884,446	16,071,883	149,104
Net Position:			
Beginning of fiscal year, as previously reported	243,970,288	237,705,386	6,462,018
Restatements	(7,050,170)	(7,770,895)	(397,322)
Beginning of fiscal year, as restated	236,920,118	229,934,491	6,064,696
End of Fiscal Year	\$ 242,804,564	\$ 246,006,374	\$ 6,213,800

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

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

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

CITY OF OCEANSIDE

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Special Aviation	Oceanside Small Craft Harbor District	Totals	
Operating Revenues:				
Sales and service charges	\$ 96,131	\$ 3,498	\$ 130,457,884	\$ 56,434,023
Fines, Forfeitures, and Penalties	-	15,190	609,295	-
Developer fees	-	-	1,402,892	-
Slip rentals and other related fees	-	6,234,247	6,234,247	-
Parking	-	777,980	777,980	-
Miscellaneous	-	15,060	206,462	177,924
Total Operating Revenues	96,131	7,045,975	139,688,760	56,611,947
Operating Expenses:				
Administration and general	-	-	14,082,447	34,722,004
Maintenance and operations	2,988	669,803	46,395,645	17,265,681
Cost of purchased water	-	-	30,526,733	-
Depreciation expense	64,325	663,772	15,237,606	1,739,411
Bad debt expense	-	-	-	2,471
Total Operating Expenses	67,313	1,333,575	106,242,431	53,729,567
Operating Income	28,818	5,712,400	33,446,329	2,882,380
Nonoperating Revenues (Expenses):				
Intergovernmental	-	-	118,470	-
Interest revenue	4,347	36,074	1,574,239	-
Interest expense	(15,992)	(32,517)	(2,714,930)	-
Gain (loss) on disposal of capital assets	-	-	-	130,127
Total Nonoperating Expenses	(11,645)	3,557	(1,022,221)	130,127
Income Before Transfers and Contributions	17,173	5,715,957	32,424,108	3,012,507
Transfers in	-	-	745,852	32,212
Transfers out	(10,700)	(5,375,546)	(11,656,643)	(3,915,408)
Contributions from Successor Agency	-	-	939,000	-
Changes in Net Position	6,473	340,411	22,452,317	(870,689)
Net Position:				
Beginning of fiscal year, as previously reported	3,385,456	11,887,758	503,410,906	32,449,159
Restatements	-	-	(15,218,387)	(5,125,606)
Beginning of fiscal year, as restated	3,385,456	11,887,758	488,192,519	27,323,553
End of Fiscal Year	\$ 3,391,929	\$ 12,228,169	\$ 510,644,836	\$ 26,452,864
			\$ 22,452,317	
			353,367	
			\$ 22,805,684	

CITY OF OCEANSIDE

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015
Business-Type Activities - Enterprise Funds

	Water	Sewer	Waste Disposal
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 62,874,173	\$ 46,800,919	\$ 24,441,677
Cash received from interfund service provided		-	-
Cash paid to suppliers for goods and services	(41,641,518)	(14,008,933)	(18,939,836)
Cash paid to employees for services	(6,734,902)	(7,208,282)	(326,610)
Net Cash Provided by Operating Activities	14,497,753	25,583,704	5,175,231
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	502,571	243,281	-
Cash transfers out	(845,383)	(417,571)	(5,007,443)
Repayment received from other funds	684,901	-	-
Repayment made to other funds	-	(107,370)	-
Advance from other funds	-	-	-
Contributions from Successor Agency	685,000	254,000	-
Intergovernmental	118,470	-	-
Net Cash Used in Non-Capital Financing Activities	1,145,559	(27,660)	(5,007,443)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(6,858,234)	(6,292,575)	-
Proceeds from disposal of capital assets	-	-	-
Principal paid on capital debt	(1,350,000)	(4,082,219)	-
Interest paid on capital debt	(1,518,390)	(1,242,645)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,726,624)	(11,617,439)	-
Cash Flows from Investing Activities:			
Interest revenue	907,080	626,738	-
Net Cash Used in Investing Activities	907,080	626,738	-
Net Decrease in Cash and Cash Equivalents	6,823,768	14,565,343	167,788
Cash and Cash Equivalents, Beginning of Year	81,626,052	48,256,849	7,248,432
Cash and Cash Equivalents, End of Year	\$ 88,449,820	\$ 62,822,192	\$ 7,416,220
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 5,949,399	\$ 16,599,165	\$ 5,156,547
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	6,386,319	8,123,190	-
(Increase) decrease in accounts receivable	1,757,240	(240,185)	(38,135)
(Increase) decrease in prepaid expense	9,297	(2,535)	-
(Increase) decrease in inventory	5,858	46,364	-
(Increase) decrease in deferred outflows from pensions	(568,451)	(626,563)	(32,036)
Increase (decrease) in accounts payable	408,079	1,160,771	31,466
Increase (decrease) in accrued liabilities	19,503	59,015	8,176
Increase (decrease) in unearned revenue	17,382	-	-
Increase (decrease) in deposits payable	80,813	(7,000)	-
Increase (decrease) in deferred inflows from pensions	1,492,836	1,645,446	84,131
Increase (decrease) in net pension liability	(1,022,455)	(1,126,977)	(57,621)
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	(38,067)	(46,987)	22,703
Total Adjustments	8,548,354	8,984,539	18,684
Net Cash Provided by (Used in) Operating Activities	\$ 14,497,753	\$ 25,583,704	\$ 5,175,231

CITY OF OCEANSIDE

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Special Aviation	Oceanside Small Craft Harbor District	Totals	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 98,456	\$ 6,926,854	\$ 141,142,079	\$ -
Cash received from interfund service provided	-	-	-	56,486,770
Cash paid to suppliers for goods and services	(4,008)	(691,837)	(75,286,132)	(14,039,991)
Cash paid to employees for services	-	(200,067)	(14,469,861)	(34,927,861)
Net Cash Provided by Operating Activities	94,448	6,034,950	51,386,086	7,518,918
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	-	-	745,852	32,212
Cash transfers out	(10,700)	(5,375,546)	(11,656,643)	(3,915,408)
Repayment received from other funds	-	-	684,901	-
Repayment made to other funds	-	-	(107,370)	-
Advance from other funds	69,483	-	69,483	-
Contributions from Successor Agency	-	-	939,000	-
Intergovernmental	-	-	118,470	-
Net Cash Used in Non-Capital Financing Activities	58,783	(5,375,546)	(9,206,307)	(3,883,196)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	(13,150,809)	(2,200,017)
Proceeds from disposal of capital assets	-	-	-	154,191
Principal paid on capital debt	(69,889)	(370,000)	(5,872,108)	-
Interest paid on capital debt	(18,053)	(28,880)	(2,807,968)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(87,942)	(398,880)	(21,830,885)	(2,045,826)
Cash Flows from Investing Activities:				
Interest revenue	4,347	36,074	1,574,239	-
Net Cash Used in Investing Activities	4,347	36,074	1,574,239	-
Net Decrease in Cash and Cash Equivalents	69,636	296,598	21,923,133	1,589,896
Cash and Cash Equivalents, Beginning of Year	470,548	4,051,281	141,653,162	43,080,549
Cash and Cash Equivalents, End of Year	\$ 540,184	\$ 4,347,879	\$ 163,576,295	\$ 44,670,445
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 28,818	\$ 5,712,400	\$ 33,446,329	\$ 2,882,380
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	64,325	663,772	15,237,606	1,739,411
(Increase) decrease in accounts receivable	2,325	(8,481)	1,472,764	(122,706)
(Increase) decrease in prepaid expense	-	-	6,762	14,746
(Increase) decrease in inventory	-	-	52,222	4,244
(Increase) decrease in deferred outflows from pensions	-	-	(1,227,050)	(462,659)
Increase (decrease) in accounts payable	(1,020)	(22,034)	1,577,262	(25,871)
Increase (decrease) in accrued liabilities	-	-	86,694	4,401
Increase (decrease) in unearned revenue	-	5,770	23,152	-
Increase (decrease) in deposits payable	-	(116,410)	(42,597)	-
Increase (decrease) in deferred inflows from pensions	-	-	3,222,413	1,215,007
Increase (decrease) in net pension liability	-	-	(2,207,053)	(832,169)
Increase (decrease) in claims and judgments	-	-	-	3,232,571
Increase (decrease) in compensated absences	-	(200,067)	(262,418)	(130,437)
Total Adjustments	65,630	322,550	17,939,757	4,636,538
Net Cash Provided by (Used in) Operating Activities	\$ 94,448	\$ 6,034,950	\$ 51,386,086	\$ 7,518,918

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FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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

CITY OF OCEANSIDE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund Successor Agency</u>
Assets:		
Cash and investments	\$ 7,497,598	\$ 10,650,488
Restricted cash and investments	6,863,264	3,240,703
Receivables:		
Taxes	18,638	-
Capital assets:		
Capital assets, not being depreciated	-	4,048,297
Capital assets, net of accumulated depreciation	-	2,128,371
Total Assets	<u>\$ 14,379,500</u>	<u>20,067,859</u>
Liabilities:		
Accounts payable	\$ 72,586	133,620
Accrued interest	-	662,301
Deposits payable	4,647,910	8,050
Due to external parties/other agencies	9,659,004	-
Long-term liabilities:		
Due in one year	-	2,780,000
Due in more than one year	-	52,789,605
Total Liabilities	<u>\$ 14,379,500</u>	<u>56,373,576</u>
Net Position:		
Assets held in trust for other purposes		(36,305,717)
Total Net Position		<u>\$ (36,305,717)</u>

CITY OF OCEANSIDE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2015

	<u>Private-Purpose Trust Fund Successor Agency</u>
Additions:	
Taxes	\$ 4,737,000
Interest and change in fair value of investments	110,165
Contributions from City	80,701
Miscellaneous	824,500
Total Additions	<u>5,752,366</u>
Deductions:	
Administrative expenses	110,508
Contractual services	141,599
Project costs	112,292
Interest expense	2,019,507
Contributions to other governments	1,725,000
Total Deductions	<u>4,108,906</u>
Extraordinary gain/(loss) on dissolution of redevelopment agency	<u>(33,177,247)</u>
Changes in Net Position	<u>(31,533,787)</u>
Net Position - Beginning of Year	4,974,394
Restatements	<u>(9,746,324)</u>
Net Position - Beginning of Year, as Restated	<u>(4,771,930)</u>
Net Position - End of the Year	<u>\$ (36,305,717)</u>

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Note 1: Summary of Significant Accounting Policies

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

a. Financial Reporting Entity

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

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The following blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with the data of the City. 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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

b. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

- 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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

Proprietary Fund Financial Statements

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

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

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

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

The City reports the following major enterprise funds:

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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, and employee benefits provided to other departments of the City on a cost-reimbursement basis.

Fiduciary Fund Financial Statements

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

The agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The agency funds are used to account for (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 and assets have been liquidated.

c. Use of Restricted and Unrestricted Net Position

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

d. Cash, Cash Equivalents and Investments

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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.

g. Capital Assets

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

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

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

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

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

h. Net Pension 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by

Note 1: Summary of Significant Accounting Policies (Continued)

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.

i. 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. The government also reports deferred outflows of resources for charges on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 two sources: taxes and grant revenues. 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 obligation reported in the government-wide statement of net position and the proprietary funds. These deferred inflows of resources are the result of the net difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized over a five year period on a straight-line basis.

j. Long-Term Liabilities

Government-wide Financial Statements

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

Fund Financial Statements

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

Note 1: Summary of Significant Accounting Policies (Continued)

k. Fund Balance and Net Position

Government-wide and Proprietary Financial Statements

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

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

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

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

Governmental Fund Financial Statements

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

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

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.

Note 1: Summary of Significant Accounting Policies (Continued)

I. Fund Balance Flow Assumption

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

m. Net Position Flow Assumption

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

n. Compensated Absences

Government-wide Financial Statements

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

Fund Financial Statements

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

o. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

p. Effect of New Accounting Standards

During the fiscal year ended June 30, 2015, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 68 – Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27 will improve the decision-usefulness of information in local government employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2014.

GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a local government employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of GASB Statement No. 71 are effective for financial statements beginning after June 15, 2014.

Note 2: Cash and Investments

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

The following is a summary of cash and investments at June 30, 2015:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 144,960,085	\$ 155,179,758	\$ 18,148,086	\$ 318,287,929
Restricted cash and investments	634,603	8,396,537	10,103,967	19,135,107
Total cash and investments	<u>\$ 145,594,688</u>	<u>\$ 163,576,295</u>	<u>\$ 28,252,053</u>	<u>\$ 337,423,036</u>

Cash and investments at June 30, 2015, consisted of the following:

Demand deposits	\$ 1,942,110
Petty Cash	15,357
Investments	<u>335,465,569</u>
Total cash and investments	<u>\$ 337,423,036</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015
Note 2: Cash and Investments (Continued)**Demand Deposits**

At June 30, 2015, the carrying amount of the City's deposits was \$1,957,467 and the bank balance was \$1,933,250. The \$24,217 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	15%	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%	1%
Medium Term Corporate Notes	36-60 months	15%	1%
Municipal Bonds	36-60 months	15%	1%
Local Agency Investment Fund (LAIF)	N/A	None	None
N/A - Not Applicable			

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015
Note 2: 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 Securities	5 years	None	25%
Bankers' Acceptances	180 days	20%	5%
Certificates of Deposit	3 years	5%	None
Repurchase Agreements	30 days	30%	None
Reverse Repurchase Agreements	60 days	15%	None
Commercial Paper	270 days	15%	1%
Money Market Mutual Funds	N/A	None	None
Municipal Bonds	3 years	15%	1%
Local Agency Investment Fund	N/A	None	None

N/A- Not Applicable

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	<i>Remaining Maturity (in Months)</i>				Total
	12 Months or Less	13 to 36 Months	36 to 48 Months	48 to 60 Months	
United States Treasury Obligations	\$ -	\$ -	\$ -	\$ 1,992,695	\$ 1,992,695
United States Government Sponsored Enterprise Securities	-	160,258,545	38,039,383	6,005,470	204,303,398
Corporate Medium Term Notes	1,014,920	9,234,731	-	-	10,249,651
Municipal Bonds	4,760,128	7,991,880	-	-	12,752,008
Local Agency Investment Fund (LAIF)	87,032,710	-	-	-	87,032,710
Held by Fiscal Agent:					
Money Market Mutual Funds	19,135,107	-	-	-	19,135,107
	\$ 111,942,865	\$ 177,485,156	\$ 38,039,383	\$ 7,998,165	\$ 335,465,569

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: 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, 2015, is \$191,330,237 or 60.48% 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, 2015	Minimum Legal Rating	Exempt from Disclosure	AAA/Aaa	AA+/Aa1	AA to AA-/ Aa2 to Aa3	A+ to A/ A1 to A2	Unrated
United States Treasury Obligations	\$ 1,992,695	N/A	\$ 1,992,695	\$ -	\$ -	\$ -	\$ -	\$ -
United States Government Sponsored Enterprise Securities	204,303,398	N/A	-	-	204,303,398	-	-	-
Corporate Medium Term Notes	10,249,651	N/A	-	-	1,002,990	4,713,951	4,532,710	-
Municipal Bonds	12,752,008	N/A	-	1,012,980	-	6,754,738	4,984,290	-
Local Agency Investment Fund (LAIF)	87,032,710	N/A	-	-	-	-	-	87,032,710
Held by Bond Trustees: Money Market Mutual Funds	19,135,107	AAA/Aaa	-	19,135,107	-	-	-	-
	<u>\$ 335,465,569</u>		<u>\$ 1,992,695</u>	<u>\$ 20,148,087</u>	<u>\$ 205,306,388</u>	<u>\$ 11,468,689</u>	<u>\$ 9,517,000</u>	<u>\$ 87,032,710</u>

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount	Percent of Investment
Federal Farm Credit Bank	United States Government Sponsored Enterprise Securities	\$ 49,218,557	15.6%
Federal Home Loan Bank	United States Government Sponsored Enterprise Securities	41,600,555	13.2%
Federal Home Loan Mortgage Corporation	United States Government Sponsored Enterprise Securities	57,918,310	18.3%
Federal National Mortgage Association	United States Government Sponsored Enterprise Securities	55,565,976	17.6%

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: 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, 2015, none of the City's deposits or investments were exposed to custodial credit risk.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 3: Property Taxes

Property taxes attach a legal enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of San Diego (the County) bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when an enforceable legal lien is attached to the property. The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property assessed value not more than 2% per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

Note 4: Notes Receivable

At June 30, 2015, the City had notes receivable reported in the following funds:

General Fund	\$ 12,657,520
Grants Special Revenue Fund	41,176,269
Housing Assistance Program Special Revenue Fund	21,078,433
Community Development Block Grant Non-major Special Revenue Fund	<u>623,183</u>
Total	<u>\$ 75,535,405</u>

On June 10, 2009, the Community Development Commission loaned \$606,380 to California Surf Museum in accordance with the tenant improvement loan agreement executed by the Commission and the Museum on August 13, 2008. Pursuant to the agreement, in the event that the Museum satisfies the performance standards set forth in the agreement, the Commission agrees to forgive 1/5th of the loan amount each year for five years. At June 30, 2015, the loan has been completely forgiven and the outstanding balance is \$0.

CITY OF OCEANSIDE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 4: Notes Receivable (Continued)

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, 2015, the outstanding balance including accrued interest of \$5,647,514 is \$41,176,269.

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, 2015, the outstanding balance including accrued interest of \$1,429,764 is \$16,761,348. In addition amounts borrowed pertaining to the Supplemental Educational Revenue Augmentation Fund (SERAF) are now being recorded in the Housing Assistance Program Special Revenue Fund in the amount of \$4,317,085.

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

The Water Fund made various loans to the Oceanside Community Development Commission for operational purposes of the redevelopment activities. The note is payable by the Successor Agency of the former redevelopment activities of the Oceanside Community Development Commission. The California Department of Finance disallowed the expenditure for reimbursement as part of the Successor Agency's Recognized Obligation Payment Schedule, and the Successor Agency had to write-off the loan as a result. As of June 30, 2015, the outstanding balance is \$0.

The Community Development Block Grant Fund loaned Mental Health \$655,000 on July 1, 2012 for the acquisition and rehabilitation of an apartment complex. The balance outstanding at June 30, 2015 is \$623,183.

Note 5: Interfund Transactions

a. Due To/From Other Funds

At June 30, 2015, there were the following short-term interfund receivables and payables:

Due from Other Funds	Due to Other Funds			Total
	Grants Fund	Housing Assistance Program	Non-Major Governmental Funds	
General Fund	\$ 466,177	\$ 40,593	\$ 474,891	\$ 981,661

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

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 5: Interfund Transactions (Continued)

b. Advances To/From Other Funds

At June 30, 2015, the City had the following long-term interfund receivables and payables:

Advances to Other Funds	Advances from Other Funds		Total
	Sewer Enterprise Fund	Special Aviation Enterprise Fund	
General Fund	\$ -	\$ 1,443,500	\$ 1,443,500
Water Enterprise Fund	3,173,292	-	3,173,292
Total	\$ 3,173,292	\$ 1,443,500	\$ 4,616,792

The Water Fund advanced funds to the Sewer Enterprise Fund for operational purposes. As of June 30, 2015, the outstanding balance of the loan was \$3,173,292.

The General Fund advanced funds to the Special Aviation Enterprise Fund for operational purposes. As of June 30, 2015, the outstanding balance of the loans were \$1,443,500, respectively.

c. Transfers In/Out

Transfers in and out for the year ended June 30, 2015, are as follows:

Transfers Out	Transfers In						Total
	General Fund	Grants	Nonmajor Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Internal Service Fund	
General Fund	\$ -	\$ 947,456	\$ 2,880,320	\$ -	\$ -	\$ -	\$ 3,827,776
Grants	6,790	-	5,560	175,000	-	-	187,350
Nonmajor Governmental Funds	1,202,784	-	390,000	63,402	226,840	-	1,883,026
Water Enterprise Fund	720,677	-	124,706	-	-	-	845,383
Sewer Enterprise Fund	-	-	162,571	255,000	-	-	417,571
Waste Disposal Enterprise Fund	4,857,443	-	150,000	-	-	-	5,007,443
Special Aviation Enterprise Fund	10,700	-	-	-	-	-	10,700
Small Craft Harbor District	5,375,546	-	-	-	-	-	5,375,546
Internal Service Funds	71,169	-	3,786,417	9,169	16,441	32,212	3,915,408
Total	\$ 12,245,109	\$ 947,456	\$ 7,499,574	\$ 502,571	\$ 243,281	\$ 32,212	\$ 21,470,203

Transfers between funds were for operating expenses and capital costs.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 6: Capital Assets

a. Governmental Activities Capital Assets

A summary of changes in the governmental activities capital assets at June 30, 2015, is as follows:

	Balance at July 1, 2014	Adjustments*	Transfers **	Additions	Deletions	Balance at June 30, 2015
Capital assets not being depreciated:						
Land	\$ 43,439,626	\$ -	\$ 12,645,896	\$ -	\$ -	\$ 56,085,522
Construction in progress	8,024,383	-	-	12,365,146	11,790,108	8,599,421
Total Capital Assets, Not Being Depreciated	51,464,009	-	12,645,896	12,365,146	11,790,108	64,684,943
Capital assets being depreciated:						
Buildings and improvements	74,758,564	-	27,750,876	456,433	-	102,965,873
Improvements other than buildings	33,492,668	-	5,789,444	-	-	39,282,112
Machinery and equipment	64,314,783	612,476	200,412	2,905,914	653,230	67,380,355
Infrastructure	306,697,736	-	-	5,887,993	-	312,585,729
Total Capital Assets, Being Depreciated	479,263,751	612,476	33,740,732	9,250,340	653,230	522,214,069
Less accumulated depreciation for:						
Buildings and improvements	24,159,487	-	12,278,966	2,651,072	-	39,089,525
Improvements other than buildings	10,264,260	-	-	2,245,063	-	12,509,323
Machinery and equipment	51,427,377	-	200,413	3,633,353	629,166	54,631,977
Infrastructure	177,881,847	-	730,002	6,486,170	-	185,098,019
Total Accumulated Depreciation	263,732,971	-	13,209,381	15,015,658	629,166	291,328,844
Total Capital Assets, Being Depreciated, Net	215,530,780	612,476	20,531,351	(5,765,318)	24,064	230,885,225
Governmental Activities Capital Assets, Net	\$ 266,994,789	\$ 612,476	\$ 33,177,247	\$ 6,599,828	\$ 11,814,172	\$ 295,570,168

* Adjustment was made for capital assets purchased in prior year and not capitalized.

** As a result of the dissolution of the Redevelopment Agency, capital assets not listed on the Successor Agency's Long-Range Property

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

General Government	\$ 502,856
Public Safety	1,592,784
Public Works	8,469,612
Community Development	2,085,824
Community/ Cultural Services	625,171
Internal Service Funds	1,739,411
Total depreciation expense-governmental activities	\$ 15,015,658

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 6: Capital Assets (Continued)

b. Business-Type Activities Capital Assets

A summary of changes in the business-type activities capital assets at June 30, 2015, is as follows:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Capital assets not being depreciated:				
Land	\$ 29,613,703	\$ -	\$ -	\$ 29,613,703
Construction in progress	8,547,222	13,047,668	5,016,298	16,578,592
Total Capital Assets, Not Being Depreciated	38,160,925	13,047,668	5,016,298	46,192,295
Capital assets being depreciated:				
Buildings and improvements	187,180,469	1,412,979	-	188,593,448
Improvements other than buildings	530,886,765	3,596,271	-	534,483,036
Machinery and equipment	12,532,257	103,468	123,374	12,512,351
Total Capital Assets, Being Depreciated	730,599,491	5,112,718	123,374	735,588,835
Less accumulated depreciation for:				
Buildings and improvements	51,729,242	3,790,306	-	55,519,548
Improvements other than buildings	274,480,411	10,377,526	-	284,857,937
Machinery and equipment	8,613,085	1,069,774	123,374	9,559,485
Total Accumulated Depreciation	334,822,738	15,237,606	123,374	349,936,970
Total Capital Assets, Being Depreciated, Net	395,776,753	(10,124,888)	-	385,651,865
Business-Type Activities Capital Assets, Net	\$ 433,937,678	\$ 2,922,780	\$ 5,016,298	\$ 431,844,160

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

Water	\$ 6,386,319
Sewer	8,123,190
Special Aviation	64,325
Oceanside Small Craft Harbor District	663,772
Total depreciation expense-business type activities	\$ 15,237,606

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 7: Long-Term Liabilities

a. Governmental Activities Long-Term Debt

The following is a summary of changes in governmental activities long-term debt for the year ended June 30, 2015:

	Balance at July 1, 2014	Adjustments	Adjusted Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year	Due in More Than One Year
Certificate of Participation:								
2005 Refunding COP	\$ 12,690,000	\$ -	\$ 12,690,000	\$ -	\$ (1,905,000)	\$ 10,785,000	\$ 1,990,000	\$ 8,795,000
2011 COP	6,190,000	-	6,190,000	-	(565,000)	5,625,000	590,000	5,035,000
2013 COPS 2003 Refunding	9,643,330	-	9,643,330	-	(1,178,969)	8,464,361	1,200,000	7,264,361
Total COPs	28,523,330	-	28,523,330	-	(3,648,969)	24,874,361	3,780,000	21,094,361
Capital Leases:								
2013 Streetlight Retrofit Lease Agreement	4,505,336	-	4,505,336	-	(336,934)	4,168,402	347,630	3,820,772
2011 Fire Apparatus	498,462	-	498,462	-	(117,470)	380,992	122,110	258,882
Total Capital Leases	5,003,798	-	5,003,798	-	(454,404)	4,549,394	469,740	4,079,654
Notes Payable:								
2008 HUD 108 Loans	2,943,000	-	2,943,000	-	(130,000)	2,813,000	138,000	2,675,000
Total Notes Payable	2,943,000	-	2,943,000	-	(130,000)	2,813,000	138,000	2,675,000
Pension Obligation Bonds	35,325,000	-	35,325,000	-	(1,745,000)	33,580,000	1,975,000	31,605,000
Claims Payable	14,276,670	-	14,276,670	9,158,074	(5,925,503)	17,509,241	7,267,175	10,242,066
Compensated Absences	10,682,315	-	10,682,315	4,504,366	(4,356,837)	10,829,844	4,417,007	6,412,837
Net Pension Liability	-	195,277,214	195,277,214	67,535,187	(107,840,346)	154,972,055	-	154,972,055
Other post-employment benefit obligation	2,648,674	-	2,648,674	661,947	(380,073)	2,930,548	-	2,930,548
Subtotal	\$ 99,402,787	\$ 195,277,214	\$ 294,680,001	\$ 81,859,574	\$ (124,481,132)	252,058,443	\$ 18,046,922	\$ 234,011,521
					Add: Unamortized Bond Premium	515,125		
					Total	\$ 252,573,568		

Certificates of Participation

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

The 2005 Refunding Certificates of Participation were issued by the Community Development Commission to partially refund the 1995 Refunding Certificates of Participation, which was used for the City's Civic Center Project and to pay the costs of issuance. The certificates consist of serial certificates in the amount of \$20,170,000 due in annual installments of \$1,905,000 to \$2,350,000. Interest rates range from 3% to 5% and are payable semiannually on February 1 and August 1. Certificates maturing before August 1, 2016, are not subject to redemption prior to maturity. Certificates maturing on or after August 1, 2016, are subject to redemption in whole or in part on August 1, 2016, and each interest date thereafter. At June 30, 2015, the outstanding balance of these certificates was \$10,785,000.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 7: Long-Term Liabilities (Continued)

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,990,000	\$ 434,963	\$ 2,424,963
2017	2,060,000	356,450	2,416,450
2018	2,150,000	272,250	2,422,250
2019	2,235,000	173,375	2,408,375
2020	2,350,000	58,750	2,408,750
Totals	<u>\$ 10,785,000</u>	<u>\$ 1,295,788</u>	<u>\$ 12,080,788</u>

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

The 2011 Refunding Certificates of Participation were issued by the City to refund the 1998 Certificates of Participation, which were issued by the Financing Authority for the purpose of reimbursing the City for costs of acquisition of certain real property and improvements to be used as police and library facilities. The certificates consist of serial certificates in the amount of \$7,725,000 due in annual installments of \$565,000 to \$840,000. Interest rates range from 2.19% to 4.77% and are payable semiannually on December 1 and June 1. At June 30, 2015, the outstanding balance of these certificates was \$5,625,000.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 590,000	\$ 215,457	\$ 805,457
2017	620,000	196,864	816,864
2018	640,000	175,616	815,616
2019	675,000	151,260	826,260
2020	715,000	123,432	838,432
2021-2023	2,385,000	170,465	2,555,465
Totals	<u>\$ 5,625,000</u>	<u>\$ 1,033,094</u>	<u>\$ 6,658,094</u>

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

The 2013 Refunding Certificates of Participation were issued by the City to refund the 2003 Certificates of Participation, which were issued by the Financing Authority 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 \$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, 2015, the outstanding balance of these certificates was \$8,464,360.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 7: Long-Term Liabilities (Continued)

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,200,000	\$ 145,000	\$ 1,345,000
2017	1,221,409	123,592	1,345,001
2018	1,243,196	101,803	1,344,999
2019	1,265,374	79,626	1,345,000
2020	857,498	58,963	916,461
2021-2023	2,676,884	83,741	2,760,625
Totals	<u>\$ 8,464,361</u>	<u>\$ 592,725</u>	<u>\$ 9,057,086</u>

Capital Lease Obligations

2011 Fire Apparatus Lease/Purchase Agreement

On February 4, 2011, the City entered into a lease/purchase agreement with Oshkosh Capital in the amount of \$1,624,761 for the purchase of one 2011 Pierce PUC Tiller and one 2011 Pierce PUC Pumper. The lease is due in annual installments of \$137,159. The lease bears an interest rate of 3.95% and is payable annually on February 4. As of June 30, 2015, the outstanding balance of this lease was \$380,992.

The future minimum lease payments are as follows:

Year Ending June 30	Annual Payment
2016	\$ 137,159
2017	137,159
2018	137,159
	<u>411,477</u>
Less Interest	<u>(30,485)</u>
Total	<u>\$ 380,992</u>

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

2013 Streetlight Retrofit Lease Agreement

On October 1, 2013, the City entered into a lease/purchase agreement with Banc of America Capital Corp. in the amount of \$4,731,027 for the streetlight improvement and appurtenance currently existing upon public streets and right of way within the boundaries of the City of Oceanside. The lease/purchase was subsequently sold to Pinnacle Public Finance on October 24, 2013 under the same term and conditions. The lease is due in annual installments of \$476,219. The lease bears an interest rate of 3.139% and is payable semiannually on June 10 and December 10. As of June 30, 2015, the outstanding balance of this lease was \$4,168,402.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 7: Long-Term Liabilities (Continued)

Year Ending June 30	Annual Payment
2016	\$ 476,218
2017	476,219
2018	476,219
2019	476,220
2020	476,219
2021-2025	2,381,093
2026	153,355
	<u>4,915,543</u>
Less Interest	(747,141)
Total	<u>\$ 4,168,402</u>

Notes Payable

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

In June 2008, the City entered into a contract with the United States Department of Housing and Urban Development for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5308 for Series 2008-A Certificates. The loans are due in annual installments ranging from \$130,000 to \$279,000. Interest is payable quarterly at a rate equal to 20 basis points above the applicable LIBOR, adjusted monthly on the first day of each month. At June 30, 2015, the outstanding balance of the loans was \$2,813,000.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 138,000	\$ 139,452	\$ 277,452
2017	146,000	133,194	279,194
2018	154,000	126,413	280,413
2019	162,000	119,159	281,159
2020	171,000	111,252	282,252
2021-2025	1,012,000	412,892	1,424,892
2026-2029	1,030,000	114,742	1,144,742
Totals	<u>\$ 2,813,000</u>	<u>\$ 1,157,104</u>	<u>\$ 3,970,104</u>

Pension Obligation Bonds

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

On August 1, 2005, the City issued \$42,780,000 Taxable Pension Obligation Bonds, Series 2005 for the purpose of paying the City's unamortized, unfunded accrued actuarial liability to the California Public Employees' Retirement System (CalPERS) for the benefit

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 7: Long-Term Liabilities (Continued)

of the City's employees. The bonds are due in annual installments of \$1,745,000 to \$4,975,000. Interest rates range from 4.17% to 5.25% and are payable semiannually on February 15 and August 15. At June 30, 2015, the outstanding balance of the bonds was \$35,325,000 and the unamortized bond premium was \$33,580,000.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,975,000	\$ 1,703,112	\$ 3,678,112
2017	2,215,000	1,600,397	3,815,397
2018	2,480,000	1,483,080	3,963,080
2019	2,760,000	1,349,652	4,109,652
2020	3,070,000	1,198,900	4,268,900
2021-2025	20,795,000	3,050,497	23,845,497
2026-2030	285,000	7,581	292,581
Totals	<u>\$ 33,580,000</u>	<u>\$ 10,393,219</u>	<u>\$ 43,973,219</u>

Claims Payable

Claims payable have been accrued. Amounts determined to be debts of either the business-type and/or the proprietary funds have been recorded as liabilities in those funds. There is no fixed payment schedule to pay these liabilities. Additional information can be obtained from note 10. Total amount of claims payable for the governmental activities as of June 30, 2015, was \$17,509,241.

Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities amounts to \$10,829,844 at June 30, 2015. The general fund has a committed fund balance in the amount of \$1,313,820 for employment leave reserve. The remaining liability will be liquidated from the funds that fund employees.

Net Pension Liability

The City participates in an agent multiple-employer defined benefit pension plan administered through the California Public Employees Retirement System (CalPERS). The City's liability for governmental activities amounts to \$154,972,055. Additional information on the plan can be obtained from note 11.

Other post-employment benefit obligation

The City's liability for governmental activities amounts to \$2,930,548. Additional information on the plan can be obtained from note 12. The liability will be liquidated from the funds that fund employees.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 7: Long-Term Liabilities (Continued)

b. Business-Type Activities Long-Term Debt

The following is a summary of changes in business-type and proprietary funds activities long-term debt for the year ended June 30, 2015:

	Balance at July 1, 2014	Adjustments	Adjusted Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year	Due in More Than One Year
Revenue Refunding Bonds:								
2013 Gross Revenue Refunding Bonds	\$ 1,965,000	\$ -	\$ 1,965,000	\$ -	\$ (370,000)	\$ 1,595,000	\$ 370,000	\$ 1,225,000
2013A Water Revenue Refunding Bonds	18,940,000	-	18,940,000	-	(1,350,000)	17,590,000	1,375,000	16,215,000
2013A Sewer Revenue Refunding Bonds	13,565,000	-	13,565,000	-	(1,590,000)	11,975,000	1,615,000	10,360,000
Total Refunding Bonds	34,470,000	-	34,470,000	-	(3,310,000)	31,160,000	3,360,000	27,800,000
Notes Payable:								
State Revolving Loan Department of Transportation	31,325,344	-	31,325,344	-	(2,361,597)	28,963,747	2,404,175	26,559,572
	357,000	-	357,000	-	(69,889)	287,111	73,667	213,444
Total Notes Payable	31,682,344	-	31,682,344	-	(2,431,486)	29,250,858	2,477,842	26,773,016
Net Pension Liability	-	16,409,636	16,409,636	5,338,346	(8,736,648)	13,011,334	-	13,011,334
Compensated Absences	2,096,817	-	2,096,817	840,438	(1,102,856)	1,834,399	913,661	920,738
Subtotal	\$ 68,249,161	\$ 16,409,636	\$ 84,658,797	\$ 6,178,784	\$ (15,580,990)	75,256,591	\$ 6,751,503	\$ 68,505,088
					Add: Unamortized Bond Premiums	3,550,681		
					Total	\$ 78,807,272		

Bonds Payable

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

The bonds were issued by the City to prepay all of the Oceanside Small Craft Harbor District loans payable to the Department of Boating and Waterways. The bonds are due in annual installments ranging from \$95,000 to \$370,000 through August 2023. The interest rate is 2% and is payable annually on August 1. Bonds are not subject to optional redemption prior to maturity. As of June 30, 2015, the outstanding balance of these bonds was \$1,595,000.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 370,000	\$ 28,200	\$ 398,200
2017	310,000	21,400	331,400
2018	320,000	15,100	335,100
2019	95,000	10,950	105,950
2020	95,000	9,050	104,050
2021-2024	405,000	16,350	421,350
Totals	\$ 1,595,000	\$ 101,050	\$ 1,696,050

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 7: Long-Term Liabilities (Continued)

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 semi-annual installments ranging from \$550,000 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, 2015, the outstanding balance was \$17,590,000 and unamortized bond premium was \$1,874,352.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,375,000	\$ 833,213	\$ 2,208,213
2017	1,425,000	778,213	2,203,213
2018	1,475,000	721,213	2,196,213
2019	1,120,000	662,213	1,782,213
2020	1,160,000	617,413	1,777,413
2021-2025	4,390,000	2,270,563	6,660,563
2026-2030	3,835,000	1,346,463	5,181,463
2031-2033	2,810,000	300,038	3,110,038
Totals	<u>\$ 17,590,000</u>	<u>\$ 7,529,329</u>	<u>\$ 25,119,329</u>

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 bonds are due in semi-annual installments ranging from \$1,590,000 to \$1,615,000 through November 2028. Interest rates range from 2.0% to 5.0% and are payable semiannually on May 1 and November 1. Bonds are subject to optional redemption prior to maturity. As of June 30, 2015, the outstanding balance was \$11,975,000 and unamortized bond premium was \$1,676,329.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,615,000	\$ 498,419	\$ 2,113,419
2017	1,075,000	433,819	1,508,819
2018	1,120,000	390,819	1,510,819
2019	1,160,000	346,019	1,506,019
2020	1,215,000	299,619	1,514,619
2021-2025	3,675,000	897,144	4,572,144
2026-2028	2,115,000	173,156	2,288,156
Totals	<u>\$ 11,975,000</u>	<u>\$ 3,038,995</u>	<u>\$ 15,013,995</u>

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 7: Long-Term Liabilities (Continued)

Notes Payable

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, 2015, the outstanding balance of these notes was \$28,963,747.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 2,404,175	\$ 522,216	\$ 2,926,391
2017	2,447,522	478,869	2,926,391
2018	2,491,651	434,740	2,926,391
2019	2,536,576	389,816	2,926,392
2020	2,582,310	344,081	2,926,391
2021-2025	13,626,953	1,005,003	14,631,956
2026	2,874,560	51,828	2,926,388
Totals	<u>\$ 28,963,747</u>	<u>\$ 3,226,553</u>	<u>\$ 32,190,300</u>

Department of Transportation - Original Issue \$850,000

On June 9, 2003, the City entered into a California Airport Loan Agreement with the California Department of Transportation for the purpose of planning, acquisition, construction, improvement, maintenance or operation of the airport located in the City of Oceanside. The interest on the agreement is 5.0569%; annual principal payments range from \$54,778 to \$81,222 through 2019. As of June 30, 2015, the outstanding balance of this note was \$287,111.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 73,667	\$ 14,519	\$ 88,186
2017	77,444	10,794	88,238
2018	81,222	6,877	88,099
2019	54,778	2,770	57,548
Totals	<u>\$ 287,111</u>	<u>\$ 34,960</u>	<u>\$ 322,071</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 7: Long-Term Liabilities (Continued)**Net Pension Liability**

The City participates in an agent multiple-employer defined benefit pension plan administered through the California Public Employees Retirement System (CalPERS). The City's liability in the business-type activities has been accrued and amounts to \$13,011,334. Additional information on the plan can be obtained from note 11.

Compensated Absences

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

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

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

Issuer	Date of Issue	Amount of Issue	Balance at June 30, 2015
CFD 2006-1 Pacific Coast Business Park	May 20, 2008	\$ 8,880,000	\$ 8,800,000
CFD 2000-1 Ocean Ranch 2013 Refunding	June 13, 2013	11,175,000	11,005,000
CFD 2001-1 Morro Hills 2013 Refunding	June 13, 2013	6,710,000	5,965,000
CFD 2001-1 Morro Hills Refunding 2014A	February 14, 2014	10,885,000	10,205,000
CFD 2001-1 Morro Hills Imp Area 1 Refunding 2014A	February 14, 2014	7,025,000	6,570,000
CFD 2000-1 Ocean Ranch Refunding 2014A	June 4, 2014	11,755,000	11,755,000

CITY OF OCEANSIDE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 8: Fund Balances

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

	<u>General Fund</u>	<u>Grants</u>	<u>Housing Assistance Program</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Non Spendable					
Inventories	\$ 16,540	\$ -	\$ -	\$ -	\$ 16,540
Prepaid costs	34,786	-	-	-	34,786
Notes and loans	700,000	-	-	-	700,000
Land held for resale	8,918,297	-	-	-	8,918,297
Advances to other funds	1,443,500	-	-	-	1,443,500
Restricted					
Community development projects	-	396,489	-	-	396,489
Public safety	-	98,800	-	1,002,228	1,101,028
Highways	-	-	-	5,576,875	5,576,875
Debt service	-	-	-	2,256,538	2,256,538
Street lighting and landscape maintenance	-	-	-	2,204,689	2,204,689
Housing program	-	6,076,415	6,458,786	-	12,535,201
Capital projects	-	-	-	33,941,840	33,941,840
Committed					
Community development projects	15,846,546	-	-	-	15,846,546
Employment leave	1,313,820	-	-	-	1,313,820
Assigned					
Community development projects	1,543,112	-	-	-	1,543,112
Parks and recreation	3,725,552	-	-	-	3,725,552
Public works	1,200,000	-	-	-	1,200,000
Infrastructure	11,096,596	-	-	-	11,096,596
Other purposes	1,270,393	-	-	-	1,270,393
Unassigned	11,844,123	-	-	(60,012)	11,784,111
Total Fund Balance	<u>\$ 58,953,265</u>	<u>\$ 6,571,704</u>	<u>\$ 6,458,786</u>	<u>\$ 44,922,158</u>	<u>\$ 116,905,913</u>

Note 9: Deficit Fund Balances

The following funds reported deficit in fund balance at June 30, 2015:

Nonmajor Funds:

Library	\$40,694
Community Development Block Grant	19,318

The Library Fund deficit balance is due to revenues under budget. The Community Development Block Grant Fund deficit balance is due to timing of reimbursement.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 10: Risk Management

The City is a member of the San Diego Pooled Insurance Program Authority (SANDPIPA) which provides general liability insurance. As a member, the City carries a self-insured retention of \$500,000 and is insured through SANDPIPA from \$500,000 to \$2,500,000. In addition, SANDPIPA has purchased excess insurance coverage from \$2,500,000 to \$44,500,000 for all of its members, including the City. There have been no significant changes in insurance coverage during the current year and settlements have not exceeded coverage in each of the past four fiscal years.

The workers' compensation and general/auto liability claims payable of \$14,752,000 and \$2,757,241, respectively, reported at June 30, 2015, 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
2013	\$ 12,614,268	\$ 4,673,954	\$ 2,014,407	\$ 15,273,815
2014	15,273,815	3,982,334	4,979,479	14,276,670
2015	14,276,670	9,158,074	5,925,503	17,509,241

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 11: Retirement Plans

a. General Information about the Pension Plan

Plan Description

The Miscellaneous Plan and Safety Plan of the City of Oceanside are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of each pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in their respective June 30, 2013 Annual Actuarial Valuation Reports. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefit 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			
Hire date	Prior to January 1, 2011*	January 1, 2011 but prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%, 50 yrs - 63+ yrs, respectively	1.092% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	8.000%	7.000%	6.500%
Required employer contribution rates	13.678%	14.678%	15.178%
Total Contribution	21.6780%	21.6780%	21.6780%

*Closed to new entrants

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Retirement Plans (Continued)

Safety Plan		
	Prior to January 1, 2013*	January 1, 2013 and after
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.000% 50 yrs - 55+ yrs	2.000% - 2.700%, 50 yrs - 63+ yrs, respectively
Required employee contribution rates	9.000%	12.250%
Required employer contribution rates	21.800%	18.550%
Total Contribution	30.8000%	30.8000%

*Closed to new entrants

At June 30, 2013, the following employees were covered by the benefit terms of the plan:

Description	Number of members	
	Miscellaneous Plan	Safety Plan
Active members	531	314
Transferred members	368	84
Terminated members	300	53
Retired members and beneficiaries	738	393
Total	1,937	844

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be 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.

For the year ended June 30, 2015, the employer contributions recognized as a reduction to the net pension liability for all the Miscellaneous Plan and Safety Plan were \$7,450,216 and \$9,726,446 respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Retirement Plans (Continued)**b. 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, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous Plan	Safety Plan
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Retirement Plans (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan. However, employers may determine the impact at the rate plan level for their own financial reporting purposes. Refer to the sensitivity of the net pension liability for changes in the discount rate.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 11: Retirement Plans (Continued)

c. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Miscellaneous Plan			
Balance at: 6/30/2013 (Valuation Date) (1)	\$ 346,629,520	\$ 246,996,030	\$ 99,633,490
Changes Recognized for the Measurement Period:			
Service Cost	6,739,488	-	6,739,488
Interest on the Total Pension Liability	25,673,047	-	25,673,047
Changes of Benefit Terms	-	-	-
Difference between Projected and Actual Earnings on Plan Investments	-	24,456,687	(24,456,687)
Changes of Assumptions	-	-	-
Contribution from the Employer	-	7,232,808	(7,232,808)
Contributions from Employees	-	3,121,902	(3,121,902)
Net Investment Income (2)	-	18,234,426	(18,234,426)
Benefit Payments including Refunds of Employee Contributions	(15,383,934)	(15,383,934)	-
Net Changes During 2013-14	17,028,601	37,661,889	(20,633,288)
Balance at: 6/30/2014 (Measurement Date) (1)	\$ 363,658,121	\$ 284,657,919	\$ 79,000,202

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Safety Plan			
Balance at: 6/30/2013 (Valuation Date) (1)	\$ 410,240,790	\$ 298,187,430	\$ 112,053,360
Changes Recognized for the Measurement Period:			
Service Cost	10,028,997	-	10,028,997
Interest on the Total Pension Liability	30,432,000	-	30,432,000
Changes of Benefit Terms	-	-	-
Difference between Projected and Actual Earnings on Plan Investments	-	29,429,950	(29,429,950)
Changes of Assumptions	-	-	-
Contribution from the Employer	-	9,044,122	(9,044,122)
Contributions from Employees	-	2,972,544	(2,972,544)
Net Investment Income (2)	-	22,084,554	(22,084,554)
Benefit Payments including Refunds of Employee Contributions	(18,990,595)	(18,990,595)	-
Net Changes During 2013-14	21,470,402	44,540,575	(23,070,173)
Balance at: 6/30/2014 (Measurement Date) (1)	\$ 431,711,192	\$ 342,728,005	\$ 88,983,187

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 11: Retirement Plans (Continued)

Total Combined Plans	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2013 (Valuation Date) (1)	\$ 756,870,310	\$ 545,183,460	\$ 211,686,850
Changes Recognized for the Measurement Period:			
Service Cost	16,768,485	-	16,768,485
Interest on the Total Pension Liability	56,105,047	-	56,105,047
Changes of Benefit Terms	-	-	-
Difference between Projected and Actual Earnings on Plan Investments	-	53,886,637	(53,886,637)
Changes of Assumptions	-	-	-
Contribution from the Employer	-	16,276,930	(16,276,930)
Contributions from Employees	-	6,094,446	(6,094,446)
Net Investment Income (2)	-	40,318,980	(40,318,980)
Benefit Payments including Refunds of Employee Contributions	(34,374,529)	(34,374,529)	-
Net Changes During 2013-14	38,499,003	82,202,464	(43,703,461)
Balance at: 6/30/2014 (Measurement Date) (1)	\$ 795,369,313	\$ 627,385,924	\$ 167,983,389

- (1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report
- (2) Net of administrative expenses.

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 7.50 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Miscellaneous Plan's Net Pension Liability	\$ 127,239,307	\$ 79,000,202	\$ 39,036,944
Safety Plan's Net Pension Liability	147,688,690	88,983,187	40,736,441
Total Net Pension Liability	\$ 274,927,997	\$ 167,983,389	\$ 79,773,385

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015
Note 11: Retirement Plans (Continued)**d. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of the start of the measurement period (July 1, 2013), the combined net pension liability for both the Miscellaneous and Safety Plans is \$211,686,850. For the measurement period ending June 30, 2014 (the measurement date), the City of Oceanside incurred an aggregate pension expense of \$23,953,557 for the two Plans.

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2014, the City of Oceanside has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Miscellaneous Plan</u>		
Contributions made after the measurement date	\$ 7,450,216	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(19,565,350)
Miscellaneous Plan Total	<u>7,450,216</u>	<u>(19,565,350)</u>
<u>Safety Plan</u>		
Contributions made after the measurement date	9,726,446	-
Net difference between projected and actual earnings on pension plan investments	-	(23,543,960)
Safety Plan Total	<u>9,726,446</u>	<u>(23,543,960)</u>
Total	<u>\$ 17,176,662</u>	<u>\$ (43,109,310)</u>

\$17,176,662 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 year ended June 30, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) or Resources
2015	\$ (10,777,327)
2016	(10,777,327)
2017	(10,777,327)
2018	(10,777,329)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 12: Post-Employment Benefits Other Than Pensions**a. The Retiree Health Plan****Plan Description**

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

Funding Policy

Contribution requirements are also negotiated between the City and the non-OFA employee associations. Eligible non-OFA retirees and their covered dependents receiving benefits contribute 100% of their premium costs. While the City does not directly contribute towards the cost of premiums for non-OFA retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the non-OFA retirees, called an "implicit subsidy". This implicit subsidy is considered to be an other post-employment benefit (OPEB) obligation of the City. For the year ended June 30, 2015, the City contribution including subsidy amounted to \$349,161 in health care costs for its non-OFA retirees and their covered dependents.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over an open-period basis using a 30 year amortization period.

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

Annual required contribution	\$ 688,637
Interest on net OPEB obligation	83,162
Adjustment to annual required contribution	<u>(122,415)</u>
Annual OPEB cost (expense)	649,384
Contribution including subsidy	<u>(349,161)</u>
Increase in net OPEB obligation	300,223
Net OPEB obligation - beginning of year	<u>2,079,062</u>
Net OPEB obligation - end of year	<u>\$ 2,379,285</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015
Note 12: Post-Employment Benefits Other Than Pensions (Continued)

The City's annual OPEB cost, contribution including subsidy, percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the year ended June 30, 2015, and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Contribution including subsidy	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/2013	\$ 515,959	\$ 349,161	67.7%	\$ 1,771,166
6/30/2014	657,057	349,161	53.1%	2,079,062
6/30/2015	649,384	349,161	53.8%	2,379,285

Funded Status and Funding Progress

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

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

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Accrued Liability (UAAL) (a)-(b)	Funded Ratio (b)/(a)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a-b)/(c)]
2009	\$ 3,187,232	\$ -	\$ 3,187,232	0.0%	\$ 66,597,119	4.79%
2011	4,563,531	-	4,563,531	0.0%	55,600,000	8.21%
2013	6,271,148	-	6,271,148	0.0%	62,225,267	10.08%

The City has an actuarial valuation every two years.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a discount rate of 4.0% per annum, a rate of return on assets of 5.0% per annum, general inflation rate of 2.5% and a healthcare cost trend rate of 6.0%. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over 30 years on a closed basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 12: Post-Employment Benefits Other Than Pensions (Continued)**b. The PERS Health Program****Plan Description**

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

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

Funding Policy

The City's contribution on behalf of all OFA retirees is determined under the "unequal contribution method" as described in California Government Code Section 22892(c). The current rate for retirees is \$112/month for calendar year 2012 and \$117/month for calendar year 2013, increased in all future years according to the rate of medical inflation which is set at the minimum contribution required by CalPERS. The City is currently funding this OPEB obligation on a pay-as-you-go basis. For the year ended June 30, 2015, the City paid \$30,912 in health care costs for its OFA retirees and their covered dependents.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 23,318
Interest on net OPEB obligation	22,784
Adjustment to annual required contribution	<u>(33,539)</u>
Annual OPEB cost (expense)	12,563
Contributions made, including subsidy	<u>(30,912)</u>
Increase in net OPEB obligation	(18,349)
Net OPEB obligation - beginning of year	<u>569,612</u>
Net OPEB obligation - end of year	<u>\$ 551,263</u>

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

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

The City's annual OPEB cost, actual contribution, percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the year ended June 30, 2015, and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/2013	\$ 141,986	\$ 30,912	21.8%	\$ 587,685
6/30/2014	12,839	30,912	240.8%	569,612
6/30/2015	12,563	30,912	246.1%	551,263

Funded Status and Funding Progress

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

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

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Liability (UAAL) (a)-(b)	Funded Ratio (b)/(a)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a)-(b)]/(c)
2009	\$ 1,408,928	\$ -	\$ 1,408,928	0.0%	\$ 12,563,175	11.21%
2011	1,494,098	-	1,494,098	0.0%	7,656,472	19.51%
2013	403,223	-	403,223	0.0%	9,415,640	4.28%

The City has an actuarial valuation every two years.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a discount rate of 4.0% per annum, a rate of return on assets of 5.0% per annum and a healthcare cost trend rate of 8.0% initially. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over 30 years on a closed basis.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 13: Commitments and Contingencies

Commitments

The following material construction commitments existed at June 30, 2015:

Project	Contract Amount	Expenditures to date as of June 30, 2015	Remaining Commitments
Industry Street and Oceanside Boulevard Street Restoration	\$ 2,597,169	\$ -	\$ 2,597,169
Annual Overlay Fiscal Year 2014-15	2,419,507	-	2,419,507
Annual Overlay Fiscal Year 2014-15	3,799,976	3,147,010	652,966
French Field Remediation	2,536,616	2,251,385	285,231

Contingent Liabilities

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

Note 14: Restatement of Net Position and Fund Balance

Beginning net position and beginning fund balance have been restated as follows:

Governmental Activities:		
To record net pension liability at June 30, 2013 in accordance with GASB No. 68		\$ (214,681,878)
To capitalize capital assets purchased in prior year		612,476
		<u>\$ (214,069,402)</u>
Business-type Activities:		
To record net pension liability at June 30, 2013 in accordance with GASB No. 68		<u>\$ (15,218,387)</u>
Enterprise Funds		
Water Fund		
To record net pension liability at June 30, 2013 in accordance with GASB No. 68		\$ (7,050,170)
Sewer Fund		
To record net pension liability at June 30, 2013 in accordance with GASB No. 68		(7,770,895)
Wastewater Disposal Fund		
To record net pension liability at June 30, 2013 in accordance with GASB No. 68		(397,322)
		<u>\$ (15,218,387)</u>
Internal Service Funds		
Loss Prevention Fund		
To record net pension liability at June 30, 2013 in accordance with GASB No. 68		\$ (452,763)
General Services Fund		
To record net pension liability at June 30, 2013 in accordance with GASB No. 68		(5,285,319)
To capitalize capital assets purchased in prior year		612,476
		<u>\$ (5,125,606)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 15: Subsequent Events

On August 11, 2015, the City issued 2015 Lease Revenue Bonds to refund the 2005 Civic Center Certificates of Participation. The refunding resulted in a lower interest rate and debt service payment reduction. The 2015 Lease Revenue Bonds were issued in the amount of \$8,335,000. The principal payment commences on November 1, 2016. Semi-annual interest payments on the bonds, at a rate of 1.33%, commence on November 1, 2015.

On August 11, 2015, the City issued 2015 Taxable Pension Obligation Refunding Bonds for the purpose of refunding the 2005 Taxable Pension Obligation Bonds. The refunding resulted in a lower interest rate and debt service payment reduction. The 2005 Lease Revenue Bonds were issued in the amount of \$32,020,000. The principal payment commences on November 1, 2016. Semi-annual interest payments on the bonds, at a rate of 3.73%, commence on February 15, 2016.

On September 3, 2015 the Successor Agency of the City of Oceanside, refunded four existing tax allocation bonds: the 2002 and 2003 Subordinate Tax Allocation Bonds and the 2003 and 2004 Refunding Tax Allocation Bonds and issued The 2015 Refunding Tax Allocation Bonds, Series A and 2015 Tax Allocation Bonds, Series B. The refunding resulted in a lower interest rate, lower debt service payments, increased residual distributions to the taxing entities, including the City. The 2015 Refunding Tax Allocation Bonds, Series A were issued in the amount of \$20,370,000. The principal payment commences on September 1, 2016. Semi-annual interest payments on the bonds, at a rate of 2.33%, commence on March 1, 2016. The 2015 Refunding Tax Allocation Bonds, Series B were issued in the amount of \$10,800,000. The principal payment commences on September 1, 2016. Semi-annual interest payments on the bonds, at a rate of 3.57%, commence on March 1, 2016.

Note 16: 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.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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	\$ 10,650,488
Cash and investments with fiscal agent	<u>3,240,703</u>
	<u>\$ 13,891,191</u>

b. Capital Assets

Capital assets of the Successor Agency as of June 30, 2015, were as follows:

	Balance at July 1, 2014	Transfers *	Additions	Deletions	Balance at June 30, 2015
Capital assets not being depreciated:					
Land	\$ 16,959,469	\$(12,645,896)	\$ -	\$ 614,408	\$ 3,699,165
Construction in progress	2,430,148	-	978,741	3,059,757	349,132
Total Capital Assets, Not Being Depreciated	<u>19,389,617</u>	<u>(12,645,896)</u>	<u>978,741</u>	<u>3,674,165</u>	<u>4,048,297</u>
Capital assets being depreciated:					
Buildings and improvements	27,750,876	(27,750,876)	-	-	-
Improvements other than buildings	5,789,444	(5,789,444)	-	-	-
Machinery and equipment	200,412	(200,412)	-	-	-
Infrastructure	-	-	2,155,238	-	2,155,238
Total Capital Assets, Being Depreciated	<u>33,740,732</u>	<u>(33,740,732)</u>	<u>2,155,238</u>	<u>-</u>	<u>2,155,238</u>
Less accumulated depreciation for:					
Buildings and improvements	12,278,966	(12,278,966)	-	-	-
Improvements other than buildings	200,413	(200,413)	-	-	-
Machinery and equipment	730,002	(730,002)	-	-	-
Infrastructure	-	-	26,867	-	26,867
Total Accumulated Depreciation	<u>13,209,381</u>	<u>(13,209,381)</u>	<u>26,867</u>	<u>-</u>	<u>26,867</u>
Total Capital Assets, Being Depreciated, Net	<u>20,531,351</u>	<u>(20,531,351)</u>	<u>2,128,371</u>	<u>-</u>	<u>2,128,371</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,920,968</u>	<u>\$(33,177,247)</u>	<u>\$ 3,107,112</u>	<u>\$ 3,674,165</u>	<u>\$ 6,176,668</u>

* As a result of the dissolution of the Redevelopment Agency, capital assets not listed on the Successor Agency's Long-Range Property Management Plan were transferred from the Successor Agency to the City.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

c. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2015, follows.

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year	Due in More Than One Year
2002 Tax Allocation Refunding Bonds	\$ 14,805,000	\$ -	\$ (910,000)	\$ 13,895,000	\$ 955,000	\$ 12,940,000
2003 Tax Allocation Refunding Bonds	3,090,000	-	(570,000)	2,520,000	590,000	1,930,000
2003 Subordinate Tax Allocation Bonds	12,910,000	-	(790,000)	12,120,000	835,000	11,285,000
2004 Tax Allocation Refunding Bonds	10,445,000	-	(385,000)	10,060,000	400,000	9,660,000
Advances from the City of Oceanside	17,552,136	-	(577,531)	16,974,605	-	16,974,605
Total	\$ 58,802,136	\$ -	\$ (3,232,531)	\$ 55,569,605	\$ 2,780,000	\$ 52,789,605

Tax Allocation Bonds

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

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

The bonds mature annually through 2026, in amounts ranging from \$910,000 to \$1,640,000. Interest rates vary from 3.0% to a maximum of 5.5% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2013, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2013, are subject to redemption in whole or in part on September 1, 2012, and each interest date thereafter. As of June 30, 2015, the outstanding balance of these bonds was \$13,895,000.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 955,000	\$ 752,631	\$ 1,707,631
2017	1,005,000	701,181	1,706,181
2018	1,055,000	645,788	1,700,788
2019	1,115,000	586,113	1,701,113
2020	1,175,000	523,138	1,698,138
2021-2025	6,950,000	1,513,575	8,463,575
2026	1,640,000	47,150	1,687,150
Totals	\$ 13,895,000	\$ 4,769,576	\$ 18,664,576

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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

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

The bonds mature annually through 2019, in amounts ranging from \$570,000 to \$670,000. Interest rates vary from 2.0% to a maximum of 4.0% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2014, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2014, are subject to redemption in whole or in part on September 1, 2013, and each interest date thereafter. At June 30, 2015, the outstanding balance of these bonds was \$2,520,000.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 590,000	\$ 88,263	\$ 678,263
2017	615,000	64,900	679,900
2018	645,000	39,700	684,700
2019	670,000	13,400	683,400
Totals	<u>\$ 2,520,000</u>	<u>\$ 206,263</u>	<u>\$ 2,726,263</u>

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

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

The bonds mature annually through 2026, in amounts ranging from \$790,000 to \$1,425,000. Interest rates vary from 2.0% to a maximum of 5.2% and are payable semiannually on September 1 and March 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2013, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2013, are subject to redemption in whole or in part on September 1, 2012, and each interest date thereafter. At June 30, 2015, the outstanding balance of these bonds was \$12,120,000.

CITY OF OCEANSIDE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 835,000	\$ 648,205	\$ 1,483,205
2017	875,000	604,469	1,479,469
2018	925,000	558,265	1,483,265
2019	970,000	507,412	1,477,412
2020	1,025,000	451,690	1,476,690
2021-2025	6,065,000	1,298,808	7,363,808
2026	1,425,000	40,368	1,465,368
Totals	<u>\$ 12,120,000</u>	<u>\$ 4,109,217</u>	<u>\$ 16,229,217</u>

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

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

The bonds mature annually through 2024, in amounts ranging from \$385,000 to \$1,550,000. Interest rates vary from 2.5% to a maximum of 4.5% and are payable semiannually on March 1 and September 1, commencing March 1, 2005. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure. Bonds maturing before September 1, 2015, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2015, are subject to redemption in whole or in part on September 1, 2014, and each interest date thereafter. At June 30, 2015, the outstanding balance of these bonds was \$10,060,000.

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 400,000	\$ 432,341	\$ 832,341
2017	415,000	416,041	831,041
2018	425,000	399,241	824,241
2019	445,000	381,563	826,563
2020	1,250,000	345,823	1,595,823
2021-2024	7,125,000	826,965	7,951,965
Totals	<u>\$ 10,060,000</u>	<u>\$ 2,801,974</u>	<u>\$ 12,861,974</u>

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it received. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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, 2015, is \$50,482,030 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 \$4,737,000 and the debt service obligation on the bonds was \$4,702,950.

Advances from the City of Oceanside

The Commission borrowed in prior years \$1,116,968 for the Supplemental Educational Revenue Augmentation Fund (SERAF) which are now owed to the City of Oceanside Community Development Commission.

The Commission also borrowed in prior years \$3,200,117 from the Low-Mod Housing Authority set-aside. The amount is owed to the City of Oceanside Community Development Commission as a result of the dissolution of the redevelopment activities of the Commission.

The City of Oceanside's General Fund loaned monies to the Commission in 1986 and 1989 to fund redevelopment projects. As of June 30, 2015, the outstanding balance is \$12,657,520.

The Oceanside Community Development Commission borrowed monies from the City of Oceanside's Water Fund for operational purposes in the amount of \$577,531. The California Department of Finance disallowed the expenditure for reimbursement as part of the Successor Agency's Recognized Obligation Payment Schedule, and the Successor Agency had to write-off the loan as a result. As of June 30, 2015, the outstanding balance is \$0.

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

d. Insurance

The Successor Agency is covered under the City of Oceanside's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 10.

e. Commitments and Contingencies

As of June 30, 2015, 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

f. Net Position Restatement

Beginning net position of the Successor Agency was restated as follows:

Land held for resale disposed in the prior year	\$ (8,227,397)
Capital assets not belonging to the Successor Agency	(614,408)
Construction in progress incorrectly capitalized in prior year	<u>(904,519)</u>
	<u>\$ (9,746,324)</u>

g. Extraordinary Item

As a result of the dissolution of the Redevelopment Agency, capital assets not listed on the Successor Agency's Long Range Property Management Plan were transferred to the City and were recorded as an extraordinary loss.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

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

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

Expenditures may not legally exceed appropriations at the activity level.

a. Budgetary schedules

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

b. Excess of Expenditures over Appropriations

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance with Final Budget</u>
Major Funds:			
General Fund:			
City Treasurer	\$ 1,051,490	\$ 1,078,073	\$ (26,583) (1)
Human Resources	746,128	761,565	(15,437) (2)
Police	51,225,671	52,130,110	(904,439) (3)
Fire	26,529,714	27,251,167	(721,453) (4)
Principal Retirement	-	117,470	(117,470) (5)
Interest and Fiscal Charges	-	19,689	(19,689) (6)
Transfers Out	3,778,948	3,827,776	(48,828) (7)

Excess of expenditures over appropriations are due to: (1) department unit exceeding the budget due to higher than expected miscellaneous administration expenses, (2) a change in allocation of employee wages (3) higher overtime and wage expense than budgeted, (4) higher overtime, fringe benefits, and wage expenses than budgeted, (5) amount is budgeted for in total with the fire appropriations, (6) interest and fiscal charges are not budgeted, and (7) unbudgeted risk payments.

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance	\$52,727,439	\$52,727,439	\$52,727,439	\$ -
Resources (Inflows):				
Taxes	83,513,600	83,578,600	86,981,734	3,403,134
Licenses and permits	2,089,400	2,089,400	1,949,802	(139,598)
Intergovernmental	499,000	499,000	3,107,257	2,608,257
Charges for services	13,251,544	13,402,342	15,411,943	2,009,601
Use of money and property	5,981,717	6,082,363	6,745,746	663,383
Fines and forfeitures	4,188,850	4,188,850	3,947,380	(241,470)
Administrative and in lieu charges	6,854,073	6,854,073	6,849,002	(5,071)
Miscellaneous	20,000	20,000	57,400	37,400
Transfers in	12,754,222	12,754,222	12,245,109	(509,113)
Amounts Available for Appropriations	181,879,845	182,196,289	190,022,812	7,826,523
Charges to Appropriations (Outflow):				
General government				
City Council	936,858	936,858	896,240	40,618
City Clerk	1,124,621	1,139,516	1,091,693	47,823
City Treasurer	1,046,417	1,051,490	1,078,073	(26,583)
City Manager	628,106	721,523	648,622	72,901
City Attorney	1,491,877	1,520,982	1,517,319	3,663
Financial Services	5,238,806	5,285,718	4,902,064	383,654
Human Resources	702,004	746,128	761,565	(15,437)
Nondepartmental	8,047,737	7,609,638	4,847,949	2,761,689
Public safety				
Police	51,226,260	51,225,671	52,130,110	(904,439)
Fire	25,810,385	26,529,714	27,251,167	(721,453)
Community development				
Engineering	4,177,596	4,314,675	3,864,967	449,708
Planning	1,486,931	1,562,515	1,352,573	209,942
Building	2,114,244	2,132,339	2,017,256	115,083
Community/cultural services				
Library	4,659,725	4,592,123	4,521,110	71,013
Neighborhood Services Department	6,070,882	6,324,356	5,771,711	552,645
Economic and Community Development	380,980	401,331	380,498	20,833
Property Management	902,885	1,074,758	867,270	207,488
Public works				
Public Works	13,087,800	13,099,599	12,465,173	634,426
Capital outlay	18,000	1,762,430	739,252	1,023,178
Debt service:				
Principal retirement	-	-	117,470	(117,470)
Interest and fiscal charges	-	-	19,689	(19,689)
Transfers out	1,985,721	3,778,948	3,827,776	(48,828)
Total Charges to Appropriations	131,137,835	135,810,312	131,069,547	4,740,765
Budgetary Fund Balance, June 30	\$50,742,010	\$46,385,977	\$58,953,265	\$12,567,288

CITY OF OCEANSIDE

BUDGETARY COMPARISON SCHEDULE
GRANTS
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,848,096	\$ 6,848,096	\$ 6,848,096	\$ -
Resources (Inflows):				
Intergovernmental	7,168,032	8,877,976	5,141,826	(3,736,150)
Charges for services	16,000	16,000	3,845	(12,155)
Interest and rentals	300,469	300,469	193,911	(106,558)
Developer participation	675,700	675,700	99,150	(576,550)
Miscellaneous	115,247	115,847	21,362	(94,485)
Transfers in	6,194,807	6,194,807	947,456	(5,247,351)
Amounts Available for Appropriations	21,318,351	23,028,895	13,255,646	(9,773,249)
Charges to Appropriations (Outflow):				
General government	-	47,500	-	47,500
Public safety	2,909,205	4,182,725	2,919,599	1,263,126
Community development	11,689,412	11,762,676	2,751,670	9,011,006
Parks and recreation	(1,041,889)	860,393	423,899	436,494
Community/Cultural Services	144,324	140,917	134,881	6,036
Capital outlay	431,190	420,622	266,543	154,079
Transfers out	5,247,351	5,350,351	187,350	5,163,001
Total Charges to Appropriations	19,379,593	22,765,184	6,683,942	16,081,242
Budgetary Fund Balance, June 30	\$ 1,938,758	\$ 263,711	\$ 6,571,704	\$ 6,307,993

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
HOUSING ASSISTANCE PROGRAM
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,381,222	\$ 6,381,222	\$ 6,381,222	\$ -
Resources (Inflows):				
Licenses and permits	288,077	288,077	256,129	(31,948)
Intergovernmental	14,748,497	14,551,126	14,445,679	(105,447)
Charges for services	65,634	65,634	65,730	96
Interest and rentals	450,461	450,461	511,842	61,381
Miscellaneous	1,549,739	1,608,630	614,613	(994,017)
Transfers in	60,000	60,000	-	(60,000)
Amounts Available for Appropriations	23,543,630	23,405,150	22,275,215	(1,129,935)
Charges to Appropriations (Outflow):				
Community development	16,948,717	17,015,997	15,816,429	1,199,568
Transfers out	60,000	60,000	-	60,000
Total Charges to Appropriations	17,008,717	17,075,997	15,816,429	1,259,568
Budgetary Fund Balance, June 30	\$ 6,534,913	\$ 6,329,153	\$ 6,458,786	\$ 129,633

CITY OF OCEANSIDE

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

	<u>2015</u>
TOTAL PENSION LIABILITY	
Service cost	\$ 6,739,488
Interest	25,673,047
Benefit payments, including refunds of employee contributions	<u>(15,383,934)</u>
Net Change in Total Pension Liability	17,028,601
Total Pension Liability - Beginning	346,629,520
Total Pension Liability - Ending (a)	<u>\$ 363,658,121</u>
PLAN FIDUCIARY NET POSITION	
Contribution - employer	\$ 7,232,808
Contribution - employee	3,121,902
Net investment income (2)	42,691,113
Benefit payments, including refunds of employee contributions	<u>(15,383,934)</u>
Net Change in Fiduciary Net Position	37,661,889
Plan Fiduciary Net Position - Beginning	246,996,030
Plan Fiduciary Net Position - Ending (b)	<u>\$ 284,657,919</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 79,000,202</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.28%
Covered-Employee Payroll	\$ 35,409,488
Plan Net Pension Liability as a Percentage of Covered-Employee Payroll	223.10%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. 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: There were no changes in assumptions.

CITY OF OCEANSIDE

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

	<u>2015</u>
TOTAL PENSION LIABILITY	
Service cost	\$ 10,028,996
Interest	30,432,000
Benefit payments, including refunds of employee contributions	<u>(18,990,595)</u>
Net Change in Total Pension Liability	21,470,401
Total Pension Liability - Beginning	410,240,790
Total Pension Liability - Ending (a)	<u>\$ 431,711,191</u>
PLAN FIDUCIARY NET POSITION	
Contribution - employer	\$ 9,044,122
Contribution - employee	2,972,544
Net investment income (2)	51,514,503
Benefit payments, including refunds of employee contributions	<u>(18,990,595)</u>
Net Change in Fiduciary Net Position	44,540,574
Plan Fiduciary Net Position - Beginning	298,187,430
Plan Fiduciary Net Position - Ending (b)	<u>\$ 342,728,004</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 88,983,187</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.39%
Covered-Employee Payroll	\$ 33,220,696
Plan Net Pension Liability as a Percentage of Covered-Employee Payroll	267.85%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. 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: There were no changes in assumptions.

CITY OF OCEANSIDE

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

Miscellaneous Plan	2015
Actuarially Determined Contribution	\$ 7,450,216
Contribution in Relation to the Actuarially Determined Contribution	(7,450,216)
Contribution Deficiency (Excess)	<u>\$ -</u>
 Covered-Employee Payroll	 \$ 35,409,488
 Contributions as a Percentage of Covered-Employee Payroll	 -21.04%
 Safety Plan	 2013-14
Actuarially Determined Contribution	\$ 9,726,446
Contribution in Relation to the Actuarially Determined Contribution	(9,726,446)
Contribution Deficiency (Excess)	<u>\$ -</u>
 Covered-Employee Payroll	 \$ 33,220,696
 Contributions as a Percentage of Covered-Employee Payroll	 -29.28%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

A summary of principal assumptions and methods used to determine the ARC is shown below:

Valuation Date:	June 30, 2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Average Remaining Period	24 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

Capital Project Fund

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

Debt Service Funds

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

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

CITY OF OCEANSIDE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Asset Seizure</u>	<u>Library</u>	<u>Gas Tax and Transportation</u>	<u>Community Development Block Grant</u>
Assets:				
Cash and investments	\$ 990,895	\$ -	\$ 6,325,715	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	623,183
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	376	-	112,763	97,934
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 991,271</u>	<u>\$ -</u>	<u>\$ 6,438,478</u>	<u>\$ 721,117</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 4,597	\$ 469,458	\$ 20,182
Accrued liabilities	-	-	25,822	6,785
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	36,097	345,214	90,285
Total Liabilities	<u>-</u>	<u>40,694</u>	<u>840,494</u>	<u>117,252</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	21,109	623,183
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>21,109</u>	<u>623,183</u>
Fund Balances:				
Restricted for:				
Public safety	991,271	-	-	-
Capital projects	-	-	-	-
Highways	-	-	5,576,875	-
Street lighting and landscape maintenance	-	-	-	-
Debt service	-	-	-	-
Unassigned	<u>-</u>	<u>(40,694)</u>	<u>-</u>	<u>(19,318)</u>
Total Fund Balances	<u>991,271</u>	<u>(40,694)</u>	<u>5,576,875</u>	<u>(19,318)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 991,271</u>	<u>\$ -</u>	<u>\$ 6,438,478</u>	<u>\$ 721,117</u>

CITY OF OCEANSIDE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			
	Maintenance Districts	Strategic Traffic Offender Program (STOP)	State & Local Asset Seizure	Storm Damage
Assets:				
Cash and investments	\$ 1,621,045	\$ -	\$ 10,957	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	5,291	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	634,582	-	-	-
Total Assets	\$ 2,260,918	\$ -	\$ 10,957	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 45,988	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	10,241	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	56,229	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	10,957	-
Capital projects	-	-	-	-
Highways	-	-	-	-
Street lighting and landscape maintenance	2,204,689	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,204,689	-	10,957	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,260,918	\$ -	\$ 10,957	\$ -

CITY OF OCEANSIDE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Capital	Debt Service Fund		Total Nonmajor Governmental Funds
	Projects Fund	General Debt Service	Oceanside Lighting District	
	General Improvement			
Assets:				
Cash and investments	\$ 36,024,512	\$ 2,214,488	\$ 32,429	\$ 47,220,041
Receivables:				
Accounts	94,838	-	-	94,838
Taxes	-	-	-	5,291
Notes and loans	-	-	-	623,183
Accrued interest	-	12,895	-	12,895
Prepaid costs	18,184	-	-	18,184
Due from other governments	-	-	-	211,073
Restricted assets:				
Cash and investments with fiscal agents	-	21	-	634,603
Total Assets	\$ 36,137,534	\$ 2,227,404	\$ 32,429	\$ 48,820,108
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,269,767	\$ -	\$ -	\$ 1,809,992
Accrued liabilities	11,219	-	-	43,826
Unearned revenues	440,000	-	-	440,000
Due to other governments	-	-	-	10,241
Due to other funds	-	3,295	-	474,891
Total Liabilities	1,720,986	3,295	-	2,778,950
Deferred Inflows of Resources:				
Unavailable revenues	474,708	-	-	1,119,000
Total Deferred Inflows of Resources	474,708	-	-	1,119,000
Fund Balances:				
Restricted for:				
Public safety	-	-	-	1,002,228
Capital projects	33,941,840	-	-	33,941,840
Highways	-	-	-	5,576,875
Street lighting and landscape maintenance	-	-	-	2,204,689
Debt service	-	2,224,109	32,429	2,256,538
Unassigned	-	-	-	(60,012)
Total Fund Balances	33,941,840	2,224,109	32,429	44,922,158
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 36,137,534	\$ 2,227,404	\$ 32,429	\$ 48,820,108

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CITY OF OCEANSIDE

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			
	Asset Seizure	Library	Gas Tax and Transportation	Community Development Block Grant
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	87,497	-	6,202,839	1,403,324
Charges for services	-	100,381	-	-
Interest and rental	8,283	-	61,226	(24,445)
Developer participation	-	-	-	-
Miscellaneous	-	61,788	14,768	-
Total Revenues	95,780	162,169	6,278,833	1,378,879
Expenditures:				
Current:				
General government	-	-	-	-
Community development	-	-	1,105,138	971,304
Community/cultural services	-	263,727	-	132,448
Public works	-	-	4,761,531	-
Capital outlay	-	-	5,212,152	-
Debt service:				
Principal retirement	-	-	-	130,000
Interest and fiscal charges	-	-	-	145,131
Total Expenditures	-	263,727	11,078,821	1,378,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,780	(101,558)	(4,799,988)	(4)
Other Financing Sources (Uses):				
Transfers in	-	85,800	158,396	-
Transfers out	-	-	(945,500)	-
Contribution from Successor Agency	-	-	308,000	-
Total Other Financing Sources (Uses)	-	85,800	(479,104)	-
Net Change in Fund Balances	95,780	(15,758)	(5,279,092)	(4)
Fund Balances, Beginning of Year	895,491	(24,936)	10,855,967	(19,314)
Fund Balances, End of Year	\$ 991,271	\$ (40,694)	\$ 5,576,875	\$ (19,318)

CITY OF OCEANSIDE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Maintenance Districts	Strategic Traffic Offender Program (STOP)	State & Local Asset Seizure	Storm Damage
Revenues:				
Assessments	\$ 2,409,014	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest and rental	12,505	-	96	-
Developer participation	-	-	-	-
Miscellaneous	162	-	-	-
Total Revenues	2,421,681	-	96	-
Expenditures:				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Community/cultural services	-	-	-	-
Public works	2,335,983	-	-	-
Capital outlay	3,954,519	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	6,290,502	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,868,821)	-	96	-
Other Financing Sources (Uses):				
Transfers in	401,645	48,829	-	-
Transfers out	(667,784)	-	-	(226,840)
Contribution from Successor Agency	-	-	-	-
Total Other Financing Sources (Uses)	(266,139)	48,829	-	(226,840)
Net Change in Fund Balances	(4,134,960)	48,829	96	(226,840)
Fund Balances, Beginning of Year	6,339,649	(48,829)	10,861	226,840
Fund Balances, End of Year	\$ 2,204,689	\$ -	\$ 10,957	\$ -

CITY OF OCEANSIDE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Capital	Debt Service Fund		Total Nonmajor Governmental Funds
	Projects Fund	General Debt Service	Oceanside Lighting District	
	General Improvement			
Revenues:				
Assessments	\$ 15,000	\$ -	\$ -	\$ 2,424,014
Intergovernmental	128,687	-	-	7,822,347
Charges for services	163,526	-	-	263,907
Interest and rental	779,378	17,674	-	854,717
Developer participation	1,969,699	-	-	1,969,699
Miscellaneous	602,079	7,306,922	476,219	8,461,938
Total Revenues	3,658,369	7,324,596	476,219	21,796,622
Expenditures:				
Current:				
General government	25,000	2,120	-	27,120
Community development	445,053	-	-	2,521,495
Community/cultural services	-	-	-	396,175
Public works	452,442	-	-	7,549,956
Capital outlay	6,229,583	-	-	15,396,254
Debt service:				
Principal retirement	-	5,393,969	336,934	5,860,903
Interest and fiscal charges	-	1,909,347	139,285	2,193,763
Total Expenditures	7,152,078	7,305,436	476,219	33,945,666
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,493,709)	19,160	-	(12,149,044)
Other Financing Sources (Uses):				
Transfers in	6,804,904	-	-	7,499,574
Transfers out	(42,902)	-	-	(1,883,026)
Contribution from Successor Agency	478,000	-	-	786,000
Total Other Financing Sources (Uses)	7,240,002	-	-	6,402,548
Net Change in Fund Balances	3,746,293	19,160	-	(5,746,496)
Fund Balances, Beginning of Year	30,195,547	2,204,949	32,429	50,668,654
Fund Balances, End of Year	\$ 33,941,840	\$ 2,224,109	\$ 32,429	\$ 44,922,158

CITY OF OCEANSIDE

BUDGETARY COMPARISON SCHEDULE
 ASSET SEIZURE
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 895,491	\$ 895,491	\$ 895,491	\$ -
Resources (Inflows):				
Intergovernmental	60,000	60,000	87,497	27,497
Interest and rentals	6,000	6,000	8,283	2,283
Amounts Available for Appropriations	961,491	961,491	991,271	29,780
Charges to Appropriations (Outflow):				
Public safety	450,000	450,000	-	450,000
Total Charges to Appropriations	450,000	450,000	-	450,000
Budgetary Fund Balance, June 30	\$ 511,491	\$ 511,491	\$ 991,271	\$ 479,780

CITY OF OCEANSIDE

BUDGETARY COMPARISON SCHEDULE
 LIBRARY
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (24,936)	\$ (24,936)	\$ (24,936)	\$ -
Resources (Inflows):				
Charges for services	110,000	110,000	100,381	(9,619)
Interest and rentals	119	119	-	(119)
Miscellaneous	68,000	68,000	61,788	(6,212)
Transfers in	85,800	85,800	85,800	-
Amounts Available for Appropriations	238,983	238,983	223,033	(15,950)
Charges to Appropriations (Outflow):				
Community/cultural services	263,800	263,800	263,727	73
Total Charges to Appropriations	263,800	263,800	263,727	73
Budgetary Fund Balance, June 30	\$ (24,817)	\$ (24,817)	\$ (40,694)	\$ (15,877)

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
GAS TAX AND TRANSPORTATION
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,855,967	\$ 10,855,967	\$ 10,855,967	\$ -
Resources (Inflows):				
Intergovernmental	13,043,782	7,138,969	6,202,839	(936,130)
Interest and rentals	76,994	76,994	61,226	(15,768)
Miscellaneous	-	-	14,768	14,768
Transfers in	150,000	965,000	158,396	(806,604)
Contribution from Successor Agency	308,000	308,000	308,000	-
Amounts Available for Appropriations	24,434,743	19,344,930	17,601,196	(1,743,734)
Charges to Appropriations (Outflow):				
Community development	1,842,765	1,842,765	1,105,138	737,627
Community/Cultural Services	6,256,611	6,574,181	4,761,531	1,812,650
Capital outlay	9,096,523	10,323,952	5,212,152	5,111,800
Transfers out	945,500	1,760,500	945,500	815,000
Total Charges to Appropriations	18,141,399	20,501,398	12,024,321	8,477,077
Budgetary Fund Balance, June 30	\$ 6,293,344	\$ (1,156,468)	\$ 5,576,875	\$ 6,733,343

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (19,314)	\$ (19,314)	\$ (19,314)	\$ -
Resources (Inflows):				
Intergovernmental	2,691,384	2,844,922	1,403,324	(1,441,598)
Interest and rentals	-	-	(24,445)	(24,445)
Amounts Available for Appropriations	2,672,070	2,825,608	1,359,565	(1,466,043)
Charges to Appropriations (Outflow):				
Community development	2,215,061	1,393,608	971,304	422,304
Parks and recreation	201,194	1,176,185	132,448	1,043,737
Debt service:				
Principal retirement	130,000	130,000	130,000	-
Interest and fiscal charges	145,131	145,131	145,131	-
Total Charges to Appropriations	2,691,386	2,844,924	1,378,883	1,466,041
Budgetary Fund Balance, June 30	\$ (19,316)	\$ (19,316)	\$ (19,318)	\$ (2)

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
MAINTENANCE DISTRICTS
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$6,339,649	\$ 6,339,649	\$ 6,339,649	\$ -
Resources (Inflows):				
Assessments	2,397,484	2,397,484	2,409,014	11,530
Interest and rentals	11,886	11,886	12,505	619
Miscellaneous	-	-	162	162
Transfers in	390,000	390,000	401,645	11,645
Amounts Available for Appropriations	9,139,019	9,139,019	9,162,975	23,956
Charges to Appropriations (Outflow):				
Community/Cultural Services	2,142,873	2,619,092	2,335,983	283,109
Transfers out	667,784	667,784	667,784	-
Total Charges to Appropriations	2,810,657	3,286,876	6,958,286	(3,671,410)
Budgetary Fund Balance, June 30	\$6,328,362	\$ 5,852,143	\$ 2,204,689	\$ (3,647,454)

CITY OF OCEANSIDE

BUDGETARY COMPARISON SCHEDULE
 STATE & LOCAL ASSET SEIZURE
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,861	\$ 10,861	\$ 10,861	\$ -
Resources (Inflows):				
Intergovernmental	200	200	-	(200)
Interest and rentals	-	-	96	96
Amounts Available for Appropriations	11,061	11,061	10,957	(104)
Charges to Appropriations (Outflow):				
Public safety	200	200	-	200
Total Charges to Appropriations	200	200	-	200
Budgetary Fund Balance, June 30	\$ 10,861	\$ 10,861	\$ 10,957	\$ 96

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
GENERAL IMPROVEMENT
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 30,195,547	\$30,195,547	\$ 30,195,547	\$ -
Resources (Inflows):				
Assessments	-	-	15,000	15,000
Intergovernmental	457,872	125,785	128,687	2,902
Charges for services	205,200	205,200	163,526	(41,674)
Use of money and property	206,435	466,435	779,378	312,943
Developer participation	954,102	954,102	1,969,699	1,015,597
Miscellaneous	284,000	514,521	602,079	87,558
Transfers in	8,922,249	8,017,627	6,804,904	(1,212,723)
Contribution from Successor Agency	478,000	478,000	478,000	-
Amounts Available for Appropriations	41,703,405	40,957,217	41,136,820	179,603
Charges to Appropriations (Outflow):				
General government	40,000	40,000	25,000	15,000
Community development	561,650	566,817	445,053	121,764
Public works	1,965,814	2,051,548	452,442	1,599,106
Capital outlay	26,548,360	24,287,456	6,229,583	18,057,873
Transfers out	(155,000)	330,000	42,902	287,098
Total Charges to Appropriations	28,960,824	27,275,821	7,194,980	20,080,841
Budgetary Fund Balance, June 30	\$ 12,742,581	\$ 13,681,396	\$ 33,941,840	\$ 20,260,444

CITY OF OCEANSIDE

**BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,204,949	\$ 2,204,949	\$ 2,204,949	\$ -
Resources (Inflows):				
Interest and rentals	-	-	17,674	17,674
Miscellaneous	7,306,922	7,306,922	7,306,922	-
Transfers in	-	330,000	-	(330,000)
Amounts Available for Appropriations	9,511,871	9,841,871	9,529,545	(312,326)
Charges to Appropriations (Outflow):				
General government	6,200	6,200	2,120	4,080
Debt service:				
Principal retirement	5,393,969	5,393,969	5,393,969	-
Interest and fiscal charges	1,906,753	1,906,753	1,909,347	(2,594)
Total Charges to Appropriations	7,306,922	7,306,922	7,305,436	1,486
Budgetary Fund Balance, June 30	\$ 2,204,949	\$ 2,534,949	\$ 2,224,109	\$ (310,840)

CITY OF OCEANSIDE

BUDGETARY COMPARISON SCHEDULE
 OCEANSIDE LIGHTING DISTRICT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,429	\$ 32,429	\$ 32,429	\$ -
Resources (Inflows):				
Miscellaneous	-	476,219	476,219	-
Amounts Available for Appropriations	32,429	508,648	508,648	-
Charges to Appropriations (Outflow):				
Debt service:				
Principal retirement	-	336,934	336,934	-
Interest and fiscal charges	-	139,285	139,285	-
Total Charges to Appropriations	-	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

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	Loss Prevention	General Services	Total
Assets:			
Current:			
Cash and investments	\$ 22,706,298	\$ 21,714,147	\$ 44,420,445
Restricted cash and investments	250,000	-	250,000
Receivables:			
Accounts	106,762	25,762	132,524
Prepaid costs	-	11,578	11,578
Inventories	-	242,537	242,537
Total Current Assets	23,063,060	21,994,024	45,057,084
Noncurrent:			
Capital assets - net of accumulated depreciation	63,841	6,716,579	6,780,420
Total Noncurrent Assets	63,841	6,716,579	6,780,420
Total Assets	23,126,901	28,710,603	51,837,504
Deferred Outflows of Resources:			
Deferred pension-related items	36,506	426,153	462,659
Total Deferred Outflows of Resources	36,506	426,153	462,659
Total Assets and Deferred Outflows of Resources	\$ 23,163,407	\$ 29,136,756	\$ 52,300,163
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 21,917	\$ 1,382,439	\$ 1,404,356
Accrued liabilities	9,335	109,741	119,076
Compensated absences	13,338	322,793	336,131
Claims and judgments	7,267,175	-	7,267,175
Total Current Liabilities	7,311,765	1,814,973	9,126,738
Noncurrent:			
Compensated absences	15,528	342,047	357,575
Claims and judgments	10,242,066	-	10,242,066
Net Pension Liability	387,101	4,518,812	4,905,913
Total Noncurrent Liabilities	10,644,695	4,860,859	15,505,554
Total Liabilities	17,956,460	6,675,832	24,632,292
Deferred Inflows of Resources:			
Deferred pension-related items	95,870	1,119,137	1,215,007
Total Deferred Inflows of Resources	95,870	1,119,137	1,215,007
Net Position:			
Net investment in capital assets	63,841	6,716,579	6,780,420
Unrestricted	5,047,236	14,625,208	19,672,444
Total Net Position	5,111,077	21,341,787	26,452,864
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 23,163,407	\$ 29,136,756	\$ 52,300,163

CITY OF OCEANSIDE

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	Loss Prevention	General Services	Total
Operating Revenues:			
Sales and service charges	\$ 9,906,243	\$ 46,527,780	\$ 56,434,023
Miscellaneous	53,245	124,679	177,924
Total Operating Revenues	9,959,488	46,652,459	56,611,947
Operating Expenses:			
Personnel services	384,648	34,337,356	34,722,004
Maintenance and operations	8,787,114	8,478,567	17,265,681
Depreciation expense	21,280	1,718,131	1,739,411
Bad debt expense	-	2,471	2,471
Total Operating Expenses	9,193,042	44,536,525	53,729,567
Operating Income (loss)	766,446	2,115,934	2,882,380
Nonoperating Revenues (Expenses):			
Gain (loss) on disposal of capital assets	-	130,127	130,127
Total Nonoperating Revenues (Expenses)	-	130,127	130,127
Income Before Transfers	766,446	2,246,061	3,012,507
Transfers in	-	32,212	32,212
Transfers out	(3,843,473)	(71,935)	(3,915,408)
Changes in Net Position	(3,077,027)	2,206,338	(870,689)
Net Position:			
Beginning of Fiscal Year	8,640,867	23,808,292	32,449,159
Restatements	(452,763)	(4,672,843)	(5,125,606)
Beginning of Fiscal Year, as restated	8,188,104	19,135,449	27,323,553
End of Fiscal Year	\$ 5,111,077	\$ 21,341,787	\$ 26,452,864

CITY OF OCEANSIDE

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	<u>Loss Prevention</u>	<u>General Services</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from interfund service provided	\$ 9,860,073	\$ 46,626,697	\$ 56,486,770
Cash paid to suppliers for goods and services	(5,559,335)	(8,480,656)	(14,039,991)
Cash paid to employees for services	(392,318)	(34,535,543)	(34,927,861)
Net Cash Provided (Used) by Operating Activities	<u>3,908,420</u>	<u>3,610,498</u>	<u>7,518,918</u>
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	32,212	32,212
Cash transfers out	(3,843,473)	(71,935)	(3,915,408)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(3,843,473)</u>	<u>(39,723)</u>	<u>(3,883,196)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(2,200,017)	(2,200,017)
Proceeds from disposal of capital assets	-	154,191	154,191
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(2,045,826)</u>	<u>(2,045,826)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>64,947</u>	<u>1,524,949</u>	<u>1,589,896</u>
Cash and Cash Equivalents at Beginning of Year	22,891,351	20,189,198	43,080,549
Cash and Cash Equivalents at End of Year	<u>\$ 22,956,298</u>	<u>\$ 21,714,147</u>	<u>\$ 44,670,445</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 766,446	\$ 2,115,934	\$ 2,882,380
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	21,280	1,718,131	1,739,411
(Increase) decrease in accounts receivable	(99,415)	(23,291)	(122,706)
(Increase) decrease in prepaid expense	18,348	(3,602)	14,746
(Increase) decrease in inventory	-	4,244	4,244
(Increase) decrease in deferred outflows from pensions	(36,506)	(426,153)	(462,659)
Increase (decrease) in accounts payable	(23,140)	(2,731)	(25,871)
Increase (decrease) in accrued liabilities	2,464	1,937	4,401
Increase (decrease) in deferred inflows from pensions	95,870	1,119,137	1,215,007
Increase (decrease) in net pension liability	(65,662)	(766,507)	(832,169)
Increase (decrease) in claims and judgments	3,232,571	-	3,232,571
Increase (decrease) in compensated absences	(3,836)	(126,601)	(130,437)
Total Adjustments	<u>3,141,974</u>	<u>1,494,564</u>	<u>4,636,538</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,908,420</u>	<u>\$ 3,610,498</u>	<u>\$ 7,518,918</u>

FIDUCIARY FUNDS

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

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

CITY OF OCEANSIDE

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2015

	Special Assessment District	Deposit	Total
Assets:			
Cash and investments	\$ 2,974,651	\$ 4,522,947	\$ 7,497,598
Restricted cash and investments	6,863,264	-	6,863,264
Receivables:			
Taxes	18,638	-	18,638
Total Assets	\$ 9,856,553	\$ 4,522,947	\$ 14,379,500
Liabilities:			
Accounts payable	\$ 18,284	\$ 54,302	\$ 72,586
Deposits payable	179,265	4,468,645	4,647,910
Due to parties/other agencies	9,659,004	-	9,659,004
Total Liabilities	\$ 9,856,553	\$ 4,522,947	\$ 14,379,500

CITY OF OCEANSIDE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015

	Balance 7/1/2014	Additions	Deductions	Balance 6/30/2015
<u>Special Assessment District</u>				
Assets:				
Pooled cash and investments	\$ 3,106,098	\$ 10,426,577	\$ 10,558,024	\$ 2,974,651
Restricted cash and investments	6,076,019	9,563,703	8,776,458	6,863,264
Receivables:				
Accounts	51,761	-	51,761	-
Taxes	14,611	18,638	14,611	18,638
Total Assets	\$ 9,248,489	\$ 20,008,918	\$ 19,400,854	\$ 9,856,553
Liabilities:				
Accounts payable	\$ 39,240	\$ 95,267	\$ 116,223	\$ 18,284
Deposits payable	179,265	-	-	179,265
Due to external parties/other agencies	9,029,985	2,463,190	1,834,171	9,659,004
Total Liabilities	\$ 9,248,490	\$ 2,558,457	\$ 1,950,394	\$ 9,856,553
<u>Deposit</u>				
Assets:				
Pooled cash and investments	\$ 3,987,514	\$ 24,658,063	\$ 24,122,630	\$ 4,522,947
Total Assets	\$ 3,987,514	\$ 24,658,063	\$ 24,122,630	\$ 4,522,947
Liabilities:				
Accounts payable	\$ 268,843	\$ 23,237,588	\$ 23,452,129	\$ 54,302
Deposits payable	3,718,671	11,270,117	10,520,143	4,468,645
Total Liabilities	\$ 3,987,514	\$ 34,507,705	\$ 33,972,272	\$ 4,522,947
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 7,093,612	\$ 35,084,640	\$ 34,680,654	\$ 7,497,598
Restricted cash and investments	6,076,019	9,563,703	8,776,458	6,863,264
Receivables:				
Accounts	51,761	-	51,761	-
Taxes	14,611	18,638	14,611	18,638
Total Assets	\$ 13,236,003	\$ 44,666,981	\$ 43,523,484	\$ 14,379,500
Liabilities:				
Accounts payable	\$ 308,083	\$ 23,332,855	\$ 23,568,352	\$ 72,586
Deposits payable	3,897,936	11,270,117	10,520,143	4,647,910
Due to external parties/other agencies	9,029,985	2,463,190	1,834,171	9,659,004
Total Liabilities	\$ 13,236,004	\$ 37,066,162	\$ 35,922,666	\$ 14,379,500

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DESCRIPTION OF STATISTICAL SECTION CONTENTS

JUNE 30, 2015

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			
	2006	2007	2008	2009
Governmental Activities				
Net investment in capital assets	\$ 162,782,050	\$ 192,580,094	\$ 223,022,078	\$ 234,316,806
Restricted for:				
Debt service	27,428,593	10,400,086	9,401,419	5,007,853
Capital projects	51,988,076	56,584,296	75,302,178	78,554,859
Specific projects and programs	30,309,265	56,971,726	45,513,582	44,045,329
Total restricted	<u>109,725,934</u>	<u>123,956,108</u>	<u>130,217,179</u>	<u>127,608,041</u>
Unrestricted	28,199,762	45,103,813	45,039,132	39,968,095
Total governmental activities net position	\$ 300,707,746	\$ 361,640,015	\$ 398,278,389	\$ 401,892,942
Business-type Activities				
Net investment in capital assets	\$ 175,923,102	\$ 187,894,276	\$ 196,363,003	\$ 207,637,088
Restricted for:				
Capital projects	1,876,361	1,899,746	2,252,846	33,894,838
Debt service				
Rate stabilization				
Unrestricted	77,186,066	63,744,851	59,188,035	12,766,808
Total business-type activities net position	\$ 254,985,529	\$ 253,538,873	\$ 257,803,884	\$ 254,298,734
Primary Government				
Net investment in capital assets	\$ 338,705,152	\$ 380,474,370	\$ 419,385,081	\$ 441,953,894
Restricted	111,602,295	125,855,854	132,470,025	161,502,879
Unrestricted	<u>105,385,828</u>	<u>108,848,664</u>	<u>104,227,167</u>	<u>52,734,903</u>
Total Primary Government net position	<u>\$ 555,693,275</u>	<u>\$ 615,178,888</u>	<u>\$ 656,082,273</u>	<u>\$ 656,191,676</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 234,789,461	\$ 235,574,067	\$ 243,655,279	\$ 241,149,904	\$ 246,144,971	\$ 266,146,413
2,174,867	4,141,868	2,161,962	2,256,658	2,237,378	2,256,538
40,191,226	58,506,353		28,708,355	29,702,850	33,941,840
39,150,717	42,884,232	106,653,971	82,545,895	85,489,088	21,814,282
<u>81,516,810</u>	<u>105,532,453</u>	<u>108,815,933</u>	<u>113,510,908</u>	<u>117,429,316</u>	<u>55,103,018</u>
73,283,539	53,795,980	49,273,627	59,194,764	58,259,611	(82,447,190)
\$ 389,589,810	\$ 394,902,500	\$ 401,744,839	\$ 413,855,576	\$ 421,833,898	\$ 241,711,883
\$ 400,340,807	\$ 395,086,570	\$ 385,375,753	\$ 380,748,031	\$ 364,159,043	\$ 368,135,588
27,552,284	32,998,023	38,054,343	23,556,608	56,127,650	47,783,461
955,236	936,607	930,832	1,019,886	1,000,178	961,741
	1,700,000	2,318,667	2,318,667	0	6,078,455
21,602,927	28,535,592	44,681,865	79,945,483	86,994,807	92,909,730
\$ 450,451,254	\$ 459,256,792	\$ 471,361,460	\$ 487,588,675	\$ 508,281,678	\$ 515,868,975
\$ 635,130,268	\$ 630,660,637	\$ 629,031,032	\$ 621,897,935	\$ 610,304,014	\$ 634,282,001
110,024,330	139,467,083	150,119,775	140,406,069	174,557,144	109,926,675
94,886,466	82,331,572	93,955,492	138,201,395	145,254,418	13,372,182
<u>\$ 840,041,064</u>	<u>\$ 852,459,292</u>	<u>\$ 873,106,299</u>	<u>\$ 900,505,399</u>	<u>\$ 930,115,576</u>	<u>\$ 757,580,858</u>

City of Oceanside

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

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 48,001,309	\$ 54,785,119	\$ 58,663,948	\$ 61,239,407
Sales taxes	15,675,218	17,814,047	18,734,655	16,914,344
Other taxes	14,027,416	11,437,735	11,746,323	12,424,966
Total taxes	<u>77,703,943</u>	<u>84,036,901</u>	<u>89,144,926</u>	<u>90,578,717</u>
Intergovernmental unrestricted	11,981,723	12,682,555	13,633,572	14,083,346
Investment Earnings	9,711,778	14,095,895	13,343,619	9,861,241
Developer contributions	10,663,038	-	-	-
Miscellaneous	329,321	1,072,547	563,443	423,227
Loss on sale of assets	61,726	219,935	157,154	-
Extraordinary gain(loss)	-	-	-	-
Transfers	2,391,713	1,408,380	1,883,945	8,214,295
Total Governmental activities	<u>112,843,242</u>	<u>113,516,213</u>	<u>118,726,659</u>	<u>123,160,826</u>
Business-type activities:				
Investment Earnings	2,274,912	3,945,045	3,017,902	2,109,687
Miscellaneous	-	-	-	-
Loss on sale of assets	-	5,599	-	4,964,630
Transfers	(2,391,713)	(1,408,380)	(1,883,945)	(8,214,295)
Total business-type activities:	<u>(116,801)</u>	<u>2,542,264</u>	<u>1,133,957</u>	<u>(1,139,978)</u>
Total primary government	<u>\$ 112,726,441</u>	<u>\$ 116,058,477</u>	<u>\$ 119,860,616</u>	<u>\$ 122,020,848</u>
Change in Net Position				
Governmental activities	\$ 30,469,214	\$ 34,027,938	\$ 38,181,202	6,454,115
Business-type activities:	(3,368,639)	(2,618,152)	4,263,536	(3,455,192)
Total primary government	<u>\$ 27,100,575</u>	<u>\$ 31,409,786</u>	<u>\$ 42,444,738</u>	<u>\$ 2,998,923</u>

						Fiscal Year					
2010		2011		2012		2013		2014		2015	
\$	55,979,593	\$	54,923,310	\$	51,774,298	\$	49,143,021	\$	49,142,577	\$	51,170,308
	17,326,635		18,141,424		19,397,588		20,716,764		20,960,270		21,748,689
	10,577,615		11,091,446		11,461,700		16,565,848		12,405,237		14,344,548
	<u>83,883,843</u>		<u>84,156,180</u>		<u>82,633,586</u>		<u>86,425,633</u>		<u>82,508,084</u>		<u>87,263,545</u>
	504,448		830,682		90,581		-		-		-
	8,380,289		9,585,836		-		-		-		-
	-		-		-		-		-		-
	3,673,334		5,749,504		23,213,669		13,889,663		15,946,986		14,949,969
	-		-		-		-		-		130,127
	-		-		(11,501,480)		-		104,999		33,177,247
	4,961,121		7,025,199		6,883,340		10,740,736		11,286,667		10,910,791
	<u>101,403,035</u>		<u>107,347,401</u>		<u>101,319,696</u>		<u>111,056,032</u>		<u>109,846,736</u>		<u>146,431,679</u>
	982,961		568,677		932,868		(536,263)		1,959,130		1,574,239
	3,860,425		4,461,855		2,766,337		3,654,356		2,024,680		2,966,379
	-		-		-		-		6,357		-
	<u>(4,961,121)</u>		<u>(7,025,199)</u>		<u>(6,883,340)</u>		<u>(10,740,736)</u>		<u>(11,286,667)</u>		<u>(10,910,791)</u>
	<u>(117,735)</u>		<u>(1,994,667)</u>		<u>(3,184,135)</u>		<u>(7,622,643)</u>		<u>(7,296,500)</u>		<u>(6,370,173)</u>
\$	<u>101,285,300</u>	\$	<u>105,352,734</u>	\$	<u>98,135,561</u>	\$	<u>103,433,389</u>	\$	<u>102,550,236</u>	\$	<u>140,061,506</u>
	(19,027,868)		13,792,648		6,537,234		12,110,737		8,065,998		33,947,387
	170,999		9,357,740		12,104,668		16,110,540		20,596,710		22,805,684
\$	<u>(18,856,869)</u>	\$	<u>23,150,388</u>	\$	<u>18,641,902</u>	\$	<u>28,221,277</u>	\$	<u>28,662,708</u>	\$	<u>56,753,071</u>

City of Oceanside

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 11,936,686	\$ 13,958,047	\$ 16,004,013	\$ 19,051,433
Public safety	61,977,977	64,713,256	68,521,173	76,759,409
Community development	23,295,927	26,915,033	24,715,209	28,756,441
Community/cultural services	12,806,800	14,224,389	14,191,135	14,193,259
Public works	25,475,444	24,585,242	27,088,207	28,263,292
Depreciation (unallocated)	-	-	-	-
Interest on long-term debt	8,634,066	7,634,724	7,486,339	7,363,801
Total governmental activities	<u>\$ 144,126,900</u>	<u>\$ 152,030,691</u>	<u>\$ 158,006,076</u>	<u>\$ 174,387,635</u>
Business-type activities:				
Water	37,074,165	41,066,482	40,649,208	41,651,535
Sewer	23,735,275	26,465,182	27,039,628	28,233,964
Waste disposal	19,105,879	20,074,362	20,846,158	21,282,754
Special aviation	483,012	467,505	432,432	565,477
Oceanside Small Craft Harbor District	5,501,277	5,700,513	5,807,752	6,551,918
Total business-type activities	<u>85,899,608</u>	<u>93,774,044</u>	<u>94,775,178</u>	<u>98,285,648</u>
Total primary government expenses	<u>\$ 230,026,508</u>	<u>\$ 245,804,735</u>	<u>\$ 252,781,254</u>	<u>\$ 272,673,283</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,556,047	\$ 2,726,649	\$ 2,910,185	\$ 2,735,446
Public safety	5,121,602	4,506,019	5,546,313	6,016,525
Community development	7,539,632	7,426,082	5,992,226	5,509,157
Community/cultural services	851,456	952,830	1,283,498	2,421,512
Public works	6,830,916	6,546,976	21,137,007	6,881,633
Operating Grants and Contributions	33,579,124	42,771,143	31,173,230	24,119,622
Capital Grants and Contributions	5,274,095	7,612,717	9,418,160	9,997,029
Total governmental activities program revenues	<u>61,752,872</u>	<u>72,542,416</u>	<u>77,460,619</u>	<u>57,680,924</u>
Business-type activities:				
Charges for services:				
Water	36,716,820	39,415,143	42,185,950	42,313,563
Sewer	20,723,540	23,054,008	24,749,371	25,304,602
Waste disposal	19,816,761	20,405,194	20,961,319	21,442,968
Special aviation	394,072	439,422	464,774	465,150
Oceanside Small Craft Harbor District	4,996,577	5,299,861	5,322,666	5,311,555
Operating Grants and Contributions	-	-	4,220,677	1,132,596
Capital Grants and Contributions	-	-	-	-
Total business-type activities program revenues	<u>82,647,770</u>	<u>88,613,628</u>	<u>97,904,757</u>	<u>95,970,434</u>
Total primary government program revenues	<u>\$ 144,400,642</u>	<u>\$ 161,156,044</u>	<u>\$ 175,365,376</u>	<u>\$ 153,651,358</u>
Net (Expense)/Revenue				
Governmental activities	\$ (82,374,028)	\$ (79,488,275)	\$ (80,545,457)	\$ (116,706,711)
Business-type activities	(3,251,838)	(5,160,416)	3,129,579	(2,315,214)
Total primary government net expense	<u>\$ (85,625,866)</u>	<u>\$ (84,648,691)</u>	<u>\$ (77,415,878)</u>	<u>\$ (119,021,925)</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 13,967,349	\$ 14,899,107	\$ 16,101,719	\$ 14,830,050	\$ 16,455,355	\$ 16,671,736
81,635,635	74,767,172	70,989,600	76,558,916	76,486,996	80,525,772
39,476,894	28,968,430	28,291,313	25,082,898	24,559,378	30,564,852
14,565,149	11,669,455	11,615,707	11,910,768	14,051,321	12,941,427
27,101,514	32,341,519	27,020,879	28,329,168	30,469,085	37,084,193
-	-	-	-	-	-
9,213,229	7,472,655	5,441,528	2,861,072	2,151,302	2,078,438
<u>\$ 185,959,770</u>	<u>\$ 170,118,338</u>	<u>\$ 159,460,746</u>	<u>\$ 159,572,872</u>	<u>\$ 164,173,437</u>	<u>\$ 179,866,418</u>
44,640,059	43,930,562	51,309,115	51,800,928	56,800,583	56,314,612
29,744,119	29,272,281	33,251,371	31,340,700	31,537,700	31,516,720
19,073,268	20,035,442	20,111,113	19,217,767	18,745,866	19,323,265
230,378	380,711	94,106	90,609	86,988	83,305
4,454,450	1,382,005	1,292,291	1,312,457	1,372,653	1,366,092
98,142,274	95,001,001	106,057,996	103,762,461	108,543,790	108,603,994
<u>\$ 284,102,044</u>	<u>\$ 265,119,339</u>	<u>\$ 265,518,742</u>	<u>\$ 263,335,333</u>	<u>\$ 272,717,227</u>	<u>\$ 288,470,412</u>
\$ 1,510,087	\$ 1,618,641	\$ 2,112,141	\$ 2,479,719	\$ 5,039,215	\$ 9,642,667
8,123,510	6,116,702	5,005,344	6,514,143	6,673,108	8,867,434
5,180,697	6,127,879	6,073,887	6,864,969	6,687,509	8,400,755
1,111,571	1,203,242	897,301	974,234	1,126,533	840,123
6,721,474	8,424,047	6,978,316	6,984,599	7,365,266	5,359,055
38,057,394	45,593,539	36,121,277	31,216,913	34,768,831	31,943,724
4,824,134	7,479,535	7,490,018	5,593,000	732,237	2,328,368
<u>65,528,867</u>	<u>76,563,585</u>	<u>64,678,284</u>	<u>60,627,577</u>	<u>62,392,699</u>	<u>67,382,126</u>
41,865,765	45,307,197	53,176,890	57,469,143	62,320,181	59,703,297
28,570,644	32,440,442	37,638,074	39,670,129	44,210,556	46,181,396
20,795,455	23,119,454	22,756,966	23,568,208	23,706,070	24,473,562
144,269	97,633	100,865	102,084	104,298	96,131
5,028,536	5,003,985	5,792,048	6,099,713	6,095,895	6,267,995
1,787,839	384,697	1,881,956	586,367	-	118,470
238,500	-	-	-	-	939,000
98,431,008	106,353,408	121,346,799	127,495,644	136,437,000	137,779,851
<u>\$ 163,959,875</u>	<u>\$ 182,916,993</u>	<u>\$ 186,025,083</u>	<u>\$ 188,123,221</u>	<u>\$ 198,829,699</u>	<u>\$ 205,161,977</u>
\$ (120,430,903)	\$ (93,554,753)	\$ (94,782,462)	\$ (98,945,295)	\$ (101,780,738)	\$ (112,484,292)
288,734	11,352,407	15,288,803	23,733,183	27,893,210	29,175,857
<u>\$ (120,142,169)</u>	<u>\$ (82,202,346)</u>	<u>\$ (79,493,659)</u>	<u>\$ (75,212,112)</u>	<u>\$ (73,887,528)</u>	<u>\$ (83,308,435)</u>

City of Oceanside

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved	\$ 3,701,873	\$ 3,740,229	\$ 3,607,416	\$ -
Unreserved, designated	-	-	35,804,645	-
Unreserved, undesignated	41,657,973	46,202,605	4,711,757	-
Nonspendable	\$ -	\$ -	\$ -	\$ 3,680,434
Restricted				
Committed	-	-	-	15,442,512
Assigned	-	-	-	15,680,540
Unassigned	-	-	-	6,558,093
Total General Fund	\$ 45,359,846	\$ 49,942,834	\$ 44,123,818	\$ 41,361,579
All Other Governmental Funds				
Reserved:				
Special revenue funds	\$ 9,014,958	\$ 9,179,056	\$ 22,373,194	\$ -
Debt service funds	13,514,019	9,721,949	9,401,419	-
Capital projects funds	14,807,661	13,727,570	13,525,685	-
Unreserved, designated:				
Special revenue funds	-	-	21,812,104	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	17,875,218	45,615,179	14,808,283	-
Debt service funds	-	(12,434,455)	(12,669,680)	-
Capital projects funds	41,465,183	61,608,352	61,776,493	-
Nonspendable				
Special revenue funds	\$ -	\$ -	\$ -	\$ 214
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	13,285,070
Other Governmental Funds	-	-	-	-
Restricted				
Special revenue funds	-	-	-	1,790,736
Debt service funds	-	-	-	4,412,804
Capital projects funds	-	-	-	2,645,521
Other Governmental Funds	-	-	-	17,306,801
Committed				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	206,462
Other Governmental Funds	-	-	-	-
Assigned				
Special revenue funds	-	-	-	31,967,903
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	54,739,867
Other Governmental Funds	-	-	-	3,231,453
Unassigned				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	(13,242,660)
Capital projects funds	-	-	-	-
Other Governmental Funds	-	-	-	-
Total all other Governmental Funds	\$ 96,677,039	\$ 127,417,651	\$ 131,027,498	\$ 116,344,171
All Governmental Funds	\$ 142,036,885	\$ 177,360,485	\$ 175,151,316	\$ 157,705,750

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
\$ 11,693,612	\$ 13,378,851	\$ 11,255,881	\$ 11,280,586	\$ 11,168,901	\$ 11,113,123
15,737,602	15,667,245	16,348,074	16,213,781	17,526,258	17,160,366
9,051,338	5,806,222	7,472,057	12,712,663	15,679,811	18,835,653
1,008,053	-	1,997,735	8,490,329	8,352,469	11,844,123
<u>\$ 37,490,605</u>	<u>\$ 34,852,318</u>	<u>\$ 37,073,747</u>	<u>\$ 48,697,359</u>	<u>\$ 52,727,439</u>	<u>\$ 58,953,265</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 23,597,506	\$ 23,575,682	\$ 5,406,933	\$ 5,366,479	\$ -	\$ -
-	-	-	-	-	-
18,949,270	335,047	-	-	-	-
4,051,048	24,176,027	-	4,449	-	-
7,354,557	7,889,448	7,493,591	7,469,221	13,229,318	13,030,490
-	-	-	2,224,229	-	-
-	1,432,594	-	-	-	-
6,489,499	17,881,727	42,681,033	43,500,742	46,547,909	44,982,170
-	-	-	-	-	-
412,349	-	-	-	-	-
-	21,030	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,242,413	46,908,822	-	-	-	-
2,821,010	1,967,025	4,019,757	909,617	4,213,824	-
-	-	(90,115)	(744,030)	-	-
(9,817,564)	(12,029,374)	-	-	-	-
-	-	-	-	-	-
(167,026)	(373,292)	(233,255)	(53,807)	(93,079)	(60,012)
<u>\$ 109,933,062</u>	<u>\$ 111,784,736</u>	<u>\$ 59,277,944</u>	<u>\$ 58,676,900</u>	<u>\$ 63,897,972</u>	<u>\$ 57,952,648</u>
\$ 147,423,667	\$ 146,637,054	\$ 96,351,691	\$ 107,374,259	\$ 116,625,411	\$ 116,905,913

City of Oceanside

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

	Fiscal Year			
	2006	2007	2008	2009
Revenues:				
Taxes	\$ 75,175,577	\$ 84,150,853	\$ 88,632,073	\$ 91,340,010
Licenses and permits	2,640,136	2,296,979	1,899,169	1,877,798
Intergovernmental	37,417,423	28,451,602	42,765,760	27,941,755
Charges for services	13,174,726	10,842,358	10,554,651	10,366,112
Interest and rentals	5,600,963	12,375,093	12,166,634	8,673,200
Fines and forfeitures	4,320,726	4,299,450	4,974,638	4,770,065
Lease revenue	2,262,236	4,644,958	4,656,346	4,738,281
Developer fees	10,855,028	10,997,445	4,026,658	4,439,021
Special assessments	7,605,943	12,453,958	8,286,857	2,351,621
Administrative and in lieu charges	11,981,723	12,682,555	13,633,572	14,083,346
Other	596,106	1,140,081	1,486,331	770,811
Total Revenues	171,630,587	184,335,332	193,082,689	171,352,020
Expenditures:				
General government	11,675,141	12,913,269	14,588,366	16,229,297
Public safety	59,977,872	65,460,131	69,336,877	73,479,724
Community development	22,569,033	33,913,454	24,861,865	33,420,647
Community/cultural services	11,482,495	12,381,047	13,852,218	12,898,183
Public works	15,198,022	15,746,646	15,669,045	17,813,964
Capital outlay	22,492,632	25,540,153	46,019,219	22,067,047
Debt service				
Principal	4,760,780	6,252,146	5,724,192	6,100,728
Interest	8,021,110	8,526,638	7,964,401	8,152,267
Total Expenditures	156,177,085	180,733,484	198,016,183	190,161,857
Excess of Revenues over (under) expenditures	15,453,502	3,601,848	(4,933,494)	(18,809,837)
Other Financing Sources (Uses)				
Issuance of long-term debt	42,780,000	-	-	-
Issuance of refunding debt	-	-	-	-
Bond premium	1,032,871	-	-	-
Payment of unfunded pension liability	(42,072,326)	-	-	-
Redemption of refunded debt	-	-	-	-
Loan proceeds	-	-	3,500,000	-
Proceed from sale of real property	228,100	1,663,000	1,560	7,905
Transfers in	16,750,522	37,997,067	25,040,614	24,680,835
Transfers out	(21,587,024)	(36,697,390)	(24,377,845)	(20,484,907)
Total other financing sources (uses)	(2,867,857)	2,962,677	4,164,329	4,203,833
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-
Net change in fund balances	\$ 12,585,645	\$ 6,564,525	\$ (769,165)	\$ (14,606,004)
Debt Service as a percentage of noncapital expenditures.	9.6%	9.5%	9.0%	8.5%

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

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 83,508,603	\$ 84,252,109	\$ 82,159,554	\$ 81,307,547	\$ 82,818,776	\$ 86,981,734	
973,602	2,501,483	1,987,843	2,201,628	2,171,960	2,205,931	
28,700,124	38,281,505	34,823,491	28,709,782	27,038,190	30,517,109	
14,492,767	12,999,466	9,254,906	11,649,934	15,145,486	15,745,425	
6,318,649	3,629,981	6,051,536	4,828,626	6,715,747	8,306,216	
1,890,806	1,949,170	4,536,471	4,289,750	4,211,163	3,947,380	
2,342,583	2,348,728	1,234,704	-	-	-	
2,744,171	2,782,358	2,191,048	2,775,907	2,498,169	2,068,849	
-	-	-	-	-	-	
16,537,589	10,911,973	8,798,042	8,872,886	9,197,686	9,273,016	
4,639,198	8,258,197	9,138,214	14,468,524	8,652,117	9,155,313	
<u>162,148,092</u>	<u>167,914,970</u>	<u>160,175,809</u>	<u>159,104,584</u>	<u>158,449,294</u>	<u>168,200,973</u>	
13,705,854	14,204,862	15,040,557	14,102,273	15,557,074	15,770,645	
76,616,881	72,109,425	71,220,254	74,771,213	76,446,617	82,300,876	
38,432,800	27,655,390	27,968,667	25,064,042	24,700,043	28,324,390	
14,881,758	10,843,234	9,591,839	9,847,644	11,837,141	12,360,663	
18,664,638	17,130,401	15,999,867	16,715,563	19,123,912	20,150,010	
8,953,305	14,513,009	11,290,953	6,899,316	9,609,187	16,402,049	
6,596,713	7,616,985	14,967,189	21,152,400	5,533,197	5,978,373	
9,638,213	7,608,092	6,186,648	3,127,280	2,289,860	2,213,452	
<u>187,490,162</u>	<u>171,681,398</u>	<u>172,265,974</u>	<u>171,679,731</u>	<u>165,097,031</u>	<u>183,500,458</u>	
(25,342,070)	(3,766,428)	(12,090,165)	(12,575,147)	(6,647,737)	(15,299,485)	
-	1,624,761	7,725,000	12,126,893	4,731,027	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	786,000	
27,723,634	32,976,259	23,022,366	15,831,614	18,173,810	20,692,139	
<u>(22,306,443)</u>	<u>(28,437,187)</u>	<u>(14,530,805)</u>	<u>(4,360,792)</u>	<u>(6,918,272)</u>	<u>(5,898,152)</u>	
5,417,191	6,163,833	16,216,561	23,597,715	15,986,565	15,579,987	
-	-	(19,505,666)	-	-	-	
<u>\$ (19,924,879)</u>	<u>\$ 2,397,405</u>	<u>\$ (15,379,270)</u>	<u>\$ 11,022,568</u>	<u>\$ 9,338,828</u>	<u>\$ 280,502</u>	
9.1%	9.7%	13.1%	14.6%	4.9%	4.7%	

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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
2006	\$ 38,983,217	\$ 17,404,797	\$ 1,451,267	\$ 2,908,792	\$ 3,711,531	\$ 3,671,388	\$ 68,130,992
2007	44,484,217	19,548,981	897,005	2,938,174	3,882,369	3,627,323	75,378,069
2008	48,002,987	19,355,845	760,351	3,389,739	3,932,716	3,687,900	79,129,538
2009	49,112,892	18,610,365	666,349	3,889,238	4,130,601	4,064,677	80,474,123
2010	41,072,836	17,045,656	664,486	3,184,613	3,912,710	2,590,262	68,470,562
2011	44,345,948	18,408,283	548,660	3,325,825	4,125,808	2,788,662	73,543,186
2012	45,631,731	18,923,556	627,729	3,817,155	4,041,626	2,557,232	75,599,029
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
Change 2006-2015	26.3%	23.3%	-38.5%	104.6%	20.5%	-26.5%	24.3%

Source: Financial Services Department, Accounting Division

Note: Revenues are from the General Fund only

City of Oceanside

Schedule of Assessed Valuation Last Ten Fiscal Years

Fiscal Year	ASSESSED VALUATIONS			
	Land	Improvements	Personal Property	Total
2006	\$ 6,676,968,166	\$ 7,920,412,950	\$ 341,089,785	\$ 14,938,470,901
2007	8,052,273,214	8,424,362,316	453,725,069	16,930,360,599
2008	8,946,406,079	9,080,678,149	424,946,166	18,452,030,394
2009	9,024,067,353	9,438,343,330	455,685,518	18,918,096,201
2010	8,134,265,718	9,032,754,746	156,958,673	17,323,979,137
2011	7,887,878,904	9,021,522,163	206,519,262	17,115,920,329
2012	7,961,957,259	9,137,698,273	210,019,528	17,309,675,060
2013	7,872,723,361	9,188,547,651	172,271,697	17,233,542,709
2014	8,095,710,824	9,389,176,806	166,785,707	17,651,673,337
2015	8,683,742,020	9,839,413,669	219,813,967	18,742,969,656

Source: County of San Diego

NOTE:

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

* See Note 15: Dissolution of redevelopment agency

EXEMPTIONS

Homeowner's	Tax Increment	All Other	Net Taxable Value	Direct Tax Rate	Property Tax Revenue
\$ 222,311,284	\$ 697,018,563	\$ 202,450,936	\$ 13,816,690,118	0.169 %	38,983,217
223,131,924	832,836,578	216,620,223	15,657,771,874	0.186 %	44,484,217
223,068,966	931,606,219	223,594,652	17,073,760,557	0.221 %	48,002,987
223,598,913	1,089,025,866	248,883,479	17,356,587,943	0.214 %	49,112,892
221,666,443	1,105,792,566	249,819,005	15,746,701,123	0.236 %	41,072,836
218,883,810	1,097,822,948	289,636,525	15,509,577,046	0.248 %	44,345,948
215,170,966	*	320,337,222	16,774,166,872	0.291 %	45,631,731
209,521,671	*	335,956,443	16,688,064,595	0.298 %	45,578,034
204,943,661	*	344,215,225	17,102,514,451	0.286 %	47,167,486
201,562,704	*	364,443,723	18,176,963,229	0.283 %	49,251,587

City of Oceanside

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Education</u>	<u>Special Districts Improvements</u>	<u>City of Oceanside</u>	<u>Basic County/ City Rate</u>	<u>Total Tax Rate (1)</u>
2006	0.13498%	0.03393%	0.00000%	1.00000%	1.16891%
2007	0.15597%	0.03022%	0.00000%	1.00000%	1.18619%
2008	0.19334%	0.02793%	0.00000%	1.00000%	1.22127%
2009	0.19342%	0.02075%	0.00000%	1.00000%	1.21417%
2010	0.21311%	0.02318%	0.00000%	1.00000%	1.23629%
2011	0.22287%	0.02507%	0.00000%	1.00000%	1.24794%
2012	0.26110%	0.03004%	0.00000%	1.00000%	1.29114%
2013	0.26665%	0.03175%	0.00000%	1.00000%	1.29840%
2014	0.25871%	0.02770%	0.00000%	1.00000%	1.28641%
2015	0.25185%	0.03146%	0.00000%	1.00000%	1.28331%

(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	2015			2006		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Genentech Inc	\$ 469,571,566	1	2.50%			
P K II El Camino North LP	96,982,455	2	0.52%			
Guardian Piazza Doro LLC	80,975,000	3	0.43%			
Walmart Real Estate Business Trust	76,762,506	4	0.41%			
Wyndham Vacation Resorts	65,471,317	5	0.35%			
Lakeridge-Island Club Apartments Partners	64,221,430	6	0.34%			
Gilead Sciences Inc	62,179,643	7	0.33%			
ACP Rancho Del Oro LLC	60,000,000	8	0.32%			
Cole of Oceanside California LP	55,842,377	9	0.30%			
Prime Mesa LP	54,358,811	10	0.29%			
IDEC Pharmaceuticals Corporation				\$ 443,106,849	1	3.01%
Pan Pacific Retail Properites Inc.				82,637,056	2	0.56%
Northwestern Mutual Life Ins. Company				62,036,571	3	0.42%
E Q R-Mission Hills LLC				56,997,024	4	0.39%
Lakeridge-Island Club Apartments Partners				56,394,139	5	0.38%
Pacific Coast Plaza Investments LLC				46,902,086	6	0.32%
Oceanside Breeze Ventures LLC				45,665,656	7	0.31%
CREA Rancho Del Oro LLC				36,305,353	8	0.25%
Milan Real Estate Investments LCC				36,206,086	9	0.25%
Frank Mission Marketplace LLC				35,005,984	10	0.24%
	<u>1,086,365,105</u>		<u>5.79%</u>	<u>901,256,804</u>		<u>6.13%</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
2006	\$ 27,527,769	\$ 25,724,882	93.5%	\$ 264,784	\$ 25,989,665	94.4%	\$ 1,669,035	6.1%
2007	31,383,881	28,910,129	92.1%	183,106	29,093,235	92.7%	2,133,102	6.8%
2008	34,633,156	31,292,435	90.4%	700,023	31,992,458	92.4%	2,800,859	8.1%
2009	35,775,425	32,112,699	89.8%	1,091,106	33,203,804	92.8%	2,595,185	7.3%
2010	33,609,099	25,917,944	77.1%	847,183	26,765,127	79.6%	2,363,983	7.0%
2011	32,797,312	29,896,898	91.2%	361,117	30,258,015	92.3%	1,816,848	5.5%
2012	32,816,210	30,357,852	92.5%	72,685	30,430,537	92.7%	1,690,640	5.2%
2013	32,717,637	30,899,311	94.4%	284,066	31,183,377	95.3%	1,512,637	4.6%
2014	33,230,696	31,654,633	95.3%	187,360	31,841,993	95.8%	1,460,119	4.4%
2015	34,914,895	33,431,694	95.8%	163,579	33,595,273	96.2%	988,804	2.8%

Source: County of San Diego

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

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

City of Oceanside

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	Pension Obligation Bonds	Redevelopment Bonds	Capital Leases & Notes Payable	Certificates of Participation	Special Assessment Bonds
2006	\$ 42,780,000	\$ 58,420,000	\$ 3,015,944	\$ 57,020,000	\$ 1,300,000
2007	42,365,000	56,950,000	2,554,195	54,345,000	-
2008	41,825,000	54,975,000	5,589,096	51,535,000	-
2009	41,150,000	52,925,000	5,114,241	48,565,000	-
2010	40,325,000	50,790,000	4,530,024	45,440,000	-
2011	39,345,000	48,560,000	5,042,800	42,145,000	-
2012	38,195,000	*	4,610,611	38,815,000	-
2013	36,860,000	*	3,678,468	32,680,659	-
2014	35,325,000	*	7,946,798	29,095,691	-
2015	33,580,000	*	7,362,394	25,389,486	-

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

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

* See Note 15: Dissolution of redevelopment agency

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

Business-Type Activities

Revenue Bonds	Certificates of Participation	Loans Payable	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
\$ 9,115,000	\$ 23,035,000	\$ 74,369,260	\$ 269,055,204	3.74 %	1,538
8,525,000	21,215,000	72,763,761	258,717,956	3.50 %	1,468
7,905,000	19,335,000	69,208,463	250,372,559	3.41 %	1,406
7,265,000	27,800,000	50,621,564	233,440,805	3.16 %	1,299
6,595,000	25,900,000	47,601,969	221,181,993	2.97 %	1,226
5,890,000	23,930,000	44,513,086	209,425,886	2.74 %	1,245
5,165,000	22,435,000	41,353,288	150,573,899	1.90 %	888
19,525,145	6,020,000	36,248,337	135,012,609	2.79 %	797
38,256,391	-	31,682,344	142,306,224	3.13 %	831
34,710,680	-	29,250,858	130,293,418	2.75 %	760

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	Special Assessment Bonds					
2006	\$ 42,780,000	\$ 58,420,000	\$ 57,020,000	\$ 1,300,000	\$ 159,520,000	1.07%	912	\$ 14,938,470,901	174,953
2007	42,365,000	56,950,000	54,345,000	-	153,660,000	0.91%	872	16,930,360,599	176,271
2008	41,825,000	54,975,000	51,535,000	-	148,335,000	0.80%	833	18,452,030,394	178,102
2009	41,150,000	52,925,000	48,565,000	-	142,640,000	0.75%	794	18,918,096,201	179,681
2010	40,325,000	50,790,000	45,440,000	-	136,555,000	0.78%	757	17,493,006,303	180,376
2011	39,345,000	48,560,000	42,145,000	-	130,050,000	0.76%	773	17,205,265,780	168,173
2012	38,195,000	*	38,815,000	-	77,010,000	0.44%	455	17,381,056,626	169,319
2013	36,860,000	*	32,056,636	-	68,916,636	0.40%	407	17,323,915,631	169,350
2014	35,325,000	*	28,523,330	-	63,848,330	0.36%	373	17,715,328,740	171,183
2015	33,580,000	*	24,874,361	-	58,454,361	0.31%	342	18,780,841,789	170,791

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

* See Note 16: Dissolution of redevelopment agency

City of Oceanside

Direct and Overlapping Governmental Activities Debt As of June 30, 2015

	Total Debt Debt 6/30/14	% Applicable (1)	City's Share of Debt 6/30/14
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 110,420,000	0.808%	\$ 892,194
Palomar Community College District	515,523,901	5.173%	26,668,051
Carlsbad Unified School District	184,028,004	1.989%	3,660,317
Oceanside Unified School District	220,012,194	99.855%	219,693,176
Vista Unified School District	110,409,882	33.909%	37,438,887
Fallbrook Union High School district	460,071	8.531%	39,249
Bonsall Unified School District	15,016,183	22.347%	3,355,666
City of Oceanside Community Facilities District No. 2000-1	22,760,000	100.000%	22,760,000
City of Oceanside Community Facilities District No. 2001-1	16,170,000	100.000%	16,170,000
City of Oceanside Community Facilities District No. 2001-1, Improvement Area No. 1	6,570,000	100.000%	6,570,000
City of Oceanside Community Facilities District No. 2006-1	8,800,000	100.000%	8,800,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 346,047,540
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Diego County General Fund Obligations	\$ 351,670,000	4.481%	\$ 15,758,333
San Diego County Pension Obligations	682,615,180	4.481%	30,587,986
San Diego County Superintendent of Schools Certificates of Participation	14,732,500	4.481%	660,163
Mira Costa Community College District Certificates of Participation	1,705,000	15.956%	272,050
Palomar Community College District Certificates of Participation	4,350,000	5.173%	225,026
Carlsbad Unified School District Certificates of Participation	48,040,000	1.989%	955,516
Vista Unified School District Certificates of Participation	3,810,000	33.909%	1,291,933
Bonsall Union School District Certificates of Participation	1,615,000	22.347%	360,904
City of Oceanside General Fund Obligations	24,874,360	100.000%	24,874,361
City of Oceanside Pension Obligations	33,580,000	100.000%	33,580,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 108,566,271
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	38,595,000	100.000%	38,595,000
TOTAL DIRECT DEBT			58,454,361
TOTAL OVERLAPPING DEBT			\$ 434,754,450
GROSS COMBINED TOTAL DEBT			\$ 493,208,811 (2)

(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.

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

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.87%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$58,454,361) 0.31%

Combined Total Debt 2.65%

Source: California Municipal Statistics, Inc

City of Oceanside

Legal Debt Margin Information Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Assessed valuation	\$ 13,816,690,118	\$ 15,657,771,874	\$ 17,073,760,557	\$ 17,356,587,943
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	3,454,172,530	3,914,442,969	4,268,440,139	4,339,146,986
Debt limit percentage	15%	15%	15%	15%
Debt limit	518,125,879	587,166,445	640,266,021	650,872,048
Total net debt applicable to limit: General & Pension Obligation Bonds	42,780,000	42,365,000	41,825,000	41,150,000
Legal debt margin	475,345,879	544,801,445	598,441,021	609,722,048
Total debt applicable to the limit as a percentage of the debt limit	8.3%	7.2%	6.5%	6.3%

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 17,493,006,303	\$ 17,205,265,780	\$ 17,381,056,626	\$ 17,323,915,631	\$ 17,715,328,740	\$ 18,780,841,789
25%	25%	25%	25%	25%	25%
4,373,251,576	4,301,316,445	4,345,264,157	4,330,978,908	4,428,832,185	4,695,210,447
15%	15%	15%	15%	15%	15%
655,987,736	645,197,467	651,789,623	649,646,836	664,324,828	704,281,567
40,325,000	39,345,000	38,195,000	36,860,000	35,325,000	33,580,000
615,662,736	605,852,467	613,594,623	612,786,836	628,999,828	670,701,567
6.1%	6.1%	5.9%	5.7%	5.3%	4.8%

City of Oceanside

Pledged-Revenue Coverage Last Ten Years

Water Revenue Bonds							
Fiscal Year	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2006	\$ 38,067,319	\$ 36,127,676	\$ 1,939,643	\$ 575,000	\$ 436,661	\$ 1,011,661	1.92
2007	39,415,143	40,413,262	(998,119)	590,000	412,631	1,002,631	(1.00)
2008	42,185,950	40,190,946	1,995,004	620,000	387,214	1,007,214	1.98
2009	42,247,961	40,651,984	1,595,977	640,000	360,279	1,000,279	1.60
2010	43,225,444	44,170,890	(945,446)	670,000	331,779	1,001,779	(0.94)
*2011	47,185,491	43,347,722	3,837,769	705,000	301,176	1,006,176	3.81
*2012	55,177,939	50,913,163	4,264,776	725,000	268,548	993,548	4.29
*2013	58,828,063	51,404,369	7,423,694	765,000	233,805	998,805	7.43
**2014	63,266,148	55,526,689	7,739,459	550,000	638,889	1,188,889	6.51
**2015	61,018,738	55,069,339	5,949,399	1,350,000	860,213	2,210,213	2.69

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

*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>
2006	174,953	\$ 7,186	\$ 41,070	4.1%
2007	176,271	7,387	41,910	3.8%
2008	178,102	7,335	41,180	4.3%
2009	179,681	7,789	43,352	5.7%
2010	183,095	7,987	43,621	9.3%
2011	168,173	7,381	43,891	10.1%
2012	169,319	7,712	45,546	9.5%
2013	169,350	8,108	47,878	6.6%
2014	171,183	8,177	47,768	5.7%
2015	170,791	8,470	49,592	6.6%

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

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

City of Oceanside

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

Business Name	2015	2006
	Business Category	Business Category
Albertsons	Grocery Stores Liquor	
Arco AM PM	Service Stations	
Best Buy	Electronics/Appliance Stores	
Chevron	Service Stations	
Circle K	Service Stations	
CVS Pharmacy	Drug Stores	
Dick's Sporting Goods	Sporting Goods/Bike Store	
G & M Oil	Service Stations	
Home Depot	Lumber/Building Materials	
Kohls	Department Stores	
Lowes	Lumber/Building Materials	
McDonalds	Quick-Service Restaurants	
Melrose Arco	Service Stations	
Mission AM PM	Service Stations	
Moshen Oil	Service Stations	
Mossy Nissan	New Motor Vehicle Dealers	
MWI	Plumbing/Electical Supplies	
One Source Distributors	Electrical Equipment	
One Source Supply Solutions	Electrical Equipment	
Ralphs	Grocery Stores Liquor	
Ross	Family Apparel	
Stater Bros	Grocery Stores Liquor	
Target	Discount Dept Store	
United Oil	Service Stations	
Walmart	Discount Dept Store	
Albertsons		Grocery Stores Liquor
Arco AM PM Mini Mart		Service Stations
Bed Bath & Beyond		Home Furnishings
Best Buy		Electronics/Appliance Stores
Chevron		Service Stations
Exxon		Service Stations
Home Depot		Lumber/Building Materials
Kia of Oceanside		New Motor Vehicle Sales
Kohls		Department Stores
Lowes		Lumber/Building Materials
Melrose Arco		Service Stations
Mervyns		Department Stores
Morally Wholesale		Plumbing/Electrical Supplies
Moshen Oil		Service Stations
Mossy Nissan		New Motor Vehicle Sales
Motopro		Boats/Motorcycles
North County Times		Light Industrial/Printer
North San Diego County Transit Development		Government/Social Org.
Oceanside Ready Mix		Contractors
One Source Distributors		Electrical Equipment
Ralphs		Grocery Stores Liquor
Superior Ready Mix Concrete		Contractors
Target		Discount Dept Store
Vulcan Materials		Contractors
Walmart		Discount Dept Store
Percent of Fiscal Year Total Paid by Top 25 Accounts	43%	46%

* 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									
	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General Government	114	117	116	117	105	102	99	120	118	117
Public Safety										
Police	287	298	323	319	321	321	320	320	319	321
Fire	149	129	131	129	114	120	118	119	119	131
Public Works	167	165	119	119	109	121	110	91	88	88
Development Services	31	32	75	68	51	48	48	47	47	54
Neighborhood Services	47	79	82	78	71	69	63	59	55	56
Economic & Community Development	12	14	14	14	14	13	12	2	2	2
Library	76	44	37	36	35	32	27	26	26	26
Water Utilities	141	142	141	143	144	143	138	138	141	144
Harbor	40	39	37	37	26	0	0	0	0	0
Total	1,064	1,059	1,075	1,059	990	969	935	922	915	939

Note:
* Corrected 2011 employee count.

Source: Financial Services Department- Budgeted Positions

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City of Oceanside

Operating Indicators by Function/Program Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Arrests	9,296	10,646	9,139	8,391	7,245	5,961	9,086	7,920	6,841	6,031
Citations	24,502	25,233	22,514	19,697	17,491	23,464	26,639	23,467	23,082	15,910
Fire										
Number of Emergency Calls	11,256	14,090	15,678	15,553	16,692	16,662	17,913	17,811	17,975	19,777
Inspections	2,000	1,700	1,702	1,854	2,000	1,765	1,741	2,225	2,321	3,155
Public Works										
Street Resurfacing (lane miles)	25	25	65	43	54	46	0	40	14	52
Water										
Average Daily Consumption (million gallons)	30	30	30	30	24	23	24	24	25	25
Wastewater										
Average Daily Sewage Treatment (million gallons)	14	13	13	13	12	12	12	12	11	11
Recreation										
Number of Recreation Classes (quarterly)	55	55	157	98	140	120	100	130	130	130
Library										
Total Volumes in Collection	354,105	353,464	298,976	338,773	305,346	274,289	274,097	261,999	250,331	259,442
Total Volumes Loaned	488,848	480,406	516,222	553,323	561,182	497,563	501,410	489,361	478,695	491,451

Note:

Source: Various City Departments

City of Oceanside

Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	
Police:				
Number of Police Stations	1	1	1	
Fire:				
Number of Fire Stations	8	8	8	
Number of Engine Companies	7	6	6	
Number of Truck/Rescue Companies	1	2	2	
Number of Ambulances	4	4	4	
Public Works				
Miles of Streets	400	400	400	
Number of Street Lights (City Owned)	8,002	8,000	10,000	a
Utilities:				
Miles of Lines and Mains	550	550	600	
Number of Wastewater Treatment Plants	2	2	2	
Miles of Sewers	450	450	450	
Recreation and Cultural:				
Number of Parks (Improved and Unimproved)	38	38	34	c
Area of Parks (In Acres)	600	670	375	b, d
Recreation & Senior Centers	5	5	8	
Pools	2	2	2	
Number of Libraries	3	2	2	
Number of Library Outlets	n/a	2	6	
Number of Bookmobiles	2	2	2	
Computer Terminals for Internet Access (Public)	103	106	107	
Number of Visitors to Library	570,560	609,497	679,120	

Source: Various City Departments

^a Estimated

^b Does not include El Corazon

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

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

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
1	1	1	1	1	1	1
8	8	8	8	8	8	8
6	6	6	6	6	6	6
2	2	2	2	2	2	2
4	4	4	4	4	4	4
400	400	475	475	480	480	480
9,345	8,345	8,345	8,345	8,445	8,546	8,546
600	600	580	580	580	580	580
2	2	2	2	2	2	2
450	450	450	450	450	450	450
40	33	33	33	33	33	33
594	810	810	810	810	810	810
9	6	6	6	6	6	6
2	2	2	2	2	2	2
2	2	2	2	2	2	2
6	4	3	3	3	3	3
2	1	1	1	1	2	2
107	76	85	85	85	87	87
716,957	576,223	469,610	472,617	485,035	396,597	483,521

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