

City Of
OCEANSIDE
CALIFORNIA



**Annual Comprehensive Financial Report
For the year ended June 30, 2025**

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CITY OF OCEANSIDE
OCEANSIDE, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

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INTRODUCTORY SECTION



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

DATE OF AUDIT REPORT

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

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Oceanside (City) for the fiscal year ended June 30, 2025.

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

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2025. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

City of Oceanside Profile

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

Per the California Department of Finance, the population of Oceanside is 174,340, making it the third largest city in San Diego County. The median household income for the City is \$124,101 per Claritas, LLC.

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

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

Economic Outlook

Economic conditions at the national, state, and regional levels continued to evolve throughout 2025, reflecting both resilience and developing pressures on the regional economy. According to the most recent UCLA Anderson Forecast, the U.S. economy is expected to experience slowing but resilient growth in 2025 and early 2026, influenced by tariff-driven cost pressures, moderated consumer spending, and cooling labor market conditions. Despite these challenges, UCLA forecasts that the U.S. will avoid recession, with growth supported by substantial AI-related business investment, federal infrastructure spending, and gradually easing inflation. For California, UCLA anticipates a period of subpar job growth through 2025, followed by a stronger rebound in 2026–27 driven by the technology, aerospace, and high-technology manufacturing industries.

Beacon Economics' 2025 outlook similarly notes that while the U.S. and California economies remain fundamentally strong, supported by rising wages, high household net worth, and stable consumer demand, structural pressures are building. Beacon highlights slower job creation, increased unemployment relative to the prior year, and weakening activity in interest-sensitive sectors such as construction, durable goods manufacturing, and life sciences. Within California, the research cites ongoing out-migration, labor-force constraints tied to immigration policy, and rising energy and infrastructure costs as significant medium-term risks.

Regional indicators reflect these broader trends. The San Diego Regional Economic Development Corporation's Q2 2025 snapshot reported rising unemployment, higher office and life-science vacancy rates, and slower venture capital activity, suggesting cooling economic momentum after several years of strong growth. Cushman & Wakefield's Q3 2025 regional market report corroborates this trend, noting persistently elevated office vacancy (~14%), significant softening in the life sciences market (vacancy exceeding 26%), and slower retail activity. The APWA San Diego/Imperial Chapter's 2025 economic outlook likewise projects slower growth for the region in 2025, citing inflationary pressures, weakened retail spending, and a slowdown in new private development.

In spite of these economic pressures, Oceanside remains comparatively well-positioned. Property tax revenues continue to grow due to stable assessed value increases, supported by new residential and commercial development. The City's taxable assessed value increased 6.0% to \$33.6 billion, outpacing countywide growth. New construction, including major biotechnology, mixed-use, and institutional projects, contributed over \$45 million in net assessed value gains. Detached single-family home prices rose 8.6% year-over-year, with a median price of \$885,000, indicating continued underlying demand.

Sales tax revenues also showed modest improvement. As detailed in HdL's Q2 2025 Sales Tax Update, Oceanside's receipts increased 3.9% year-over-year, or 1.8% after adjusting for anomalies. Growth was supported by equipment purchases in the business-industry group, a stronger share of the countywide use tax pool, and the opening or reopening of several retail and fuel establishments. Measure X revenues increased 3.6% for the quarter, driven by steady local spending, including new vehicle purchases. While some consumer-facing sectors softened—including fuel stations and general retail—overall taxable activity in Oceanside outperformed both the county and the state averages.

Taken together, these indicators point to an economic environment marked by slower but positive growth, consistent with statewide and national expectations. While regional labor market softening, high interest rates, and construction-sector challenges may temper growth prospects, Oceanside's ongoing development activity, stable residential real estate market, and strong visitor economy continue to provide a solid foundation for steady increases in property tax, sales tax, and transient occupancy tax revenues in the coming years.

Long-term Financial Planning

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

Pension obligations continue to be a major cost driver. General Fund CalPERS contributions are projected to increase by approximately \$12.65 million over the next five years. To manage this pressure, the City maintains a \$5 million General Fund pension set-aside and an IRS Section 115 Pension Stabilization Trust with a balance of \$18.35 million, and continues its practice of making annual Unfunded Accrued Liability (UAL) prepayments to reduce long-term liability. City policy also directs a portion of investment earnings and year-end budget surpluses toward reducing unfunded liabilities, strengthening the City's long-term financial position.

The forecast also accounts for expected increases in healthcare, workers' compensation, and general liability insurance, consistent with statewide trends. Despite these upward cost pressures, the City continues to plan proactively for future needs by maintaining prudent reserves, using conservative revenue assumptions, and allocating available resources to support long-term fiscal stability. These practices position the City to address future financial challenges while continuing to provide high-quality public services to the community.

Financial Policies

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

Appropriations Limit – Proposition 4, known as the Gann Initiative, was passed in 1979 to limit government spending by capping the total proceeds of taxes that may be appropriated in a fiscal year. When a city exceeds the limit, excess tax revenue must be returned to the citizens through refunds, rebates, or other means. The City is well below the established Gann limit of \$515,642,968.

Debt Administration – As of June 30, 2024 the City had a total of \$138,596,755 in long-term debt.

Relevant Accounting Changes

During the fiscal year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This standard establishes clearer recognition criteria and measurement requirements for compensated absences, including vacation, sick leave, and other forms of paid leave. The implementation of GASB 101 did not have a material impact on the City's financial statements but enhances the consistency and transparency of reported liabilities in accordance with updated governmental accounting standards.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both the Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

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

The City remains committed to maintaining strong financial stewardship, responsible long-term planning, and adherence to sound fiscal policies that support a stable financial foundation. By continuing to invest in core public services, maintain prudent reserves, and proactively address long-term liabilities, Oceanside is well-positioned to navigate future economic uncertainty while supporting the needs and priorities of the community. We remain dedicated to upholding the highest standards of transparency, accountability, and professionalism in the management of the City's finances.

Respectfully submitted,



Jill Moya
Financial Services Director

PRINCIPAL OFFICIALS

JUNE 30, 2025

CITY COUNCIL

Esther Sanchez, Mayor
Eric Joyce, Deputy Mayor
Rick Robinson, Council Member
Jimmy Figueroa, Council Member
Peter Weiss, Council Member

ADMINISTRATION AND DEPARTMENT HEADS

City Manager	Jonathan Borrego
City Attorney	T. Steven Burke. Jr.
City Clerk	Zeb Navarro
City Treasurer	Phyllis Dominguez
Assistant City Manager	Michael Gossman
Deputy City Manager/Human Resources Director	Robert O'Brien
Development Services Director	Darlene Nicandro
Financial Services Director	Jill Moya
Fire Chief	David Parsons
Housing and Neighborhood Services Director	Leilani Hines
Human Resources Director	Chelsea Phebus
Information Technologies Director	Vacant
Library Services Director	CJ DiMento
Parks and Recreation Director	Manuel Gonzalez
Police Chief	Kedrick Sadler
Public Works Director	Hamid Bahadori
Water Utilities Director	Vacant



Government Finance Officers Association

Certificate of
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in Financial
Reporting

Presented to

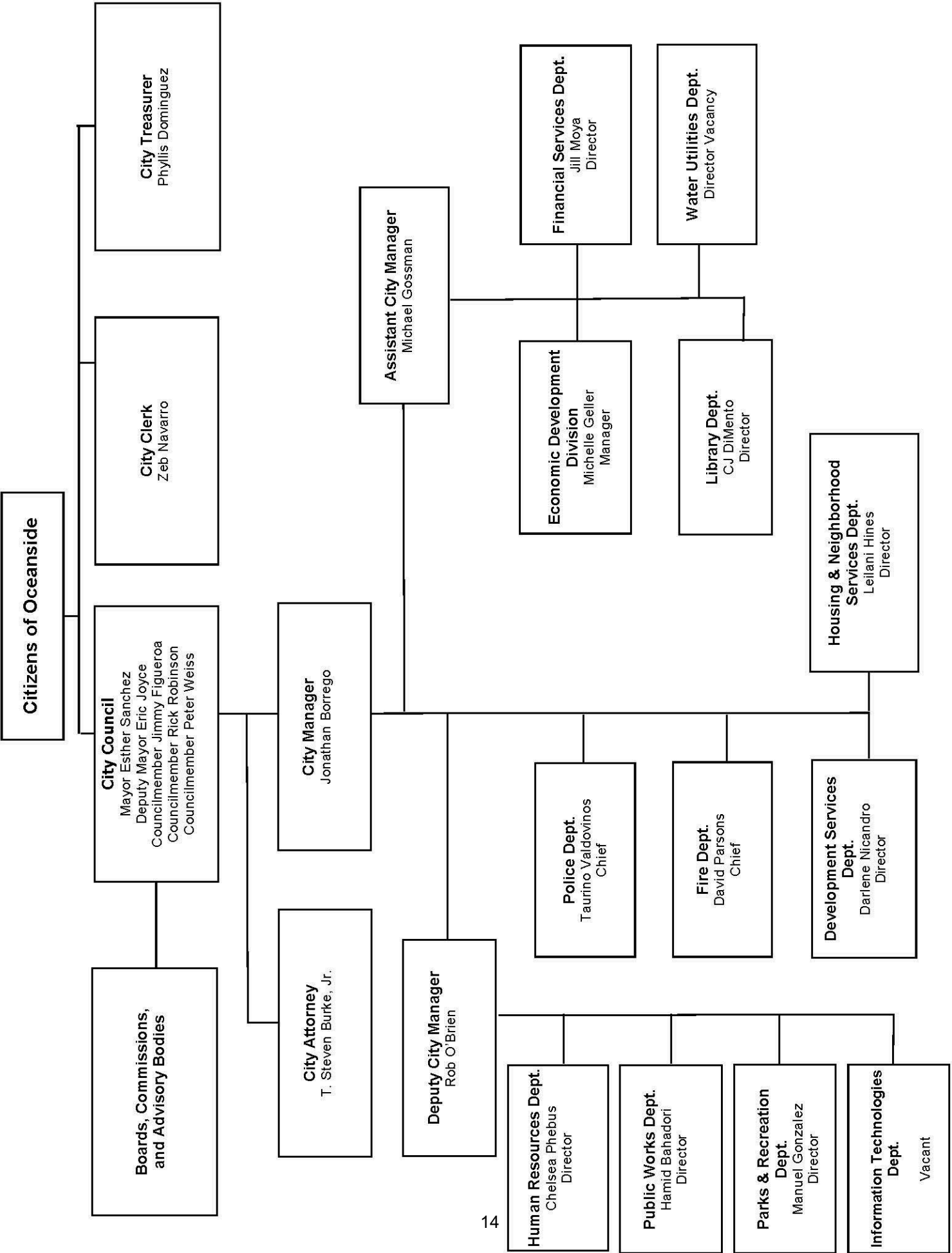
**City of Oceanside
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oceanside, California, (hereafter, the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the General Fund and major special revenue funds, and required pension and other post-employment benefits schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

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

LSL, LLP

Irvine, California

DATE OF AUDIT REPORT

Management's Discussion and Analysis (Unaudited)



Management's Discussion and Analysis For the Year Ended June 30, 2025

This discussion and analysis of the City of Oceanside's (City) financial performance provides an overview of the fiscal year ended June 30, 2025. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements. A glossary has been provided at the end of this analysis to assist the reader in understanding the terminology used within.

FINANCIAL HIGHLIGHTS

The City continues to fare well through rising costs due to inflation, rising 4% over the year, and other economic uncertainty as demonstrated by:

- The City's Total Assets increased overall by \$32.2 million. This is comprised of a \$4.8 million increase in Governmental activities assets and \$27.4 million increase in Business-Type activities assets.
- The City's Total Net Position increased overall by \$60.0 million. Governmental activities net position increased \$23.2 million and Business-Type activities net position increased \$36.8 million.
- The City's total revenues increased \$22.6 million from 2024.
 - Governmental activities revenues increased \$11.4 million. Property tax revenues increased \$5.3 million, charges for services revenue increased by \$19.2 million, which are offset with a decrease of \$12.7 million in use of money and property.
 - Property tax was up \$5.3 million from the prior year. Property tax revenues continue to grow due to stable assessed value increases, supported by new residential and commercial development. The City's taxable assessed value increased 6.0% to \$33.6 billion, outpacing countywide growth. New construction, including major biotechnology, mixed-use, and institutional projects, contributed over \$45 million in net assessed value gains. Detached single-family home prices rose 8.6% year-over-year, with a median price of \$885,000, indicating continued underlying demand.
 - Charges for services was up \$19.2 million mainly due to increases in ambulance billing of \$2.4 million, increase of \$5.3 million in solid waste services, increase in developer deposits and inspections of \$1.1 million and one-time funding from a PFAS settlement for \$0.9 million.
 - Use of money and property decreased \$12.7 million due in large part to the unrealized gain on investments. Additionally, the City is earning around 3% on its investments, which is lower than the previous year.
 - Business-Type activities revenues increased \$11.2 million due to an increase in charges for services revenue of \$5.1 million due primarily to increased revenue for water sales, and an increase in other of \$5.4 million due to increases in interest revenue.
- The City's total expenses increased \$63.1 million from 2024.
 - Governmental activities expenses increased \$58.5 million. This increase was due to an increase in Public Safety of \$31.8 million, increase in Community Development of \$25.9 million, increase in Community Services of \$29.9 and offset with a decrease in General Government of \$31.6 million mainly due to an increase in the PERS liability.
 - Business-Type activities expenses increased \$4.3 million. This increase was due to an increase in Water expenses of \$5.1 million. The increase in expenses from Water is due to an increase in cost of purchased water.

THE FINANCIAL STATEMENTS

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

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

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

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

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

Reporting the City's Most Significant Funds

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

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

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

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

Net Position - The City's combined Net Position (i.e. inclusive of all City funds) for the fiscal year ended June 30, 2025 is compared to results for June 30, 2024 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current & other assets	\$ 510.3	\$ 510.9	\$ 341.3	\$ 308.6	\$ 851.6	\$ 819.5
Capital assets	385.8	380.4	594.6	599.8	980.4	980.2
Total assets	\$ 896.1	\$ 891.3	\$ 935.9	\$ 908.4	\$ 1,832.0	\$ 1,799.7
Deferred Outflows of Resources	\$ 77.2	\$ 99.5	\$ 11.3	\$ 10.2	\$ 88.5	\$ 109.7
Long-term debt outstanding	\$ 366.7	\$ 360.3	\$ 116.5	\$ 123.4	\$ 483.2	\$ 483.7
Other liabilities	35.7	38.7	19.5	19.6	55.2	58.3
Total liabilities	\$ 402.4	\$ 399.0	\$ 136.0	\$ 143.0	\$ 538.4	\$ 542.0
Deferred Inflows of Resources	\$ 8.9	\$ 53.0	\$ 18.6	\$ 19.8	\$ 27.5	\$ 72.8
Net Position						
Net investment in capital assets	\$ 327.9	\$ 349.2	\$ 501.3	\$ 501.4	\$ 829.2	\$ 850.6
Restricted	234.3	199.0	-	-	234.3	199.0
Unrestricted	(0.2)	(9.4)	291.3	254.4	291.1	245.0
Total Net Position	\$ 562.0	\$ 538.8	\$ 792.6	\$ 755.8	\$ 1,354.6	\$ 1,294.6

- Net Position represents the simplest test of financial health for the City, indicating the excess (or deficit) of assets and deferred outflows of resources over liabilities and deferred inflows of resources. Net Position for the City as a whole increased \$60.0 million for a total of \$1,354.6 million at June 30, 2025 from \$1,294.6 million at June 30, 2024 for a 4.6% increase of Total Net Position.
- The overall increase in total assets is \$32.2 million. The Governmental Activities total assets increased \$4.8 million due to an increase in capital assets. The Business-Type Activities total assets activities increased \$27.4 million mostly due to an increase in the cash balance.
- The overall decrease in total liabilities is \$3.6 million. The Governmental Activities total liabilities increased \$3.4 million mostly due to an increase in compensated absences and an increase in bonds and notes. Additionally, unavailable revenue increased \$6.9 million. These increases were offset by a decrease of \$7.6 million in accounts payable. The Business-Type Activities total liabilities decreased by \$7.0 million due to a decrease of \$5.3 million in bonds and notes payable due to paying down the principal over the year and a decrease in net pension liability of \$2.2 million as calculated by the current year's actuarial report.
- Deferred outflows of resources decreased by \$21.2 million. Governmental Activities decreased \$22.3 million and Business-Type Activities increased \$1.1 million due to changes in pension related items.
- Deferred inflows of resources decreased by \$45.4 million. Governmental Activities decreased \$44.1 million and Business-Type Activities decreased \$1.2 million mostly due to the early termination of a long-term lease.

As illustrated in Table 2, Total Net Position is comprised of three categories, Net Investment in Capital Assets, Restricted and Unrestricted. The City's net investment in capital assets makes up 61.2% of the City's Total Net Position. The City's total Restricted Net Position increased \$35.3 million from 2024 while the Unrestricted Net Position increased by \$41.2 million, with a \$4.1 million increase in the Governmental Activity Unrestricted Net Position and a \$37.1 million increase in Business-Type Activity Unrestricted Net Position.

Table 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Investment in Capital Assets	\$658.8	\$685.8	\$708.9	\$734.5	\$716.4	\$ 757.0	\$ 766.9	\$ 788.2	\$ 850.6	\$ 829.3
Restricted	129.4	132.9	144.6	169.2	282.7	131.3	123.0	139.7	199.0	234.3
Unrestricted	12.0	33.7	56.1	58.4	(3.9)	157.2	246.4	267.1	245.0	291.0
Total Net Position	\$800.2	\$852.4	\$909.6	\$962.1	\$995.2	\$1,045.5	\$1,136.3	\$1,195.0	\$1,294.6	\$1,354.6
\$ increase (decrease) from prior year	\$ 42.6	\$ 52.2	\$ 57.2	\$ 52.5	\$ 33.1	\$ 50.3	\$ 90.8	\$ 58.7	\$ 99.6	\$ 60.0
% increase (decrease) from prior year	5.6%	6.5%	6.7%	5.8%	3.4%	5.1%	8.7%	5.2%	8.3%	4.6%

Total City Activities - The City's combined Activities for the fiscal year ended June 30, 2025 is compared to results for June 30, 2024 in Table 3. The Statement of Activities reveals an increase of revenues of \$22.6 million from 2024 and expenses increased \$63.1 million. For 2025, total revenues less expenditures decreased Net Position by \$40.5 million. Governmental activities decreased by \$47.0 million and Business-Type Activities increased by \$6.5 million.

Governmental Activities - Net Position (including transfers) decreased by \$36.7 million in 2025. Program Revenues increased \$21.6 million as a result of an increase in charges for services. General Revenues decreased \$10.2 million due to increases in property tax and a decrease in use of money and property which is primarily attributed to decreases in unrealized gains on investments. Total Government expenses increased by \$58.5 million in 2025. General Government expenses decreased \$31.6 million, Public Safety increased \$31.8 million, Public Works increased \$1.8 million, Community Development increased \$25.9 and Community/Cultural Services increased \$29.9 million. Interest on long-term debt stayed fairly consistent with a minimal increase of \$0.6 million. Transfers to Government Activities increased \$10.3 million.

Table 3

City of Oceanside Activities						
(in thousands of dollars)						
	<u>Governmental Activities</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
<i>Program Revenues</i>						
Charges for services	\$ 80,634	\$ 61,414	\$ 150,593	\$ 145,509	\$ 231,227	\$ 206,923
Operating grants and contributions	78,715	75,555	-	-	78,715	75,555
Capital grants and contributions	4,849	5,618	-	-	4,849	5,618
<i>General Revenues</i>						
Property taxes	92,768	87,423	-	-	92,768	87,423
Sales taxes	49,924	50,365	-	-	49,924	50,365
Other taxes	26,068	28,652	-	-	26,068	28,652
Use of money and property	30,205	42,865	11,261	10,592	41,466	53,457
Other	5,448	5,277	12,055	6,656	17,503	11,933
Total Revenues	<u>\$ 368,611</u>	<u>\$ 357,169</u>	<u>\$ 173,909</u>	<u>\$ 162,757</u>	<u>\$ 542,520</u>	<u>\$ 519,926</u>
Expenses						
General government	\$ 35,727	\$ 67,294	\$ -	\$ -	\$ 35,727	\$ 67,294
Public safety	151,412	119,626	-	-	151,412	119,626
Public works	32,553	30,712	-	-	32,553	30,712
Community development	83,681	57,765	-	-	83,681	57,765
Community/cultural services	49,255	19,311	-	-	49,255	19,311
Interest on long-term debt	2,029	1,476	-	-	2,029	1,476
Water	-	-	83,119	78,015	83,119	78,015
Sewer	-	-	42,718	42,064	42,718	42,064
Waste disposal	-	-	1,405	2,209	1,405	2,209
Other	-	-	1,526	1,845	1,526	1,845
Total Expenses	<u>\$ 354,657</u>	<u>\$ 296,184</u>	<u>\$ 128,768</u>	<u>\$ 124,133</u>	<u>\$ 483,425</u>	<u>\$ 420,317</u>
Increase (decrease) in net position before transfers and gain on sale of assets	\$ 13,954	\$ 60,985	\$ 45,141	\$ 38,624	\$ 59,095	\$ 99,609
Transfers	8,357	(1,952)	(8,357)	1,952	-	-
Gain on sale of assets	-	-	-	-	-	-
Increase in net position	<u>\$ 22,311</u>	<u>\$ 59,033</u>	<u>\$ 36,784</u>	<u>\$ 40,576</u>	<u>\$ 59,095</u>	<u>\$ 99,609</u>
Beginning net position as restated	539,685	505,871	755,814	730,018	1,295,499	1,235,889
Ending net position	<u>\$ 561,996</u>	<u>\$ 564,904</u>	<u>\$ 792,598</u>	<u>\$ 770,594</u>	<u>\$1,354,594</u>	<u>\$1,335,498</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

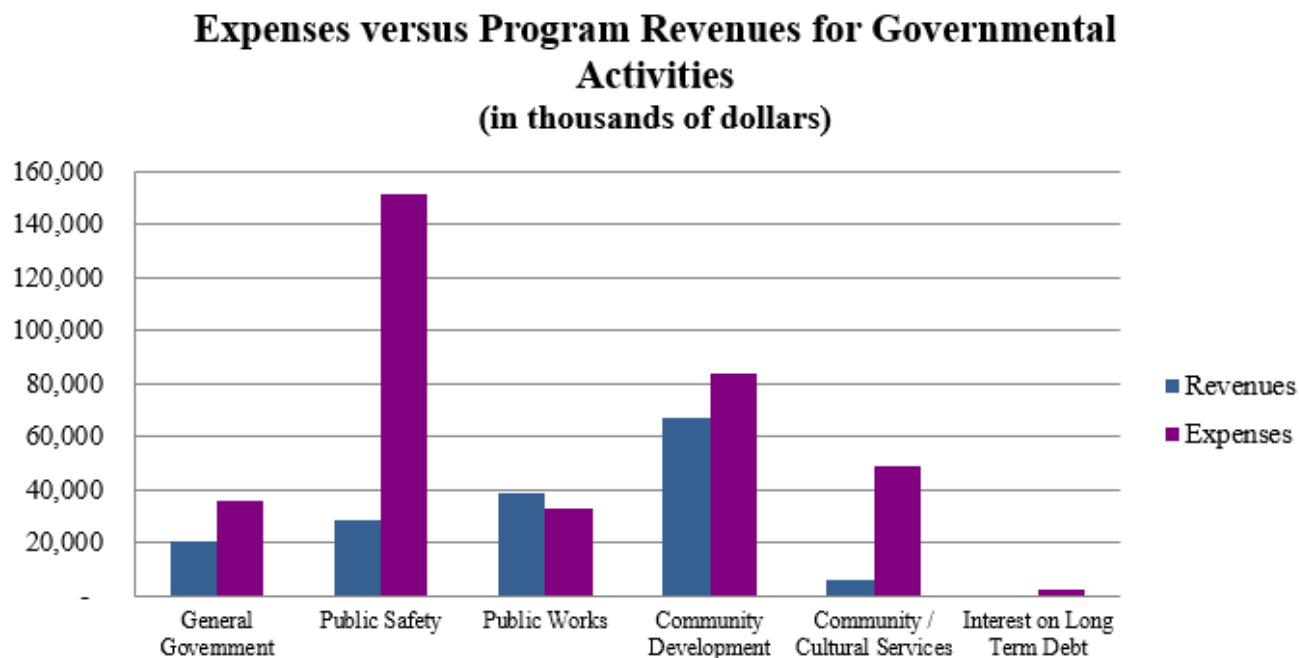
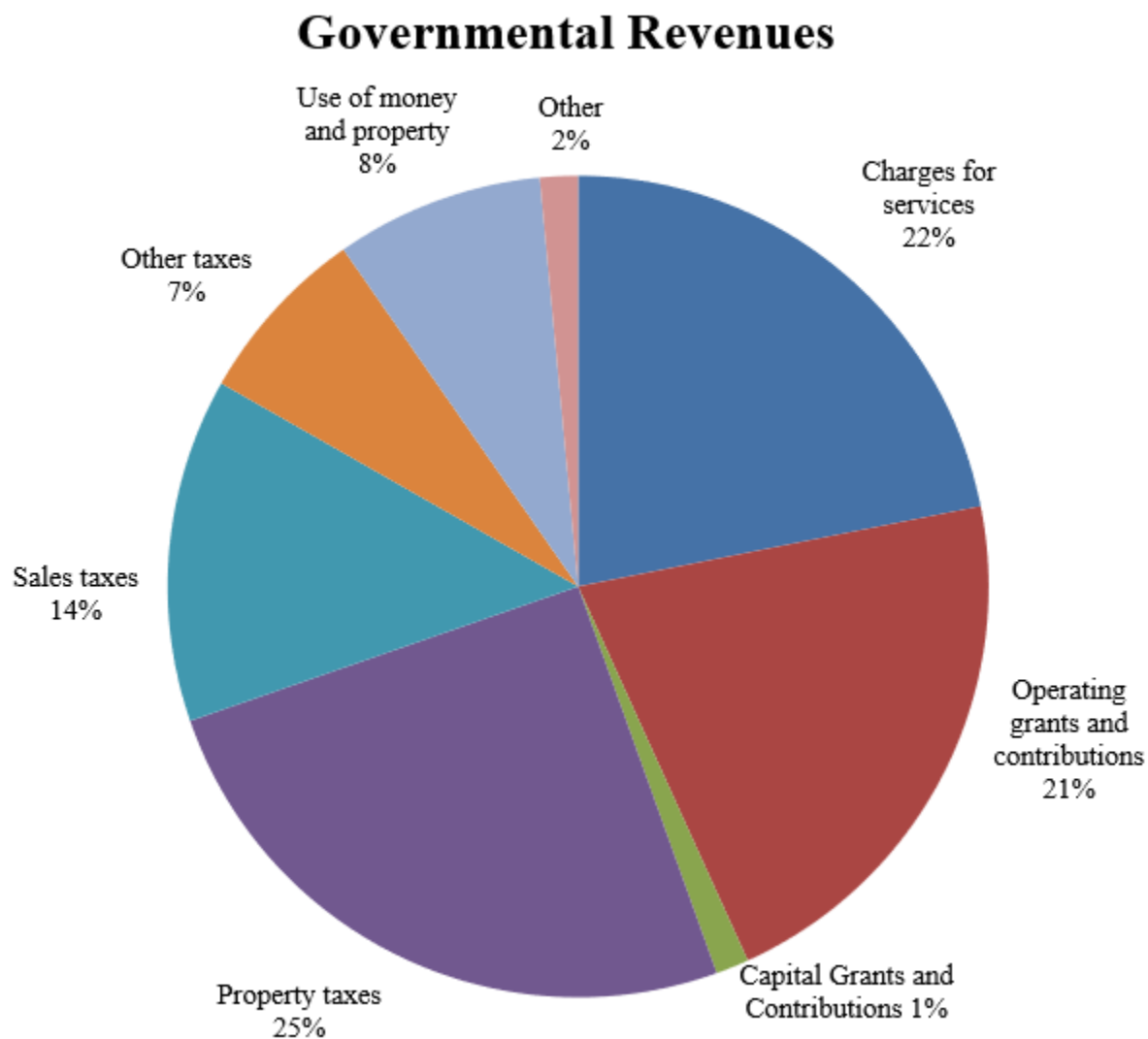


Chart 2 shows that Property Tax, Charges for Services, and Operating Grants and Contributions are the top three categories of revenue and comprise 68% of funding for Government activities. The Other Taxes category includes Transient Occupancy Taxes, Franchise Taxes, and Business License Tax. The Other category includes proceeds from the disposition of City real property, intergovernmental administrative fees, developer contributions, and miscellaneous revenues.

Chart 2



Business-Type Activities for the City of Oceanside include Water, Sewer, Solid Waste, Harbor, and Special Aviation. The Net Position (including transfers) increased \$36.8 million in 2025 as noted on Table 3. Revenues increased \$11.2 million mainly due to increased water sales. Expenses increased \$4.6 million compared to 204. Transfers to/from other funds (a deduction to Net Position) decreased \$10.3 million as compared to the prior year.

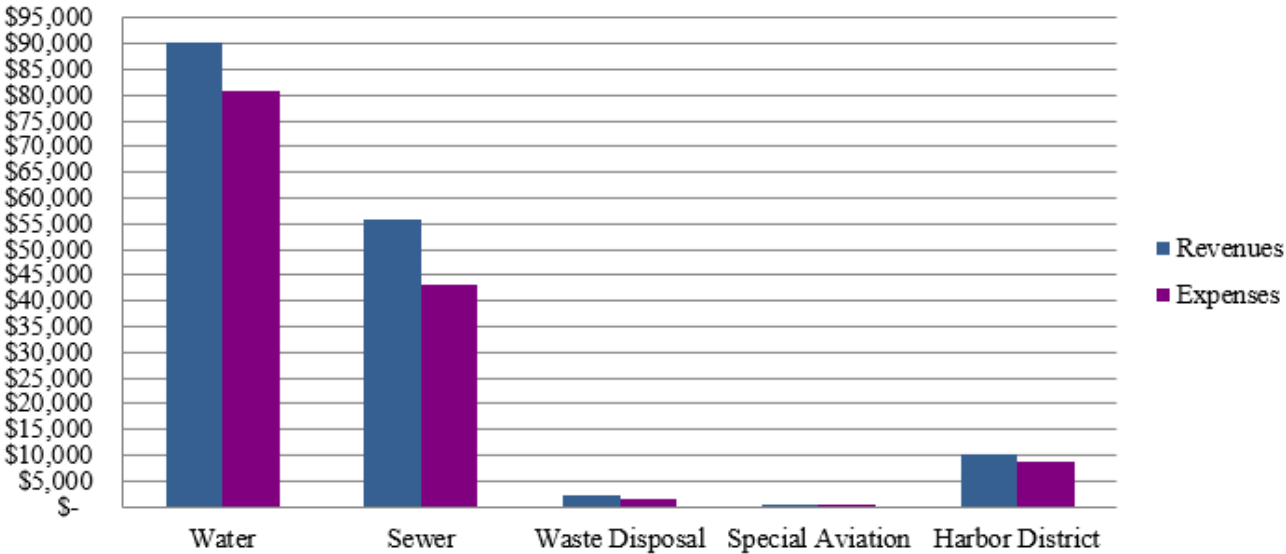
The Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds reflect an increase of \$8.7 million in total operating revenues from the previous year. Water operating revenue increased \$14.7 million, Sewer operating revenue increased \$1.8 million, Waste Disposal operating revenue decreased \$8.1 million and, Harbor operating revenues increased \$0.2 million. Operating expenses for Water increased \$5.5 million, for Sewer increased \$1.8 million, for Waste Disposal decreased \$0.8 million, for Aviation stayed consistent and Harbor had marginal decrease of \$0.3 million. In Water, administrative costs had marginal decrease of \$0.2 million and maintenance and operations costs decreased by \$3.7 million which is offset with an increase in the cost of purchased water of \$8.7 million. Sewer administrative costs decreased \$1.0 million and maintenance and operations costs increased \$2.6 million. In Waste Disposal, maintenance and operations costs decreased \$1.0 million while administrative costs remained fairly static with a marginal increase of \$0.2 million. Harbor maintenance and operations costs had marginal decrease of \$0.3 million. The City’s General Fund pays the Harbor administrative, maintenance and police functions and the City’s General Fund is reimbursed by the Harbor. These costs decreased \$0.3 million from 2024.

Overall, the Business-Type activities operating revenue exceeded operating expenses (before transfers and contributions) for fiscal year 2024-25 with a total net operating income of \$31.6 million.

Chart 3 below compares program revenues from Business-Type activities to program expenses. Water, Sewer, Waste Disposal, Aviation and Harbor operated at a profit, as referenced in the Statement of Activities.

Chart 3

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



Financial Analysis of the City's Funds

The City's General Fund had a total fund balance of \$142.6 million at year-end, as shown on the Balance Sheet. This is a marginal decrease of \$0.2 million from 2024 and is mostly due to decreases in use of property and money. Of this total amount, \$2.3 million is nonspendable, \$86.3 million is restricted, \$28.1 million is committed, \$19.4 million is assigned, and \$6.5 million is unassigned. The unassigned fund balance is available for future expenditure allocation as defined in City Council Policy 200-13.

The Statement of Revenues, Expenditures and Changes in Fund Balances also reflects the \$0.2 million decrease in the General Fund balance. General Fund revenues increased approximately \$19.2 million from 2024. General Fund expenditures increased overall \$12.5 million. Other Financing Sources includes a transfer in of \$9.5 million of which \$7.5 million came from the Harbor fund for harbor administrative, maintenance and police services, and Other Financing uses also includes a transfer out of \$34.3 million, the majority of which is for general improvement capital projects and grants.

The fund balance of the Grants Special Revenue Fund decreased \$3.1 million. Revenues decreased \$5.5 million due to a decrease in reimbursements for intergovernmental grants. Expenditures increased by \$3.7 million as compared to 2024 due to increased capital outlay expenditures.

Debt Administration

Governmental activities debt outstanding at year-end decreased \$2.6 million as noted in Table 4. The most significant decrease to long-term liabilities was to the pension liability which decreased \$19.5 million from prior year due to change in actuarial valuation. Additionally, the total outstanding long-term debt increased \$17.8 million from prior year. The increase was the result of debt issuance of a note payable. More detail about the City's long-term liabilities, including retirement plans, is presented in Note 9, 10, 12, 13, and 14 to the financial statements.

Table 4

City of Oceanside				
Governmental Debt Outstanding				
	Balance at June 30, 2024	Incurred or Issued	Satisfied or Matured	Balance at June 30, 2025
Governmental Activities				
Notes Payable	1,255,000	20,939,222	(926,749)	21,267,473
Pension Obligation Bonds	4,970,000	-	(4,700,000)	270,000
Lease Revenue Bonds	22,290,000	-	(475,000)	21,815,000
Leases Liability	3,306,832	1,950,730	(1,226,432)	4,031,130
Subscription Liability	1,307,417	1,298,486	(846,980)	1,758,923
Claims Payable	32,123,257	7,634,688	(6,739,451)	33,018,494
Compensated Absences	16,035,030	-	(71,924)	15,963,106
Net Pension Liability	273,258,371	-	(19,463,500)	253,794,871
Total OPEB Liability	11,814,563	95,043	-	11,909,606
Unamortized Bond Premiums	3,024,549	-	(104,021)	2,920,528
Total Governmental Activities	\$ 369,385,019	\$ 31,918,169	\$ (34,554,057)	\$ 366,749,131

Business-Type debt activities decreased in the fiscal year ending 2025 by \$7.0 million. The direct borrowings decreased by \$3.1 million and actuarial changes in pension liability decreased \$2.2 million as well.

Table 5

City of Oceanside				
Business-Type Activities Debt Outstanding				
	Balance at June 30, 2024	Incurred or Issued	Satisfied, Adjusted or Matured	Balance at June 30, 2025
Business-Type Activities				
Bonds Payable	\$ 33,985,000	\$ -	(1,950,000)	\$ 32,035,000
Notes Payable	58,825,893	1,006,588	(4,117,070)	55,715,411
Subscription Liability	276,703	316,448	(211,536)	381,615
Net Pension Liability	22,730,688	-	(2,182,313)	20,548,375
Compensated Absences	2,792,965	463,838	-	3,256,803
Unamortized Bond Premiums	4,812,500	14,128	(293,312)	4,533,316
Total Business-Type Activities	\$ 123,423,749	\$ 1,801,002	\$ (8,754,231)	\$ 116,470,520

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, 2025, net capital assets of the Governmental activities totaled \$385.8 million and the net capital assets of the Business-Type activities totaled \$594.6 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	
	2025	2024	2025	2024
Land	\$ 64,423,834	\$ 62,946,591	\$ 33,281,444	\$ 29,613,703
Buildings	148,840,355	140,796,441	345,116,943	343,893,335
Improvements	104,721,033	88,794,169	589,545,505	569,594,236
Equipment	91,203,710	85,565,451	31,969,569	30,209,085
Right to Use Asset	10,406,646	6,411,477	888,952	694,995
Construction in Progress	61,188,974	91,662,522	113,164,457	126,889,341
Infrastructure	334,266,756	312,585,729	-	-
Capital Assets	\$ 815,051,308	\$ 788,762,380	\$ 1,113,966,870	\$ 1,100,894,695
Accumulated Dep / Ammort	(429,236,454)	(409,221,099)	(519,364,132)	(501,025,654)
Total Capital Assets	\$ 385,814,854	\$ 379,541,281	\$ 594,602,738	\$ 599,869,041

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

Budgets and Budgetary Accounting

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

General Fund Budget – Table 7 is a comparison of actual revenues/expenditures versus the amended budget. It is inclusive of Fund 101 (General Fund), Fund 102 (Investment Clearing Fund), Fund 103 (Measure X Fund), and Fund 104 (COVID Small Business Loan Program Fund). It is important to remember that the budget to actual variance of \$35.5 million shown in Table 7 does not represent available one-time funds. The fiscal year ended in a deficit of \$9.9 million. Revenues received were approximately \$17.8 million more than the amended budget. Charges to appropriations were approximately \$17.6 million less than the amended budget. Overall, actual expenditures and transfers exceeded revenue by approximately \$9.9 million which decreased the General Fund balance.

Table 7

City of Oceanside			
General Fund Comparison – Actual and Budget Year Ended June 30, 2025			
	Amended <u>Budget</u>	<u>Actual</u>	Variance <u>Pos/(Neg)</u>
Resources (inflow s)			
Taxes	\$163,412,707	\$168,759,610	\$ 5,346,903
Licenses and permits	5,389,980	5,932,745	542,765
Intergovernmental	399,844	463,954	64,110
Charges for services	42,469,580	42,783,694	314,114
Use of money and property	7,232,087	18,839,641	11,607,554
Fines and forfeitures	3,888,593	4,172,474	283,881
Administrative and in lieu charges	9,663,651	9,677,233	13,582
Miscellaneous	229,172	209,929	(19,243)
Transfers in	10,491,902	9,498,085	(993,817)
Notes and loans issued	-	-	-
Other debts issued	-	689,296	689,296
Amount Available for Appropriations	\$243,177,516	\$261,026,661	\$17,849,145
Charges to Appropriations (outflows)			
General Government	\$ 40,989,168	\$ 42,569,197	\$(1,580,029)
Public Safety	133,440,915	124,576,944	8,863,971
Community Development	22,249,160	16,152,330	6,096,830
Parks and recreation	21,347,442	19,807,282	1,540,160
Public Works	25,864,119	22,041,939	3,822,180
Capital Outlay	565,145	477,896	87,249
Debt Service	15,664	1,062,285	(1,046,621)
Transfers Out	34,357,258	34,336,200	21,058
Loss on disposal of assets	-	191,338	(191,338)
Total Charges to Appropriations	\$278,828,871	\$261,215,411	\$17,613,460
Excess of Resources Over (Under)			
Charges to Appropriations as of June 30, 2025	<u>\$(35,651,355)</u>	<u>\$ (188,750)</u>	<u>\$35,462,605</u>

Table 8 compares the General Fund (inclusive of Fund 101 General Fund, Fund 102 Investment Clearing Fund, Fund 103 Measure X, and Fund 104 COVID Small Business Loan Program Fund) original adopted budget of \$246.4 million to the final budget amount of \$278.8 million which shows an overall amended increase of \$32.4 million as delineated below. The variance between the adopted and amended budget includes increases for continuing appropriations and one-time capital expenditures approved by City Council.

Table 8

City of Oceanside			
General Fund Budget Comparison As Adopted and Amended Year Ended June 30, 2025			
	<u>Adopted</u>	<u>Amended</u>	<u>Increase/ (Decrease)</u>
General Government	35,905,067	40,989,168	5,084,101
Public Safety	129,295,990	133,440,915	4,144,925
Public Works	24,616,612	25,864,119	1,247,507
Community Development	17,792,905	22,249,160	4,456,255
Community and Cultural Services	20,335,037	21,347,442	1,012,405
Transfers/Capital Outlay/Debt	18,434,236	34,938,067	16,503,831
Total Budget	\$ 246,379,847	\$ 278,828,871	\$ 32,449,024

GLOSSARY

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

- **Unrestricted Net Position:** the residual balance of net position after the elimination of net investment in capital assets and restricted net position.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

CITY OF OCEANSIDE, CALIFORNIA
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$ 349,937,274	\$ 292,848,662	\$ 642,785,936
Receivables (net of uncollectibles):			
Accounts	16,240,510	15,686,289	31,926,799
Taxes	10,352,982	-	10,352,982
Accrued interest	3,729,518	77,479	3,806,997
Due from other governments	1,069,355	-	1,069,355
State mandated claims	2,481,650	-	2,481,650
Notes and loans (Note 5)	95,520,582	-	95,520,582
Leases (Note 8)	6,764,145	18,787,672	25,551,817
Internal balances	(7,427,559)	7,427,559	-
Restricted assets:			
Cash and investments (Note 3)	18,822,056	-	18,822,056
Cash with fiscal agent (Note 3)	11,300,770	6,398,742	17,699,512
Inventories	433,647	-	433,647
Prepaid costs	1,076,421	24,846	1,101,267
Capital assets, not being depreciated/amortized (Note 7)	125,612,808	146,445,901	272,058,709
Capital assets, net of accumulated depreciation/amortization (Note 7)	260,202,046	448,156,837	708,358,883
Total assets	896,116,205	935,853,987	1,831,970,192
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related (Note 13)	72,737,879	11,250,471	83,988,350
OPEB-related (Note 14)	4,448,121	-	4,448,121
Total deferred outflows of resources	77,186,000	11,250,471	88,436,471
LIABILITIES			
Accounts payable	14,930,282	15,745,811	30,676,093
Due to other governments	619,198	-	619,198
Accrued liabilities	4,248,684	1,320,030	5,568,714
Accrued interest payable	576,381	331,806	908,187
Deposits payable	1,269,239	1,552,900	2,822,139
Unearned revenues	14,061,672	533,489	14,595,161
Noncurrent liabilities:			
Due within one year:			
Total OPEB liability (Note 14)	714,636	-	714,636
Leases (Note 8)	1,095,150	-	1,095,150
Subscriptions (Note 8)	590,919	216,126	807,045
Claims and judgments (Note 12)	7,060,000	-	7,060,000
Compensated absences (Note 9)	4,788,932	977,041	5,765,973
Bonds, notes, and loans (Note 10)	1,739,070	6,188,474	7,927,544
Due in more than one year:			
Net pension liability (Note 13)	253,794,871	20,548,375	274,343,246
Total OPEB liability (Note 14)	11,194,970	-	11,194,970
Leases (Note 8)	2,935,980	-	2,935,980
Subscriptions (Note 8)	1,168,004	165,489	1,333,493
Claims and judgments (Note 12)	25,958,494	-	25,958,494
Compensated absences (Note 9)	11,174,174	2,279,762	13,453,936
Bonds, notes, and loans (Note 10)	44,533,931	86,095,253	130,629,184
Total liabilities	402,454,587	135,954,556	538,409,143
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on refunding	-	305,851	305,851
Pension-related (Note 13)	934,750	-	934,750
OPEB-related (Note 14)	1,465,263	-	1,465,263
Lease-related (Note 8)	6,452,084	18,246,506	24,698,590
Total deferred inflows of resources	8,852,097	18,552,357	27,404,454
NET POSITION			
Net investment in capital assets	327,918,570	501,347,750	829,266,320
Restricted:			
General government	84,155,181	-	84,155,181
Public safety	1,168,822	-	1,168,822
Parks and recreation	15,194,686	-	15,194,686
Capital projects	93,739,522	-	93,739,522
Street light and landscape maintenance	4,182,169	-	4,182,169
Highways	7,714,225	-	7,714,225
Housing assistance program	8,649,283	-	8,649,283
Community planning	1,168,822	-	1,168,822
Pension stabilization trust	18,345,442	-	18,345,442
Unrestricted	(241,201)	291,249,795	291,008,594
Total net position	\$ 561,995,521	\$ 792,597,545	\$ 1,354,593,066

CITY OF OCEANSIDE, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions	Contributions
			and Grants	and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 35,726,566	\$ 18,750,807	\$ 5,565,005	\$ -
Public safety	151,411,848	16,134,185	12,420,598	-
Community development	83,680,699	26,845,553	39,891,465	-
Community services	49,255,048	4,335,712	1,519,356	-
Public works	32,553,389	14,567,335	19,318,898	4,848,876
Interest expense and fiscal charges	2,029,466	-	-	-
Total governmental activities	354,657,016	80,633,592	78,715,322	4,848,876
Business-type activities:				
Water	83,118,909	86,997,660	-	-
Sewer	42,718,253	52,241,611	-	-
Waste Disposal	1,404,695	2,391,223	-	-
Special Aviation	83,840	158,809	-	-
Oceanside Small Craft Harbor District	1,443,063	8,803,524	-	-
Total business-type activities	128,768,760	150,592,827	-	-
Total primary government	\$ 483,425,776	\$ 231,226,419	\$ 78,715,322	\$ 4,848,876
General revenues and transfers:				
General revenues:				
Property taxes				
Sales taxes				
Transient occupancy taxes				
Franchise taxes				
Business license taxes				
Other taxes				
Use of money and property				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position-beginning				
Net position-ending				

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (11,410,754)	\$ -	\$ (11,410,754)
(122,857,065)	-	(122,857,065)
(16,943,681)	-	(16,943,681)
(43,399,980)	-	(43,399,980)
6,181,720	-	6,181,720
-	-	-
(2,029,466)	-	(2,029,466)
(190,459,226)	-	(190,459,226)
-	3,878,751	3,878,751
-	9,523,358	9,523,358
-	986,528	986,528
-	74,969	74,969
-	7,360,461	7,360,461
-	21,824,067	21,824,067
(190,459,226)	21,824,067	(168,635,159)
92,767,885	-	92,767,885
49,923,733	-	49,923,733
15,954,415	-	15,954,415
4,100,642	-	4,100,642
4,720,181	-	4,720,181
1,292,754	-	1,292,754
30,205,420	11,261,338	41,466,758
5,448,399	12,055,113	17,503,512
8,356,766	(8,356,766)	-
212,770,195	14,959,685	227,729,880
22,310,969	36,783,752	59,094,721
539,684,552	755,813,793	1,295,498,345
\$ 561,995,521	\$ 792,597,545	\$ 1,354,593,066

Government Fund Financial Statements

The City reports the following major governmental funds:

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

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

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

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

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

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

CITY OF OCEANSIDE, CALIFORNIA
Balance Sheet
June 30, 2025

	Special Revenue Funds			
	General Fund	Grants	American Rescue Plan	Housing Assistance Program
ASSETS				
Cash and investments	\$ 113,580,601	\$ 24,503,908	\$ 3,942,386	\$ 15,003,706
Cash with fiscal agent	-	-	-	-
Receivables (net of allowance for uncollectible):				
Accounts	11,165,350	4,690,562	-	268,200
Taxes	9,087,580	-	-	-
Accrued interest	3,729,518	-	-	-
State mandated claims	2,481,650	-	-	-
Due from other governments	-	827,335	-	125,636
Notes and loans	-	79,465,348	-	15,483,013
Leases	6,764,145	-	-	-
Due from other funds	4,331,640	-	-	-
Inventories	40,700	-	-	-
Prepaid costs	674,581	1,759	-	239
Restricted assets:				
Cash and investments	18,345,442	-	-	476,614
Total assets	\$ 170,201,207	\$ 109,488,912	\$ 3,942,386	\$ 31,357,408
LIABILITIES				
Accounts payable	\$ 6,687,709	\$ 1,287,098	\$ 545,911	\$ 188,653
Accrued liabilities	3,431,363	36,546	-	23,392
Deposits payable	1,138,955	-	-	130,284
Due to other governments	-	-	-	619,198
Due to other funds	-	2,113,363	-	222,723
Unearned revenues	-	10,190,081	3,396,475	10,116
Total liabilities	11,258,027	13,627,088	3,942,386	1,194,366
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	9,889,725	86,189,114	-	15,457,347
Lease-related	6,452,084	-	-	-
Total deferred inflows of resources	16,341,809	86,189,114	-	15,457,347
FUND BALANCES (DEFICITS)				
Nonspendable	2,257,806	1,759	-	239
Restricted	86,294,020	9,670,951	-	14,705,456
Committed	28,144,543	-	-	-
Assigned	19,395,018	-	-	-
Unassigned	6,509,984	-	-	-
Total fund balances (deficits)	142,601,371	9,672,710	-	14,705,695
Total liabilities and fund balances (deficits)	\$ 170,201,207	\$ 109,488,912	\$ 3,942,386	\$ 31,357,408

CITY OF OCEANSIDE, CALIFORNIA
Balance Sheet (Continued)
June 30, 2025

	Capital Projects Fund		
	General Improvement	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 103,922,419	\$ 11,216,840	\$ 272,169,860
Cash with fiscal agent	11,233,834	66,936	11,300,770
Receivables (net of allowance for uncollectible):			
Accounts	100,874	-	16,224,986
Taxes	-	1,265,402	10,352,982
Accrued interest	-	-	3,729,518
State mandated claims	-	-	2,481,650
Due from other governments	-	116,384	1,069,355
Notes and loans	90,280	481,941	95,520,582
Leases	-	-	6,764,145
Due from other funds	-	-	4,331,640
Inventories	-	-	40,700
Prepaid costs	-	2,480	679,059
Restricted assets:			
Cash and investments	-	-	18,822,056
Total assets	\$ 115,347,407	\$ 13,149,983	\$ 443,487,303
LIABILITIES			
Accounts payable	\$ 3,911,979	\$ 582,542	\$ 13,203,892
Accrued liabilities	9,449	37,410	3,538,160
Deposits payable	-	-	1,269,239
Due to other governments	-	-	619,198
Due to other funds	-	453,029	2,789,115
Unearned revenues	465,000	-	14,061,672
Total liabilities	4,386,428	1,072,981	35,481,276
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	117,865	484,399	112,138,450
Lease-related	-	-	6,452,084
Total deferred inflows of resources	117,865	484,399	118,590,534
FUND BALANCES (DEFICITS)			
Nonspendable	-	2,480	2,262,284
Restricted	110,843,114	11,622,475	233,136,016
Committed	-	-	28,144,543
Assigned	-	-	19,395,018
Unassigned	-	(32,352)	6,477,632
Total fund balances (deficits)	110,843,114	11,592,603	289,415,493
Total liabilities and fund balances (deficits)	\$ 115,347,407	\$ 13,149,983	\$ 443,487,303

CITY OF OCEANSIDE, CALIFORNIA**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025**

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

Total fund balances - governmental funds		\$ 289,415,493
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		369,409,574
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 69,503,508	
Deferred outflows-OPEB related	4,448,121	
Deferred inflows-pension related	(934,750)	
Deferred inflows-OPEB related	<u>(1,465,263)</u>	
Total deferred outflows and inflows related to postemployment benefits		71,551,616
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	<u>112,138,450</u>	
Total other long-term assets		112,138,450
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		53,736,906
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(42,322,473)	
Notes payable	(1,030,000)	
Leases, SBITA, and PPP payable	(5,790,053)	
Compensated absences	(15,963,106)	
Accrued interest payable on long-term debt	(525,881)	
Net pension liability	(253,794,871)	
Net OPEB liability	<u>(11,909,606)</u>	
Total long-term liabilities		(331,335,990)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Bond premiums	(2,935,667)	
Bond discounts	<u>15,139</u>	
Total premiums, discounts, and deferred items		<u>(2,920,528)</u>
Net position of governmental activities		<u>\$ 561,995,521</u>

CITY OF OCEANSIDE, CALIFORNIA
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Special Revenue Funds			
	General Fund	Grants	American Rescue Plan	Housing Assistance Program
REVENUES				
Taxes	\$ 168,759,610	\$ -	\$ -	\$ -
Administrative and in lieu charges	9,677,233	-	-	-
Licenses and permits	5,932,745	-	-	399,918
Intergovernmental	463,954	20,815,199	4,756,768	35,332,692
Charges for services	42,783,694	128,177	-	65,594
Use of money and property	18,839,641	1,565,252	-	1,921,376
Fines and forfeitures	4,172,474	-	-	-
Developer participation	-	1,247,569	-	-
Miscellaneous	209,929	171,000	-	359,178
Total revenues	250,839,280	23,927,197	4,756,768	38,078,758
EXPENDITURES				
Current:				
General government	42,569,197	-	26,990	-
Public safety	124,576,944	5,387,279	1,578,493	-
Community development	16,152,330	9,427,114	-	35,780,029
Parks and recreation	19,807,282	328,632	105,874	-
Public works	22,041,939	39,751	-	-
Capital outlay	477,896	7,566,925	3,040,618	-
Debt service:				
Subscription payments	1,051,312	-	-	-
SBITA interest expense	10,973	69	-	-
Total expenditures	226,687,873	22,749,770	4,751,975	35,780,029
Excess (deficiency) of revenues over (under) expenditures	24,151,407	1,177,427	4,793	2,298,729
OTHER FINANCING SOURCES (USES)				
Transfers in	9,498,085	376,443	-	5,000,000
Transfers out	(34,336,200)	(5,045,695)	-	-
Gain (loss) on disposal of assets	(191,338)	-	-	-
Subscription financing	689,296	407,860	-	-
Total other financing sources (uses)	(24,340,157)	(4,261,392)	-	5,000,000
Net change in fund balances	(188,750)	(3,083,965)	4,793	7,298,729
Fund balances (deficit)-beginning	142,790,121	12,756,675	(4,793)	7,406,966
Fund balances (deficit)-ending	\$ 142,601,371	\$ 9,672,710	\$ -	\$ 14,705,695

CITY OF OCEANSIDE, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

For the Year Ended June 30, 2025

	Capital Project Fund		
	General Improvement	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 168,759,610
Administrative and in lieu charges	-	14,781,066	24,458,299
Licenses and permits	-	-	6,332,663
Intergovernmental	-	3,127,095	64,495,708
Charges for services	499,755	-	43,477,220
Use of money and property	4,179,220	3,556,529	30,062,018
Fines and forfeitures	-	-	4,172,474
Developer participation	12,153,673	-	13,401,242
Miscellaneous	3,226,056	5,291,100	9,257,263
Total revenues	20,058,704	26,755,790	364,416,497
EXPENDITURES			
Current:			
General government	538,914	347,149	43,482,250
Public safety	-	166,085	131,708,801
Community development	358,313	101,737	61,819,523
Parks and recreation	-	1,140,235	21,382,023
Public works	884,534	7,546,166	30,512,390
Capital outlay	21,089,805	5,566,625	37,741,869
Debt service:			
Principal	-	6,596,977	7,648,289
Interest and fiscal charges	56	1,979,673	1,990,771
Total expenditures	22,871,622	23,444,647	336,285,916
Excess (deficiency) of revenues over (under) expenditures	(2,812,918)	3,311,143	28,130,581
OTHER FINANCING SOURCES (USES)			
Transfers in	33,939,724	-	48,814,252
Transfers out	(167,000)	(832,130)	(40,381,025)
Gain (loss) on disposal of assets	-	-	(191,338)
Debt issuance proceeds	-	-	1,097,156
Total other financing sources (uses)	33,772,724	(832,130)	9,339,045
Net change in fund balances	30,959,806	2,479,013	37,469,626
Fund balances (deficit)-beginning	79,883,308	9,113,590	251,945,867
Fund balances (deficit)-ending	\$ 110,843,114	\$ 11,592,603	\$ 289,415,493

CITY OF OCEANSIDE, CALIFORNIA**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025**

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

Net change in fund balances - total governmental funds:		\$ 37,469,626
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		
Capital outlay	\$ 20,256,609	
Depreciation/amortization expense	<u>(20,184,630)</u>	
Total adjustment		71,979
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Earned but unavailable other revenues	<u>4,442,070</u>	
Total adjustment		4,442,070
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.		
Loss/(gain) on disposal of capital assets	<u>(4,961,593)</u>	
Total adjustment		(4,961,593)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Notes and loans issued	(20,939,222)	
Leases and subscriptions issued	(3,235,572)	
Lease and subscription payments	2,056,788	
Amortization of bond premiums and discounts	104,021	
Principal payments	<u>6,101,749</u>	
Total adjustment		(15,912,236)
Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.		
		11,451,040
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt	(525,881)	
Compensated absences	71,924	
Changes in pension liabilities and related deferred outflows and inflows of resources	(9,063,887)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(732,073)</u>	
Total adjustment		(10,249,917)
Change in net position of governmental activities		<u>\$ 22,310,969</u>

Proprietary Fund Financial Statements

The City reports the following major proprietary funds:

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

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

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

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

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

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

CITY OF OCEANSIDE, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities			
	Water	Sewer	Waste Disposal	Special Aviation
ASSETS				
Current assets:				
Cash and investments	\$ 115,331,757	\$ 156,698,698	\$ 11,954,290	\$ 1,057,165
Receivables (net of uncollectibles):				
Accounts	9,118,547	5,464,821	439,918	-
Lease-related accrued interest	-	-	-	4,736
Leases	-	-	-	40,666
Prepaid costs	12,421	10,679	1,746	-
Inventories	-	-	-	-
Restricted:				
Cash with fiscal agent	1,230,214	2,632,632	-	-
Total current assets	125,692,939	164,806,830	12,395,954	1,102,567
Noncurrent:				
Leases receivable	-	-	-	3,292,402
Due from other funds	-	-	-	-
Capital assets, net	316,792,239	260,424,692	2,097,697	4,212,176
Total noncurrent assets	316,792,239	260,424,692	2,097,697	7,504,578
Total assets	442,485,178	425,231,522	14,493,651	8,607,145
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related	5,671,667	5,270,340	308,464	-
Total deferred outflows of resources	5,671,667	5,270,340	308,464	-
LIABILITIES				
Current liabilities:				
Accounts payable	11,745,192	3,967,857	9,797	-
Accrued liabilities	597,828	702,926	19,276	-
Accrued interest	293,691	37,980	135	-
Unearned revenue	-	285,368	-	7,823
Deposits payable	1,086,859	-	-	-
Due to other funds	-	-	-	1,542,525
Leases	-	-	-	-
Subscriptions	150,206	22,213	43,707	-
Claims and judgments	-	-	-	-
Compensated absences	498,105	469,268	9,668	-
Bonds, notes, and loans	2,614,083	3,549,560	-	-
Total current liabilities	16,985,964	9,035,172	82,583	1,550,348
Noncurrent liabilities:				
Claims and judgments	-	-	-	-
Compensated absences	1,162,246	1,094,957	22,559	-
Leases	-	-	-	-
Subscriptions	95,621	69,868	-	-
Bonds, notes, and loans	84,061,684	1,770,071	-	-
Net pension liability	10,106,453	9,875,586	566,336	-
Total noncurrent liabilities	95,426,004	12,810,482	588,895	-
Total liabilities	112,411,968	21,845,654	671,478	1,550,348
DEFERRED INFLOWS OF RESOURCES				
Deferred amount of refunding	305,851	-	-	-
Lease-related	-	-	-	3,150,473
Total deferred inflows of resources	305,851	-	-	3,150,473
NET POSITION				
Net investment in capital assets	229,491,035	254,802,941	2,053,990	4,212,176
Unrestricted	105,947,991	153,853,267	12,076,647	(305,852)
Total net position	\$ 335,439,026	\$ 408,656,208	\$ 14,130,637	\$ 3,906,324

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time

Net position of business-type activities

CITY OF OCEANSIDE, CALIFORNIA
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Business-Type Activities		Governmental Activities
	Oceanside Small Craft Harbor District	Total Enterprise Funds	Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 7,806,752	\$ 292,848,662	\$ 77,767,414
Receivables (net of uncollectibles):			
Accounts	663,003	15,686,289	15,524
Lease-related accrued interest	72,743	77,479	-
Leases	772,476	813,142	-
Prepaid costs	-	24,846	397,362
Inventories	-	-	392,947
Restricted:			
Cash with fiscal agent	2,535,896	6,398,742	-
Total current assets	11,850,870	315,849,160	78,573,247
Noncurrent:			
Leases receivable	14,682,128	17,974,530	-
Due from other funds	-	-	288,329
Capital assets, net	11,075,934	594,602,738	16,405,280
Total noncurrent assets	25,758,062	612,577,268	16,693,609
Total assets	37,608,932	928,426,428	95,266,856
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	-	11,250,471	3,234,371
Total deferred outflows of resources	-	11,250,471	3,234,371
LIABILITIES			
Current liabilities:			
Accounts payable	22,965	15,745,811	1,726,390
Accrued liabilities	-	1,320,030	710,524
Accrued interest	-	331,806	50,500
Unearned revenue	240,298	533,489	-
Deposits payable	466,041	1,552,900	-
Due to other funds	-	1,542,525	-
Leases	-	-	1,076,558
Subscriptions	-	216,126	258,936
Claims and judgments	-	-	7,060,000
Compensated absences	-	977,041	294,262
Bonds, notes, and loans	24,831	6,188,474	-
Total current liabilities	754,135	28,408,202	11,177,170
Noncurrent liabilities:			
Claims and judgments	-	-	25,958,494
Compensated absences	-	2,279,762	462,498
Leases	-	-	2,546,315
Subscriptions	-	165,489	686,612
Bonds, notes, and loans	263,498	86,095,253	-
Net pension liability	-	20,548,375	8,300,482
Total noncurrent liabilities	263,498	109,088,879	37,954,401
Total liabilities	1,017,633	137,497,081	49,131,571
DEFERRED INFLOWS OF RESOURCES			
Deferred amount of refunding	-	305,851	-
Lease-related	15,096,033	18,246,506	-
Total deferred inflows of resources	15,096,033	18,552,357	-
NET POSITION			
Net investment in capital assets	10,787,608	501,347,750	12,060,973
Unrestricted	10,707,658	282,279,711	37,308,683
Total net position	\$ 21,495,266	783,627,461	\$ 49,369,656
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time		8,970,084	
Net position of business-type activities		\$ 792,597,545	

CITY OF OCEANSIDE, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			
	Water	Sewer	Waste Disposal	Special Aviation
OPERATING REVENUES				
Charges for services	\$ 86,997,660	\$ 52,241,611	\$ 2,391,223	\$ -
Licenses and permits	510,764	94,718	-	-
Miscellaneous	26,095	729,645	3,175	-
Developer fees	2,709,360	2,805,885	-	-
Lease revenue	-	-	-	158,809
Parking	-	-	-	-
Total operating revenues	90,243,879	55,871,859	2,394,398	158,809
OPERATING EXPENSES				
Administration and general	12,740,122	10,245,888	665,528	-
Maintenance and operations	15,719,147	23,583,323	502,625	7,793
Cost of purchased water	44,348,909	-	-	-
Depreciation/amortization	8,286,811	9,414,565	234,363	76,047
Total operating expenses	81,094,989	43,243,776	1,402,516	83,840
Operating income (loss)	9,148,890	12,628,083	991,882	74,969
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	6,103,637	8,468,250	-	73,234
Interest expense	(1,716,060)	(215,949)	(2,179)	-
Gain (loss) on disposal of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	4,387,577	8,252,301	(2,179)	73,234
Income (loss) before transfers	13,536,467	20,880,384	989,703	148,203
Transfers in	12,269	-	-	-
Transfers out	(1,007,949)	(50,000)	(267,166)	-
Change in net position	12,540,787	20,830,384	722,537	148,203
Net position-beginning	322,898,239	387,825,824	13,408,100	3,758,121
Net position at end of year	\$ 335,439,026	\$ 408,656,208	\$ 14,130,637	\$ 3,906,324

Adjustment for the net effect of the current year activity between
the internal service funds and the enterprise funds

Changes in net position of business-type activities

CITY OF OCEANSIDE, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Oceanside Small Craft Harbor District	Total Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 6,638,755	\$ 148,269,249	\$ 96,485,305
Licenses and permits	94,178	699,660	-
Miscellaneous	42,545	801,460	1,028,613
Developer fees	-	5,515,245	-
Lease revenue	2,164,769	2,323,578	-
Parking	1,270,100	1,270,100	-
Total operating revenues	10,210,347	158,879,292	97,513,918
OPERATING EXPENSES			
Administration and general	-	23,651,538	63,974,019
Maintenance and operations	886,104	40,698,992	25,692,429
Cost of purchased water	-	44,348,909	-
Depreciation/amortization	553,517	18,565,303	4,685,671
Total operating expenses	1,439,621	127,264,742	94,352,119
Operating income (loss)	8,770,726	31,614,550	3,161,799
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	384,865	15,029,986	-
Interest expense	(3,442)	(1,937,630)	(38,764)
Gain (loss) on disposal of capital assets	-	-	143,399
Total nonoperating revenues (expenses)	381,423	13,092,356	104,635
Income (loss) before transfers	9,152,149	44,706,906	3,266,434
Transfers in	70,033	82,302	77,705
Transfers out	(7,113,953)	(8,439,068)	(154,166)
Change in net position	2,108,229	36,350,140	3,189,973
Net position-beginning	19,387,037	424,379,082	46,179,683
Net position at end of year	\$ 21,495,266	460,729,222	\$ 49,369,656
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds		433,612	
Changes in net position of business-type activities		\$ 36,783,752	

CITY OF OCEANSIDE, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			
	Water	Sewer	Waste Disposal	Special Aviation
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 90,132,999	\$ 58,479,380	\$ 2,767,542	\$ 110,495
Receipts from interfund charges	-	-	-	-
Payments to suppliers and service providers	(70,722,883)	(36,963,755)	(1,226,396)	(7,793)
Payments to employees for salaries and benefits	(783,087)	(1,265,151)	(53,089)	-
Other receipts (payments)	-	-	-	-
Net cash provided by (used for) operating activities	18,627,029	20,250,474	1,488,057	102,702
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	12,269	-	-	-
Transfers to other funds	(1,007,949)	(50,000)	(267,166)	-
Net cash provided by (used for) noncapital financing activities	(995,680)	(50,000)	(267,166)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	1,006,588	-	-	-
Acquisition and construction of capital assets	(2,173,875)	(9,111,388)	(38,860)	-
Principal paid on capital debt	(2,725,527)	(3,473,233)	(41,160)	-
Interest paid on capital debt	(1,930,813)	(227,381)	(2,043)	-
Payments from other funds on interfund borrowings	-	-	-	-
Payments to other funds on interfund borrowings	-	-	-	(60,423)
Gain/(loss) on disposal of assets	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(5,823,627)	(12,812,002)	(82,063)	(60,423)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	6,103,638	8,323,499	-	73,285
Leasing activities	-	-	-	-
Net cash provided by (used for) investing activities	6,103,638	8,323,499	-	73,285
Net increase (decrease) in cash and cash equivalents	17,911,360	15,711,971	1,138,828	115,564
Cash and cash equivalents-beginning	98,650,611	143,619,359	10,815,462	941,601
Cash and cash equivalents-ending	\$ 116,561,971	\$ 159,331,330	\$ 11,954,290	\$ 1,057,165

CITY OF OCEANSIDE, CALIFORNIA
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			
	Water	Sewer	Waste Disposal	Special Aviation
EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and investments	\$ 115,331,757	\$ 156,698,698	\$ 11,954,290	\$ 1,057,165
Cash with fiscal agent	1,230,214	2,632,632	-	-
Total cash and cash equivalents	<u>\$ 116,561,971</u>	<u>\$ 159,331,330</u>	<u>\$ 11,954,290</u>	<u>\$ 1,057,165</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 9,148,890	\$ 12,628,083	\$ 991,882	\$ 74,969
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	8,286,811	9,414,565	234,363	76,047
(Increase) decrease in accounts receivable	(144,956)	2,607,521	373,144	-
(Increase) decrease in leases receivable	-	-	-	(56,137)
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	(2,247)	4,302	979	-
Increase (decrease) in accounts payable	2,087,542	(3,138,846)	3,532	-
Increase (decrease) in accrued liabilities	345,766	507,458	8,109	-
Increase (decrease) in deposits payable	34,076	-	-	7,823
Increase (decrease) in compensated absences	100,814	342,904	21,930	-
Increase (decrease) in claims and judgments	-	-	-	-
Increase (decrease) in net pension liability	(1,229,667)	(2,115,513)	(145,882)	-
Total adjustments	<u>9,478,139</u>	<u>7,622,391</u>	<u>496,175</u>	<u>27,733</u>
Net cash provided by (used for) operating activities	<u>\$ 18,627,029</u>	<u>\$ 20,250,474</u>	<u>\$ 1,488,057</u>	<u>\$ 102,702</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES				
Amortization on bond discount/(premium)	\$ 162,689	\$ 130,623	\$ -	\$ -
Capital assets acquired through subscription arrangements	115,790	115,790	84,868	-

CITY OF OCEANSIDE, CALIFORNIA
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities		Governmental Activities
	Oceanside Small Craft Harbor District	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 9,729,447	\$ 161,219,863	\$ -
Receipts from interfund charges	-	-	97,518,075
Payments to suppliers and service providers	(867,724)	(109,788,551)	(88,856,328)
Payments to employees for salaries and benefits	-	(2,101,327)	(1,175,471)
Other receipts (payments)	-	-	895,237
Net cash provided by (used for) operating activities	8,861,723	49,329,985	8,381,513
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	70,033	82,302	77,705
Transfers to other funds	(7,113,953)	(8,439,068)	(154,166)
Net cash provided by (used for) noncapital financing activities	(7,043,920)	(8,356,766)	(76,461)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	-	1,006,588	-
Acquisition and construction of capital assets	(1,658,430)	(12,982,553)	(3,069,218)
Principal paid on capital debt	(24,561)	(6,264,481)	(1,629,282)
Interest paid on capital debt	(3,172)	(2,163,409)	(457,334)
Payments from other funds on interfund borrowings	-	-	24,561
Payments to other funds on interfund borrowings	-	(60,423)	-
Gain/(loss) on disposal of assets	-	-	143,399
Net cash provided by (used for) capital and related financing activities	(1,686,163)	(20,464,278)	(4,987,874)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	385,169	14,885,591	-
Leasing activities	819,139	819,139	-
Net cash provided by (used for) investing activities	1,204,308	15,704,730	-
Net increase (decrease) in cash and cash equivalents	1,335,948	36,213,671	3,317,178
Cash and cash equivalents-beginning	9,006,700	263,033,733	74,450,236
Cash and cash equivalents-ending	\$ 10,342,648	\$ 299,247,404	\$ 77,767,414

CITY OF OCEANSIDE, CALIFORNIA
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities		Governmental Activities
	Oceanside Small Craft Harbor District	Totals	Internal Service Funds
EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 7,806,752	\$ 292,848,662	\$ 77,767,414
Cash with fiscal agent	2,535,896	6,398,742	-
Total cash and cash equivalents	<u>\$ 10,342,648</u>	<u>\$ 299,247,404</u>	<u>\$ 77,767,414</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 8,770,726	\$ 31,614,550	\$ 3,161,799
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	553,517	18,565,303	4,685,671
(Increase) decrease in accounts receivable	367,146	3,202,855	4,157
(Increase) decrease in leases receivable	(891,914)	(948,051)	-
(Increase) decrease in inventories	-	-	(1,311)
(Increase) decrease in prepaid items	-	3,034	278,437
Increase (decrease) in accounts payable	18,380	(1,029,392)	532,994
Increase (decrease) in accrued liabilities	-	861,333	(858,604)
Increase (decrease) in deposits payable	43,868	85,767	-
Increase (decrease) in compensated absences	-	465,648	50,518
Increase (decrease) in claims and judgments	-	-	895,237
Increase (decrease) in net pension liability	-	(3,491,062)	(367,385)
Total adjustments	<u>90,997</u>	<u>17,715,435</u>	<u>5,219,714</u>
Net cash provided by (used for) operating activities	<u>\$ 8,861,723</u>	<u>\$ 49,329,985</u>	<u>\$ 8,381,513</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Amortization on bond discount/(premium)	\$ -	\$ 293,312	\$ -
Capital assets acquired through subscription arrangements	-	316,448	-

Fiduciary Fund Financial Statements

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

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

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

CITY OF OCEANSIDE, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Private Purpose Trust Funds	
	Successor Agency	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 3,731,198	\$ 12,823,776
Investments at fair value:		
Money market mutual funds	5,435	6,833,473
Receivables:		
Taxes	-	10,332
Prepaid costs	3,784	-
Total assets	3,740,417	19,667,581
LIABILITIES		
Accounts payable	-	259,490
Accrued interest	35,198	-
Noncurrent liabilities:		
Due in one year	2,416,768	-
Total liabilities	2,451,966	259,490
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	1,288,451	19,408,091
Total net position	\$ 1,288,451	\$ 19,408,091

CITY OF OCEANSIDE, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Private Purpose Trust Funds	
	Successor Agency	Custodial Funds
ADDITIONS		
Investment earnings:		
Interest	\$ 360,984	\$ 791,263
Change in fair value of investments	57,036	-
Total investment earnings	418,020	791,263
Taxes	2,295,439	3,994,338
Debt issuance proceeds	-	9,934,934
Total additions	2,713,459	14,720,535
DEDUCTIONS		
Administrative expenses	34,556	69,120
Contractual services	-	162,894
Payments to bondholders	170,294	15,348,339
Issuance costs	-	221,339
Total deductions	204,850	15,801,692
Net increase (decrease) in fiduciary net position	2,508,609	(1,081,157)
Net position-beginning	(1,220,158)	20,489,248
Net position-ending	\$ 1,288,451	\$ 19,408,091

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

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

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

Complete financial statements for the above entities may be obtained from the City's website.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

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

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

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

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Fund Financial Statements

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

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

Additionally, the government reports the following internal service funds:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Fund Financial Statements

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

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

Private-purpose trust funds are used to account for the assets and liabilities of the former redevelopment activities of the Community Development Commission and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment activities of the Community Development Commission are paid in full.

C. Use of Restricted and Unrestricted Net Position

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

D. Cash, Cash Equivalents, and Investments

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

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

E. Inventory and Prepaid Costs

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the time of acquisition by the City. Policy has set the capitalization threshold for reporting infrastructure at \$100,000, leases and subscriptions at \$50,000, and all other capital assets are set at \$10,000. Depreciation/amortization is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	20 - 60 years
Improvements other than buildings	30 - 60 years
Machinery and equipment	5 - 20 years
Infrastructure	15 - 50 years
Right-to-use leases/subscriptions	lesser of the lease/subscription term or the asset's useful life

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

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

G. Net Pension Liability

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

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Post-Employment Benefits (OPEB)

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

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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

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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for pension contributions made after the actuarial measurement date, for the differences between expected and actual experiences in pension and OPEB liabilities, and changes in actuarial assumptions used in calculating the pension and OPEB liabilities, and the net difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized on a straight-line basis over the expected average remaining service life of plan participants. The government also reports deferred outflows of resources for charges on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues, ambulance billings, and developer deposits. These amounts are deferred and recognized as an inflow of resources in the period when the amounts become available. In addition, the government has deferred inflows of resources relating to the net pension and total OPEB obligations reported in the government-wide statement of net position and the proprietary funds. These deferred inflows of resources are the result of actuarially determined differences between expected and actual plan experiences for pensions, and changes in actuarial assumptions related to pensions and OPEB. These amounts are deferred and amortized over the expected average remaining service life of plan participants, with the exception of the net difference between expected and actual earnings on pension plan investments which is amortized over five years.

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.

Governmental Fund Financial Statements

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

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/amortization and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

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

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

Governmental Fund Financial Statements

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

L. 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

1. Government-wide Financial Statements

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

2. Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. The City Council has established a post-employment leave reserve fund in the general fund based on 8% of the prior year's compensated absences balance for governmental funds. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund. Compensated absences more likely than not to be settled out of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

P. New GASB Pronouncements Effective during Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncement was effective for and implemented for the fiscal year ended June 30, 2025:

GASB Statement No. 101, Compensated Absences

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB Statement No. 102, Certain Risk Disclosures

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

Management has assessed the impact of this Statement on the City's financial statements and determined that it did not have a material impact.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances

The General Debt Service nonmajor debt service fund reported a deficit in fund balance in the amount of \$32,352 at June 30, 2025. This deficit is related to an arbitrage payment for the 2015 Taxable Pension Obligation bonds.

NOTE 3 - CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which is invested 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, 2025:

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 349,937,274	\$ 292,848,662	\$ 16,554,974	\$ 659,340,910
Restricted cash and investments	18,822,056	-	-	18,822,056
Cash and investments held with fiscal agents	11,300,770	6,398,742	6,838,908	24,538,420
	<u>\$ 380,060,100</u>	<u>\$ 299,247,404</u>	<u>\$ 23,393,882</u>	<u>\$ 702,701,386</u>

Cash and investments as of June 30, 2025 consisted of the following:

Demand deposits	\$ 64,220,751
Petty cash	5,874
Pension trust	18,345,442
Investments	<u>620,129,319</u>
Total cash and investments	<u>\$ 702,701,386</u>

Demand Deposits

At June 30, 2025, the carrying amount of the City's deposits was \$64,220,751 and the bank balance was \$65,062,170. The 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.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

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

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Disclosures Relating to Interest Rate Risk

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

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
U.S. Treasury obligations	\$ 213,829,196	\$ -	\$ 148,003,470	\$ 65,825,726
U.S. agency securities	54,683,870	20,588,597	34,095,273	-
Commercial paper	-	-	-	-
Certificates of deposit (negotiable)	10,625,198	9,440,504	1,184,694	-
Medium-term notes /Corporates	118,527,980	12,707,894	80,960,941	24,859,145
Municipal investments	21,331,727	9,036,338	12,295,389	-
Money market mutual funds	1,700,123	1,700,123	-	-
Mortgage pass-through securities	86,929,215	-	67,255,038	19,674,177
Local Agency Investment Fund	1,046,605	-	-	1,046,605
Local Government Investment Pool	79,504,569	-	-	79,504,569
Total	<u>\$ 620,129,319</u>	<u>\$ 53,473,456</u>	<u>\$ 366,598,228</u>	<u>\$ 200,057,635</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City holds investments in callable federal agency securities that are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2025, is \$54,876,638 or 8.85% of the City's portfolio (excluding held by fiscal agents).

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

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

Investment Type	Total	Minimum Legal Rating	Moody's Rating as of Fiscal Year End			
			Aaa	Aa	B	Exempt or Not Rated
U.S. Treasury obligations	\$ 211,462,541	Exempt	\$ 211,462,541	\$ -	\$ -	\$ -
U.S. agency securities	54,876,638	Exempt	54,876,638	-	-	-
Certificates of deposit (negotiable)	1,189,511	Not Rated	-	-	476,459	713,052
Medium-term notes/Corporates	116,749,508	A	-	116,749,508	-	-
Municipal investments	25,129,753	Aa	2,744,905	14,888,640	-	7,496,208
Money market mutual funds	9,036,338	Aaa	9,036,338	-	-	-
Mortgage pass-through securities	88,807,877	A	31,213,106	16,406,841	-	41,187,930
Local Agency Investment Fund	1,047,859	Not Rated	-	-	-	1,047,859
Local Government Investment Pool	79,504,569	Not Rated	-	-	-	79,504,569
Supranational	32,324,725	Not Rated	32,324,725	-	-	-
Total	<u>\$ 620,129,319</u>		<u>\$ 341,658,253</u>	<u>\$ 148,044,989</u>	<u>\$ 476,459</u>	<u>\$ 129,949,618</u>

Concentration of Credit Risk

The investment policy of the City limits the amount that can be invested in any one issuer of the United States Government Sponsored Enterprise Securities. The limit has been set at 25% of the cost value of the portfolio in any single issuer of United States Government Sponsored Enterprise Securities. All other investments contain no limitations beyond that stipulated by the California Government Code. No investments in any one issuer (other than United States Treasury Obligations, mutual funds, and external investment pools) represented 5% or more of total City's investments (excluding held by fiscal agents) at June 30, 2025.

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, 2025, none of the City's deposits or investments were exposed to custodial credit risk.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool (LAIF)

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

Investment in State Investment Pool (CAMP)

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

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

Pension Stabilization Trust

During the period from April 5, 2018, to May 29, 2018, the City deposited a total of \$10,000,000 into an IRS Section 115 Trust for the purpose of setting funding aside for the unfunded pension liability. In September 2020, the City deposited another \$6,000,000 into the Trust. At June 30, 2025, the market value of the assets held in trust is \$18,345,442. The assets of the trust are reported as restricted cash and investments in the City's General Fund, with a corresponding restriction in the General Fund's fund balance.

Fair Value Measurement of Investments

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

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The City has the following recurring fair market value measurements as of June 30, 2025:

Investment Type	Total	Input Category	
		Level 2	Uncategorized
U.S. Treasury obligations	\$ 211,462,541	\$ 211,462,541	\$ -
U.S. agency securities	54,876,638	54,876,638	-
Certificates of deposit (negotiable)	1,189,511	1,189,511	-
Medium-term notes	116,749,508	116,749,508	-
Municipal investments	25,129,753	25,129,753	-
Money market mutual funds	9,036,338	9,036,338	-
Mortgage pass-through securities	88,807,877	88,807,877	-
Local Agency Investment Fund	1,047,859	-	1,047,859
Local Government Investment Pool	79,504,569	-	79,504,569
Supranational	32,324,725	32,324,725	-
Total	<u>\$ 620,129,319</u>	<u>\$ 539,576,891</u>	<u>\$ 80,552,428</u>

NOTE 4 - PROPERTY TAXES

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

NOTE 5 - NOTES RECEIVABLE

At June 30, 2025, the City had notes receivable reported in the following funds:

Grants Fund	\$ 79,465,348
Housing Assistance Program	15,483,013
Community Development Block Grant	481,941
General Improvement	90,280
	<u>\$ 95,520,582</u>

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, 2025, the outstanding balance is \$79,465,348.

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, 2025, the outstanding balance is \$15,483,013.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 5 - NOTES RECEIVABLE (CONTINUED)

The Community Development Block Grant Fund loaned Mental Health Systems, Inc. \$655,000 on July 1, 2012, for the acquisition and rehabilitation of an apartment complex. The balance outstanding at June 30, 2025 is \$481,941.

The General Improvement Fund provided a loan to SoCal SC, L.P. on March 5, 2014 to aid the acceleration of construction of a recreational complex. The balance outstanding, including accrued interest, at June 30, 2025 is \$90,280.

NOTE 6 - INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

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

Due to/from Other Funds		
Receivable Fund	Payable Fund	Amount
General fund	Grants	\$ 2,113,363
General fund	Nonmajor Governmental funds	453,029
General fund	Housing Assistance Program	222,723
General fund	Special Aviation	1,542,525
	Total	<u>\$ 4,331,640</u>

The General Fund advanced funds to the Special Aviation Enterprise Fund for operational purposes. As of June 30, 2025, the outstanding balance of the loans were \$1,542,525 and are not expected to be repaid within one year.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 6 - INTERFUND TRANSACTIONS (CONTINUED)

B. Transfers In/Out

Transfers in and out for the year ended June 30, 2025, are as follows:

Transfers in	Transfers Out									Total
	General Fund	Grants	General Improvement	Other Governmental Funds	Water	Sewer	Waste Disposal	Oceanside Small Craft Harbor District	Internal Service Funds	
General Fund	\$ -	\$ 9,041	\$ 167,000	\$ 832,130	\$1,007,949	\$ -	\$ 267,166	\$ 7,113,953	\$ 100,846	\$ 9,498,085
Grants	376,443	-	-	-	-	-	-	-	-	376,443
Housing Assistance Program	-	5,000,000	-	-	-	-	-	-	-	5,000,000
General Improvement	33,889,724	-	-	-	-	50,000	-	-	-	33,939,724
Water	-	-	-	-	-	-	-	-	12,269	12,269
Oceanside Small Craft Harbor District	70,033	-	-	-	-	-	-	-	-	70,033
Internal Service Funds	-	36,654	-	-	-	-	-	-	41,051	77,705
	<u>\$34,336,200</u>	<u>\$5,045,695</u>	<u>\$ 167,000</u>	<u>\$ 832,130</u>	<u>\$1,007,949</u>	<u>\$50,000</u>	<u>\$ 267,166</u>	<u>\$ 7,113,953</u>	<u>\$ 154,166</u>	<u>\$48,974,259</u>

The General Fund transferred \$376,443 to the Grants Fund to support costs associated with grants and housing assistance programs, \$33,889,724 to the General Improvement Fund for maintenance and capital expenditures, and \$70,033 to the Oceanside Small Craft Harbor District Fund to cover general and administrative costs.

The Grants Fund transferred \$5,000,000 to the Housing Assistance Program to reimburse previous transfers associated with grants and housing assistance programs.

The General Improvement Fund transferred \$167,000 to the General Fund.

The Other Governmental Funds transferred \$832,130 to the General Fund to support streetlight and traffic control operating costs.

The Water Fund transferred \$1,007,949 to the General Fund for maintenance of the City's flood control and storm drain systems.

The Sewer Fund transferred \$50,000 to the General Improvement Fund to support traffic control operating costs.

The Waste Disposal Fund transferred \$267,166 to the General Fund to support street sweeping, code enforcement, and related waste disposal costs.

The Oceanside Small Craft Harbor District transferred \$7,113,953 to the General Fund to provide for harbor administrative, maintenance, and police services.

The Internal Service Funds transferred \$100,846 to the General Fund for costs related to the City's unfunded pension liability. The Internal Service Funds also transferred \$12,269 to the Water Fund.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities

A summary of the changes in capital assets for the fiscal year ended June 30, 2025, were as follows:

<u>Governmental Activities</u>	Balance June 30, 2024	Adjustments*	Additions	Deletions	Balance June 30, 2025
Capital assets, non-depreciable					
Land	\$ 62,946,591	\$ 1,462,243	\$ 15,000	\$ -	\$ 64,423,834
Construction-in-progress	91,662,522	(54,853,335)	31,170,422	(6,790,635)	61,188,974
Total capital assets, non-depreciable	154,609,113	(53,391,092)	31,185,422	(6,790,635)	125,612,808
Capital assets, depreciable/amortizable					
Buildings and improvements	140,796,441	8,043,914	-	-	148,840,355
Improvements other than buildings	88,794,169	15,926,864	-	-	104,721,033
Machinery and equipment	85,565,451	3,844,770	4,284,240	(2,490,751)	91,203,710
Lease assets					
Buildings and improvements	417,162	-	407,860	(172,474)	652,548
Machinery and equipment	3,593,208	-	2,924,825	-	6,518,033
Subscriptions	3,274,135	-	1,367,880	(1,405,950)	3,236,065
Infrastructure	312,585,729	21,681,027	-	-	334,266,756
Total capital assets, depreciable/amortizable	635,026,295	49,496,575	8,984,805	(4,069,175)	689,438,500
Less accumulated depreciation/amortization					
Buildings and improvements	66,443,014	-	4,333,461	(265,162)	70,511,313
Improvements other than buildings	45,983,563	(5,055,390)	3,843,263	(550,839)	44,220,597
Machinery and equipment	66,373,994	-	4,310,480	(2,460,521)	68,223,953
Lease assets					
Buildings and improvements	313,836	-	162,121	(172,474)	303,483
Machinery and equipment	375,104	-	1,135,540	-	1,510,644
Subscriptions	1,681,234	-	945,990	(1,405,950)	1,221,274
Infrastructure	228,050,354	5,055,390	10,139,446	-	243,245,190
Total accumulated depreciation/amortization	409,221,099	-	24,870,301	(4,854,946)	429,236,454
Total capital assets, being depreciated/amortized, net	225,805,196	49,496,575	(15,885,496)	785,771	260,202,046
Total governmental activities capital assets	\$ 380,414,309	\$ (3,894,517)	\$ 15,299,926	\$ (6,004,864)	\$ 385,814,854

*Note: Adjustments are related to transfers between governmental and business-type activities.

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

General government	\$ 109,285
Public safety	5,090,234
Highways and streets	7,714,746
Sanitation	7,098,676
Culture and recreation	171,689
Internal service funds	4,685,671
Total depreciation/amortization expense	<u>\$ 24,870,301</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 7 - CAPITAL ASSETS (CONTINUED)

B. Business-type Activities

A summary of changes in the business-type activities capital assets at June 30, 2025, is as follows:

<u>Business-Type Activities</u>	<u>Balance June 30, 2024</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Capital assets, non-depreciable					
Land	\$ 29,613,703	\$ 3,667,741	\$ -	\$ -	\$ 33,281,444
Construction-in-progress	126,889,341	(21,459,575)	12,444,792	(4,710,101)	113,164,457
Total capital assets, non-depreciable	156,503,044	(17,791,834)	12,444,792	(4,710,101)	146,445,901
Capital assets, depreciable/amortizable					
Buildings and improvements	343,893,335	1,223,608	-	-	345,116,943
Improvements other than buildings	569,594,236	19,951,269	-	-	589,545,505
Machinery and equipment	30,209,085	511,474	1,299,485	(50,475)	31,969,569
Subscriptions	694,995	-	370,307	(176,350)	888,952
Total capital assets, depreciable/amortizable	944,391,651	21,686,351	1,669,792	(226,825)	967,520,969
Less accumulated depreciation/amortization					
Buildings and improvements	99,287,364	-	6,602,534	-	105,889,898
Improvements other than buildings	380,925,363	-	9,753,879	-	390,679,242
Machinery and equipment	20,425,280	-	1,967,423	(50,475)	22,342,228
Subscriptions	387,647	-	241,467	(176,350)	452,764
Total accumulated depreciation/amortization	501,025,654	-	18,565,303	(226,825)	519,364,132
Total capital assets, being depreciated/ amortized, net	443,365,997	21,686,351	(16,895,511)	-	448,156,837
Total business-type activities capital assets	<u>\$ 599,869,041</u>	<u>\$ 3,894,517</u>	<u>\$ (4,450,719)</u>	<u>\$ (4,710,101)</u>	<u>\$ 594,602,738</u>

*Note: Adjustments are related to transfers between governmental and business-type activities.

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

Water	\$ 8,286,811
Sewer	9,414,565
Waste Disposal	234,363
Special Aviation	76,047
Oceanside Small Craft Harbor District	553,517
Total depreciation/amortization expense	<u>\$ 18,565,303</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 8 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Leases

Leases Receivable and Deferred Inflows of Resources

The City leases infrastructure, land and buildings to various companies. As of June 30, 2025, the City had 28 active leases. The leases have receipts that range from \$4,000 to \$484,062 and interest rates that range from 0.0274% to 1.7050%. The terms by lease type are listed in the table below. As of June 30, 2025, the total combined value of the lease receivable is \$25,551,817. The value of the deferred inflow of resources as of June 30, 2025, was \$24,698,590, and the amortization of the deferred inflow during the year totaled \$1,743,002.

Lease Type	Term Range	Lease Receivable as of Commencement Date	Lease Receivable as of June 30, 2025
Land - Cell Towers	2.67 to 40.83	\$ 72,195,857	\$ 11,692,320
Buildings	2.25 to 52.50	59,032,459	13,730,329
Infrastructure	14.08	176,421	129,168
		<u>\$ 131,404,737</u>	<u>\$ 25,551,817</u>

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 685,885	\$ 85,038	\$ 770,923
2027	691,330	76,860	768,190
2028	641,471	68,804	710,275
2029	605,230	60,846	666,076
2030	604,734	52,786	657,520
2031 - 2035	2,895,940	144,281	3,040,221
2036 - 2040	520,231	13,812	534,043
2041 - 2045	19,210	9,039	28,249
2046 - 2050	22,795	7,205	30,000
2051 - 2055	28,161	5,088	33,249
2056 - 2060	32,541	2,458	34,999
2061 - 2065	16,617	189	16,806
Totals	<u>\$ 6,764,145</u>	<u>\$ 526,406</u>	<u>\$ 7,290,551</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

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

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 813,142	\$ 259,886	\$ 1,073,028
2027	792,863	249,722	1,042,585
2028	804,363	239,424	1,043,787
2029	819,298	228,901	1,048,199
2030	834,633	218,146	1,052,779
2031 - 2035	4,308,258	922,486	5,230,744
2036 - 2040	2,941,313	661,253	3,602,566
2041 - 2045	1,881,071	512,681	2,393,752
2046 - 2050	1,741,730	392,020	2,133,750
2051 - 2055	1,568,510	263,767	1,832,277
2056 - 2060	1,325,079	132,777	1,457,856
2061 - 2065	729,315	51,755	781,070
2066 - 2070	228,097	3,133	231,230
Totals	<u>\$ 18,787,672</u>	<u>\$ 4,135,951</u>	<u>\$ 22,923,623</u>

Leases Payable and Lease Assets

The City leases buildings, vehicles, and equipment from various entities. As of June 30, 2025, the City had 53 active leases. The leases have payments that range from \$4,452 to \$343,848 and interest rates that range from 0.0264% to 0.5770%. As of June 30, 2025, the total combined value of the lease liability is \$4,031,130. The combined value of the lease assets of \$7,170,581 with accumulated amortization of \$1,814,127 is included within the table found below.

Lease Type	Lease Asset Value	Accumulated Amortization
Vehicles	\$ 1,819,327	\$ 484,619
Buildings	652,548	303,483
Equipment	4,698,706	1,026,025
	<u>\$ 7,170,581</u>	<u>\$ 1,814,127</u>

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 1,095,150	\$ 47,419	\$ 1,142,567
2027	1,089,273	38,548	1,127,821
2028	1,024,319	36,443	1,060,762
2029	786,260	12,357	798,617
2030	36,128	127	36,257
Totals	<u>\$ 4,031,130</u>	<u>\$ 134,894</u>	<u>\$ 4,166,024</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

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

A. Subscription Based Information Technology Arrangements (SBITAs)

The City of Oceanside has entered into various subscription based-information technology arrangement (SBITA) activities as the subscriber for the use of various software services needed for the function of the City's operations. The terms of these subscriptions range from one to nine years. As of June 30, 2025, the total value of the subscription liability was \$2,140,538. The combined value of the subscription asset of \$4,125,017 with accumulated amortization of \$1,674,038 is included in the table below.

Subscription Type	Subscription Assets	Accumulated Amortization
Software	<u>\$ 4,125,017</u>	<u>\$ 1,674,038</u>

The future principal and interest subscription payments as of June 30, 2025, were as follows:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 216,126	\$ 8,938	\$ 225,064
2027	71,262	3,867	75,129
2028	46,570	2,197	26,913
2029	47,657	1,111	26,914
	<u>\$ 381,615</u>	<u>\$ 16,113</u>	<u>\$ 354,020</u>

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 590,919	\$ 33,376	\$ 1,142,561
2027	390,875	38,647	1,127,822
2028	345,991	18,249	1,060,762
2029	311,438	9,871	798,617
2030	63,665	2,379	798,617
2031-2031	56,035	1,207	33,279
	<u>\$ 1,758,923</u>	<u>\$ 103,729</u>	<u>\$ 4,961,658</u>

NOTE 9 - COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended June 30, 2025:

	Balance at June 30, 2024, as restated	Net Change	Balance at June 30, 2025	Due Within One Year	Due in More than One Year
Governmental Activities	\$ 16,035,030	\$ (71,924)	\$ 15,963,106	\$ 4,788,932	\$ 11,174,174
Business-Type Activities	2,792,965	463,838	3,256,803	977,041	2,279,762
Total	<u>\$ 18,827,995</u>	<u>\$ 391,914</u>	<u>\$ 19,219,909</u>	<u>\$ 5,765,973</u>	<u>\$ 13,453,936</u>

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) amounts to \$19,219,909 at June 30, 2025. Compensated absences have no repayment schedule and are payable as employees utilize earned leave time.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 10 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

Description	Balance Restated at June 30, 2024	Adjustment	Additions	Deletions	Balance at June 30, 2025	Due Within One Year	Due in More than One Year
<u>Governmental Activities:</u>							
Bonds Payable:							
2015 Taxable Pension Obligation Bond	\$ 4,970,000	\$ -	\$ -	\$ 4,700,000	\$ 270,000	\$ 270,000	\$ -
2019 Lease Revenue Bond	22,290,000	-	-	475,000	21,815,000	500,000	21,315,000
Unamortized Bond Premium/(Discount)	3,024,549	-	-	104,021	2,920,528	-	2,920,528
Direct Borrowings and Direct Placements:							
2024 Equipment Lease*	-	20,939,222	-	701,749	20,237,473	732,070	19,505,403
2019 HUD Section 108 Refunding Loan	1,255,000	-	-	225,000	1,030,000	237,000	793,000
Lease liabilities	3,306,832	-	1,950,730	1,226,432	4,031,130	1,095,150	2,935,980
Subscription liabilities	1,307,417	-	1,298,486	846,980	1,758,923	590,919	1,168,004
Claims and Judgments	32,123,257	-	7,634,688	6,739,451	33,018,494	7,060,000	25,958,494
Compensated Absences	16,035,030	-	-	71,924	15,963,106	4,788,932	11,174,174
Total Bonds, Notes, Leases, Subscriptions, Claims, and Compensated absences	84,312,085	20,939,222	10,883,904	15,090,557	101,044,654	15,274,071	85,770,583
Net pension liability					253,794,871		
Total OPEB Liability					11,909,606		
Subtotal - Governmental Activities					366,749,131		
<u>Business-Type Activities:</u>							
Bonds Payable:							
2013A Sewer Revenue Refunding Bonds	2,755,000	-	-	640,000	2,115,000	675,000	1,440,000
2020A Water Revenue Bonds	23,550,000	-	-	500,000	23,050,000	520,000	22,530,000
2021A Water Revenue Refunding Bonds	7,680,000	-	-	810,000	6,870,000	810,000	6,060,000
Unamortized Bond Premium/(Discount)	4,812,500	-	14,128	293,312	4,533,316	-	4,533,316
Direct Borrowings and Direct Placements:							
State Revolving Fund Loan	5,698,212	-	-	2,823,652	2,874,560	2,874,560	-
Harbor District Cystaliner Loan	312,887	-	-	24,561	288,326	24,831	263,495
WIFIA Loan	52,814,794	-	1,006,588	1,268,857	52,552,525	1,284,083	51,268,442
Subscription Liabilities	276,703	-	316,448	211,536	381,615	216,126	165,489
Compensated Absences	2,792,965	-	463,838	-	3,256,803	977,041	2,279,762
Total Bonds, Notes, Subscriptions, and Compensated Absences	100,693,061	-	1,801,002	6,571,918	95,922,145	7,381,641	88,540,504
Net Pension Liability					20,548,375		
Subtotal - Business-Type Activities					116,470,520		
Total Long-Term Liabilities	\$ 185,005,146	\$20,939,222	\$12,684,906	\$21,662,475	\$ 483,219,651	\$22,655,712	\$174,311,087

*2024 Equipment Lease was issued January 2024 and the first payment was made February 2025

NOTE 10 - LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities – Bonds Payable

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

On August 11, 2015, the City issued \$32,020,000 Taxable Pension Obligation Refunding Bonds, Series 2015 for the purpose of refunding the 2005 Taxable Pension Obligation Bonds. Interest rates range from 1.406% to 4.275% and are payable semiannually on February 15 and August 15. As of June 30, 2025, the outstanding balance was \$270,000 and unamortized bond discount was \$15,139.

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

On November 1, 2019, the Financing Authority issued the 2019 Lease Revenue Bonds (El Corazon Aquatics Center Project) for a par amount of \$22,745,000. The net proceeds of the sale of the Series 2019 Bonds will be used to (i) finance the costs of the acquisition, construction, and installation of certain capital improvements constituting the El Corazon Aquatics Center and related improvements, facilities and equipment, and (ii) pay the costs incurred in connection with the issuance of the 2019 Bonds. The Series 2019 Bonds are equally and ratably payable from and secured by base rental payments and certain amounts on deposit in the funds and accounts established under the bond indenture. In the event of default, the bond trustee may terminate the lease agreement and recover certain damages from the City or may retain the lease agreement and hold the City liable for all base rental payments thereunder. There is no acceleration in the event of default. The bonds are payable commencing on November 1, 2024, in principal amounts ranging from \$455,000 to \$1,355,000 at interest rates ranging from 4 percent to 5 percent, and mature November 1, 2049. As of June 30, 2025, the outstanding balance was \$21,815,000 and unamortized bond premium was \$2,935,667.

B. Governmental Activities – Direct Borrowings and Direct Placements

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

In January 2019, the City entered into a contract with the United States Department of Housing and Urban Development for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5308, to refinance the 2008 HUD 108 Loans. The loans are due in annual installments ranging from \$171,000 to \$279,000. Interest is payable quarterly at a rate of 4.8 percent. The outstanding balance at June 30, 2025, was \$1,030,000. The City pledged grant allocations and program income as security for the loan.

2024 Equipment Lease – Original Issue \$20,939,222

In January 2024, the City entered into an equipment lease purchase agreement. The loans are due in annual installments ranging from \$701,749 to \$1,480,474. Interest is payable biannual at a rate of 3.9 percent. The outstanding balance at June 30, 2025, was \$20,237,473. The City pledged grant allocations and program income as security for the loan.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 10 - LONG-TERM LIABILITIES (CONTINUED)

C. Governmental Activities – Debt Service Requirements to Maturity

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

Year Ending June 30,	Governmental Activities					
	Bonds Payable		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 770,000	\$ 897,000	\$ 969,070	\$ 833,774	\$ 1,739,070	\$ 1,730,774
2027	525,000	871,375	1,011,279	797,746	1,536,279	1,669,121
2028	550,000	847,250	1,055,654	760,008	1,605,654	1,607,258
2029	570,000	824,850	1,102,241	720,468	1,672,241	1,545,318
2030	595,000	801,550	856,088	683,456	1,451,088	1,485,006
2031-2035	3,415,000	3,541,375	4,820,897	2,876,826	8,235,897	6,418,201
2036-2040	4,235,000	2,721,900	5,862,540	1,835,184	10,097,540	4,557,084
2041-2045	5,155,000	1,785,900	5,589,704	586,476	10,744,704	2,372,376
2046-2050	6,270,000	646,400	-	-	6,270,000	646,400
	<u>\$ 22,085,000</u>	<u>\$ 12,937,600</u>	<u>\$ 21,267,473</u>	<u>\$ 9,093,938</u>	<u>\$ 43,352,473</u>	<u>\$ 22,031,538</u>

D. Business-Type Activities – Bonds Payable

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

The bonds were issued by the City to (a) prepay all of City of Oceanside Revenue Certificates of Participation (1993 Wastewater System Refunding Project) Series 2003 and City of Oceanside Revenue Refunding Certificates of Participation, Series 2008; (b) prepay all amounts due under the 1993 State Loan; (c) finance certain improvements to the City's Sewer System; and (d) pay the costs of issuing the 2013A Bonds. The bond principal is due in semi-annual installments ranging from \$565,000 to \$1,255,000 through May 2028. Interest rates range from 2.0% to 5.0% and are payable semiannually on May 1 and November 1. Bonds are subject to optional redemption prior to maturity. As of June 30, 2025, the outstanding balance was \$2,115,000.

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

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

On July 9, 2020, the City issued the Water Revenue Bonds, Series 2020A in an amount of \$25,275,000. The net proceeds of the sale of the Series 2020 Bonds will be used to (i) finance a portion of the acquisition and construction of certain capital improvements to the water system of the City, and (ii) pay the costs of issuance of the 2020 Bonds. The bonds are limited obligations of the City payable solely from net revenues, which consist of revenues of the City's water system remaining after the payment of operation and maintenance costs, and from amounts on deposit in certain funds and accounts created under the bond indenture. In the event of default, the bond trustee may, at the direction of the majority of the bondholders, declare the outstanding principal and interest accrued thereon due and payable immediately. There is no acceleration in the event of default. The bonds were payable commencing on November 1, 2020, in principal amounts ranging from \$335,000 to \$1,385,000 at an interest rate of 4 percent mature May 1, 2051. As of June 30, 2025, the outstanding balance was \$23,050,000 and unamortized bond premium was \$4,533,316.

NOTE 10 - LONG-TERM LIABILITIES (CONTINUED)

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

On May 11, 2021, the City issued the Water Revenue Refunding Bonds, Series 2021A in an amount of \$8,950,000. The Bonds were issued to provide moneys: (i) to refund a portion of the outstanding Water Revenue Refunding Bonds, Series 2013A; and (ii) to pay costs of issuance of the Bonds. The bonds are limited obligations of the City payable solely from net revenues, which consist of revenues of the City's water system remaining after the payment of operation and maintenance costs, and from amounts on deposit in certain funds and accounts created under the bond indenture. In the event of default, the bond trustee may, at the direction of the majority of the bondholders, declare the outstanding principal and interest accrued thereon due and payable immediately. There is no acceleration in the event of default. The bonds are payable commencing on May 1, 2024, in principal amounts ranging from \$240,000 to \$915,000 and mature May 1, 2051. Interest rates range from 0.209% to 2.324% and are payable semiannually on May 1 and November 1. As of June 30, 2025, the outstanding balance was \$6,870,000.

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

Harbor District Crystalliner Loan - Original Issue \$337,184

This loan was for the purchase of a boat by the Oceanside Small Craft Harbor District. The payments are due in annual installments of \$24,561 through 2036. As of June 30, 2025, the outstanding balance of this loan was \$288,326.

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, 2025, the outstanding balance of these notes was \$2,874,560.

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

On September 16, 2020, the City executed a Water Infrastructure Finance and Innovation Act loan (WIFIA loan) agreement with the United States Environmental Protection Agency for the Pure Water and Upper and Lower Recycled Water Distribution System Project. The City has drawn a total of \$54,553,425 from the WIFIA loan of June 30, 2025. The WIFIA loan amount up to \$69,115,487 will be drawn upon the project completion. The loan has a fixed interest rate of 1.19 percent and is payable commencing on May 1, 2024, in principal amounts ranging from \$1,692,082 to \$2,500,126. Loan maturity is scheduled to be May 1, 2056. In the event of default, the EPA may suspend or terminate all its obligations, may debar the City from further participation in any other EPA programs, and may declare the unpaid principal amount of the WIFIA note to be immediately due and payable along with all interest accrued. As of June 30, 2025, the outstanding balance of this loan was \$52,552,525.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 10 - LONG-TERM LIABILITIES (CONTINUED)

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

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

Year Ending June 30,	Business-Type Activities					
	Bonds Payable		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 2,005,000	\$ 1,138,901	\$ 4,183,474	\$ 685,630	\$ 6,188,474	\$ 1,824,531
2027	2,070,000	1,075,417	1,324,597	618,119	3,394,597	1,693,536
2028	2,130,000	1,007,215	1,340,467	602,249	3,470,467	1,609,464
2029	1,430,000	948,686	1,356,527	586,189	2,786,527	1,534,875
2030	1,475,000	910,296	1,372,780	569,937	2,847,780	1,480,233
2031-2035	6,120,000	3,904,855	7,114,587	2,598,996	13,234,587	6,503,851
2036-2040	4,170,000	3,040,400	8,972,572	2,543,364	13,142,572	5,583,764
2041-2045	5,075,000	2,137,000	7,959,288	1,614,280	13,034,288	3,751,280
2046-2050	6,175,000	1,037,400	8,448,445	1,125,123	14,623,445	2,162,523
2051-2055	1,385,000	55,400	13,642,674	605,903	15,027,674	661,303
	<u>\$ 32,035,000</u>	<u>\$ 15,255,570</u>	<u>\$ 55,715,411</u>	<u>\$ 11,549,790</u>	<u>\$ 87,750,411</u>	<u>\$ 26,805,360</u>

NOTE 11 - DEBT WITHOUT CITY COMMITMENT

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

Issuer	Date of Issue	Amount of Issue	Balance at 06/30/25
CFD 2000-1 Ocean Ranch 2013 Refunding	June 13, 2013	\$ 11,175,000	\$ 6,500,000
CFD 2000-1 Ocean Ranch 2014 Refunding	June 4, 2014	\$ 11,755,000	\$ 8,310,000
CFD 2006-1 Pacific Coast Bus Park Refunding 2017	January 26, 2017	\$ 9,060,000	\$ 7,485,000
CFD 2001-1 Morro Hills 2024 Refunding	January 2, 2024	\$ 6,440,000	\$ 6,440,000
CFD 2001-1 Morro Hills Refunding 2024A	January 2, 2024	\$ 2,630,000	\$ 2,630,000

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 12 - RISK MANAGEMENT

Since 2018, the City elected to join the PRISM pool, formerly known as CSAC - Excess Insurance Authority, as a new member and procured multiple lines of insurance coverage on behalf of the City. With the assistance of the City's broker Alliant, procured coverages include General Liability, Workers Compensation, First Party Property, Automobile, Crime, Vessel, Cyber and Excess Liability coverages. The combination of the financial strength of Public Risk Innovation, Solutions, and Management (PRISM) and the City's risk tolerance level allowed the City to shift its General Liability self-insured retention up to \$1,000,000 per claim beginning in fiscal year 2024-2025, while it's Workers Compensation self-insured retention remains \$500,000 per claim. Through the PRISM pooled layer, the City is insured up to \$25,000,000, with excess coverage purchased bringing the total limit to \$50,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The workers' compensation and general/auto liability claims payable of \$28,775,000 and \$4,243,494, respectively, reported at June 30, 2025, are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Of these amounts, workers' compensation and general/auto liability claims due within one year were \$5,466,000 and \$1,594,000, respectively, at June 30, 2025.

Changes in the claims liability amounts were as follows:

Year Ended June 30	Claim Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30	Estimated Due Within One Year
2023	\$ 21,930,471	\$ 13,479,444	\$ 7,261,101	\$ 28,148,814	\$ 10,958,266
2024	28,148,814	14,932,709	10,958,266	32,123,257	6,739,451
2025	32,123,257	7,634,688	6,739,451	33,018,494	7,060,000
Total	<u>\$ 82,202,542</u>	<u>\$ 36,046,841</u>	<u>\$ 24,958,818</u>	<u>\$ 93,290,565</u>	<u>\$ 25,297,429</u>

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

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

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

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

NOTE 13 - RETIREMENT PLANS

A. General Information about the Pension Plans

Plan Descriptions

The Miscellaneous and Safety Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plans' respective June 30, 2023, Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. These reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

Benefits Provided

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

	Miscellaneous Plan			Safety Plan	
Hire Date:	Prior to January 1, 2011*	January 1, 2011 January 1, 2013*	Jan 1, 2013 and Thereafter	Prior to January 1, 2013*	Jan 1, 2013 and Thereafter
Benefit Formula:	2.7% @ 55	2% @ 60	2% @ 62	3% @ 50	2.7% @ 57
Benefit Vesting Schedule:	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service
Benefit Payments:	Monthly for life	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement Age:	Minimum 50	Minimum 50	Minimum 52	Minimum 50	Minimum 50
Monthly Benefits, as a % of Eligible Compensation:	2.0% - 2.7%, 50 - 63+ years, respectively	1.092% - 2.418%, 50 - 63+ years, respectively	1.0% - 2.5%, 52 - 67+ years, respectively	0 50 - 55+ years	2.0% - 2.7%, 50 - 63+ years, respectively
Required Employee Contribution Rates:	8.000%	8.000%	8.040%	9.000%	11.080%
Required Employer Contribution Rates:	29.370%	29.370%	35.160%	37.530%	50.530%
Total Contribution:	37.370%	37.370%	43.200%	46.530%	61.610%

* Closed to new entrants

NOTE 13 - RETIREMENT PLANS (CONTINUED)

At June 30, 2023 (the valuation date), the following employees were covered by the benefit terms of the plan:

Description	Number of Members	
	Miscellaneous	Safety
Active members	586	319
Transferred members	435	86
Terminated members	433	80
Retired members and beneficiaries	1,030	526
Total	2,330	963

B. Contribution Description

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

For the year ended June 30, 2025, the employer contributions recognized as a reduction to the net pension liability for all the Miscellaneous Plan and Safety Plan were \$16,882,095 and \$19,690,242, respectively.

C. Net Pension Liability

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2023, valuation was rolled forward to determine the June 30, 2024, total pension liability, based on the following actuarial methods and assumptions:

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 13 - RETIREMENT PLANS (CONTINUED)

The collective total pension liability for the June 30, 2024, measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

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

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

Long-term Expected Rate of Return

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

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

Asset Class	Assumed Asset Allocation	Real Return ^{1, 2}
Global equity-cap-weighted	30 %	4.54 %
Global equity-non-cap-weighted	12 %	3.84 %
Private equity	13 %	7.28 %
Treasury	5 %	0.27 %
Mortgage-backed securities	5 %	0.5 %
Investment grade corporates	10 %	1.56 %
High yield	5 %	2.27 %
Emerging market debt	5 %	2.48 %
Private debt	5 %	3.57 %
Real assets	15 %	3.21 %
Leverage	(5)%	(0.59)%

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

² Figures are based on the 2021 Asset Liability Management study

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 13 - RETIREMENT PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

The following tables show the changes in net pension liability recognized over the measurement period.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) Liability/(Asset) (c) = (a) - (b)
<u>Miscellaneous Plan</u>			
Balance at June 30, 2023	\$ 527,877,861	\$ 399,855,982	\$ 128,021,879
Changes recognized for the measurement period:			
Service cost	9,254,759	-	9,254,759
Interest on total pension liability	36,203,809	-	36,203,809
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	6,627,875	-	6,627,875
Net plan to plan resource movement	-	-	-
Contributions-employer	-	16,882,095	(16,882,095)
Contributions-employee	-	4,274,917	(4,274,917)
Net investment income	-	38,134,681	(38,134,681)
Benefit payments, including refunds of employee contributions	(28,881,689)	(28,881,689)	-
Administrative expense	-	(325,364)	325,364
Other miscellaneous (income)/expense	-	-	-
Net changes during 2023-24	23,204,754	30,084,640	(6,879,886)
Balance at June 30, 2024	\$ 551,082,615	\$ 429,940,622	\$ 121,141,993

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 13 - RETIREMENT PLANS (CONTINUED)

Safety Plan

Balance at June 30, 2023	\$ 667,811,922	\$ 508,888,296	\$ 158,923,626
Changes recognized for the measurement period:			
Service cost	12,869,729	-	12,869,729
Interest on total pension liability	45,887,129	-	45,887,129
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	8,106,332	-	8,106,332
Net plan to plan resource movement	-	-	-
Contributions-employer	-	19,690,242	(19,690,242)
Contributions-employee	-	4,737,944	(4,737,944)
Net investment income	-	48,571,461	(48,571,461)
Benefit payments, including refunds of employee contributions	(34,644,545)	(34,644,545)	-
Administrative expense	-	(414,084)	414,084
Other miscellaneous (income)/expense	-	-	-
Net changes during 2023-24	32,218,645	37,941,018	(5,722,373)
Balance at June 30, 2024	\$ 700,030,567	\$ 546,829,314	\$ 153,201,253
Total Miscellaneous and Safety Plans	\$1,251,113,182	\$ 976,769,936	\$ 274,343,246

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate -1 Percent (5.9)%	Current Discount Rate (6.9)%	Discount Rate +1 Percent (7.9)%
Miscellaneous Plan	\$ 191,811,909	\$ 121,141,993	\$ 62,724,111
Safety Plan	248,721,500	153,201,253	75,067,417
Total	\$ 440,533,409	\$ 274,343,246	\$ 137,791,528

D. Pension Plan Fiduciary Net Position

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

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 13 - RETIREMENT PLANS (CONTINUED)

E. IRS Section 115 Pension Trust

The City holds investments in an IRS Section 115 Trust for pension stabilization. The current market value of the trust is \$18,345,442. This trust fund is not included in the calculation of the net pension liability, as the assets are not in the custody of the plan administrator, CalPERS. Refer to Note 3 for additional information.

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

For the year ended June 30, 2025, the City recognized pension expense as follows:

Miscellaneous	Safety	Total
\$ 21,786,453	\$ 30,922,431	\$ 52,708,884

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 21,198,786	\$ -
Differences between expected and actual experience	5,051,521	-
Net difference between projected and actual earnings on pension plan investments	6,280,955	-
Total	<u>\$ 32,531,262</u>	<u>\$ -</u>
Safety	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 27,900,532	\$ -
Changes of assumptions	4,258,280	-
Differences between expected and actual experience	11,331,496	(934,750)
Net difference between projected and actual earnings on pension plan investments	7,966,780	-
Total	<u>\$ 51,457,088</u>	<u>\$ (934,750)</u>
Total Miscellaneous and Safety Plans	<u>\$ 83,988,350</u>	<u>\$ (934,750)</u>

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 13 - RETIREMENT PLANS (CONTINUED)

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

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

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

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

The EARSL for the Miscellaneous Plan for the measurement period ending June 30, 2024, is 2.5 years, which was obtained by dividing the total service years of 6,030 (the sum of remaining service lifetimes of the active employees) by 2,374 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The EARSL for the Safety Plan for the measurement period ending June 30, 2024, is 3.7 years, which was obtained by dividing the total service years of 3,629 (the sum of remaining service lifetimes of the active employees) by 973 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The \$49,099,318 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2026	\$ 3,157,669	\$ 7,951,242	\$ 11,108,911
2027	12,011,080	17,513,489	29,524,569
2028	(1,665,888)	(74,872)	(1,740,760)
2029	(2,170,385)	(2,768,053)	(4,938,438)
	<u>\$ 11,332,476</u>	<u>\$ 22,621,806</u>	<u>\$ 33,954,282</u>

NOTE 14 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

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

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by benefit terms:

Active employees eligible for future benefits	920
Retirees currently receiving benefits	83
Total	<u>1,003</u>

B. Total OPEB Liability

The City's total OPEB liability of \$11,909,606 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

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

A discount rate of 3.65% was applied in the measurement of the total OPEB liability. The discount rate is based on the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality and retirement rates were based on the 2021 CalPERS Mortality and 2021 CalPERS Experience Study. All other actuarial assumptions used in the June 30, 2024, valuation were based on the results of the 2021 CalPERS Experience Study.

C. Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at June 30, 2023	\$ 11,814,563
Changes recognized for the measurement period:	
Service cost	645,193
Interest on total OPEB Liability	429,964
Benefit payments	(714,636)
Changes in Assumptions	(265,478)
Net changes during 2023-24	95,043
Balance at June 30, 2024	<u>\$ 11,909,606</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% at measurement date June 30, 2023, to 3.93% at measurement date June 30, 2024.

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	Discount Rate -1 Percent (2.93%)	Current Discount Rate (3.93%)	Discount Rate +1 Percent (4.93%)
Total OPEB Liability	<u>\$ 10,685,023</u>	<u>\$ 11,909,606</u>	<u>\$ 13,330,636</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	Trend Rate (-1%) (3.00%)	Current Trend Rate (4.00%)	Trend Rate (+1%) (5.00%)
Total OPEB Liability	<u>\$ 12,827,486</u>	<u>\$ 11,909,606</u>	<u>\$ 11,114,180</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

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

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$1,446,709. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,404,211	\$ (1,465,263)
Differences between expected and actual experience	2,043,910	-
Total	<u>\$ 4,448,121</u>	<u>\$ (1,465,263)</u>

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

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 371,552
2027	371,552
2028	371,552
2029	371,552
2030	371,552
Thereafter	1,125,098
Total	<u>\$ 2,982,858</u>

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Commitments

The following material construction commitments existed at June 30, 2025:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2025	Remaining Commitments
Tree Trimming	\$ 1,930,535	\$ 792,319	\$ 1,138,216
RDO/JP Steiger Water Main Replacement	2,186,301	75,269	2,111,032
Landscape Maintenance	4,002,584	2,096,084	1,906,500
Fire Mountain Recycled Water	12,129,932	2,799,358	9,330,574
Crown Heights	4,333,058	1,362,411	2,970,647
Clg Blvd Widening	4,034,321	1,134,652	2,899,669
Biosolid Handling Reuse	1,716,601	224,858	1,491,743
Aggregate remaining balance of smaller commitments	24,513,987	9,935,340	14,578,647
	<u>\$ 54,847,319</u>	<u>\$ 18,420,291</u>	<u>\$ 36,427,028</u>

Contingent Liabilities

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

NOTE 16 - TAX ABATEMENT AGREEMENT

On September 10, 2014, the City entered into a transient occupancy tax abatement agreement with a local developer. This agreement allows for a 100 percent transient occupancy tax abatement during the first three years after Phase I hotel is open, a 100 percent transient occupancy tax abatement during the first three years after Phase II hotel is open, and then the City and developer will share transient occupancy taxes at varying levels for a period of fifteen years on the Phase I hotel and fourteen years on the Phase II hotel. The total amount of transient occupancy tax to be abated under this agreement amounts to \$11,141,290. As part of this agreement, the City also agreed to subsidize the developer by abating off-site mitigation fees in the amount of \$609,750, and development impact fees in the amount of \$1,743,267. This agreement expires on September 10, 2029. For the fiscal year ended June 30, 2025, the amount of transient occupancy tax abated under this agreement amounts to \$3,060,705.

On November 28, 2018, the City entered into a sales tax abatement agreement with a local developer. This agreement allows for an abatement of new taxable gross retail sales tax above \$100,000, increasing by 3 percent per year, within each fiscal year up to an aggregate of \$5,000,000 or the 10-year term of the agreement, whichever comes first. New taxable gross sales tax excludes revenues generated by Measure X, the one-half percent transaction and use tax. This agreement expires November 28, 2028. For the fiscal year ended June 30, 2025, sales tax amounts to \$536,760 for a total amount abated to date of \$1,548,229.

NOTE 17 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT

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.

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

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

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

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

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

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

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

A. Cash and investments

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

Cash and investments pooled with the City	\$	3,731,198
Cash and investments with fiscal agent		5,435
	\$	<u>3,736,633</u>

A. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2025, were as follows.

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Amount Due Within One Year
Bonds payable					
2015A Tax Allocation Refunding Bonds	\$ 3,780,000	\$ -	\$ 2,555,000	\$ 1,225,000	\$ 1,225,000
2015B Tax Allocation Refunding Bonds	2,250,000	-	1,105,000	1,145,000	1,145,000
Unamortized Bond Premium/(Discount)	322,773	-	276,005	46,768	-
Total	<u>\$ 6,352,773</u>	<u>\$ -</u>	<u>\$ 3,936,005</u>	<u>\$ 2,416,768</u>	<u>\$ 2,370,000</u>

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

Bonds Payable

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

The 2015 Tax Allocation Refunding Bonds Series A were issued to refund the Commission's outstanding 2002, 2003, and 2004 Tax Allocation Series bonds. The bonds mature annually through 2025, in amounts ranging from \$1,225,000 to \$2,555,000. Interest rates vary from 2.0% to a maximum of 5.0% and are payable semiannually on March 1 and September 1, commencing September 1, 2016. As of June 30, 2025, the outstanding balance of the bonds is \$1,225,000 with an unamortized bond discount of \$1,637. If an event of default has occurred, the bond trustee may declare the principal amount of the bonds, together with the accrued interest thereon, to be due and payable immediately.

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

The 2015 Tax Allocation Refunding Bonds Series B were issued to refund the Commission's outstanding 2002, 2003, and 2004 Tax Allocation Series bonds. The bonds mature annually through 2025, in amounts ranging from \$915,000 to \$1,145,000. Interest rates vary from 1.0% to a maximum of 4.0% and are payable semiannually on March 1 and September 1, commencing September 1, 2016. As of June 30, 2025, the outstanding balance of the bonds is \$1,145,000 with an unamortized bond premium of \$48,405. If an event of default has occurred, the bond trustee may declare the principal amount of the bonds, together with the accrued interest thereon, to be due and payable immediately.

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it received. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the redevelopment activities of the Community Development Commission, property taxes allocated to redevelopment activities no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt as of June 30, 2025, is \$2,423,525 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 \$2,295,439 and the debt service obligation on the bonds was \$3,850,263.

Debt Service Requirements to Maturity

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	<u>\$ 2,370,000</u>	<u>\$ 53,525</u>	<u>\$ 2,423,525</u>

B. Insurance

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

CITY OF OCEANSIDE, CALIFORNIA
Notes to Financial Statements
For the Year Ended June 30, 2025

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

C. Commitments and Contingencies

As of June 30, 2025, 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.

NOTE 18 - FUND BALANCE

At June 30, 2025, the governmental funds report the following fund balance classifications:

	General	Grants	American Rescue Plan	Housing Assistance Program	General Improvement	Total Nonmajor Funds	Total Governmental Funds
Nonspendable							
Inventories	\$ 40,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,700
Prepaid costs	674,581	1,759	-	239	-	2,480	679,059
Advances to other funds	1,542,525	-	-	-	-	-	1,542,525
Total nonspendable	2,257,806	1,759	-	239	-	2,480	2,262,284
Restricted							
General government	11,628,282	9,670,951	-	-	-	-	21,299,233
Public safety	-	-	-	-	-	1,005,771	1,005,771
Capital projects	56,320,296	-	-	-	110,843,114	6,783	167,170,193
Debt service	-	-	-	-	-	-	-
Street light and landscape	-	-	-	-	-	1,800,644	1,800,644
Highways	-	-	-	-	-	8,809,277	8,809,277
Housing assistance program	-	-	-	14,705,456	-	-	14,705,456
Pension stabilization trust	18,345,442	-	-	-	-	-	18,345,442
Total restricted	86,294,020	9,670,951	-	14,705,456	110,843,114	11,622,475	233,136,016
Committed							
Healthy City	28,144,543	-	-	-	-	-	28,144,543
Total committed	28,144,543	-	-	-	-	-	28,144,543
Assigned							
Revenue stabilization	10,078,800	-	-	-	-	-	10,078,800
Payroll and retirement stabilization	6,722,536	-	-	-	-	-	6,722,536
Long-term planning	980,682	-	-	-	-	-	980,682
Other purposes	1,613,000	-	-	-	-	-	1,613,000
Total assigned	19,395,018	-	-	-	-	-	19,395,018
Unassigned	6,509,984	-	-	-	-	(32,352)	6,477,632
Total fund balances (deficits)	\$142,601,371	\$ 9,672,710	\$ -	\$ 14,705,695	\$110,843,114	\$ 11,592,603	\$289,415,493

NOTE 19 - SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through **DATE OF AUDIT REPORT**, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025, that required recognition or disclosure in these financial statements.

Required Supplementary Information

NOTE 1: BUDGETARY INFORMATION

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

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

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

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

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

Budgetary Comparison Schedules

CITY OF OCEANSIDE, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 163,684,207	\$ 163,412,707	\$ 168,759,610	\$ 5,346,903
Licenses and permits	5,419,589	5,389,980	5,932,745	542,765
Intergovernmental	331,672	399,844	463,954	64,110
Charges for services	37,001,785	42,469,580	42,783,694	314,114
Use of money and property	6,174,280	7,232,087	18,839,641	11,607,554
Fines and forfeitures	3,873,600	3,888,593	4,172,474	283,881
Special Assessments	-	-	-	-
Miscellaneous	151,700	229,172	209,929	(19,243)
Total revenues	216,636,833	223,021,963	241,162,047	18,140,084
EXPENDITURES				
Current:				
General government				
City Council	1,368,400	1,918,545	1,148,220	770,325
City Clerk	1,714,204	2,067,824	1,725,273	342,551
City Treasurer	1,713,647	1,735,951	2,116,022	(380,071)
City Manager	10,291,066	10,771,926	9,068,950	1,702,976
City Attorney	2,690,295	2,926,295	2,799,836	126,459
Financial Services	6,504,808	6,654,482	5,973,858	680,624
Human Resources	982,506	982,506	855,141	127,365
Budget Activities/Services	828,864	828,864	808,014	20,850
Pension Stabilization Trust	-	53,150	53,143	7
Nondepartmental	8,429,837	11,205,844	15,560,235	(4,354,391)
Public safety				
Police	79,635,921	81,116,296	74,366,183	6,750,113
Fire	48,929,415	51,427,238	49,380,363	2,046,875
Community development				
Engineering	6,364,422	6,542,548	5,257,666	1,284,882
Planning	7,633,401	11,329,627	7,237,700	4,091,927
Building	3,760,469	4,282,372	3,614,075	668,297
Community/cultural services				
Library	6,603,168	6,701,834	6,474,196	227,638
Neighborhood Services Department	13,801,253	15,140,568	14,324,925	815,643
Economic and Community Development	671,037	1,022,390	846,917	175,473
Property Management	1,523,852	1,569,495	1,499,958	69,537
Block 20 Lease Assessment	25,373	25,373	22,558	2,815
Public works				
Public works	24,473,673	25,587,676	22,014,459	3,573,217
Capital outlay	201,081	565,145	477,896	87,249
Debt service:				
Principal	15,654	15,664	1,051,312	(1,035,648)
Interest expense and fiscal charges	-	-	10,973	(10,973)
Total expenditures	228,162,346	244,471,613	226,687,873	17,783,740
Excess (deficiency) of revenues over (under) expenditures	(11,525,513)	(21,449,650)	14,474,174	35,923,824
OTHER FINANCING SOURCES (USES)				
Transfers in	10,045,367	10,491,902	9,498,085	(993,817)
Transfers out	(18,217,501)	(34,357,258)	(34,336,200)	21,058
Gains (loss) on disposal of capital asset	-	-	(191,338)	(191,338)
Debt issuance proceeds	-	-	689,296	689,296
Total other financing sources (uses)	(8,172,134)	(23,865,356)	(24,340,157)	(474,801)
Net change in fund balances	\$ (19,697,647)	\$ (45,315,006)	(9,865,983)	\$ 35,449,023
Fund balances-beginning			142,790,121	
Fund balances-ending			\$ 132,924,138	

CITY OF OCEANSIDE, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Grants

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 4,360,874	\$ 31,777,740	\$ 20,815,199	\$ (10,962,541)
Charges for services	9,000	9,000	128,177	119,177
Use of money and property	154,500	154,500	1,565,252	1,410,752
Developer participation	815,855	815,855	1,247,569	431,714
Miscellaneous	11,500	176,500	171,000	(5,500)
Total revenues	5,351,729	32,933,595	23,927,197	(9,006,398)
EXPENDITURES				
Current:				
Public safety	1,279,180	16,075,141	5,387,279	10,687,862
Community development	4,106,706	24,509,962	9,427,114	15,082,848
Parks and recreation	34,035	1,467,592	328,632	1,138,960
Public works	434	163,360	39,751	123,609
Capital outlay	-	12,641,524	7,566,925	5,074,599
Debt service:				
Interest and fiscal charges	-	-	69	(69)
Total expenditures	5,420,355	54,857,579	22,749,770	32,107,809
Excess (deficiency) of revenues over (under) expenditures	(68,626)	(21,923,984)	1,177,427	23,101,411
OTHER FINANCING SOURCES (USES)				
Transfers in	500,501	397,501	376,443	(21,058)
Transfers out	(139,654)	(5,048,654)	(5,045,695)	2,959
Debt issuance proceeds	-	-	407,860	407,860
Total other financing sources (uses)	360,847	(4,651,153)	(4,261,392)	389,761
Net change in fund balances	\$ 292,221	\$(26,575,137)	(3,083,965)	\$ 23,491,172
Fund balance-beginning			12,756,675	
Fund balance-ending			\$ 9,672,710	

CITY OF OCEANSIDE, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

American Rescue Plan

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,756,768	\$ 4,756,768
Total revenues	-	-	4,756,768	4,756,768
EXPENDITURES				
Current:				
General government	-	5,397	26,990	(21,593)
Public safety	-	4,361,575	1,578,493	2,783,082
Community development	-	83,376	-	83,376
Parks and recreation	-	52,331	105,874	(53,543)
Capital outlay	-	3,854,906	3,040,618	814,288
Total expenditures	-	8,357,585	4,751,975	3,605,610
Net change in fund balances	\$ -	\$ (8,357,585)	4,793	\$ 8,362,378
Fund balance-beginning			(4,793)	
Fund balance-ending			\$ -	

CITY OF OCEANSIDE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Assistance Program
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 351,895	\$ 351,895	\$ 399,918	\$ 48,023
Intergovernmental	27,601,743	35,012,462	35,332,692	320,230
Charges for services	66,635	66,635	65,594	(1,041)
Use of money and property	2,119,540	1,383,429	1,921,376	537,947
Miscellaneous	546,270	546,270	359,178	(187,092)
Total revenues	30,686,083	37,360,691	38,078,758	718,067
EXPENDITURES				
Current:				
Community development	30,848,794	42,387,242	35,780,029	6,607,213
Total expenditures	30,848,794	42,387,242	35,780,029	6,607,213
Excess (deficiency) of revenues over (under) expenditures	(162,711)	(5,026,551)	2,298,729	7,325,280
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,000,000	5,000,000	-
Total other financing sources (uses)	-	5,000,000	5,000,000	-
Net change in fund balances	\$ (162,711)	\$ (26,551)	7,298,729	\$ 7,325,280
Fund balance-beginning			7,406,966	
Fund balance-ending			\$ 14,705,695	

CITY OF OCEANSIDE, CALIFORNIA
Schedule of Changes in the Net Pension Liability and Related Ratios
Miscellaneous Plan
As of June 30, for the Last Ten Fiscal Years

	2025	2024	2023	2022
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021
TOTAL PENSION LIABILITY				
Service cost	\$ 9,254,759	\$ 8,606,127	\$ 8,261,262	\$ 7,348,514
Interest on total pension liability	36,203,769	34,681,300	33,263,300	32,655,269
Changes of benefit terms	-	667,440	-	-
Changes of assumptions	-	-	14,376,515	-
Difference between expected and actual experience	6,627,875	4,864,145	(4,271,732)	610,655
Benefit payments, including refunds of employee contributions	(28,881,689)	(27,468,011)	(25,887,676)	(24,522,705)
Net change in total pension liability	23,204,714	21,351,001	25,741,669	16,091,733
Total pension liability-beginning	527,877,901	506,526,900	480,785,231	464,693,498
Total pension liability-ending (a)	551,082,615	527,877,901	506,526,900	480,785,231
PLAN FIDUCIARY NET POSITION				
Contributions-employer	16,882,095	16,479,872	16,091,130	14,997,947
Contributions-employee	4,274,917	3,810,973	3,530,615	3,208,630
Net investment income	38,134,681	23,657,583	(31,881,388)	78,946,437
Benefit payments, including refunds of employee contributions	(28,881,689)	(27,468,011)	(25,887,676)	(24,522,705)
Net plan to plan resource movement	-	7,075	-	-
Administrative expense	(325,364)	(282,119)	(262,919)	(349,409)
Other miscellaneous income/(expense)	-	-	-	-
Net change in fiduciary net position	30,084,640	16,205,373	(38,410,238)	72,280,900
Plan fiduciary net position-beginning	399,855,982	383,650,609	422,060,847	349,779,947
Plan fiduciary net position-ending (b)	429,940,622	399,855,982	383,650,609	422,060,847
Net pension liability/(asset) (a) - (b)	\$ 121,141,993	\$ 128,021,919	\$ 122,876,291	\$ 58,724,384
Plan fiduciary net position as a percentage of the total pension liability	78.0%	75.7%	75.7%	87.8%
Covered-employee payroll	\$45,118,186	\$45,034,679	\$42,693,858	\$41,276,150
Plan net pension liability/(asset) as a percentage of covered-employee payroll	268.5%	284.3%	287.8%	142.3%

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

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2021	2020	2019	2018	2017	2016
6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
\$ 7,413,674	\$ 7,426,005	\$ 7,214,699	\$ 7,296,794	\$ 6,246,675	\$ 6,352,501
31,525,103	30,606,708	29,093,082	28,371,378	27,718,396	26,777,993
-	-	-	-	-	-
-	-	(2,660,542)	23,417,305	-	(6,534,185)
(3,056,423)	5,627,027	(3,191,600)	(5,058,524)	(3,305,967)	(1,673,895)
(22,897,930)	(21,352,977)	(20,388,752)	(18,973,677)	(17,783,125)	(17,174,366)
12,984,424	22,306,763	10,066,887	35,053,276	12,875,979	7,748,048
451,709,074	429,402,311	419,335,424	384,282,148	371,406,169	363,658,121
464,693,498	451,709,074	429,402,311	419,335,424	384,282,148	371,406,169
14,923,305	13,180,051	11,789,763	9,315,364	8,640,705	7,450,463
3,198,437	3,308,094	3,237,718	2,974,072	2,897,160	2,960,994
16,878,900	21,113,253	25,523,656	31,453,369	1,462,692	6,337,368
(22,897,930)	(21,352,977)	(20,388,752)	(18,973,677)	(17,783,125)	(17,174,366)
-	-	(747)	38,869	(1,431)	(255)
(476,714)	(229,882)	(472,693)	(411,847)	(173,025)	(327,880)
-	747	(897,651)	-	-	-
11,625,998	16,019,286	18,791,294	24,396,150	(4,957,024)	(753,676)
338,153,949	322,134,663	303,343,369	278,947,219	283,904,243	284,657,919
349,779,947	338,153,949	322,134,663	303,343,369	278,947,219	283,904,243
\$ 114,913,551	\$ 113,555,125	\$ 107,267,648	\$ 115,992,055	\$ 105,334,929	\$ 87,501,926
75.3%	74.9%	75.0%	72.3%	72.6%	76.4%
\$40,160,749	\$39,732,503	\$38,280,356	\$37,729,027	\$35,805,773	\$35,092,814
286.1%	285.8%	280.2%	307.4%	294.2%	249.3%

CITY OF OCEANSIDE, CALIFORNIA
Schedule of Changes in the Net Pension Liability and Related Ratios
Safety Plan
As of June 30, for the Last Ten Fiscal Years

	2025	2024	2023	2022
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021
TOTAL PENSION LIABILITY				
Service cost	\$ 12,869,729	\$ 12,431,574	\$ 12,114,924	\$ 11,065,722
Interest on total pension liability	45,887,129	43,758,380	41,428,498	40,068,656
Changes of benefit terms	-	287,007	-	-
Changes of assumptions	-	-	22,508,045	-
Difference between expected and actual experience	8,106,332	11,087,020	(4,940,821)	195,605
Benefit payments, including refunds of employee contributions	(34,644,545)	(32,683,385)	(29,935,323)	(28,492,575)
Net change in total pension liability	32,218,645	34,880,596	41,175,323	22,837,408
Total pension liability-beginning	667,811,922	632,931,326	591,756,003	568,918,595
Total pension liability-ending (a)	700,030,567	667,811,922	632,931,326	591,756,003
PLAN FIDUCIARY NET POSITION				
Contributions-employer	19,690,242	21,287,525	26,004,164	17,528,188
Contributions-employee	4,737,944	4,350,405	3,926,425	3,816,016
Net investment income	48,571,461	29,952,039	(39,964,376)	98,224,739
Benefit payments, including refunds of employee contributions	(34,644,545)	(32,683,385)	(29,935,323)	(28,492,575)
Net plan to plan resource movement	-	(7,075)	-	-
Administrative expense	(414,084)	(357,636)	(328,068)	(435,540)
Other miscellaneous income/(expense)	-	-	-	-
Net change in fiduciary net position	37,941,018	22,541,873	(40,297,178)	90,640,828
Plan fiduciary net position-beginning	508,888,296	486,346,423	526,643,601	436,002,773
Plan fiduciary net position-ending (b)	546,829,314	508,888,296	486,346,423	526,643,601
Net pension liability/(asset) (a) - (b)	\$ 153,201,253	\$ 158,923,626	\$ 146,584,903	\$ 65,112,402
Plan fiduciary net position as a percentage of the total pension liability	78.1%	76.2%	76.8%	89.0%
Covered-employee payroll	\$38,539,609	\$36,364,515	\$36,468,767	\$36,455,146
Plan net pension liability/(asset) as a percentage of covered-employee payroll	397.5%	437.0%	401.9%	178.6%

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

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2021	2020	2019	2018	2017	2016
6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
\$ 11,010,401	\$ 10,774,961	\$ 10,500,340	\$ 10,249,556	\$ 9,035,445	\$ 9,471,721
38,503,013	36,940,765	34,962,160	33,447,072	32,392,557	31,362,885
-	-	-	-	-	-
-	-	(2,502,783)	28,562,622	-	(7,872,461)
332,595	6,774,359	3,117,388	(4,296,754)	(6,539,562)	(8,658,602)
(27,186,576)	(25,446,261)	(23,956,522)	(22,536,630)	(21,347,011)	(19,887,274)
22,659,433	29,043,824	22,120,583	45,425,866	13,541,429	4,416,269
546,259,162	517,215,338	495,094,755	449,668,889	436,127,460	431,711,191
568,918,595	546,259,162	517,215,338	495,094,755	449,668,889	436,127,460
19,810,064	19,254,700	20,124,316	11,829,794	11,179,323	9,726,446
3,795,384	3,462,100	3,546,100	3,270,225	2,987,703	2,946,540
20,831,413	26,072,873	31,306,694	37,865,971	1,715,660	7,570,596
(27,186,576)	(25,446,261)	(23,956,522)	(22,536,630)	(21,347,011)	(19,887,274)
-	-	(922)	(38,869)	1,431	255
(591,172)	(282,795)	(571,762)	(497,598)	(208,857)	(385,706)
-	922	(1,085,787)	-	-	-
16,659,113	23,061,539	29,362,117	29,892,893	(5,671,751)	(29,143)
419,343,660	396,282,121	366,920,004	337,027,111	342,698,862	342,728,005
436,002,773	419,343,660	396,282,121	366,920,004	337,027,111	342,698,862
\$ 132,915,822	\$ 126,915,502	\$ 120,933,217	\$ 128,174,751	\$ 112,641,778	\$ 93,428,598
76.6%	76.8%	76.6%	74.1%	75%	78.6%
\$35,551,829	\$34,414,901	\$33,295,304	\$32,433,252	\$31,451,701	\$32,835,473
373.9%	368.8%	363.2%	395.2%	358.1%	284.5%

CITY OF OCEANSIDE, CALIFORNIA
Schedules of Plan Contributions
As of June 30, For the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
Miscellaneous Agent, Multiple-Employer Pension Plan					
2025	\$ 15,210,725	\$ 21,198,786	\$ (5,988,061)	\$ 54,666,047	38.8%
2024	14,845,506	18,424,132	(3,578,626)	45,118,186	40.8%
2023	15,061,894	16,479,872	(1,417,978)	45,034,679	36.6%
2022	14,061,545	16,091,130	(2,029,585)	42,693,858	37.7%
2021	13,499,162	14,997,947	(1,498,785)	41,376,768	36.2%
2020	12,592,782	14,923,305	(2,330,523)	40,160,749	37.2%
2019	11,356,512	13,180,051	(1,823,539)	39,732,503	33.2%
2018	10,360,741	11,789,763	(1,429,022)	38,280,356	30.8%
2017	9,315,364	9,315,364	-	37,729,027	24.7%
2016	8,640,705	8,640,705	-	35,805,773	24.1%
Safety Agent, Multiple-Employer Pension Plan					
2025	\$ 18,281,602	\$ 27,900,352	\$ (9,618,750)	\$ 42,270,453	66.0%
2024	17,952,730	20,487,108	(2,534,378)	38,539,609	53.2%
2023	17,574,947	21,287,525	(3,712,578)	38,157,071	55.8%
2022	15,800,084	17,528,188	(1,728,104)	36,364,515	48.2%
2021	14,784,534	19,810,064	(5,025,530)	36,364,515	54.5%
2020	14,783,534	19,810,064	(5,026,530)	35,551,829	55.7%
2019	13,478,019	19,254,700	(5,776,681)	34,414,901	55.9%
2018	12,911,210	20,124,316	(7,213,106)	33,295,304	60.4%
2017	11,829,794	11,829,794	-	32,433,252	36.5%
2016	11,179,323	11,179,323	-	34,451,701	32.4%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2022, funding valuation report.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period: For details, see June 30, 2022 Funding Valuation Report

Asset Valuation Method: Fair Value of Assets. For details, see June 30, 2022 Funding Valuation Report

Inflation: 2.30%

Salary Increases: Varies by Entry Age and Service

Payroll Growth: 2.80%

Investment Rate of Return: 6.80% (net of plan investment and administrative expenses; includes inflation)

Retirement Age: The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Mortality: The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

CITY OF OCEANSIDE, CALIFORNIA
Schedule of Changes in the Total OPEB Liability and Related Ratios
As of June 30, For the Last Ten Fiscal Years¹

	2025	2024	2023	2022
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 645,193	\$ 508,247	\$ 625,250	\$ 536,099
Interest on total pension liability	429,964	341,303	228,435	230,984
Changes of assumptions	(265,478)	1,194,721	(1,086,941)	(633,972)
Difference between expected and actual experience	-	701,899	-	580,073
Benefit payments ²	<u>(714,636)</u>	<u>(637,606)</u>	<u>(647,618)</u>	<u>(715,064)</u>
Net change in total OPEB liability	95,043	2,108,564	(880,874)	(1,880)
Total OPEB liability-beginning	<u>11,814,563</u>	<u>9,705,999</u>	<u>10,586,873</u>	<u>10,588,753</u>
Total OPEB liability-ending (3)	<u>\$ 11,909,606</u>	<u>\$ 11,814,563</u>	<u>\$ 9,705,999</u>	<u>\$ 10,586,873</u>
Covered-employee payroll	\$ 83,657,795	\$ 99,548,358	\$ 98,650,048	\$ 90,410,467
Plan total OPEB liability/(asset) as a percentage of covered-employee payroll	14.2%	11.9%	9.8%	11.7%

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

- (1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.
- (2) Includes value of implicit subsidy
- (3) The plan is not funded through a qualifying trust; therefore, there is no fiduciary net position to offset the total OPEB liability.

2021	2020	2019	2018
6/30/2020	6/30/2019	6/30/2018	6/30/2017
\$ 418,290	\$ 384,631	\$ 373,428	\$ 362,551
329,520	211,448	175,549	166,455
983,188	1,465,479	(244,689)	-
-	1,983,780	-	-
(695,903)	(280,948)	(245,347)	(231,628)
1,035,095	3,764,390	58,941	297,378
9,553,658	5,789,268	5,730,327	5,432,949
\$ 10,588,753	\$ 9,553,658	\$ 5,789,268	\$ 5,730,327
\$ 81,603,109	\$ 79,567,557	\$ 76,704,358	\$ 63,197,046
13.0%	12.0%	7.5%	9.1%

Combining and Individual Fund Statements and Schedules

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

Debt Service Funds

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

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

CITY OF OCEANSIDE, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				
	Asset Seizure	Gas Tax and Transportation	Community Development Block Grant	Maintenance Districts	State & Local Asset Seizure
ASSETS					
Cash and investments	\$ 712,462	\$ 7,979,250	\$ -	\$ 2,199,390	\$ 293,309
Cash with fiscal agent	-	65,946	-	-	-
Receivables (net of allowance for uncollectible):					
Taxes	-	1,250,212	-	15,190	-
Due from other governments	-	-	116,384	-	-
Notes and loans	-	-	481,941	-	-
Prepaid costs	-	-	2,480	-	-
Total assets	\$ 712,462	\$ 9,295,408	\$ 600,805	\$ 2,214,580	\$ 293,309
LIABILITIES					
Accounts payable	\$ -	\$ 452,861	\$ 20,482	\$ 109,199	\$ -
Accrued liabilities	-	33,270	4,140	-	-
Due to other funds	-	-	82,521	337,166	-
Total liabilities	-	486,131	107,143	446,365	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	484,399	-	-
Total deferred inflows of resources	-	-	484,399	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	2,480	-	-
Restricted	712,462	8,809,277	6,783	1,768,215	293,309
Unassigned	-	-	-	-	-
Total fund balances (deficits)	712,462	8,809,277	9,263	1,768,215	293,309
Total liabilities, deferred inflows, and fund balances (deficits)	\$ 712,462	\$ 9,295,408	\$ 600,805	\$ 2,214,580	\$ 293,309

CITY OF OCEANSIDE, CALIFORNIA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Debt Service Funds		
	General Debt Service	Oceanside Lighting District	Total Nonmajor Funds
ASSETS			
Cash and investments	\$ -	\$ 32,429	\$ 11,216,840
Cash with fiscal agent	990	-	66,936
Receivables (net of allowance for uncollectible):			
Taxes	-	-	1,265,402
Due from other governments	-	-	116,384
Notes and loans	-	-	481,941
Prepaid costs	-	-	2,480
Total assets	\$ 990	\$ 32,429	\$ 13,149,983
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 582,542
Accrued liabilities	-	-	37,410
Due to other funds	33,342	-	453,029
Total liabilities	33,342	-	1,072,981
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	484,399
Total deferred inflows of resources	-	-	484,399
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	2,480
Restricted	-	32,429	11,622,475
Unassigned	(32,352)	-	(32,352)
Total fund balances (deficits)	(32,352)	32,429	11,592,603
Total liabilities, deferred inflows, and fund balances (deficits)	\$ 990	\$ 32,429	\$ 13,149,983

CITY OF OCEANSIDE, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				
	Asset Seizure	Gas Tax and Transportation	Community Development Block Grant	Maintenance Districts	State & Local Asset Seizure
REVENUES					
Administrative and in lieu charges	\$ 54,330	\$ 12,980,240	\$ 1,738,723	\$ 7,773	\$ -
Intergovernmental	-	-	-	3,035,459	91,636
Use of money and property	22,321	415,090	44,418	116,865	14,794
Miscellaneous	-	-	-	576	-
Total revenues	76,651	13,395,330	1,783,141	3,160,673	106,430
EXPENDITURES					
Current:					
General government	-	24,546	1,307	321,296	-
Public safety	129,128	2,152	34,805	-	-
Community development	-	30,200	71,537	-	-
Parks and recreation	-	100	1,140,135	-	-
Public works	-	5,116,445	-	2,429,721	-
Capital outlay	-	5,300,657	265,968	-	-
Debt service:					
Principal	-	-	225,000	34,674	-
Interest and fiscal charges	-	-	32,546	7,761	-
Total expenditures	129,128	10,474,100	1,771,298	2,793,452	-
Excess (deficiency) of revenues over (under) expenditures	(52,477)	2,921,230	11,843	367,221	106,430
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(610,000)	-	(222,130)	-
Total other financing sources (uses)	-	(610,000)	-	(222,130)	-
Net change in fund balances	(52,477)	2,311,230	11,843	145,091	106,430
Fund balances (deficit)-beginning	764,939	6,498,047	(2,580)	1,623,124	186,879
Fund balances (deficit)-ending	\$ 712,462	\$ 8,809,277	\$ 9,263	\$ 1,768,215	\$ 293,309

CITY OF OCEANSIDE, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Debt Service Funds		
	General Debt Service	Oceanside Lighting District	Total Nonmajor Funds
REVENUES			
Administrative and in lieu charges	\$ -	\$ -	\$ 14,781,066
Intergovernmental	-	-	3,127,095
Use of money and property	2,943,041	-	3,556,529
Miscellaneous	4,814,305	476,219	5,291,100
Total revenues	7,757,346	476,219	26,755,790
EXPENDITURES			
Current:			
General government	-	-	347,149
Public safety	-	-	166,085
Community development	-	-	101,737
Parks and recreation	-	-	1,140,235
Public works	-	-	7,546,166
Capital outlay	-	-	5,566,625
Debt service:			
Principal	5,876,749	460,554	6,596,977
Interest and fiscal charges	1,923,701	15,665	1,979,673
Total expenditures	7,800,450	476,219	23,444,647
Excess (deficiency) of revenues over (under) expenditures	(43,104)	-	3,311,143
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(832,130)
Total other financing sources (uses)	-	-	(832,130)
Net change in fund balances	(43,104)	-	2,479,013
Fund balances (deficit)-beginning	10,752	32,429	9,113,590
Fund balances (deficit)-ending	\$ (32,352)	\$ 32,429	\$ 11,592,603

Budgetary Comparison Schedules (Budgetary Basis) - Special Revenue Funds

CITY OF OCEANSIDE, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Asset Seizure

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Administrative and in lieu charges	\$ 22,000	\$ 22,000	\$ 54,330	\$ 32,330
Use of money and property	15,650	15,650	22,321	6,671
Total revenues	37,650	37,650	76,651	39,001
EXPENDITURES				
Current:				
Public safety	325,000	325,000	129,128	195,872
Total expenditures	325,000	325,000	129,128	195,872
Net change in fund balances	\$ (287,350)	\$ (287,350)	(52,477)	\$ 234,873
Fund balance-beginning			764,939	
Fund balance-ending			\$ 712,462	

CITY OF OCEANSIDE, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Gas Tax and Transportation

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Administrative and in lieu charges	\$ 15,766,980	\$ 15,766,980	\$ 12,980,240	\$ (2,786,740)
Use of money and property	34,141	34,141	415,090	380,949
Total revenues	15,801,121	15,801,121	13,395,330	(2,405,791)
EXPENDITURES				
Current:				
General government	56,597	60,122	24,546	35,576
Public safety	13	13	2,152	(2,139)
Community development	-	-	30,200	(30,200)
Parks and recreation	-	-	100	(100)
Public works	7,986,980	10,568,711	5,116,445	5,452,266
Capital outlay	9,050,000	14,071,321	5,300,657	8,770,664
Total expenditures	17,093,590	24,700,167	10,474,100	14,226,067
Excess (deficiency) of revenues over (under) expenditures	(1,292,469)	(8,899,046)	2,921,230	11,820,276
OTHER FINANCING SOURCES (USES)				
Transfers out	(610,000)	(610,000)	(610,000)	-
Total other financing sources (uses)	(610,000)	(610,000)	(610,000)	-
Net change in fund balances	\$ (1,902,469)	\$ (9,509,046)	2,311,230	\$ 11,820,276
Fund balance-beginning			6,498,047	
Fund balance-ending			\$ 8,809,277	

CITY OF OCEANSIDE, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Community Development Block Grant

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Administrative and in lieu charges	\$ 2,051,765	\$ 2,766,304	\$ 1,738,723	\$ (1,027,581)
Use of money and property	41,002	41,002	44,418	3,416
Total revenues	2,092,767	2,807,306	1,783,141	(1,024,165)
EXPENDITURES				
Current:				
General government	4,500	4,500	1,307	3,193
Public safety	39,079	46,385	34,805	11,580
Community development	80,143	80,143	71,537	8,606
Parks and recreation	1,646,526	2,163,827	1,140,135	1,023,692
Capital outlay	65,000	267,460	265,968	1,492
Debt service:				
Principal	225,000	225,000	225,000	-
Interest and fiscal charges	32,546	32,546	32,546	-
Total expenditures	2,092,794	2,819,861	1,771,298	1,048,563
Net change in fund balances	\$ (27)	\$ (12,555)	11,843	\$ 24,398
Fund balance-beginning			(2,580)	
Fund balance-ending			\$ 9,263	

CITY OF OCEANSIDE, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Maintenance Districts

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,019,575	\$ 3,019,575	\$ 3,035,459	\$ 15,884
Administrative and in lieu charges	6,884	6,884	7,773	889
Use of money and property	9,846	9,846	116,865	107,019
Miscellaneous	5,000	5,000	576	(4,424)
Total revenues	3,041,305	3,041,305	3,160,673	119,368
EXPENDITURES				
Current:				
General government	-	-	321,296	(321,296)
Public safety	43,000	43,000	-	43,000
Public works	2,919,358	3,079,659	2,429,721	649,938
Debt service:				
Principal	572	572	34,674	(34,102)
Interest and fiscal charges	-	-	7,761	(7,761)
Total expenditures	2,962,930	3,123,231	2,793,452	329,779
Excess (deficiency) of revenues over (under) expenditures	78,375	(81,926)	367,221	449,147
OTHER FINANCING SOURCES (USES)				
Transfers out	(222,130)	(222,130)	(222,130)	-
Total other financing sources (uses)	(222,130)	(222,130)	(222,130)	-
Net change in fund balances	\$ (143,755)	\$ (304,056)	145,091	\$ 449,147
Fund balance-beginning			1,623,124	
Fund balance-ending			\$ 1,768,215	

CITY OF OCEANSIDE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
State & Local Asset Seizure
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 4,700	\$ 4,700	\$ 91,636	\$ 86,936
Use of money and property	-	-	14,794	14,794
Total revenues	4,700	4,700	106,430	101,730
EXPENDITURES				
Current:				
Public safety	4,700	4,700	-	4,700
Total expenditures	4,700	4,700	-	4,700
Net change in fund balances	\$ -	\$ -	106,430	\$ 106,430
Fund balance-beginning			186,879	
Fund balance-ending			\$ 293,309	

Budgetary Comparison Schedules (Budgetary Basis) - Capital Project Fund

CITY OF OCEANSIDE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Improvement
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 500,000	\$ 500,000	\$ 499,755	\$ (245)
Use of money and property	64,869	64,869	4,179,220	4,114,351
Developer participation	3,471,405	3,567,569	12,153,673	8,586,104
Miscellaneous	1,369,154	1,469,154	3,226,056	1,756,902
Total revenues	5,405,428	5,601,592	20,058,704	14,457,112
EXPENDITURES				
Current:				
General government	896,994	932,730	538,914	393,816
Community development	357,967	364,908	358,313	6,595
Public works	923,606	1,551,355	884,534	666,821
Capital outlay	21,737,056	99,495,856	21,089,805	78,406,051
Debt service:				
Interest and fiscal charges	-	-	56	(56)
Total expenditures	23,915,623	102,344,849	22,871,622	79,473,227
Excess (deficiency) of revenues over (under) expenditures	(18,510,195)	(96,743,257)	(2,812,918)	93,930,339
OTHER FINANCING SOURCES (USES)				
Transfers in	(17,230,000)	33,889,724	33,939,724	50,000
Transfers out	(50,000)	(167,000)	(167,000)	-
Total other financing sources (uses)	(17,280,000)	33,722,724	33,772,724	50,000
Net change in fund balances	<u>\$ (35,790,195)</u>	<u>\$ (63,020,533)</u>	<u>30,959,806</u>	<u>\$ 93,980,339</u>
Fund balance-beginning			79,883,308	
Fund balance-ending			<u>\$110,843,114</u>	

Budgetary Comparison Schedule (Budgetary Basis) - Debt Service Funds

CITY OF OCEANSIDE, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Debt Service

For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 2,938,122	\$ 2,938,122	\$ 2,943,041	\$ 4,919
Miscellaneous	4,814,305	4,814,305	4,814,305	-
Total revenues	7,752,427	7,752,427	7,757,346	4,919
EXPENDITURES				
Current:				
Debt service:				
Principal	5,876,749	5,876,749	5,876,749	-
Interest and fiscal charges	1,877,976	1,923,381	1,923,701	(320)
Total expenditures	7,754,725	7,800,130	7,800,450	(320)
Net change in fund balances	\$ (2,298)	\$ (47,703)	(43,104)	\$ 4,599
Fund balance-beginning			10,752	
Fund balance-ending			\$ (32,352)	

CITY OF OCEANSIDE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Oceanside Lighting District
For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 476,219	\$ 476,219	\$ 476,219	\$ -
Total revenues	<u>476,219</u>	<u>476,219</u>	<u>476,219</u>	<u>-</u>
EXPENDITURES				
Debt service:				
Principal	460,554	460,554	460,554	-
Interest and fiscal charges	15,665	15,665	15,665	-
Total expenditures	<u>476,219</u>	<u>476,219</u>	<u>476,219</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance-beginning			32,429	
Fund balance-ending			<u>\$ 32,429</u>	

Internal Service Funds

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

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

CITY OF OCEANSIDE, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Loss Prevention	General Services	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 38,531,859	\$ 39,235,555	\$ 77,767,414
Receivables (net of uncollectibles):			
Accounts	6,753	8,771	15,524
Prepaid costs	900	396,462	397,362
Inventories	-	392,947	392,947
Total current assets	<u>38,539,512</u>	<u>40,033,735</u>	<u>78,573,247</u>
Noncurrent:			
Due from other funds	-	288,329	288,329
Capital assets, net	-	16,405,280	16,405,280
Total noncurrent assets	<u>-</u>	<u>16,693,609</u>	<u>16,693,609</u>
Total assets	<u>38,539,512</u>	<u>56,727,344</u>	<u>95,266,856</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	284,505	2,949,866	3,234,371
Total deferred outflows of resources	<u>284,505</u>	<u>2,949,866</u>	<u>3,234,371</u>
LIABILITIES			
Current liabilities:			
Accounts payable	107,150	1,619,240	1,726,390
Accrued liabilities	14,782	695,742	710,524
Accrued interest	-	50,500	50,500
Leases	-	1,076,558	1,076,558
Subscriptions	-	258,936	258,936
Claims and judgments	7,060,000	-	7,060,000
Compensated absences	6,695	287,567	294,262
Total current liabilities	<u>7,188,627</u>	<u>3,988,543</u>	<u>11,177,170</u>
Noncurrent liabilities:			
Leases	-	2,546,315	2,546,315
Subscriptions	-	462,498	462,498
Claims and judgments	25,958,494	-	25,958,494
Compensated absences	15,620	670,992	686,612
Net pension liability	675,787	7,624,695	8,300,482
Total noncurrent liabilities	<u>26,649,901</u>	<u>11,304,500</u>	<u>37,954,401</u>
Total liabilities	<u>33,838,528</u>	<u>15,293,043</u>	<u>49,131,571</u>
NET POSITION			
Net investment in capital assets	-	12,060,973	12,060,973
Unrestricted	4,985,489	32,323,194	37,308,683
Total net position	<u>\$ 4,985,489</u>	<u>\$ 44,384,167</u>	<u>\$ 49,369,656</u>

CITY OF OCEANSIDE, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Loss Prevention	General Services	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 12,905,569	\$ 83,579,736	\$ 96,485,305
Miscellaneous	737,255	291,358	1,028,613
Total operating revenues	13,642,824	83,871,094	97,513,918
OPERATING EXPENSES			
Administration and general	677,624	63,296,395	63,974,019
Maintenance and operations	12,851,645	12,840,784	25,692,429
Depreciation/amortization	-	4,685,671	4,685,671
Total operating expenses	13,529,269	80,822,850	94,352,119
Operating income (loss)	113,555	3,048,244	3,161,799
NONOPERATING REVENUES (EXPENSES)			
Interest expense	-	(38,764)	(38,764)
Gain (loss) on disposal of assets	-	143,399	143,399
Total nonoperating revenues (expenses)	-	104,635	104,635
Income (loss) before transfers	113,555	3,152,879	3,266,434
Transfers in	-	77,705	77,705
Transfers out	(116,420)	(37,746)	(154,166)
Change in net position	(2,865)	3,192,838	3,189,973
Net position-beginning	4,988,354	41,191,329	46,179,683
Net position-ending	\$ 4,985,489	\$ 44,384,167	\$ 49,369,656

CITY OF OCEANSIDE, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Loss Prevention	General Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 13,646,564	\$ 83,871,511	\$ 97,518,075
Payments to suppliers and service providers	(13,479,722)	(75,376,606)	(88,856,328)
Payments to employees for salaries and benefits	(43,321)	(1,132,150)	(1,175,471)
Other receipts (payments)	895,237	-	895,237
Net cash provided by (used for) operating activities	1,018,758	7,362,755	8,381,513
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	77,705	77,705
Transfers to other funds	(116,420)	(37,746)	(154,166)
Net cash provided by (used for) noncapital financing activities	(116,420)	39,959	(76,461)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(3,069,218)	(3,069,218)
Principal paid on capital debt	-	(1,629,282)	(1,629,282)
Interest paid on capital debt	-	(457,334)	(457,334)
Payments from other funds on interfund borrowings	-	24,561	24,561
Proceeds from sales of assets	-	143,399	143,399
Net cash provided by (used for) capital and related financing activities	-	(4,987,874)	(4,987,874)
Net increase (decrease) in cash and cash equivalents	902,338	2,414,840	3,317,178
Cash and cash equivalents-beginning	37,629,521	36,820,715	74,450,236
Cash and cash equivalents-ending	\$ 38,531,859	\$ 39,235,555	\$ 77,767,414
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 113,555	\$ 3,048,244	\$ 3,161,799
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	-	4,685,671	4,685,671
(Increase) decrease in accounts receivable	3,740	417	4,157
(Increase) decrease in inventories	-	(1,311)	(1,311)
(Increase) decrease in prepaid items	6,472	271,965	278,437
Increase (decrease) in accounts payable	43,075	489,919	532,994
Increase (decrease) in accrued liabilities	-	(858,604)	(858,604)
Increase (decrease) in compensated absences	(25,057)	75,575	50,518
Increase (decrease) in claims and judgments	895,237	-	895,237
Increase (decrease) in pension and related items	(18,264)	(349,121)	(367,385)
Total adjustments	905,203	4,314,511	5,219,714
Net cash provided by (used for) operating activities	\$ 1,018,758	\$ 7,362,755	\$ 8,381,513

CUSTODIAL FUNDS

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

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

CITY OF OCEANSIDE, CALIFORNIA
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2025

	Special Assessment District	Deposit	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ 96,839	\$ 12,726,937	\$ 12,823,776
Investments at fair value:			
Money market mutual funds	6,833,473	-	6,833,473
Receivables:			
Taxes	10,332	-	10,332
Total assets	6,940,644	12,726,937	19,667,581
LIABILITIES			
Accounts payable	63,597	195,893	259,490
Due to other funds	-	-	-
Total liabilities	63,597	195,893	259,490
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	6,877,047	12,531,044	19,408,091
Total net position	\$ 6,877,047	\$ 12,531,044	\$ 19,408,091

CITY OF OCEANSIDE, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position (Continued)
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2025

	Special Assessment District	Deposit	Total Custodial Funds
ADDITIONS			
Investment earnings:			
Interest	\$ 297,473	\$ 493,790	\$ 791,263
Total investment earnings	297,473	493,790	791,263
Taxes	3,994,338	-	3,994,338
Debt issuance proceeds	9,934,934	-	9,934,934
Total additions	14,226,745	493,790	14,720,535
DEDUCTIONS			
Administrative expenses	69,120	-	69,120
Contractual services	162,894	-	162,894
Payments to bondholders	15,348,339	-	15,348,339
Issuance costs	221,339	-	221,339
Total deductions	15,801,692	-	15,801,692
Net increase (decrease) in fiduciary net position	(1,574,947)	493,790	(1,081,157)
Net position-beginning	8,451,994	12,037,254	20,489,248
Net position-ending	\$ 6,877,047	\$ 12,531,044	\$ 19,408,091

STATISTICAL SECTION

**CITY OF OCEANSIDE
DESCRIPTION OF STATISTICAL SECTION CONTENTS
June 30, 2025**

This part of the City of Oceanside's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	Pages:
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	143 -
Revenue Capacity: these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	154 -
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	161 -
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	170 -
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	174 -

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

Financial Trends

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

	2016	2017	Fiscal Year 2018	2019	2020
Governmental Activities					
Net investment in capital assets	\$ 271,158,974	\$ 282,775,916	\$ 284,435,863	\$ 292,804,444	\$ 273,355,507
Restricted for:					
Debt Service	2,595,789	2,588,474	2,602,920	2,679,104	2,312,694
Capital Projects	41,373,208	33,510,793	39,454,169	40,657,178	71,204,587
Specific Projects and Programs	21,637,543	17,373,883	26,071,742	31,716,726	35,348,199
Total Restricted	65,606,540	53,473,150	68,128,831	75,053,008	108,865,480
Unrestricted	(73,967,078)	(50,292,346)	(37,820,563)	(28,675,795)	(28,229,714)
Total governmental activities net position	\$ 262,798,436	\$ 285,956,720	\$ 314,744,131	\$ 339,181,657	\$ 353,991,273
Business-type Activities					
Net investment in capital assets	\$ 387,599,614	\$ 403,023,876	\$ 424,457,531	\$ 441,719,343	\$ 443,147,841
Restricted for:					
Capital projects	56,933,570	74,021,628	71,303,919	90,962,906	169,779,265
Debt service	769,774	81,447			
Rate stabilization	6,078,455	5,276,131	5,216,020	3,093,211	4,013,180
Unrestricted	85,997,831	84,047,668	93,865,168	87,136,684	24,292,711
Total business-type activities net position	\$ 537,379,244	\$ 566,450,750	\$ 594,842,638	\$ 622,912,144	\$ 641,232,997
Primary Government					
Net investment in capital assets	\$ 658,758,588	\$ 685,799,792	\$ 708,893,394	\$ 734,523,787	\$ 716,503,348
Restricted	129,388,339	132,852,356	144,648,770	169,109,125	282,657,925
Unrestricted	12,030,753	33,755,322	56,044,605	58,460,889	(3,937,003)
Total Primary Government net position	\$ 800,177,680	\$ 852,407,470	\$ 909,586,769	\$ 962,093,801	\$ 995,224,270

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

	2021	2022	Fiscal Year 2023	2024	2025
Governmental Activities					
Net investment in capital assets	\$ 292,811,112	\$ 304,897,452	\$ 305,297,063	\$ 344,203,274	\$ 327,918,570
Restricted for:					
Debt Service	2,325,792	2,252,837	2,359,185	39,476	
Capital Projects	54,690,174	66,794,232	75,937,878	79,883,308	93,739,522
Specific Projects and Programs	43,567,128	40,697,730	44,335,262	119,043,899	140,578,630
Total Restricted	100,583,094	109,744,799	122,632,325	198,966,683	234,318,152
Unrestricted	(14,242,592)	32,195,494	51,826,790	(4,381,022)	(241,201)
Total governmental activities net position	\$ 379,151,614	\$ 446,837,745	\$ 479,756,178	\$ 538,788,935	\$ 561,995,521
Business-type Activities					
Net investment in capital assets	\$ 464,187,625	\$ 461,954,191	\$ 482,907,984	\$ 501,624,063	\$ 501,347,750
Restricted for:					
Capital projects	23,607,629	4,856,154	7,695,170		
Debt service					
Rate stabilization	7,057,251	8,424,127	9,401,301		
Unrestricted	171,408,617	214,206,949	215,233,157	254,189,730	291,249,795
Total business-type activities net position	\$ 666,261,122	\$ 689,441,421	\$ 715,237,612	\$ 755,813,793	\$ 792,597,545
Primary Government					
Net investment in capital assets	\$ 756,998,737	\$ 766,851,643	\$ 788,205,047	\$ 845,827,337	\$ 829,266,320
Restricted	131,247,974	123,025,080	139,728,796	198,966,683	234,318,152
Unrestricted	157,166,025	246,402,443	267,059,947	249,808,708	291,008,594
Total Primary Government net position	\$ 1,045,412,736	\$ 1,136,279,166	\$ 1,194,993,790	\$ 1,294,602,728	\$ 1,354,593,066

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	\$ 15,552,936	\$ 15,296,527	\$ 25,402,641	\$ 23,705,007	\$ 28,450,401
Public safety	83,064,936	84,872,862	88,194,832	95,275,203	104,131,430
Community development	32,224,969	33,709,839	30,724,146	32,323,593	37,266,131
Community/cultural services	13,545,812	14,776,797	18,330,643	16,494,113	18,567,090
Public works	30,968,801	35,778,483	45,262,298	41,646,397	33,537,113
Interest on long-term debt	1,645,159	802,656	649,868	389,984	1,075,255
Total governmental activities	<u>\$ 177,002,613</u>	<u>\$ 185,237,164</u>	<u>\$ 208,564,428</u>	<u>\$ 209,834,297</u>	<u>\$ 223,027,420</u>
Business-type activities:					
Water	55,292,508	55,915,076	61,368,335	62,055,388	64,549,971
Sewer	31,470,309	30,604,682	27,395,744	33,235,157	41,018,989
Waste disposal	19,240,727	19,684,911	20,251,509	21,150,326	23,187,100
Special aviation	92,086	104,671	84,677	177,315	163,004
Oceanside Small Craft Harbor District	1,363,913	1,210,663	1,188,233	1,799,482	1,645,462
Total business-type activities	<u>107,459,543</u>	<u>107,520,003</u>	<u>110,288,498</u>	<u>118,417,668</u>	<u>130,564,526</u>
Total primary government expenses	<u>\$ 284,462,156</u>	<u>\$ 292,757,167</u>	<u>\$ 318,852,926</u>	<u>\$ 328,251,965</u>	<u>\$ 353,591,946</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 10,588,709	\$ 12,750,353	\$ 10,468,701	\$ 10,248,702	\$ 10,542,631
Public safety	7,008,828	7,661,652	8,062,777	8,147,742	7,686,860
Community development	11,865,536	17,649,387	16,112,696	16,493,180	15,106,948
Community/cultural services	1,912,587	2,097,115	2,192,652	2,292,387	2,167,597
Public works	5,716,976	5,368,106	5,536,544	5,755,385	6,135,002
Operating Grants and Contributions	40,680,408	29,965,637	48,126,396	30,434,781	35,845,311
Capital Grants and Contributions	10,857,618	8,319,217	10,733,561	12,978,753	2,938,495
Total governmental activities program revenues	<u>88,630,662</u>	<u>83,811,467</u>	<u>101,233,327</u>	<u>86,350,930</u>	<u>80,422,844</u>
Business-type activities:					
Charges for services:					
Water	58,870,606	65,750,944	70,911,470	65,950,368	67,368,304
Sewer	44,918,587	45,395,610	44,986,466	48,212,072	46,188,366
Waste disposal	25,093,298	25,505,957	25,901,726	27,066,874	29,392,540
Special aviation	123,129	113,913	74,644	-	-
Oceanside Small Craft Harbor District	6,339,274	6,627,547	6,653,343	7,155,443	6,893,952
Operating Grants and Contributions	-	-	-	75,000	-
Capital Grants and Contributions	-	-	-	-	-
Total business-type activities program revenues	<u>135,344,894</u>	<u>143,393,971</u>	<u>148,527,649</u>	<u>148,459,757</u>	<u>149,843,162</u>
Total primary government program revenues	<u>\$ 223,975,556</u>	<u>\$ 227,205,438</u>	<u>\$ 249,760,976</u>	<u>\$ 234,810,687</u>	<u>\$ 230,266,006</u>
Net (Expense)/Revenue					
Governmental activities	\$ (88,371,951)	\$ (101,425,697)	\$ (107,331,101)	\$ (123,483,367)	\$ (142,604,576)
Business-type activities	27,885,351	35,873,968	38,239,151	30,042,089	19,278,636
Total primary government net expense	<u>\$ (60,486,600)</u>	<u>\$ (65,551,729)</u>	<u>\$ (69,091,950)</u>	<u>\$ (93,441,278)</u>	<u>\$ (123,325,940)</u>

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

	Fiscal Year				
	2021	2022	2023	2024	2025
Expenses					
Governmental activities:					
General government	\$ 26,937,456	\$ 36,610,788	\$ 54,095,138	\$ 67,293,583	\$ 35,726,566
Public safety	111,843,498	97,185,812	126,210,197	119,626,400	151,411,848
Community development	37,290,469	36,490,981	52,889,232	57,764,497	83,680,699
Community/cultural services	19,154,809	17,325,112	23,388,490	19,311,035	49,255,048
Public works	37,989,756	29,939,017	30,822,832	30,712,164	32,553,389
Interest on long-term debt	869,099	694,184	1,523,768	1,475,835	2,029,466
Total governmental activities	<u>\$ 234,085,087</u>	<u>\$ 218,245,894</u>	<u>\$ 288,929,657</u>	<u>\$ 296,183,514</u>	<u>\$ 354,657,016</u>
Business-type activities:					
Water	68,473,713	65,951,480	77,063,454	78,014,935	83,118,909
Sewer	37,389,306	35,361,055	42,044,486	42,063,694	42,718,253
Waste disposal	23,575,875	24,721,163	20,650,115	2,209,212	1,404,695
Special aviation	162,563	164,244	204,045	94,688	83,840
Oceanside Small Craft Harbor District	1,299,613	1,320,804	1,940,711	1,750,084	1,443,063
Total business-type activities	<u>130,901,070</u>	<u>127,518,746</u>	<u>141,902,811</u>	<u>124,132,613</u>	<u>128,768,760</u>
Total primary government expenses	<u>\$ 364,986,157</u>	<u>\$ 345,764,640</u>	<u>\$ 430,832,468</u>	<u>\$ 420,316,127</u>	<u>\$ 483,425,776</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 13,528,004	\$ 11,725,407	\$ 20,589,569	\$ 18,942,257	\$ 18,750,807
Public safety	9,221,437	9,835,472	11,827,483	13,173,319	16,134,185
Community development	13,395,807	23,192,525	23,423,712	18,699,572	26,845,553
Community/cultural services	2,222,685	3,233,794	3,728,408	3,991,762	4,335,712
Public works	5,337,965	6,804,014	6,791,253	6,607,001	14,567,335
Operating Grants and Contributions	45,478,142	60,791,249	61,162,120	75,554,432	78,715,322
Capital Grants and Contributions	2,939,236	281,407	4,202,415	5,618,013	4,848,876
Total governmental activities program revenues	<u>92,123,276</u>	<u>115,863,868</u>	<u>131,724,960</u>	<u>142,586,356</u>	<u>164,197,790</u>
Business-type activities:					
Charges for services:					
Water	74,905,652	75,603,704	70,341,546	73,315,653	86,997,660
Sewer	49,050,370	49,220,381	50,926,217	51,609,610	52,241,611
Waste disposal	30,664,852	31,736,901	28,709,129	10,460,140	2,391,223
Special aviation	93,553	10,307	156,339	149,508	158,809
Oceanside Small Craft Harbor District	7,332,074	6,761,134	9,479,312	9,973,931	8,803,524
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total business-type activities program revenues	<u>162,046,501</u>	<u>163,332,427</u>	<u>159,612,543</u>	<u>145,508,842</u>	<u>150,592,827</u>
Total primary government program revenues	<u>\$ 254,169,777</u>	<u>\$ 279,196,295</u>	<u>\$ 291,337,503</u>	<u>\$ 288,095,198</u>	<u>\$ 314,790,617</u>
Net (Expense)/Revenue					
Governmental activities	\$ (141,961,811)	\$ (102,382,026)	\$ (157,204,697)	\$ (153,597,158)	\$ (190,459,226)
Business-type activities	31,145,431	35,813,681	17,709,732	21,376,229	21,824,067
Total primary government net expense	<u>\$ (110,816,380)</u>	<u>\$ (66,568,345)</u>	<u>\$ (139,494,965)</u>	<u>\$ (132,220,929)</u>	<u>\$ (168,635,159)</u>

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

	2016	2017	Fiscal Year 2018	2019	2020
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 54,205,419	\$ 57,600,747	\$ 61,606,355	\$ 64,970,213	\$ 68,425,495
Sales taxes	22,150,105	22,130,638	22,671,662	26,892,609	37,051,161
Other taxes	14,928,000	15,261,245	16,412,384	17,180,512	15,730,984
Total taxes	91,283,524	94,992,630	100,690,401	109,043,334	121,207,640
Intergovernmental unrestricted					
Investment Earnings	-	-	-	-	-
Developer contributions	-	-	-	-	-
Miscellaneous	14,856,503	16,737,491	19,955,645	25,125,242	23,702,739
Gain/Loss on sale of assets	-	-	-	-	-
Extraordinary gain(loss)	-	165,162	-	-	-
Transfers	12,218,129	13,403,896	17,149,010	13,752,317	12,503,813
Total Governmental activities	118,358,156	125,299,179	137,795,056	147,920,893	157,414,192
Business-type activities:					
Investment Earnings	1,914,261	934,405	1,595,238	6,508,995	7,035,432
Miscellaneous	3,928,786	5,667,029	5,706,509	5,270,739	4,510,598
Gain/Loss on sale of assets	-	-	-	-	-
Transfers	(12,218,129)	(13,403,896)	(17,149,010)	(13,752,317)	(12,503,813)
Total business-type activities:	(6,375,082)	(6,802,462)	(9,847,263)	(1,972,583)	(957,783)
Total primary government	\$ 111,983,074	\$ 118,496,717	\$ 127,947,793	\$ 145,948,310	\$ 156,456,409
Change in Net Position					
Governmental activities	29,986,205	23,873,482	30,463,955	24,437,526	14,809,616
Business-type activities:	21,510,269	29,071,506	28,391,888	28,069,506	18,320,853
Total primary government	\$ 51,496,474	\$ 52,944,988	\$ 58,855,843	\$ 52,507,032	\$ 33,130,469

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

	2021	2022	Fiscal Year 2023	2024	2025
General Revenues and Other Changes in Net Asse					
Governmental activities:					
Taxes					
Property taxes	\$ 72,749,276	\$ 76,746,092	\$ 82,330,275	\$ 87,422,966	\$ 92,767,885
Sales taxes	43,376,175	48,981,223	50,569,762	50,364,555	49,923,733
Other taxes	17,814,915	24,100,260	26,281,387	28,652,475	26,067,992
Total taxes	133,940,366	149,827,575	159,181,424	166,439,996	168,759,610
Intergovernmental unrestricted					
Investment Earnings	-	-	-	-	-
Developer contributions	-	-	-	-	-
Miscellaneous	19,979,544	6,629,526	16,356,991	48,141,895	35,653,819
Gain/Loss on sale of assets	-	-	269,437	-	-
Extraordinary gain(loss)	-	-	-	-	-
Transfers	13,202,242	13,611,056	14,315,278	(1,951,946)	8,356,766
Total Governmental activities	167,122,152	170,068,157	190,123,130	212,629,945	212,770,195
Business-type activities:					
Investment Earnings	1,583,481	(6,929,120)	1,382,432	-	-
Miscellaneous	5,501,455	7,906,794	21,019,305	17,248,006	23,316,451
Gain/Loss on sale of assets	-	-	-	-	-
Transfers	(13,202,242)	(13,611,056)	(14,315,278)	1,951,946	(8,356,766)
Total business-type activities:	(6,117,306)	(12,633,382)	8,086,459	19,199,952	14,959,685
Total primary government	\$ 161,004,846	\$ 157,434,775	\$ 198,209,589	\$ 231,829,897	\$ 227,729,880
Change in Net Position					
Governmental activities	25,160,341	67,686,131	32,918,433	59,032,787	22,310,969
Business-type activities:	25,028,125	23,180,299	25,796,191	40,576,181	36,783,752
Total primary government	\$ 50,188,466	\$ 90,866,430	\$ 58,714,624	\$ 99,608,968	\$ 59,094,721

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

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 2,317,462	\$ 2,389,107	\$ 2,657,521	\$ 2,546,455	\$ 2,482,989
Restricted	-	-	9,993,649	10,537,671	11,148,456
Committed	19,516,594	19,765,583	22,303,807	20,413,909	20,424,871
Assigned	33,527,796	42,489,683	33,134,264	44,579,611	49,106,457
Unassigned	2,129,908	2,099,212	1,107,192	1,541,510	259,140
Total General Fund	<u>\$ 57,491,760</u>	<u>\$ 66,743,585</u>	<u>\$ 69,196,433</u>	<u>\$ 79,619,156</u>	<u>\$ 83,421,913</u>
All Other Governmental Funds					
Nonspendable					
Special revenue funds	\$ -	\$ 8,169	\$ 936	\$ 8,180	\$ 6,936
Debt service funds	-	-	-	-	-
Capital projects funds	-	585,000	-	-	-
Total Nomajor Funds	-	-	208,807	-	-
Restricted					
Special revenue funds	14,045,390	10,691,295	12,552,874	12,000,511	12,622,021
Debt service funds	2,563,360	-	-	-	-
Capital projects funds	41,373,208	33,510,793	-	-	70,584,494
Total Nomajor Funds	7,624,582	9,271,062	45,582,308	49,265,781	10,760,835
Committed					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	-	-	-	-	-
Assigned					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	-	-	-	-	-
Unassigned					
Special revenue funds	(2,718,367)	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	(100,689)	(139,423)	(19,556)	(15,789)	(22,836)
Total all other Governmental Funds	<u>\$ 62,787,484</u>	<u>\$ 53,926,896</u>	<u>\$ 58,325,369</u>	<u>\$ 61,258,683</u>	<u>\$ 93,951,450</u>
All Governmental Funds	<u>\$ 120,279,244</u>	<u>\$ 120,670,481</u>	<u>\$ 127,521,802</u>	<u>\$ 140,877,839</u>	<u>\$ 177,373,363</u>

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

	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	\$ 2,601,047	\$ 2,659,513	\$ 2,666,555	\$ 2,247,657	\$ 2,257,806
Restricted	18,614,390	15,730,926	16,154,547	89,806,411	86,294,020
Committed	21,917,199	23,815,200	23,815,200	26,242,427	28,144,543
Assigned	47,731,933	55,893,640	61,591,367	20,684,359	19,395,018
Unassigned	16,476,668	17,388,009	14,624,255	3,809,267	6,509,984
Total General Fund	<u>\$ 107,341,237</u>	<u>\$ 115,487,288</u>	<u>\$ 118,851,924</u>	<u>\$ 142,790,121</u>	<u>\$ 142,601,371</u>
All Other Governmental Funds					
Nonspendable					
Special revenue funds	\$ 2,444	\$ -	\$ 4,578	\$ 6,937	\$ 1,998
Debt service funds	-	-	-	-	-
Capital projects funds	-	5,392	2,340	-	-
Total Nomajor Funds	-	-	12,773	115	2,480
Restricted					
Special revenue funds	11,570,285	16,785,220	16,595,706	20,160,909	24,376,407
Debt service funds	-	-	-	-	-
Capital projects funds	54,181,861	66,518,005	75,937,878	79,883,308	110,843,114
Total Nomajor Funds	10,356,513	10,434,421	13,944,194	9,116,055	11,622,475
Committed					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	-	-	-	-	-
Assigned					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	425,066	-	-	-	-
Total Nomajor Funds	-	-	-	-	-
Unassigned					
Special revenue funds	-	-	-	(8,998)	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	(22,818)	(23,597)	(602,465)	(2,580)	(32,352)
Total all other Governmental Funds	<u>\$ 76,513,351</u>	<u>\$ 93,719,441</u>	<u>\$ 105,895,004</u>	<u>\$ 109,155,746</u>	<u>\$ 146,814,122</u>
All Governmental Funds	<u>\$ 183,854,588</u>	<u>\$ 209,206,729</u>	<u>\$ 224,746,928</u>	<u>\$ 251,945,867</u>	<u>\$ 289,415,493</u>

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

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 2,317,462	\$ 2,389,107	\$ 2,657,521	\$ 2,546,455	\$ 2,482,989
Restricted	-	-	9,993,649	10,537,671	11,148,456
Committed	19,516,594	19,765,583	22,303,807	20,413,909	20,424,871
Assigned	33,527,796	42,489,683	33,134,264	44,579,611	49,106,457
Unassigned	2,129,908	2,099,212	1,107,192	1,541,510	259,140
Total General Fund	<u>\$ 57,491,760</u>	<u>\$ 66,743,585</u>	<u>\$ 69,196,433</u>	<u>\$ 79,619,156</u>	<u>\$ 83,421,913</u>
All Other Governmental Funds					
Nonspendable					
Special revenue funds	\$ -	\$ 8,169	\$ 936	\$ 8,180	\$ 6,936
Debt service funds	-	-	-	-	-
Capital projects funds	-	585,000	-	-	-
Total Nomajor Funds	-	-	208,807	-	-
Restricted					
Special revenue funds	14,045,390	10,691,295	12,552,874	12,000,511	12,622,021
Debt service funds	2,563,360	-	-	-	-
Capital projects funds	41,373,208	33,510,793	-	-	70,584,494
Total Nomajor Funds	7,624,582	9,271,062	45,582,308	49,265,781	10,760,835
Committed					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	-	-	-	-	-
Assigned					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	-	-	-	-	-
Unassigned					
Special revenue funds	(2,718,367)	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	(100,689)	(139,423)	(19,556)	(15,789)	(22,836)
Total all other Governmental Funds	<u>\$ 62,787,484</u>	<u>\$ 53,926,896</u>	<u>\$ 58,325,369</u>	<u>\$ 61,258,683</u>	<u>\$ 93,951,450</u>
All Governmental Funds	<u>\$ 120,279,244</u>	<u>\$ 120,670,481</u>	<u>\$ 127,521,802</u>	<u>\$ 140,877,839</u>	<u>\$ 177,373,363</u>

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

	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	\$ 2,601,047	\$ 2,659,513	\$ 2,666,555	\$ 2,247,657	\$ 2,257,806
Restricted	18,614,390	15,730,926	16,154,547	89,806,411	86,294,020
Committed	21,917,199	23,815,200	23,815,200	26,242,427	28,144,543
Assigned	47,731,933	55,893,640	61,591,367	20,684,359	19,395,018
Unassigned	16,476,668	17,388,009	14,624,255	3,809,267	6,509,984
Total General Fund	<u>\$ 107,341,237</u>	<u>\$ 115,487,288</u>	<u>\$ 118,851,924</u>	<u>\$ 142,790,121</u>	<u>\$ 142,601,371</u>
All Other Governmental Funds					
Nonspendable					
Special revenue funds	\$ 2,444	\$ -	\$ 4,578	\$ 6,937	\$ 1,998
Debt service funds	-	-	-	-	-
Capital projects funds	-	5,392	2,340	-	-
Total Nomajor Funds	-	-	12,773	115	2,480
Restricted					
Special revenue funds	11,570,285	16,785,220	16,595,706	20,160,909	24,376,407
Debt service funds	-	-	-	-	-
Capital projects funds	54,181,861	66,518,005	75,937,878	79,883,308	110,843,114
Total Nomajor Funds	10,356,513	10,434,421	13,944,194	9,116,055	11,622,475
Committed					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	-	-	-	-	-
Assigned					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	425,066	-	-	-	-
Total Nomajor Funds	-	-	-	-	-
Unassigned					
Special revenue funds	-	-	-	(8,998)	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total Nomajor Funds	(22,818)	(23,597)	(602,465)	(2,580)	(32,352)
Total all other Governmental Funds	<u>\$ 76,513,351</u>	<u>\$ 93,719,441</u>	<u>\$ 105,895,004</u>	<u>\$ 109,155,746</u>	<u>\$ 146,814,122</u>
All Governmental Funds	<u>\$ 183,854,588</u>	<u>\$ 209,206,729</u>	<u>\$ 224,746,928</u>	<u>\$ 251,945,867</u>	<u>\$ 289,415,493</u>

Revenue Capacity Information

CITY OF OCEANSIDE, CALIFORNIA
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
2016	51,874,767	23,265,039	1,000,623	6,574,179	4,493,687	2,706,109	89,914,404
2017	55,113,613	22,130,638	1,076,478	7,066,170	4,185,453	2,812,886	92,385,238
2018	58,496,100	22,671,661	1,190,591	7,944,470	4,241,056	3,022,177	97,566,055
2019	63,883,081	24,155,296	1,087,132	8,509,768	4,271,004	3,212,961	105,119,242
2020	67,216,625	37,051,162	1,208,869	7,359,497	4,251,317	3,244,103	120,331,572
2021	71,352,379	43,376,175	1,396,897	9,282,023	4,300,716	3,432,360	133,140,550
2022	74,762,399	48,981,222	1,983,693	14,841,517	4,334,118	3,734,018	148,636,967
2023	81,201,339	50,569,762	1,128,936	16,356,383	4,541,423	4,067,143	157,864,986
2024	87,422,966	50,364,555	1,295,979	17,888,244	4,887,187	4,581,080	166,440,011
2025	92,767,885	49,923,733	1,292,754	15,954,415	4,100,642	4,720,181	168,759,610
Change 2016-2025	78.8%	114.6%	29.2%	142.7%	-8.7%	74.4%	87.7%

Source: Financial Services Department, Accounting Division

Note: Revenues are from the General Fund only

CITY OF OCEANSIDE, CALIFORNIA
Schedule of Assessed Valuation
Last Ten Fiscal Years

Fiscal Year	ASSESSED VALUATIONS			
	Land	Improvements	Personal Property	Total
2016	9,287,367,799	10,202,305,174	185,365,982	19,675,038,955
2017	9,956,177,981	10,663,321,344	251,412,274	20,870,911,599
2018	10,679,348,905	11,247,074,394	307,972,603	22,234,395,902
2019	11,469,470,694	11,805,171,159	364,425,781	23,639,067,634
2020	12,204,793,720	12,478,771,806	320,497,599	25,004,063,125
2021	12,917,987,608	13,160,603,963	305,789,972	26,384,381,543
2022	13,595,409,230	13,733,436,839	296,940,229	27,625,786,298
2023	14,859,142,249	14,520,211,611	296,491,314	29,675,845,174
2024	16,136,562,439	15,272,796,632	295,402,689	31,704,761,760
2025	17,148,318,167	16,143,645,093	312,543,325	33,604,506,585

Source: County of San Diego

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

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

EXEMPTIONS			Net Taxable Value	Realized Tax Rate	Property Tax Revenue
Homeowner's	Tax Increment	All Other			
198,243,898	*	379,259,306	19,097,535,751	0.272 %	51,874,767
196,660,960	*	405,190,781	20,269,059,858	0.272 %	55,113,613
194,632,977	*	427,420,513	21,612,342,412	0.271 %	58,496,100
194,799,231	*	467,492,508	22,976,775,895	0.278 %	63,883,081
197,019,782	*	521,482,712	24,285,560,631	0.277 %	67,216,625
194,248,295	*	549,615,176	25,640,518,072	0.278 %	71,352,379
189,354,165	*	630,378,446	26,806,053,687	0.279 %	74,762,399
190,103,513	*	634,175,536	28,851,566,125	0.281 %	81,201,339
187,870,848	*	690,314,096	30,826,576,816	0.284 %	87,422,966
185,903,973	*	752,941,475	32,665,661,137	0.284 %	92,767,885

CITY OF OCEANSIDE, CALIFORNIA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Education	Special Districts Improvements	City of Oceanside	Basic County/ City Rate	Total Tax Rate (1)
2016	0.25120%	0.02942%	0.19282%	1.00000%	1.47344%
2017	0.24331%	0.03020%	0.18912%	1.00000%	1.46263%
2018	0.27054%	0.03104%	0.18914%	1.00000%	1.49072%
2019	0.26562%	0.03100%	0.18924%	1.00000%	1.48586%
2020	0.31539%	0.00350%	0.18924%	1.00000%	1.50813%
2021	0.31851%	0.00350%	0.18927%	1.00000%	1.51128%
2022	0.33068%	0.00350%	0.18934%	1.00000%	1.52352%
2023	0.29213%	0.00350%	0.18934%	1.00000%	1.48497%
2024	0.26384%	0.00350%	0.18942%	1.00000%	1.45676%
2025	0.25449%	0.00350%	0.18943%	1.00000%	1.44742%

(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, CALIFORNIA
Principal Property Owners
Current Year and Ten Years Ago

Principal Tax Payers	2025			2016		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Genentech Inc	\$ 536,004,713	1	1.59%			
Gilead Sciences Inc	218,074,607	2	0.65%			
Oceanside Beach Resort Owner LLC	215,726,972	3	0.64%			
3500 Windrift LLC	203,857,815	4	0.61%			
P K II El Camino North LP	148,289,744	5	0.44%			
Meadow Woods at Alpine LLC	114,148,526	6	0.34%			
Rexford Industrial Realty LP	112,293,209	7	0.33%			
P R II Wood Oceanside LLC	107,224,427	8	0.32%			
29SC Sunterra Owner	100,033,602	9	0.30%			
Guardian Piazza Doro LLC	97,948,772	10	0.29%			
Genentech Inc.				\$ 332,182,334	1	1.68%
P K II El Camino North LP				97,012,459	2	0.49%
Guardian Piazza Doro LLC				82,703,944	3	0.42%
Walmart Real Estate Business Trust				78,378,674	4	0.40%
Gilead Sciences Inc				73,678,041	5	0.37%
ACP Rancho Del Oro LLC				68,870,889	6	0.35%
Wyndham Vacation Resorts				67,279,449	7	0.34%
Lakeridge-Island Club Apartments Partners				65,449,195	8	0.33%
Prime Mesa LP				55,439,737	9	0.28%
AGC Pacific Coast Plaza LLC				54,645,418	10	0.28%
	<u>\$ 1,853,602,387</u>		<u>5.50%</u>	<u>\$ 975,640,140</u>		<u>4.96%</u>

Source: San Diego County Assessor and HdL Coren & Cone

CITY OF OCEANSIDE, CALIFORNIA
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
2016	36,515,160	35,166,254	96.3%	195,113	35,361,367	96.8%	1,138,605	3.1%
2017	38,597,840	37,385,953	96.9%	162,427	37,548,380	97.3%	1,170,607	3.0%
2018	41,138,189	39,799,843	96.7%	198,037	39,997,880	97.2%	1,095,676	2.7%
2019	43,555,209	42,186,390	96.9%	94,605	42,280,995	97.1%	1,263,595	2.9%
2020	45,895,092	44,216,119	96.3%	179,484	44,395,603	96.7%	1,534,972	3.3%
2021	48,752,161	46,845,370	96.1%	360,408	47,205,778	96.8%	1,546,610	3.2%
2022	50,589,790	48,831,491	96.5%	303,529	49,135,020	97.1%	1,840,999	3.6%
2023	54,304,726	52,592,147	96.8%	20,545	52,612,692	96.9%	1,988,627	3.7%
2024	58,354,040	56,298,845	96.5%	75,423	56,374,268	96.6%	2,120,107	3.6%
2025	61,921,506	59,595,172	96.2%	201,696	59,796,868	96.6%	2,256,433	3.6%

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.

Debt Capacity Information

CITY OF OCEANSIDE, CALIFORNIA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Certificates of Participation
	Pension Obligation Bonds	Redevelopment Bonds	Leases	SBITA	Capital Leases & Notes Payable	Lease Revenue Bonds	
2015	33,580,000	*			7,362,394	-	25,389,486
2016	32,020,000	*			15,089,652	-	12,770,699
2017	29,435,000	*			12,458,051	-	10,777,303
2018	26,660,000	*			9,905,059	-	8,742,118
2019	23,690,000	*			4,543,353	-	6,649,757
2020	20,440,490	*			2,159,697	26,177,965	5,061,883
2021	17,023,446	*			1,961,041	26,144,671	3,435,291
2022	13,258,120	*	390,139		1,752,740	26,024,699	1,747,138
2023	9,315,000	*	254,791	1,332,972	1,533,084	25,889,401	-
2024	4,954,861	*	3,306,832	1,307,417	1,255,000	25,314,549	-
2025	254,861	*	40,311,360	1,758,923	1,030,000	24,735,528	-

² Ratios were calculated using Per Capita Personal Income as provided by HDL.

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

Business-Type Activities								
Revenue Bonds	Certificates of Participation	Leases	SBITA	Loans Payable	Total Primary Government	Percentage of Personal Income	^{1, 2}	Per Capita ¹
34,710,680	-	-	-	29,250,858	130,293,418	2.75	%	760
31,114,970	-	-	-	26,773,016	117,768,337	2.45	%	669
28,069,259	-		-	24,248,049	104,987,662	2.14	%	595
24,918,549	-	-	-	21,675,178	91,900,904	1.79	%	518
22,307,838	-	-	-	19,083,824	76,274,772	1.38	%	428
19,602,128	-	-	-	16,501,514	89,943,677	1.54	%	507
46,356,590	-	-	-	30,430,000	125,351,039	2.05	%	709
43,433,278	-	238,559	-	58,822,019	145,666,692	2.22	%	842
41,149,966	-	-	473,492	61,070,963	141,019,669	2.07	%	824
38,797,500	-	-	276,703	58,825,893	134,038,755	1.86	%	782
36,568,316	-	-	381,615	55,715,411	160,756,014	2.09	%	922

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

Fiscal Year	Governmental Activities				
	Pension Obligation Bonds	Redevelopment Bonds	Certificates of Participation	Lease Revenue Bonds	Debt Service Fund Balance
2015	33,580,000	*	24,874,361	-	-
2016	32,020,000	*	12,299,360	-	-
2017	29,435,000	*	10,457,952	-	(2,588,474)
2018	26,660,000	*	8,574,755	-	(2,602,920)
2019	23,690,000	*	6,649,757	-	(2,679,104)
2020	20,495,000	*	8,549,358	22,745,000	(2,312,694)
2021	17,050,000	*	6,808,408	22,745,000	(2,325,792)
2022	13,279,060	*	1,747,138	22,745,000	(2,252,837)
2023	9,315,000	*	-	22,745,000	(2,359,185)
2024	4,954,861	*	-	25,314,549	(39,476)
2025	254,861	*	-	24,735,528	-

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

² Began breaking out fund balance for Debt Service in 2017

Net Bonded Debt	Percent of Assessed Value ¹	Per Capita	Total Assessed Valuation	Population
58,454,361	0.31%	342	18,780,841,789	170,791
44,319,360	0.22%	252	19,721,367,813	175,948
37,304,478	0.18%	211	20,914,477,517	176,461
32,631,835	0.15%	184	22,324,441,314	177,362
27,660,653	0.12%	155	23,698,960,502	178,021
49,476,664	0.20%	279	25,030,808,682	177,335
44,277,616	0.17%	251	26,427,955,114	176,754
35,518,361	0.13%	205	27,515,915,555	173,048
29,700,815	0.10%	174	29,645,334,140	171,063
30,229,934	0.10%	176	31,728,131,082	171,483
24,990,389	0.07%	143	33,643,966,678	174,340

CITY OF OCEANSIDE, CALIFORNIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025

	Total Debt 6/30/2025	% Applicable (1)	City's Share of 6/30/2025
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 17,155,000	0.824%	\$ 141,357
Mira Costa Community College District	349,345,000	16.536%	57,767,689
Palomar Community College District	611,941,649	5.134%	31,417,084
Carlsbad Unified School District	365,232,848	1.720%	6,282,005
Oceanside Unified School District	315,763,782	99.814%	315,176,461
Vista Unified School District	205,684,882	32.282%	66,399,194
Bonsall Unified School District	8,712,480	20.732%	1,806,271
City of Oceanside Community Facilities District No. 2000-1	14,810,000	100.000%	14,810,000
City of Oceanside Community Facilities District No. 2001-1	6,440,000	100.000%	6,440,000
City of Oceanside Community Facilities District No. 2001-1, Improvement Area No. 1	2,630,000	100.000%	2,630,000
City of Oceanside Community Facilities District No. 2006-1	7,485,000	100.000%	7,485,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 510,355,061

<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Diego County General Fund Obligations	\$ 351,065,000	4.538%	\$ 15,931,330
San Diego County Pension Obligation Bonds	140,370,000	4.538%	6,369,991
San Diego County Superintendent of Schools Certificates of Participation	5,125,000	4.538%	232,573
Mira Costa Community College Certificates of Participation	48,020,000	16.536%	7,940,587
Palomar Community College District Certificates of Participation	1,030,000	5.134%	52,880
Carlsbad Unified School District Certificates of Participation	52,330,000	1.720%	900,076
Vista Unified School District Certificates of Participation	34,360,000	32.282%	11,092,095
Oceanside Unified School District General Fund Obligations	38,090,000	99.814%	38,019,153
Bonsall Unified School District Certificates of Participation	5,712,200	20.732%	1,184,253
Lease Liabilities	4,031,130	100.000%	4,031,130
Subscription Liabilities	1,758,923	100.000%	1,758,923
Claims and Judgements	33,018,494	100.000%	33,018,494
Compensated Absences	15,963,106	100.000%	15,963,106
City of Oceanside General Fund Obligations	24,735,528	100.000%	24,735,528
City of Oceanside Pension Obligation Bonds	270,000	100.000%	270,000
City of Oceanside Notes Obligations	1,030,000	100.000%	1,030,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 162,530,119

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	2,370,000	100.000%	2,370,000
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TOTAL DIRECT DEBT			26,035,528
TOTAL OVERLAPPING DEBT			\$ 649,219,652
 GROSS COMBINED TOTAL DEBT			 \$ 675,255,180

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

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.68%
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Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$48,199,222)	0.15%
Combined Total Debt	2.12%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,187,143,472):

Total Overlapping Tax Increment Debt	0.10%
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CITY OF OCEANSIDE, CALIFORNIA
Legal Debt Margin Information
Last Ten Years

	2016	2017	Fiscal Year 2018	2019	2020
Assessed valuation	\$ 19,721,367,813	\$ 20,914,477,517	\$ 22,324,441,314	\$ 23,698,960,502	\$ 25,030,808,682
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	4,930,341,953	5,228,619,379	5,581,110,329	5,924,740,126	6,257,702,171
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	739,551,293	784,292,907	837,166,549	888,711,019	938,655,326
Total net debt applicable to limit:					
General & Pension Obligation Bonds	32,020,000	29,435,000	26,660,000	23,690,000	20,495,000
Legal debt margin	707,531,293	754,857,907	810,506,549	865,021,019	918,160,326
Total debt applicable to the limit as a percentage of the debt limit	4.3%	3.8%	3.2%	2.7%	2.2%

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.

	2021	2022	Fiscal Year 2023	2024	2025
	\$ 26,427,955,114	\$ 27,515,915,555	\$ 29,645,334,140	\$ 31,728,131,082	\$ 33,643,966,678
	25%	25%	25%	25%	25%
	6,606,988,779	6,878,978,889	7,411,333,535	7,932,032,771	8,410,991,670
	15%	15%	15%	15%	15%
	991,048,317	1,031,846,833	1,111,700,030	1,189,804,916	1,261,648,750
	17,050,000	13,330,000	9,315,000	4,970,000	270,000
	973,998,317	1,018,516,833	1,102,385,030	1,184,834,916	1,261,378,750
	1.7%	1.3%	0.8%	0.4%	0.0%

CITY OF OCEANSIDE, CALIFORNIA
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	
**2016	60,589,287	54,093,986	6,495,301	1,375,000	833,213	2,208,213	2.94
**2017	69,041,943	54,741,069	14,300,874	1,425,000	778,213	2,203,213	6.49
**2018	73,622,607	60,136,522	13,486,085	1,475,000	721,213	2,196,213	6.14
**2019	68,164,609	61,017,580	7,147,029	1,120,000	662,213	1,782,213	4.01
**2020	69,352,073	63,563,497	5,788,576	1,160,000	617,413	1,777,413	3.26
**2021	78,640,881	66,289,795	12,351,086	1,550,000	1,340,129	2,890,129	4.27
**2022	80,776,285	64,180,159	16,596,126	1,965,000	1,219,163	3,184,163	5.21
**2023	73,293,738	74,508,889	(1,215,151)	1,295,000	1,146,792	2,441,792	(0.50)
**2024	75,591,858	77,369,762	(1,777,904)	1,280,000	1,097,481	2,377,481	(0.75)
**2025	90,243,879	80,986,871	9,257,008	1,310,000	1,073,841	2,383,841	3.88

Sewer Revenue Bonds							
Fiscal Year	Sewer Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2016	46,371,556	30,470,684	15,900,872	1,615,000	498,419	2,113,419	7.52
2017	47,599,766	29,796,336	17,803,430	1,075,000	433,819	1,508,819	11.80
2018	47,800,364	26,629,434	21,170,930	1,120,000	390,819	1,510,819	14.01
2019	61,017,580	32,660,817	28,356,763	1,160,000	346,019	1,506,019	18.83
2020	48,428,421	40,475,718	7,952,703	1,215,000	299,619	1,514,619	5.25
2021	50,627,290	37,043,401	13,583,889	1,255,000	251,019	1,506,019	9.02
2022	51,783,716	34,967,271	16,816,445	565,000	200,819	765,819	21.96
2023	58,221,356	42,028,915	16,192,441	595,000	172,569	767,569	21.10
2024	54,053,534	41,413,518	12,640,016	620,000	148,769	768,769	16.44
2025	55,871,859	43,014,332	12,857,527	640,000	123,969	763,969	16.83

*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

Demographic and Economic Information

CITY OF OCEANSIDE, CALIFORNIA
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>
2016	175,948	9,194	52,256	5.3%
2017	176,461	9,561	54,184	4.8%
2018	177,362	9,963	56,172	3.7%
2019	178,021	10,385	58,335	3.4%
2020	177,335	10,731	60,511	3.3%
2021	176,754	11,308	63,978	10.0%
2022	173,048	11,907	68,809	6.8%
2023	171,063	12,293	71,864	6.8%
2024	171,483	12,770	74,465	4.1%
2025	174,340	13,452	77,161	4.3%

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

CITY OF OCEANSIDE, CALIFORNIA
Top 25 Sales tax Producers
Current Year and Ten Years Ago

	Calendar 2024	Calendar 2015
Business Name	Business Category	Business Category
Albertsons	Grocery Stores	
Arco AM PM	Service Stations	
Best Buy	Electronics/Appliance Stores	
Carmax	Used Automotive Dealers	
Chevron	Service Stations	
Chevron	Service Stations	
Circle K	Service Stations	
CVS Pharmacy	Drug Stores	
Discount Tire	Automotive Supply Stores	
Express Fuel	Service Stations	
G&M	Service Stations	
Home Depot	Building Materials	
In N Out Burger	Quick-Service Restaurants	
Lowe's	Building Materials	
McDonald's	Quick-Service Restaurants	
Mohsen Oil	Service Stations	
Mossy Nissan	New Motor Vehicle Dealers	
One Source Distributors	Plumbing/Electrical Supplies	
Ross	Family Apparel	
Superior Ready Mix	Contractors	
Target	Discount Dept Stores	
Texas Roadhouse	Casual Dining	
TJ Maxx	Family Apparel	
United Oil	Service Stations	
Walmart Supercenter	Discount Dept Stores	
7 Eleven		Service Stations
Albertsons		Grocery Stores
Arco AM PM		Service Stations
Best Buy		Electronics/Appliance Stores
Chevron		Service Stations
Circle K		Service Stations
CVS Pharmacy		Drug Stores
G&M		Service Stations
Home Depot		Building Materials
Kohls		Department Stores
Krannich Solar West		Energy/Utilities
Lowe's		Building Materials
McDonald's		Quick-Service Restaurants
Melrose Shell		Service Stations
Mission Gas & Mini Mart		Service Stations
Mohsen Oil		Service Stations
Mossy Nissan		New Motor Vehicle Dealers
MWI Plumbers Supply		Plumbing/Electrical Supplies
One Source Distributors		Plumbing/Electrical Supplies
Ralphs		Grocery Stores
Ross		Family Apparel
Stater Bros		Grocery Stores
Target		Discount Dept Stores
United Oil		Service Stations
Walmart Supercenter		Discount Dept Stores

Percent of Fiscal Year Total Paid by
Top 25 Accounts

39%

40%

* Firms listed alphabetically

Source: HdL Coren & Cone

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

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	124	118	101	102	104	104	104	154	159	143
Public Safety										
Police	322	327	325	325	327	328	326	324	303	304
Fire	130	126	126	127	142	142	146	139	152	151
Public Works	88	93	113	113	113	113	113	119	120	123
Development Services	58	60	58	58	58	59	74	78	76	77
Neighborhood Services	57	58	60	60	60	60	26	25	27	27
Parks and Recreation	0	0	0	0	0	-	21	23	24	24
Economic & Community Development	2	4	4	4	4	4	3	3	3	2
Library	27	27	27	27	26	26	27	28	31	31
Water Utilities	144	147	152	151	150	150	162	163	165	170
Total	952	960	966	967	984	985	1,002	1,056	1,061	1,052

Note:

Source: Financial Services Department- Authorized Positions

Operating Information

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

	2016	2017	2018	2019	Fiscal Year 2020	2021	2022	2023	2024	2025
Police										
Arrests	5,021	5,426	5,505	5,993	5,794	5,018	4,207	4,091	4,738	3,170
Citations	13,654	15,462	7,098	8,368	11,469	12,577	6,856	10,255	6,430	6,176
Fire										
Number of Emergency Calls	20,430	21,009	21,408	20,913	21,157	21,202	22,301	24,130	23,609	27,773
Inspections	2,491	3,057	4,002	3,642	3,335	3,296	3,496	3,995	4,110	4,045
Public Works										
Street Resurfacing (lane miles)	49	3	40	9	8	34	29	48	127	22
Water										
Average Daily Consumption (million gallons)	19	20	22	19	18	18	18	18	18	18
Wastewater										
Average Daily Sewage Treatment (million gallons)	11	12	10	10	10	10	10	11	11	11
Recreation										
Number of Recreation Classes (quarterly)	145	165	170	160	100	118	130	160	279	338
Library										
Total Volumes in Collection	200,211	197,529	196,732	194,443	192,724	166,495	169,788	172,806	169,345	170,529
Total Volumes Loaned	453,213	398,206	405,474	412,925	256,277	305,983	411,366	439,658	466,105	478,952

Source: Various City Departments

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

	<u>2016</u>	<u>2017</u>	<u>Fiscal Year 2018</u>	<u>2019</u>	<u>2020</u>
Police					
Number of Police Stations	1	1	1	1	1
Fire					
Number of Fire Stations	8	8	8	8	8
Number of Engine Companies	6	6	6	6	8
Number of Truck/Rescue Companies	2	2	2	2	1
Number of Ambulances	5	5	5	5	5.5
Public Works					
Miles of Streets:	480	480	480	480	480
Number of Street Lights (City Owned):	8,546	8,546	8,546	8,377	8,400
Utilities:					
Miles of Lines and Mains	593	591	591	591	591
Number of Wastewater Treatment Plants	2	2	2	2	2
Miles of Sewers	460	480	480	480	450
Recreation and Cultural:					
Number of Parks (Improved and Unimproved)	33	33	33	33	33
Area of Parks (In Acres)	810	810	810	810	810
Recreation & Senior Centers	6	6	6	6	6
Pools	2	2	2	2	2
Number of Libraries	2	2	2	2	2
Number of Library Outlets	3	3	3	3	3
Number of Bookmobiles	2	2	2	2	2
Computer Terminals for Internet Access (Public)	75	66	60	60	60
Number of Visitors to Library	476,019	434,489	519,859	511,244	321,109

Source: Various City Departments

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

	<u>2021</u>	<u>2022</u>	<u>Fiscal Year 2023</u>	<u>2024</u>	<u>2025</u>
Police					
Number of Police Stations	1	1	1	1	1
Fire					
Number of Fire Stations	8	8	8	8	8
Number of Engine Companies	8	8	8	8	8
Number of Truck/Rescue Companies	1	1	1	1	1
Number of Ambulances	6	6	7	7	7
Public Works					
Miles of Streets:	480	480	480	480	48
Number of Street Lights (City Owned):	8,400	8,400	8,400	8,399	8,400
Utilities:					
Miles of Lines and Mains	656	662	660	661	666
Number of Wastewater Treatment Plants	2	2	2	2	2
Miles of Sewers	510	522	508	510	497
Recreation and Cultural:					
Number of Parks (Improved and Unimproved)	33	33	33	33	33
Area of Parks (In Acres)	812	812	812	812	812
Recreation & Senior Centers	6	6	6	6	6
Pools	3	3	3	3	3
Number of Libraries	2	2	3	4	4
Number of Library Outlets	3	3	4	6	6
Number of Bookmobiles	2	2	2	2	2
Computer Terminals for Internet Access (Public)	20	40	47	70	71
Number of Visitors to Library	88,489	293,546	352,848	395,078	432,878

Source: Various City Departments