



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Escondido, California



Fiscal Year ended June 30, 2024

CITY OF ESCONDIDO, CA

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024



Dane White
Mayor



**Consuelo
Martinez**
Councilmember
District One



Joe Garcia
Councilmember
District Two



**Christian
Garcia**
Councilmember
District Three



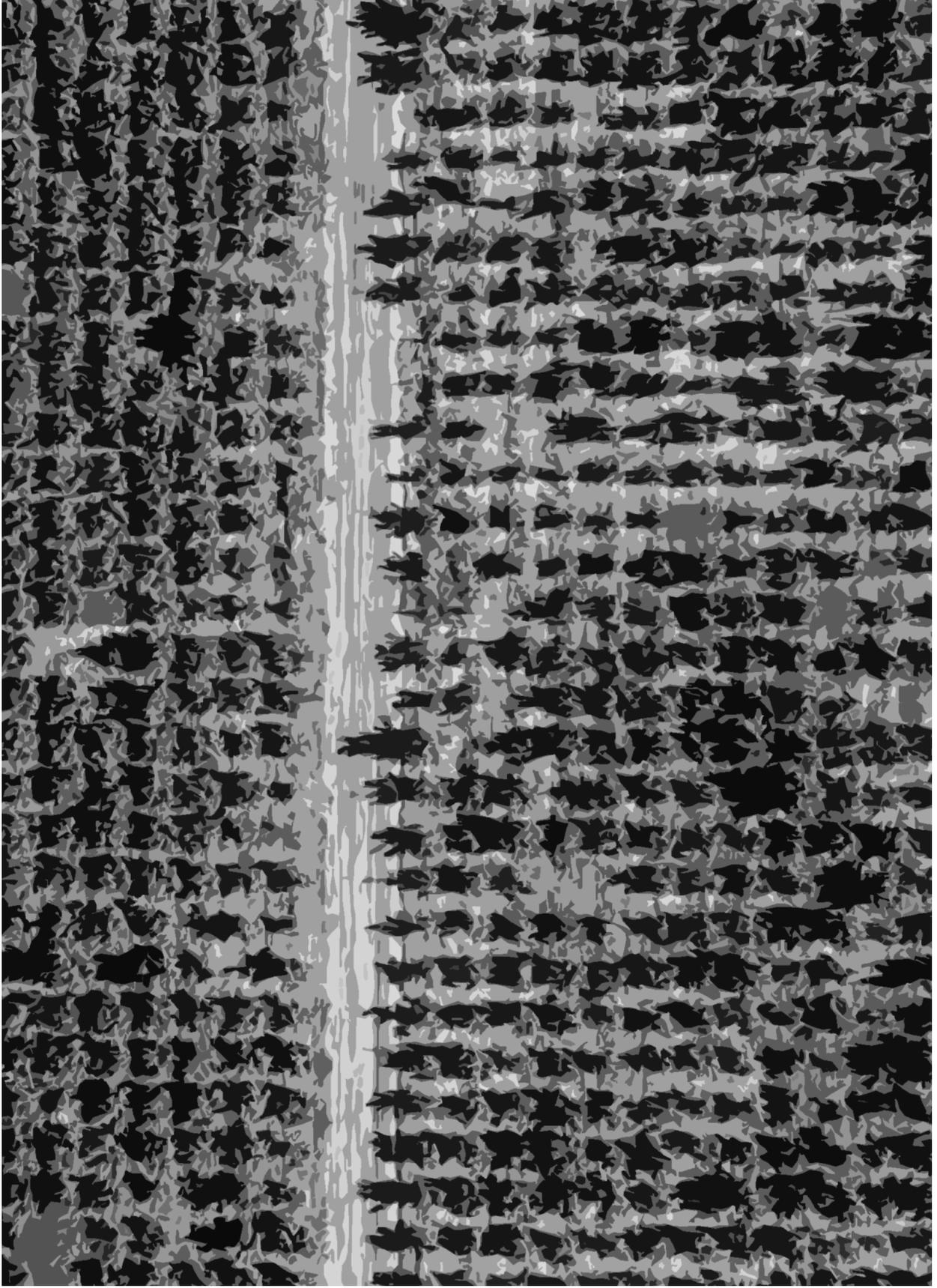
**Michael
Morasco**
Councilmember
District Four

Sean McGlynn
City Manager

Christopher McKinney
Deputy City Manager/Director of Utilities

Joanna Axelrod
Deputy City Manager/Director of
Communications & Community Services

2023/24



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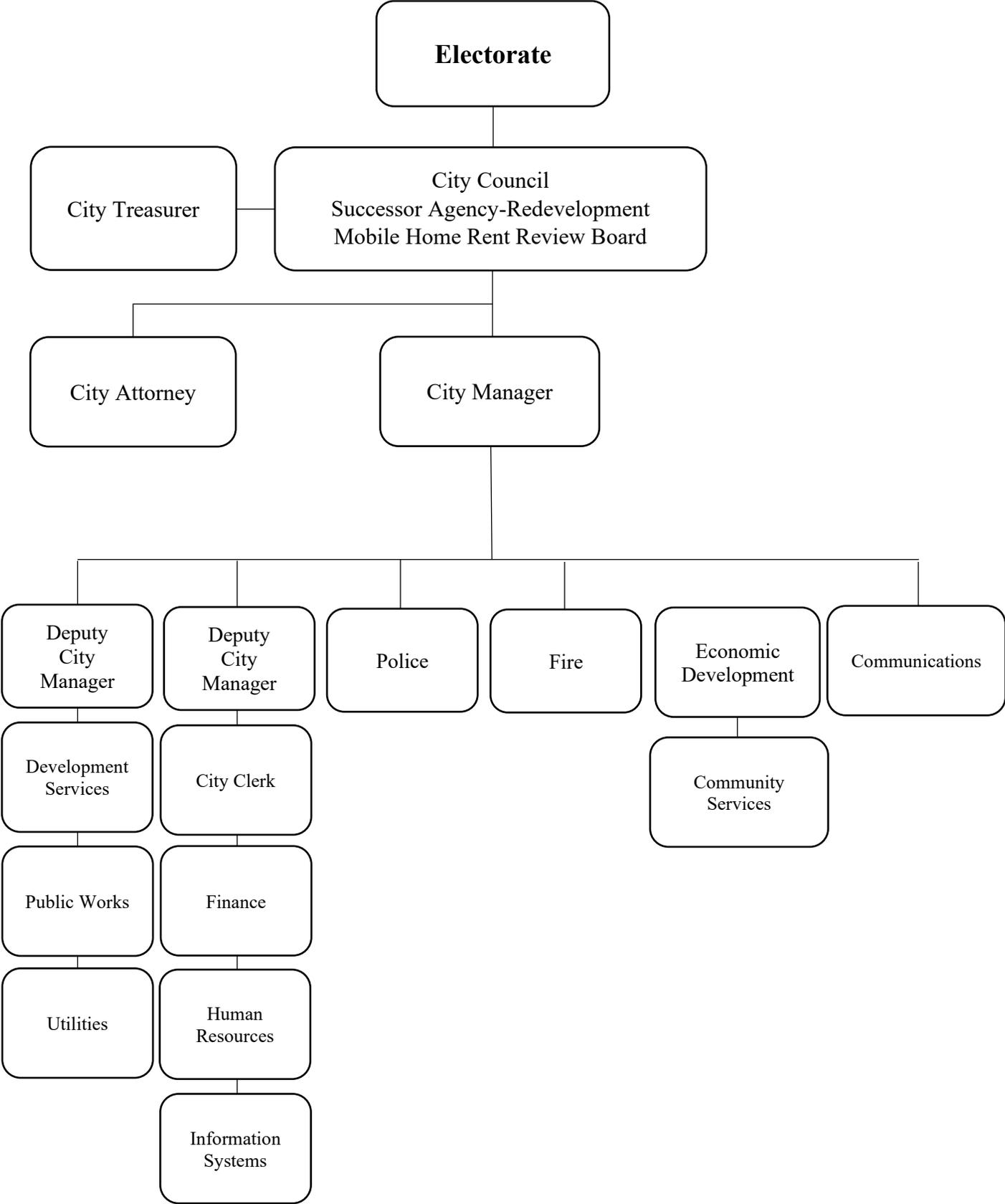
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CITY OF ESCONDIDO
Organization Chart
June 30, 2024





February 12, 2025

Honorable Mayor, Members of the City Council,
and Residents of the City of Escondido, California:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Escondido for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City of Escondido. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Escondido has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Escondido's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Escondido's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Escondido's financial statements have been audited by CliftonLarsonAllen (CLA) LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Escondido for the fiscal year ended June 30, 2024, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Escondido's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

In addition, CliftonLarsonAllen (CLA) LLP audited the City's major program expenditures of federal funds for compliance with the Federal Single Audit Act Amendments of 1996, the Office of Management and Budget Uniform Guidance regulating Single Audits, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The report of the Single Audit is published separately from this ACFR and may be obtained upon request from the City's Finance Department.

Management has provided 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 Escondido's MD&A can be found immediately following the Independent Auditors' Report.

CITY OF ESCONDIDO PROFILE

The City of Escondido is located in north San Diego County, approximately 30 miles north of the City of San Diego, California. Escondido is an established community incorporated on October 8, 1888 under the general laws of the State of California. The City's current population is estimated to be 151,038. Within the 37 square miles that comprise the City, there are many residential communities; the largest enclosed regional mall in San Diego County; 1 regional hospital; 15 hotels; an auto center; many office, industrial, and commercial centers; and civic, cultural, and recreational facilities.

CITY OF ESCONDIDO

Letter of Transmittal

The City operates under a Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a four-member Council. The City Council is elected by districts on a staggered basis for a term of four years. The Mayor is directly elected at large for a four-year term. The City Treasurer is also elected to a four-year term. The City Council appoints the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing heads of departments. The operating departments include Administrative Services, City Clerk, Community Development, Community Services, Fire, Information Systems, Police, Public Works, and Utilities.

The City of Escondido is a full-service City providing the following services to its residents and visitors: police and fire protection, building safety regulation and inspection, circulation and public facility capital improvement construction, street and park maintenance, planning and zoning, a full range of recreational programs for citizen participation, a senior center, a library, and water and wastewater services. Escondido continues to establish itself as the “City of Choice” for businesses, developments, and families who are seeking a quality environment in which to live, work and play.

The City is financially accountable for two legally separate entities that are included as an integral part of the City's financial statements. These component units include the Vehicle Parking District, established for the purpose of acquiring and improving parking lots in Escondido, and the Escondido Joint Powers Financing Authority, an entity created to issue debt to finance City projects.

Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City and to differentiate their financial position, results of operations and cash flows from those of the City. The California Center for the Arts, Escondido Foundation is a discretely presented component unit.

A key element of the City's financial management process is the development and approval of an annual budget. The City Manager is required to prepare and submit to the City Council an annual proposed budget. Budget hearings are held and a final budget is adopted before July 1, which is the start of the new fiscal year. The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within a fund. The budget is regularly monitored and the City Council receives quarterly financial updates. Budget-to-actual comparisons are provided in this report for each major governmental fund for which an annual budget has been adopted.

ECONOMIC CONDITION AND OUTLOOK

Escondido's economy is one of the most diversified in North San Diego County. Industries such as healthcare, specialty food and beverage manufacturing, agriculture, professional services and precision manufacturing all call Escondido home. Retail sales are among the highest in San Diego County due to the presence of the Escondido Auto Park and North County Mall. Palomar Medical Center, which opened its doors in the Escondido Research and Technology Center in 2012, is the centerpiece of the region's health care system and is recognized as one of the most technologically advanced hospitals in the world. Escondido is home to dozens of innovative companies and entrepreneurs, with one of the highest numbers of recorded patents per capita in the nation.

Since the Great Recession, the City experienced a stable economy with moderate revenue growth averaging 4% annually. Then in March 2020, at the onset of the COVID-19 pandemic, the public health measures and restrictions forced government operations and private businesses to close or drastically alter operations. Many economists predicted that the sudden closures would create a severe economic downturn comparable to the Great Recession, which had a devastating impact on the City's General Fund.

CITY OF ESCONDIDO Letter of Transmittal

As the COVID-19 restrictions began to be lifted, the economic environment improved quickly. The pent-up demand for goods, as well as inflation, led to higher prices for goods, increasing the sales tax revenue generated within the City. As a result, the City has experienced significant growth in revenue until this fiscal year ending June 30, 2024, where sales tax revenue declined from the prior fiscal year.

Since the impacts of the Great Recession, the City has been challenged with funding growing expenditures and community service needs, with the moderate revenue growth experienced as a result of economic conditions. Operating revenue has not kept pace with the growing costs of providing City services, and as a result the General Fund long-term financial plan has projected annual deficits. The General Fund has benefitted from improved revenue activity since the recovery period of COVID-19, from the end of 2020 through 2022. However, until revenue is increased on an ongoing and structural basis, the City must continue to rely on short-term, one-time resources to continue operations and avoid cuts to City services. To address this challenge, City staff are engaging with the community and increasing outreach regarding the City's budget and projected operating deficit. City staff's priority is to enhance the dialogue with the community, evaluate the services the City provides, and determine the right size of the organization to continue to provide those critical City services while addressing the high priorities of the community.

FINANCIAL INFORMATION

The City has adopted budgetary and financial policies over various program and activities for many benefits, some of which are the safeguarding of resources and providing guidance for the development and administration of the operating budget and long-term financial plan.

Investment Policy. The City utilizes a pooled investments approach in investing excess funds in accordance with the investment strategies and standards set forth in the Escondido Investment Policy. This policy is reviewed and approved by the City Council on an annual basis, and defines the prioritized objectives of investment selection as safety of principal and sufficiency of liquidity. To meet these objectives, the City attempts to obtain the highest yield on its investments consistent with the preservation of principal and liquidity. Quarterly investment reports are submitted to the City Manager and City Council that provide summary information on the status of the portfolio, including the par, book, and market values of each security by investment type, detail of major portfolio transactions occurring during the period and investment yield information.

Debt Management Policy. The City Council has adopted a debt management policy in compliance with Senate Bill 1029 to improve public debt financial transparency. The objective of the debt policy is to achieve sound administration of City debt by minimizing debt service and issuance costs, maintaining the highest reasonable credit rating, and ensuring complete financial disclosure and compliance with tax code, securities regulations, and State and Federal laws.

Fund Balance Policy. The City has implemented a Fund Balance Policy that allows the City Council to commit General Fund Balance for specific purposes by taking formal action, these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action to establish the commitment. In addition, the City Council established a target General Fund Reserve balance of 25 percent of General Fund operating revenues in order to maintain adequate levels of fund balance to mitigate current and future risks and adequately provide for cash flow requirements and contingencies for unseen operating or capital needs of the City.

Other Financial Policies. Additional policies adopted by City Council can be found within the City's current year adopted budget located on the City website at: <https://www.escondido.gov/>

CITY OF ESCONDIDO
Letter of Transmittal

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Escondido for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements. Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR 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 of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We would like to extend our appreciation to the Mayor, City Council, City Manager, and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully submitted,



Christina Holmes, CPA
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Escondido
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



Financial Section



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Escondido
Escondido, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Escondido, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Escondido'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Escondido, as of June 30, 2024, 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.

We did not audit the financial statements of the California Center for the Arts, Escondido Foundation, which represents 100% percent of assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the California Center for the Arts, Escondido Foundation is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Escondido 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.

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 City of Escondido'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.

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Escondido'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 City of Escondido'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, the budgetary comparison schedules for the general fund and major special revenue funds, the schedules of changes in net pension liability and related ratios, and schedules of plan contributions for the miscellaneous and safety plans 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Escondido's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules 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.

Honorable Mayor and Members of the City Council
City of Escondido

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025, on our consideration of City of Escondido'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 City of Escondido'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 of Escondido's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine California
February 12, 2025

CITY OF ESCONDIDO Management's Discussion and Analysis

As management of the City of Escondido (City), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in our Letter of Transmittal at the front of this report and the accompanying Basic Financial Statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains other supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on the City's assets, deferred outflow of resources, and liabilities plus deferred inflows of resources, with the difference between the two reported as *net position* 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. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish governmental functions of the City, which are mainly supported by taxes and intergovernmental revenues, from the business-type functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, community services, public works, and community development. The business-type activities of the City include Water and Wastewater services.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also two legally separate component units: the Escondido Vehicle Parking District and the Escondido Joint Powers Financing Authority. The component units have been "blended" into the City's financial statements because the governing board (although legally separate from the City) is substantially the same as the City's.

As of February 1, 2012, a Successor Agency was created to replace the Escondido Community Development Commission (CDC). The Successor Agency is considered a separate legal entity under Assembly Bill (AB) 1484 for financial statement presentation purposes and is reported as a Private Purpose Trust Fund.

Also presented in the government-wide financial statements is a discretely presented component unit, the California for the Arts, Escondido Foundation (Foundation). It is included as a discretely presented component unit because the Foundation is fiscally dependent on the City; the City has assumed the obligation to provide financial support to the organization including the Center's management fee, facility, and additional funding as needed based on annual operations. The City issued bonds in 1992 for the construction of the facility and was obligated for those payments. In addition, all land and buildings used by the Foundation is legally owned by the City. Financial information for this component unit is reported separately from the financial information presented for the primary government in a separate column on the government-wide financial statements as well as throughout the notes to the financial statements.

CITY OF ESCONDIDO

Management's Discussion and Analysis

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Escondido can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year by using an accounting method called *modified accrual accounting* which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Successor Agency Housing Special Revenue Fund, and the American Rescue Plan Act Fund which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget which reflects its priorities and informs the public how the City's funds are being spent. Budgetary comparison schedules for the General Fund and the Successor Agency Housing Special Revenue Fund have been provided in the required supplementary information of this report. These demonstrate compliance with the budget, and also reflect in what areas actual results deviated from expected budgetary estimates. Budgetary combining schedules for the other nonmajor governmental funds are provided after the combining statements.

Proprietary funds. The City maintains two different types of proprietary funds, the Enterprise and the Internal Service Funds. The *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The enterprise funds are used to account for its Water and Wastewater Funds. The *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Building Maintenance, Vehicle and Equipment Maintenance, Central Services, Network and Systems Administration, Workers' Compensation, General Liability, and Insurance Funds. Since these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide detailed information for the Water and Wastewater Funds, both of which are considered to be major funds. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of *combining statements* elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

CITY OF ESCONDIDO
Management's Discussion and Analysis

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees as well as budgetary comparison statements for major governmental funds. The combining statements referred to earlier, in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Financial Analysis of Government-Wide Financial Statements

This section focuses on the City's net position and changes in net position of its governmental and business-type activities for the fiscal year ending June 30, 2024. At the close of the most recent fiscal year, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$606,120,135, an increase of \$35.1 million or 6.1%.

City of Escondido's Summary of Net Position

As of June 30, 2024 and 2023

(Amounts expressed in thousands)

	Governmental activities		Business-type activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 367,094	\$ 358,023	\$ 90,145	\$ 74,896	\$ 457,239	\$ 432,919
Capital assets	318,608	300,183	439,117	435,049	757,725	735,232
Total Assets	685,702	658,206	529,262	509,945	1,214,964	1,168,151
Deferred outflows of resources	76,752	79,646	15,150	15,573	91,902	95,219
Long-term liabilities outstanding	355,741	338,910	231,634	207,686	587,375	546,596
Other liabilities	52,828	67,942	15,071	28,100	67,899	96,042
Total Liabilities	408,569	406,852	246,705	235,786	655,274	642,638
Deferred inflows of resources	42,774	47,025	2,698	2,724	45,472	49,749
Net position:						
Net investment in capital assets	246,340	231,896	270,135	281,165	516,475	513,061
Restricted	180,361	165,074	2,151	5,371	182,512	170,445
Unrestricted	(115,590)	(112,995)	22,723	472	(92,867)	(112,523)
Total net position	\$ 311,111	\$ 283,975	\$ 295,009	\$ 287,008	\$ 606,120	\$ 570,983

CITY OF ESCONDIDO Management's Discussion and Analysis

The largest portion of the City's net position (85.2% or \$516.5 million) is its net investment in capital assets such as land, buildings, infrastructure, vehicles, right-to-use and subscription assets less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the City's net position (30.1% or \$182.5 million) represent resources that are subject to external restrictions imposed by creditors and grantors, laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. At June 30, 2024, unrestricted net position was a deficit of (\$92.9) million primarily related to pension liabilities.

In the current fiscal year, the City is able to report positive balances in all categories of net position as a whole except for unrestricted net position. Components of the \$35.1 million increase in total net position are discussed in the following sections for governmental activities and business-type activities.

Key Changes in the Statement of Net Position:

The City's total net assets increased by \$35.1 million when compared to the prior fiscal year. Governmental activities increased \$27.1 million, primarily due to an increase in capital investments supported by grant and other restricted revenue. Business-type activities increased \$8.0 million mostly due to capital activity for major construction projects including the completion of the Membrane Filtration Reverse Osmosis facility. In addition, water and wastewater utility rates were increased effective January 2024 for the first time in more than two years.

Citywide, capital assets increased \$23.0 million or about 3.2%. Governmental activities had an increase of \$18.4 million due to the continued construction on the Citracado Improvement and Parkway extension project, offset by the depreciation of capital assets. Business-type activities increased \$4.1 million due primarily due to the completion of the Membrane Filtration Reverse Osmosis facility, which converted Construction in Progress to a water and sewer system asset.

Long-term liabilities increased by \$28.5 million from the prior year. This is primarily attributed to loans payable for business-type activities which increased by \$20.3 million due to the issuance of State Revolving Fund loans for the Membrane Filtration Reverse Osmosis facility project. In addition, the City's net pension liability increased by \$13.0 million or 4.3% compared to the prior year. This activity was offset by principal payments made during the fiscal year on outstanding long-term liabilities.

The City has entered into a Section 115 Trust to help address the City's pension obligations by accumulating assets to reduce the net pension liability. Although the assets held in the Section 115 Trust are not considered to have the present service capacity as pension plan assets, these assets will be considered pension plan assets at the time they are transferred out of the Trust and into the pension plan. At June 30, 2024, the Section 115 Trust balance amounted to \$34.4 million held in restricted cash and investments in the General Fund.

Deferred outflows of resources decreased by \$3.3 million primarily due to changes in assumptions in actuarial valuations by CalPERS for the City's pension plan. Deferred inflows of resources decreased by \$4.2 million also due to changes in assumptions in actuarial valuations by CalPERS for the City's pension plan.

CITY OF ESCONDIDO
Management’s Discussion and Analysis

Analysis of Changes in Net Position – Governmental activities

Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. Total governmental revenues increased by \$35.5 million or 20.2% during the current fiscal year resulting in total revenues of \$210.8 million.

Governmental Activities - Revenues

For the Year Ended June 30

(Amounts expressed in thousands)

Revenues by Source	2024	2023	Increase / (Decrease)
Program revenues:			
Charges for services	\$ 34,211	29,774	\$ 4,437
Operating grants and contributions	25,493	20,795	4,698
Capital grants and contributions	31,911	9,540	22,371
Total program revenues	<u>91,615</u>	<u>60,109</u>	<u>31,506</u>
General revenues:			
Sales tax	45,486	47,103	(1,617)
Property taxes	45,221	42,539	2,682
Other taxes	14,663	17,365	(2,702)
Other	13,296	8,148	5,148
Total general revenues	<u>118,666</u>	<u>115,155</u>	<u>3,511</u>
Total Revenues	<u>\$210,281</u>	<u>\$ 175,264</u>	<u>\$ 35,017</u>

Key elements of this change are discussed below.

Sales Tax Revenue. Sales tax revenue decreased by \$1,617,083, or 3.4%, compared to the prior year. Decreases in sales tax revenue were reported in both the Transportation sales tax category and receipts from the County Pool.

The largest sales tax segment, 37% of total sales tax revenue, is Transportation, which includes new and used auto sales, auto repair shops, and service stations. Sales revenues decreased by 4% compared to the same quarter in the prior year primarily due to decreases in used auto sales. Tax receipts associated with the automotive industry experienced a decline for the first time statewide since the onset of the pandemic in early 2020. The drop-in demand is likely attributed to hesitation from potential buyers purchasing a high-cost vehicle, increased further by higher interest rates. Additionally, the increasing inventory of cars available on dealership lots has begun to exert pressure on prices.

Sales tax revenue received through the County Pool is the second largest sales tax segment accounting for 19% of total sales tax revenue. Effective in April 2019, new taxable sales are distributed to the City under the AB 147 Wayfair decision which extended the sales and use taxes to online and out-of-state retailers engaged in business in California. However, the increase in activity from the countywide pool experienced during the pandemic has slowed; total receipts decreased by 24% compared to the prior year.

Property Tax Revenue. Property tax revenue increased by \$2.7 million over the prior fiscal year or 6.3%. The increase in overall assessed values of properties in Escondido, favorable lending conditions, and the continued rise in the number of home sales have all lead to significant growth in property tax revenues this fiscal year.

Other Tax Revenue. Other tax revenue is composed of franchise, transient occupancy, business license, transfer station, and refuse taxes. Revenues received from franchise agreements decreased by \$2.4 million from the prior fiscal year primarily due to lost revenue as a result of routine maintenance at the Paloma Energy Plant, which was shut down for the first half of the fiscal year resulting in zero electric generation.

Charges for Services. Charges for Services include paramedic fees, Community Services fees for recreational and community activities, and charges for development related services, which include Engineering and Planning fees. Total revenue in this category increased by \$4.5 million or 23% primarily due to new revenue the City is receiving

CITY OF ESCONDIDO
Management’s Discussion and Analysis

from the Ground Emergency Medical Transportation Program implemented at the end of FY2022/23 that utilizes Federal funding to supplement the ambulance billing revenue received for medical transports.

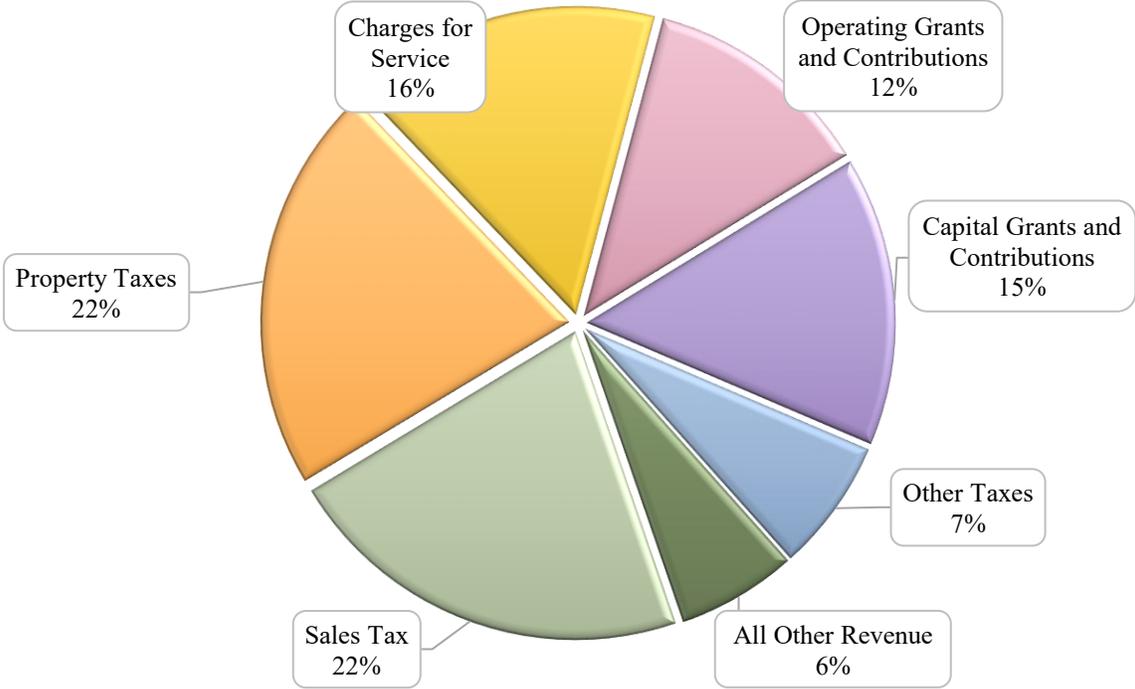
Operating Grants and Contributions. Operating grants and contributions increased by \$4.7 million, or 23% due to revenue recognized for expenditures from the American Rescue Plan Act allocation of funding. The American Rescue Plan Act provided the City of Escondido (“City”) one-time funding of \$38,808,509 to cover expenses in response to the COVID-19 pandemic, make up for lost revenue, and ease the overall economic impact from the pandemic. All funds must be fully spent by December 31, 2026.

Capital Grants and Contributions. Capital grants and contributions increased by \$22.4 million compared to the prior year. This is due to state and local funding for major capital projects around the City, including the Citracado Parkway project which is nearing completion.

Other Revenue. Other revenue increased by \$5.1 million as the result of the recording of unrealized investment gains and losses reported between fiscal years.

Governmental activities – Revenues by Source

The chart below presents revenues by source for Governmental Activities. Sales tax, Property tax and other various taxes make up a combined 59% of the total sources of revenue for the City. Other categories of revenue include charges for services, intergovernmental revenue for both operating and capital purposes, fines and forfeitures, permit and license fees, as well as income from interest and property.



CITY OF ESCONDIDO
Management’s Discussion and Analysis

Governmental activities – Expenses

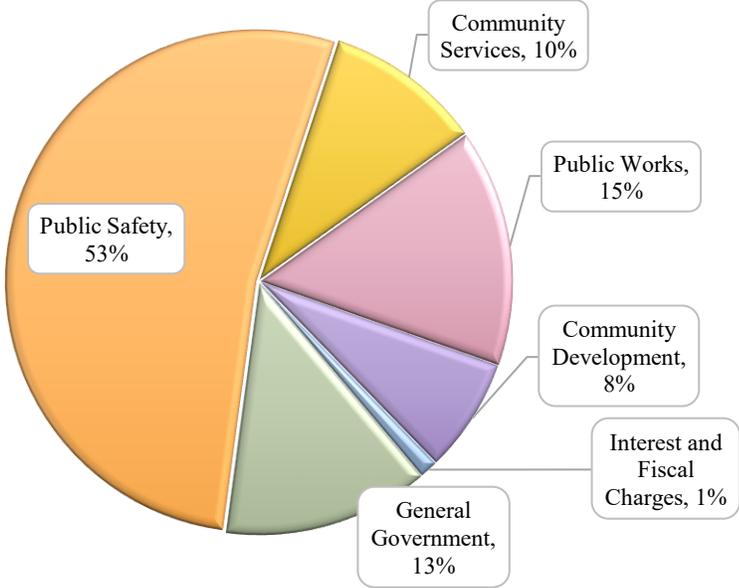
The table below presents a comparison of fiscal year 2024 and fiscal year 2023 expenses by function, along with interest and other expenses.

Governmental Activities
Expenses and Change in Net Position for the Year Ended June 30
(Amounts expressed in thousands)

	2024	2023	Increase / (Decrease)
Expenses:			
General government	\$ 24,410	\$ 13,663	\$ 10,747
Public safety	97,541	92,178	5,363
Public works	28,145	19,019	9,126
Community services	18,556	16,150	2,406
Development services	13,517	11,321	2,196
Interest and fiscal charges	2,143	2,383	(240)
Total expenses	<u>184,312</u>	<u>154,714</u>	<u>29,598</u>
Increase (decrease) in net position before transfers	25,969	20,550	5,419
Transfers	1,167	(30)	1,197
Increase (decrease) in net position after transfers	27,136	20,520	6,616
Net position – July 1	283,975	263,455	20,520
Net position – June 30	<u>\$311,111</u>	<u>\$ 283,975</u>	<u>\$ 27,136</u>

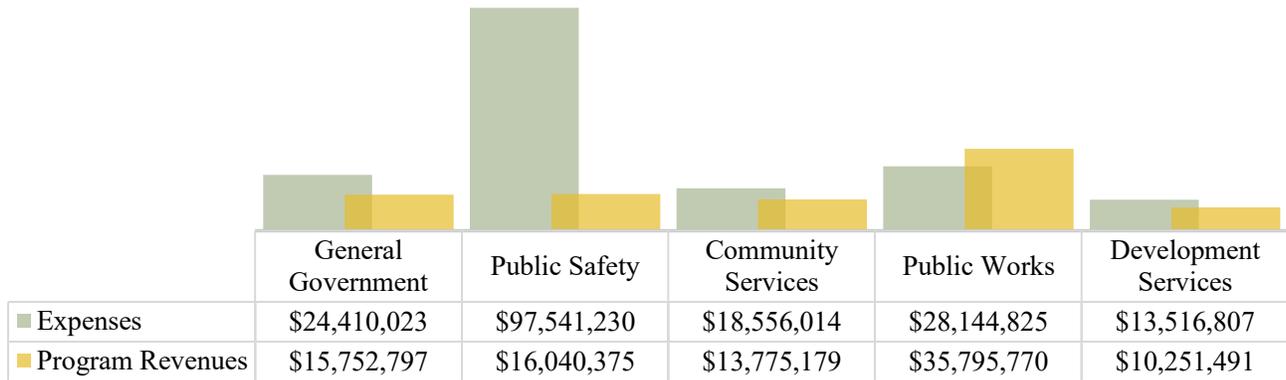
Governmental activities expenses increased by \$29.6 million, or 19.1%, compared to the prior fiscal year. The increase in expenses is primarily due to major maintenance and capital projects that moved forward during the fiscal year, some of which were funded by the capital grants noted above. Increases from CalPERS for both the GASB 68 activity as well as the annual Unfunded Accrued Liability payment also contributed to the increase in expenses.

The chart on the right presents current year expenses by function for Governmental Activities. Capital outlays are not included as those are added to the City’s capital assets.



CITY OF ESCONDIDO
Management’s Discussion and Analysis

The City’s programs include General Government, Public Safety (Fire and Police), Community Services, Public Works, and Community Development. Each program’s net cost (total cost less revenues generated by the activities) is presented in the Statement of Activities. The table below compares program expenses to program revenues depicting the extent to which these programs generate revenue from fees and grants.



Analysis of Changes in Net Position – Business-type activities

The table below presents the revenues and expenses for each of the City’s Business-type Activities or Enterprise Funds. Business-type activities increased the City’s net position by \$8,000,043.

Business-type Activities - Change in Net Position

For the Year Ended June 30

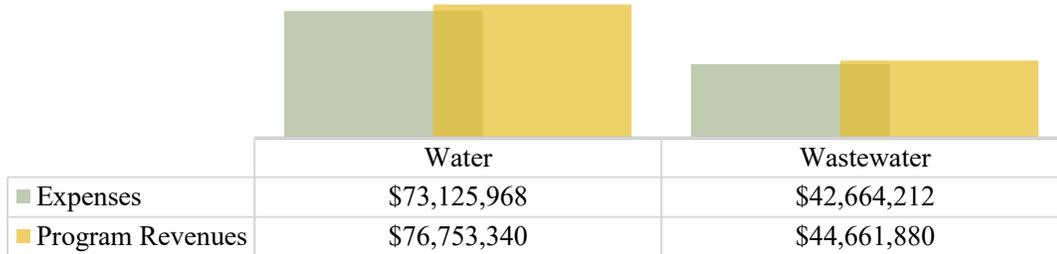
(Amounts expressed in thousands)

	2024	2023	Increase / (Decrease)
Program revenues:			
Charges for services	\$111,370	\$106,956	\$ 4,414
Operating grants and contributions	454	61	393
Capital grants and contributions	10,046	23,801	(13,755)
Other general revenues	3,088	1,519	1,569
Total revenues	<u>124,958</u>	<u>132,337</u>	<u>(7,379)</u>
Expenses:			
Water	73,126	68,810	\$ 4,316
Wastewater	42,664	40,241	2,423
Total expenses	<u>115,790</u>	<u>109,051</u>	<u>6,739</u>
Increase (decrease) in net position before transfers	9,168	23,286	(14,118)
Transfers	<u>(1,167)</u>	<u>30</u>	<u>(1,197)</u>
Increase (decrease) in net position after transfers	8,001	23,316	(15,315)
Net position – July 1	<u>287,008</u>	<u>263,692</u>	<u>23,316</u>
Net position – June 30	<u>\$295,009</u>	<u>\$287,008</u>	<u>\$ 8,001</u>

CITY OF ESCONDIDO
Management’s Discussion and Analysis

The Water Fund ended the year with a change in net position of \$5.4 million and the Wastewater Fund ended the year with a change in net position of \$2.7 million. This was primarily the result of an increase in water and wastewater utility rates effective January 2024 that had not been adjusted in more than two years.

The following chart summarizes expenses and program revenues separately for the Water and Wastewater funds.



Financial Analysis of the Government’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$194,966,012, an increase of \$14,868,173 in comparison with the prior year. Of this amount, 0.5% or \$1,041,445 represents non-spendable assets, inventory and prepaid expenses, which are not expected to be converted to cash until future periods.

Approximately 76.1% of this total amount or \$148,351,776 is not available for new spending because it is legally restricted by external third parties. In addition, \$35,104,531 or 18.0% of ending fund balance has either been committed by the City Council to be spent for specific purposes or has been assigned by the City Manager to meet specific expenditures in subsequent years.

The remaining fund balance of \$10,468,260 is comprised of unassigned funds in the General Fund of \$12,720,463 and deficit fund balances in non-major special revenue funds of (\$2,252,203). The unassigned General Fund balance, which is unrestricted in use, is anticipated to be designated by City Council for specific purposes at a future City Council meeting. Non-major special revenue fund deficits are due to the timing of grants and reimbursements from outside agencies where funds are spent in advance and reimbursed at a later date.

General Fund Financial and Budgetary Highlights. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, committed fund balance of the General Fund includes \$17,392,319 in Reserves available to fund expenditures in an economic downturn while total fund balance is \$73,786,003. As a measure of the General Fund’s liquidity, it may be useful to compare the Reserve fund balance and total fund balance to total fund expenditures. The Reserve fund balance represents 13.8% of total General Fund expenditures, while total fund balance represents 58.9% of that same amount.

The restricted portion of the fund balance of the General Fund of \$39,833,741 is the total value of assets held in the Section 115 Pension Trust Fund of \$34,430,968 as well as funds that have been collected to be held for a specific future purpose.

During the current fiscal year, the fund balance of the City’s General Fund increased by \$2.9 million, or 4.1%, compared to the prior year. The increase is primarily due to increases in property tax and charges for services revenue, offset by savings in employee services due to vacancies throughout the City during the fiscal year.

CITY OF ESCONDIDO
Management’s Discussion and Analysis

General Fund operating revenue has not kept pace with the growing costs of providing City services since the Great Recession, and as a result, the General Fund long-term financial plan has projected City annual deficits creating a structural budget deficit. The City has maintained a hardline on expenditures, controlled costs by deferring maintenance and capital project costs, sought measures that ensure efficiency, and continued to utilize one-time grants and other sources of funding. Revenue-generating opportunities have also been explored and implemented as appropriate per City Council direction.

To address the predicted structural budget gap for the 2023/24 fiscal year, Departments were directed to submit their FY2023/24 General Fund operating budget at the same level as the prior year, FY2022/23, where possible. Once all revised General Fund budgets were submitted to the Finance Department, and a summary of projected revenue and expenditures was prepared, the General Fund operating budget projected a net operating deficit of \$11,295,840. In order to continue to provide essential City services, City Council approved a combination of using reserve balances as well as deferring major purchases to future years in order to close the budget deficit.

Management monitors revenues during the year and updates estimated revenue figures when new information is received by the City. General Fund revenue estimates were modified moderately during the year as compared to the originally budgeted estimates. A comparison of the original general fund budgeted operating revenue of \$124.4 million to the final general fund budgeted revenue of \$128.4 million results in a net increase in budgeted revenue of \$4.0 million.

General Fund Revenues
Budgetary Comparison Schedule

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Sales tax	\$ 49,507,600	\$ 49,507,600	\$ 45,485,941	\$ (4,021,659)
Property taxes	35,068,340	35,068,340	37,314,523	2,246,183
Other taxes	16,483,370	16,483,370	17,758,115	1,274,745
Licenses and permits	2,145,500	2,674,930	2,176,299	(498,631)
Fines and forfeits	873,000	873,000	693,271	(179,729)
Intergovernmental	3,506,250	3,797,430	4,857,233	1,059,803
Charges for services	11,901,900	15,078,000	17,571,363	2,493,363
Lease income	3,829,000	3,829,000	3,853,387	24,387
Investment income	851,150	851,150	6,924,498	6,073,348
Miscellaneous	262,000	262,000	540,489	278,489
Total revenues	\$ 124,428,110	\$ 128,424,820	\$ 137,175,119	\$ 8,750,299

Sales Tax Revenue declined in FY2023/24; however, due to increases in property tax and charges for services, overall operating revenue exceeded the budgeted amount by \$9.0 million.

CITY OF ESCONDIDO
Management's Discussion and Analysis

Comparison of the fiscal year original general fund budgeted expenditures of \$130.9 million to the final General Fund budgeted expenditures of \$133.2 million results in a net increase in budgeted expenditures of \$2.3 million. Allocations for the Police and Fire Department were reevaluated and adjusted mid-year. In addition, the fire department budget was increased to cover costs for strike team incidents and grant funded training. Funding for these increases was provided from fire mutual aid reimbursements from the California Office of Emergency Services.

Total operating expenditures were under the amended FY2022/23 budgeted amount by \$7.5 million. This can be attributed to countless conscientious and efficient operational decisions, and an overall climate of fiscal prudence on the part of the entire City workforce. In addition, the City continued to experience expenditure savings from vacant staff positions in multiple departments as recruitments are being performed, often taking much longer than anticipated to fill those positions.

General Fund Expenditures
Budgetary Comparison Schedule

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES:				
Current:				
General government	\$ 8,769,160	\$ 8,526,640	\$ 8,614,617	(87,977)
Public safety	87,337,705	89,165,035	82,250,519	6,914,516
Public works	10,887,530	11,428,310	12,149,802	(721,492)
Community services	13,036,760	13,129,010	12,981,555	147,455
Development services	8,343,060	8,455,740	7,161,938	1,293,802
Capital outlay	1,324,460	1,324,460	1,324,462	(2)
Debt Service:				
Principal retirements	588,240	588,240	588,184	56
Software principal retirements	68,545	68,545	68,546	(1)
Lease principal retirements	346,960	346,960	346,957	3
Interest and fiscal charges	189,640	189,640	189,630	10
Total expenditures	\$ 130,892,060	\$ 133,222,580	\$ 125,676,210	\$ 7,546,370

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these two funds have been addressed in the discussion of the City's business-type activities above.

Capital assets. As of June 30, 2024, the City's investments in capital assets for its governmental and business-type activities are \$757,724,698, (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, motorized vehicles, park facilities, roads, bridges, water and wastewater systems, and a golf course. Further detail can be found in Note 8 to the financial statements.

The total increase in the City's investment in capital assets for the current fiscal year is 3.1%; this represents a 6.1% increase for governmental activities and a 0.9% increase for business-type activities. Major capital asset events for governmental activities during the current fiscal year include several ongoing street projects, primarily from the Citracado Extension Project which will construct new pavement, streets, curb and gutter, center medians, landscaping, traffic signals, a bridge over Escondido Creek, and utility infrastructure. For business-type activities, construction continued on the Recycled Water Easterly Main Tank and Extension, the undergrounding for San Pasqual through the Escondido Canal, and the Membrane Filtration Reverse Osmosis Facility was completed.

CITY OF ESCONDIDO
Management's Discussion and Analysis

City of Escondido's Capital Assets

(net of depreciation / in thousands)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
	Land	\$ 53,189	\$ 53,189	\$ 3,138	\$ 3,138	\$ 56,327
Buildings and systems	69,190	74,812	8,881	9,296	78,071	84,108
Improvements other than buildings	14,445	13,015	666	693	15,111	13,708
Machinery and equipment	11,433	10,358	2,187	2,232	13,620	12,590
Infrastructure	99,784	101,644	380,823	271,805	480,607	373,449
Intangible assets	9,431	9,923	-	-	9,431	9,923
Construction in progress	61,135	37,243	43,422	147,885	104,557	185,128
Total	\$ 318,607	\$ 300,184	\$ 439,117	\$ 435,049	\$ 757,724	\$ 735,233

Long-term debt. Each of the City's debt issues is discussed in detail in Note 9 to the financial statements. At the end of the current fiscal year, the City has total long-term debt outstanding of \$574.9 million, excluding premiums and discounts, which is an increase of \$28.5 million. Changes to the City's governmental activities and business-type activities outstanding debt during the current fiscal year are due to routine principal payments on amounts outstanding and changes in the pension liability for the year.

City of Escondido's Outstanding Debt

(Amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Compensated absences	\$ 7,445	\$ 7,338	\$ 1,593	\$ 1,610	\$ 9,038	\$ 8,948
Net pension liability	264,278	253,602	51,223	48,916	315,501	302,518
Claims payable	20,274	18,163	-	-	20,274	18,163
Loans payable	719	1,064	87,235	66,545	87,954	67,609
Financed purchase payable	-	322	-	-	-	322
Leases payable	9,605	9,952	-	-	9,605	9,952
Subscription payable	14	96	-	-	14	96
Connection rights payable	-	-	12,895	12,933	12,895	12,933
Revenue Bonds	-	-	71,435	75,045	71,435	75,045
Lease Revenue Bonds	2,220	2,495	-	-	2,220	2,495
General Obligation Bonds	45,950	48,340	-	-	45,950	48,340
	\$350,505	\$341,372	\$224,381	\$ 205,049	\$574,886	\$546,421

Factors Affecting Next Year's Budget

Since the impacts of the Great Recession, the City has been challenged with funding growing expenditures and community service needs. Operating revenue has not kept pace with the growing costs of providing City services, and as a result the General Fund long-term financial plan has projected annual deficits creating a structural budget deficit. To address this projected shortfall, the City has maintained a hardline on expenditures and staff are continuously seeking measures that ensure efficiency, while enhancing basic operations. Revenue-generating opportunities have also been explored. In addition, since the Great Recession, the City has controlled costs by annually deferring maintenance and capital project costs. Despite all of these measures, and the City's efforts to fund projects with grants and other sources of one-time funds, it has not been enough to meet growing costs and demand for services.

CITY OF ESCONDIDO
Management's Discussion and Analysis

Last fiscal year, the FY2023/24 General Fund operating budget started with a net operating deficit of \$11,295,840. In order to continue to provide essential City services, staff made recommendations to close the deficit that included a combination of using reserve balances as well as deferring major purchases to future years. Until revenue is increased on an ongoing and structural basis, the City must continue to rely on short-term, one-time resources to continue operations and avoid substantial cuts to City services. With no funding plan or known option for replenishment, the reserves in Internal Service Funds will be depleted in the upcoming fiscal years. As the budget becomes tighter, to ensure budget savings, the Historical Cost Savings Target will be stricter leading to slower hiring of positions. In addition, American Rescue Plan Act funds must be obligated by December 31, 2024 and will no longer be a source of revenue for the General Fund.

In keeping with our commitment to long-term planning, staff will continue to provide financial recommendations based on realistic revenue projections, risk assessments, and prudent spending to ensure a stable financial position. Additional information regarding the economic outlook for the City is discussed in the accompanying Transmittal Letter.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances and to demonstrate the city's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Escondido, Finance Department, 201 North Broadway, Escondido, CA 92025, or online at www.escondido.gov.



Basic Financial Statements

CITY OF ESCONDIDO

Statement of Net Position

June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	California Center for the Arts, Escondido Foundation
	ASSETS			
Cash and investments	\$ 162,769,480	\$ 71,832,913	\$ 234,602,393	\$ 3,359,870
Receivables, net of allowances	35,846,749	13,547,134	49,393,883	158,856
Loans receivable	66,805,731	72,492	66,878,223	-
Leases receivable	43,368,618	1,266,182	44,634,800	-
Due from Successor Agency	885,616	-	885,616	-
Internal balances	1,089,584	(1,089,584)	-	-
Due from other governments	15,871,407	2,363,760	18,235,167	-
Inventory, at cost	720,222	2,476	722,698	8,837
Deposits	355,076	-	355,076	-
Prepaid expenses	538,022	-	538,022	137,214
Land held for resale	901,732	-	901,732	-
Assets held in charitable remainder trust	-	-	-	94,643
Restricted assets:				
Investment in Section 115 Trust	34,430,968	-	34,430,968	-
Cash and investments with fiscal agent	3,510,652	2,150,464	5,661,116	-
Capital assets:				
Right to use leased assets, net	9,390,970	-	9,390,970	166,511
Right to use subscription assets, net	40,121	-	40,121	-
Not being depreciated	123,961,717	46,560,234	170,521,951	-
Being depreciated, net	185,214,863	392,556,793	577,771,656	406,456
Total Assets	685,701,528	529,262,864	1,214,964,392	4,332,387
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	76,730,357	15,149,691	91,880,048	-
Deferred loss on refundings	22,021	-	22,021	-
Total Deferred Outflows of Resources	76,752,378	15,149,691	91,902,069	-

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Net Position (Continued)
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	California Center for the Arts, Escondido Foundation
LIABILITIES				
Accounts payable	8,197,535	5,939,647	14,137,182	125,180
Retentions payable	1,632,615	6,612,457	8,245,072	-
Accrued interest payable	804,918	1,518,829	2,323,747	-
Deposits payable	7,427,413	643,664	8,071,077	662,089
Accrued expenses	2,820,991	356,819	3,177,810	202,258
Unearned revenue	31,944,297	-	31,944,297	-
Long-term debt:				
Due within one year	8,330,053	5,514,276	13,844,329	73,499
Due in more than one year:				
Aggregate net pension liability	264,278,562	51,223,403	315,501,965	-
Leases payable	9,252,701	-	9,252,701	112,401
Other long-term debt	73,879,730	174,896,800	248,776,530	-
Total Liabilities	408,568,815	246,705,895	655,274,710	1,175,427
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	589,127	270,060	859,187	-
Deferred inflows of resources related to leases	41,926,090	1,206,330	43,132,420	-
Deferred gain on refundings	258,481	1,221,528	1,480,009	-
Total Deferred Inflows of Resources	42,773,698	2,697,918	45,471,616	-
NET POSITION				
Net investment in capital assets	246,339,924	270,134,954	516,474,878	393,027
Restricted for:				
General government	13,253,681	-	13,253,681	-
Low and moderate income housing	89,207,726	-	89,207,726	-
Community services	11,304,170	-	11,304,170	-
Debt service	4,059,727	2,150,464	6,210,191	-
Capital projects	6,225,390	-	6,225,390	-
Public safety	121,504	-	121,504	-
Public works	21,468,168	-	21,468,168	-
Investment in Section 115 Trust	34,430,968	-	34,430,968	-
Donor restrictions	-	-	-	424,487
Permanent funds:				
Nonexpendable	253,134	-	253,134	19,825
Expendable	36,513	-	36,513	-
Total restricted net position	180,360,981	2,150,464	182,511,445	444,312
Unrestricted (deficit)	(115,589,512)	22,723,324	(92,866,188)	2,319,621
Total net position	\$ 311,111,393	\$ 295,008,742	\$ 606,120,135	\$ 3,156,960

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 24,410,023	\$ 1,017,608	\$ 12,645,987	\$ 2,089,202
Public safety	97,541,230	13,944,836	2,095,539	-
Public works	28,144,825	3,920,688	4,985,212	26,889,870
Community services	18,556,014	5,076,216	5,766,638	2,932,325
Development services	13,516,807	10,251,491	-	-
Interest and fiscal charges	2,142,791	-	-	-
Total Governmental Activities	184,311,690	34,210,839	25,493,376	31,911,397
Business-type activities:				
Water	73,125,968	71,217,245	-	5,536,095
Wastewater	42,664,212	40,152,420	454,251	4,509,460
Total Business-type Activities	115,790,180	111,369,665	454,251	10,045,555
Total Primary Government	\$ 300,101,870	\$ 145,580,504	\$ 25,947,627	\$ 41,956,952
Component Unit:				
California Center for the Arts, Escondido Foundation	\$ 14,044,365	\$ 6,777,961	\$ 7,441,499	\$ -

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Primary Government			California Center for the Arts, Escondido Foundation
	Governmental Activities	Business-type Activities	Total	
Primary Government:				
Governmental Activities:				
General government	\$ (8,657,226)	\$ -	\$ (8,657,226)	\$ -
Public safety	(81,500,855)	-	(81,500,855)	-
Public works	7,650,945	-	7,650,945	-
Community services	(4,780,835)	-	(4,780,835)	-
Community development	(3,265,316)	-	(3,265,316)	-
Interest and fiscal charges	(2,142,791)	-	(2,142,791)	-
Total Governmental Activities	(92,696,078)	-	(92,696,078)	-
Business-type activities:				
Water	-	3,627,372	3,627,372	-
Wastewater	-	2,451,919	2,451,919	-
Total Business-type Activities	-	6,079,291	6,079,291	-
Total Primary Government	(92,696,078)	6,079,291	(86,616,787)	-
Component Unit:				
California Center for the Arts, Escondido Foundation	-	-	-	175,095
General Revenues:				
Sales tax	45,485,941	-	45,485,941	-
Property tax	45,221,105	-	45,221,105	-
Franchise tax	8,747,022	-	8,747,022	-
Transient occupancy tax	2,369,585	-	2,369,585	-
Business license tax	2,113,639	-	2,113,639	-
Transfer station tax	1,432,026	-	1,432,026	-
Investment earnings & rental income	12,282,779	2,711,028	14,993,807	259,024
Miscellaneous	1,013,596	376,524	1,390,120	292,557
Total general revenues	118,665,693	3,087,552	121,753,245	551,581
Transfers	1,166,800	(1,166,800)	-	-
Total general revenues and transfers	119,832,493	1,920,752	121,753,245	551,581
Change in net position	27,136,415	8,000,043	35,136,458	726,676
Net position:				
Beginning of year	283,974,978	287,008,699	570,983,677	2,430,284
End of year	\$ 311,111,393	\$ 295,008,742	\$ 606,120,135	\$ 3,156,960

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO

Balance Sheet Governmental Funds June 30, 2024

	Major Funds			
	General	Successor Agency Housing	American Rescue Plan Act	Street
ASSETS				
Cash and investments	\$ 34,489,901	\$ 10,478,845	\$ 21,864,258	\$ 9,257,339
Receivables (net):				
Accounts	3,242,916	-	-	-
Interest	1,226,360	12,018,568	-	34,101
Taxes	9,608,769	-	-	-
Loans	11,000,000	38,006,616	-	-
Leases	43,368,618	-	-	-
Due from other governments	3,613,263	-	-	6,708,850
Due from Successor Agency	-	-	-	885,616
Due from other funds	816,381	-	-	-
Inventory, at cost	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Land held for resale	-	901,732	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	34,430,968	-	-	-
Cash and investments with fiscal agent	-	-	-	537,995
Total Assets	\$ 141,797,176	\$ 61,405,761	\$ 21,864,258	\$ 17,423,901
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,966,203	\$ 945	\$ 201,366	\$ 2,767,971
Deposits payable	7,388,670	9,450	-	-
Retentions payable	-	-	36,558	1,090,602
Accrued expenditures	2,620,926	5,481	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	21,626,334	-
Advances from other funds	200,000	-	-	-
Total Liabilities	12,175,799	15,876	21,864,258	3,858,573
Deferred Inflows of Resources:				
Unavailable revenue	13,909,284	11,980,790	-	6,409,290
Deferred inflows of resources related to leases	41,926,090	-	-	-
Total Deferred Inflows of Resources	55,835,374	11,980,790	-	6,409,290
Fund Balances:				
Nonspendable	200,000	-	-	-
Restricted	39,833,741	49,409,095	-	7,156,038
Committed	17,392,319	-	-	-
Assigned	3,639,480	-	-	-
Unassigned (deficit)	12,720,463	-	-	-
Total Fund Balances	73,786,003	49,409,095	-	7,156,038
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 141,797,176	\$ 61,405,761	\$ 21,864,258	\$ 17,423,901

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Balance Sheet (Continued)
Governmental Funds
June 30, 2024

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 54,508,340	\$ 130,598,683
Receivables (net):		
Accounts	1,752,732	4,995,648
Interest	7,757,635	21,036,664
Taxes	44,183	9,652,952
Loans	17,799,115	66,805,731
Leases	-	43,368,618
Due from other governments	5,549,295	15,871,408
Due from Successor Agency	-	885,616
Due from other funds	-	816,381
Inventory, at cost	12,742	12,742
Prepaid items	533,093	533,093
Deposits	42,476	42,476
Land held for resale	-	901,732
Advances to other funds	503,072	503,072
Restricted assets:		
Cash and investments	-	34,430,968
Cash and investments with fiscal agent	2,972,657	3,510,652
Total Assets	\$ 91,475,340	\$ 333,966,436
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 2,118,644	\$ 7,055,129
Deposits payable	29,293	7,427,413
Retentions payable	505,455	1,632,615
Accrued expenditures	66,644	2,693,051
Due to other funds	793,878	793,878
Unearned revenue	10,317,963	31,944,297
Advances from other funds	303,072	503,072
Total Liabilities	14,134,949	52,049,455
Deferred Inflows of Resources:		
Unavailable revenue	12,725,515	45,024,879
Deferred inflows of resources related to leases	-	41,926,090
Total Deferred Inflows of Resources	12,725,515	86,950,969
Fund Balances:		
Nonspendable	841,445	1,041,445
Restricted	51,952,902	148,351,776
Committed	14,072,732	31,465,051
Assigned	-	3,639,480
Unassigned (deficit)	(2,252,203)	10,468,260
Total Fund Balances	64,614,876	194,966,012
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 91,475,340	\$ 333,966,436

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2024

Fund balances for governmental funds		\$ 194,966,012
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Amount reported in government-wide statement of net position:		
Capital assets, not being depreciated	\$ 123,961,717	
Capital assets, being depreciated, net	185,214,863	
Right to use leased asset, net	9,390,970	
Right to use software asset, net	40,121	
Less: amount reported in internal services fund	(8,748,010)	309,859,661
A portion of the unavailable revenue is not available to pay for current-period expenditures and, therefore, is not recognized in the funds.		
		45,024,879
Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The assets and liabilities of the internal service funds are included in the Statement of Net Position.		
Total internal service fund net position	11,380,276	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,089,584	12,469,860
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Noncurrent liabilities allocated from internal service funds are included in the internal service fund adjustment above.		
Compensated absences	(7,444,691)	
Claims payable	(20,274,000)	
Loans	(719,039)	
Leases payable	(9,604,968)	
Subscription payable	(13,939)	
Bonds	(48,170,000)	
Bond premium	(5,239,536)	
Bond discount	3,689	
Deferred gain on refunding	(258,481)	
Deferred loss on refunding	22,021	
Less: amount reported in internal services fund	20,522,707	(71,176,237)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds. The net pension liability allocated from internal service funds are included in the internal service fund adjustment above.		
Aggregate net pension liability	(264,278,562)	
Less: amount reported in internal services fund	12,303,998	(251,974,564)
Deferred outflows and deferred inflows of resources related to pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds		
Deferred outflows of resources related to pensions	76,730,357	
Deferred inflows of resources related to pensions	(589,127)	
Less: amount reported in internal services fund	(3,394,530)	72,746,700
Interest payable on noncurrent liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
		(804,918)
Net position of governmental activities		\$ 311,111,393

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds			
	General Fund	Successor Agency Housing	American Rescue Plan Act	Street
Revenues:				
Sales tax	\$ 45,485,941	\$ -	\$ -	\$ -
Property taxes	37,314,523	-	-	-
Other taxes	17,758,115	-	-	-
Licenses and permits	2,176,299	-	-	-
Fines and forfeits	693,271	-	-	-
Intergovernmental	4,857,233	-	9,779,182	15,327,344
Charges for services	17,571,363	-	-	1,754,393
Special assessments	-	-	-	-
Lease income	3,853,387	152,500	-	-
Investment income	6,924,498	873,053	-	741,896
Miscellaneous	540,489	-	-	1,070
Total Revenues	137,175,119	1,025,553	9,779,182	17,824,703
Expenditures:				
Current:				
General government	8,614,618	-	8,479,128	-
Public safety	82,250,519	-	-	-
Public works	13,040,628	-	-	6,113,387
Community services	12,981,555	-	-	-
Development services	7,161,939	572,438	-	-
Capital outlay	433,634	-	1,300,054	16,355,916
Debt service:				
Principal retirements	588,184	-	-	-
Software principal retirements	68,546	-	-	-
Lease principal retirements	346,957	-	-	-
Interest and fiscal charges	189,629	-	-	-
Total Expenditures	125,676,209	572,438	9,779,182	22,469,303
Excess (Deficiency) of Revenues Over Expenditures	11,498,910	453,115	-	(4,644,600)
Other Financing Sources (Uses):				
Transfers in	2,055,000	25,000	-	-
Transfers (out)	(10,644,295)	-	-	(2,055,000)
Total Other Financing Sources (Uses)	(8,589,295)	25,000	-	(2,055,000)
Net Change in Fund Balance	2,909,615	478,115	-	(6,699,600)
Fund Balances:				
Beginning of Year, as previously presented	70,876,388	48,930,980	-	-
Change within financial reporting entity (nonmajor to major fund)	-	-	-	13,855,638
Beginning of Year, as adjusted or restated	70,876,388	48,930,980	-	13,855,638
End of Year	\$ 73,786,003	\$ 49,409,095	\$ -	\$ 7,156,038

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2024

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:		
Sales tax	\$ -	\$ 45,485,941
Property taxes	-	37,314,523
Other taxes	-	17,758,115
Licenses and permits	-	2,176,299
Fines and forfeits	-	693,271
Intergovernmental	19,030,879	48,994,638
Charges for services	8,247,305	27,573,061
Special assessments	6,252,637	6,252,637
Lease income	-	4,005,887
Investment income	963,802	9,503,249
Miscellaneous	30,868	572,427
Total Revenues	34,525,491	200,330,048
Expenditures:		
Current:		
General government	373,920	17,467,666
Public safety	1,964,315	84,214,834
Public works	1,158,046	20,312,061
Community services	2,831,324	15,812,879
Community development	4,802,637	12,537,014
Capital outlay	11,788,112	29,877,716
Debt service:		
Principal retirements	2,744,338	3,332,522
Software principal retirements	13,708	82,254
Lease principal retirements	-	346,957
Interest and fiscal charges	2,455,143	2,644,772
Total Expenditures	28,131,543	186,628,675
Excess (Deficiency) of Revenues Over Expenditures	6,393,948	13,701,373
Other Financing Sources (Uses):		
Transfers in	11,816,095	13,896,095
Transfers (out)	(30,000)	(12,729,295)
Total Other Financing Sources (Uses)	11,786,095	1,166,800
Net Change in Fund Balance	18,180,043	14,868,173
Fund Balances:		
Beginning of Year, as previously presented	60,290,471	180,097,839
Change within financial reporting entity (nonmajor to major fund)	(13,855,638)	-
Beginning of Year, as adjusted or restated	46,434,833	180,097,839
End of Year	\$ 64,614,876	\$ 194,966,012

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds: \$ 14,868,173

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, contributed capital assets, retirements, and capital related expenditures exceeded depreciation in the current period. Capital asset activity from internal service funds are reported in the internal service activity below.

Capital outlay	\$ 29,877,716	
Depreciation, net of \$2,145,139 from Internal Service Funds	(13,668,921)	
Contributed capital assets	302,420	
Amortization	<u>(62,816)</u>	
		16,448,399

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,958,109

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The net revenue of internal service funds was reported with governmental activities.

Total internal service fund change in net position	(1,037,892)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>134,925</u>	
		(902,967)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position.

Change in compensated absences	(62,144)	
Change in pension liability and related deferred outflows/inflows of resources	(12,007,659)	
Principal retirements	3,332,522	
Accrued interest	<u>501,982</u>	
		<u>(8,235,299)</u>

Change in net position of governmental activities **\$ 27,136,415**

CITY OF ESCONDIDO

Statement of Net Position

Proprietary Funds

June 30, 2024

ASSETS	Major Funds			Governmental Activities
	Water	Wastewater	Total	Internal Service Funds
Current Assets:				
Cash and investments	\$ 38,088,788	\$ 33,744,125	\$ 71,832,913	\$ 32,170,797
Receivables (Net):				
Accounts	11,398,829	1,920,369	13,319,198	39,326
Interest	128,627	99,309	227,936	122,159
Loans	-	72,492	72,492	-
Leases	81,604	-	81,604	-
Due from other governments	776,738	1,587,022	2,363,760	-
Inventory	-	2,476	2,476	707,480
Prepaid items	-	-	-	4,929
Deposits	-	-	-	312,600
Total Current Assets	50,474,586	37,425,793	87,900,379	33,357,291
Noncurrent Assets:				
Restricted cash and investments	396,926	1,753,538	2,150,464	-
Leases receivable	1,184,578	-	1,184,578	-
Capital assets:				
Not being depreciated	24,076,724	22,483,510	46,560,234	8,100
Being depreciated, net	162,908,187	229,648,606	392,556,793	8,739,910
Total Noncurrent Assets	188,566,415	253,885,654	442,452,069	8,748,010
Total Assets	239,041,001	291,311,447	530,352,448	42,105,301
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	7,211,240	7,938,451	15,149,691	3,454,207
Total Deferred Outflows of Resources	7,211,240	7,938,451	15,149,691	3,454,207

CITY OF ESCONDIDO
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Major Funds		Total	Governmental Activities
	Water	Wastewater		Internal Service Funds
LIABILITIES				
Current Liabilities:				
Accounts payable	4,594,660	1,344,987	5,939,647	1,142,410
Retention payable	6,210,094	402,363	6,612,457	-
Accrued expenses	185,946	170,873	356,819	127,937
Due to other funds	-	-	-	22,503
Accrued interest	1,059,474	459,355	1,518,829	-
Long-term debt, due within one year	2,846,515	2,667,761	5,514,276	4,079,670
Total Current Liabilities	14,896,689	5,045,339	19,942,028	5,372,520
Noncurrent Liabilities:				
Deposits payable	643,664	-	643,664	-
Aggregate net pension liabilities	24,089,373	27,134,030	51,223,403	12,303,998
Long-term debt, due in more than one year	93,433,762	81,463,038	174,896,800	16,443,037
Total Noncurrent Liabilities	118,166,799	108,597,068	226,763,867	28,747,035
Total Liabilities	133,063,488	113,642,407	246,705,895	34,119,555
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to leases	1,206,330	-	1,206,330	-
Deferred inflows of resources related to pensions	128,935	141,125	270,060	59,677
Deferred gain on refundings	427,631	793,897	1,221,528	-
Total Deferred Inflows of Resources	1,762,896	935,022	2,697,918	59,677
NET POSITION				
Net investment in capital assets	99,416,668	170,718,286	270,134,954	8,733,825
Unrestricted	12,009,189	13,954,183	25,963,372	2,646,451
Total Net Position	\$ 111,425,857	\$ 184,672,469	296,098,326	\$ 11,380,276
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds			(1,089,584)	
Net position of business-type activities			<u>\$ 295,008,742</u>	

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities Internal Service Funds
	Water	Wastewater	Total	
Operating Revenues:				
Charges for services	\$ 70,098,899	\$ 40,152,420	\$ 110,251,319	\$ 37,751,498
Total Operating Revenues	<u>70,098,899</u>	<u>40,152,420</u>	<u>110,251,319</u>	<u>37,751,498</u>
Operating Expenses:				
Personnel services	15,003,800	15,129,945	30,133,745	7,286,452
Purchased water	25,746,069	-	25,746,069	-
Administrative expenses	6,473,535	2,811,233	9,284,768	2,565,123
Benefit claims	-	-	-	2,753,636
Supplies	7,113,292	2,383,717	9,497,009	328,527
Repairs and maintenance	3,661,695	2,288,138	5,949,833	1,888,559
Depreciation	5,732,696	7,749,974	13,482,670	2,145,139
Utilities	3,423,478	4,080,862	7,504,340	1,706,682
Fuel	-	-	-	1,625,824
Professional services	685,611	4,831,745	5,517,356	5,161,457
Insurance premiums	1,114,510	853,060	1,967,570	16,092,416
Rent	486,269	318,115	804,384	-
Other	862,275	1,224,304	2,086,579	1,484,725
Total Operating Expenses	<u>70,303,230</u>	<u>41,671,093</u>	<u>111,974,323</u>	<u>43,038,540</u>
Operating Income (Loss)	<u>(204,331)</u>	<u>(1,518,673)</u>	<u>(1,723,004)</u>	<u>(5,287,042)</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities Internal Service Funds
	Water	Wastewater	Total	
Nonoperating Revenues (Expenses):				
Investment income	1,815,867	788,526	2,604,393	1,584,306
Intergovernmental	-	454,251	454,251	-
Rents and concessions	1,278,495	-	1,278,495	-
Interest and fiscal charges	(2,536,852)	(822,051)	(3,358,903)	-
Sale of capital assets	-	-	-	352,190
Miscellaneous	91,435	(90,454)	981	540,647
Total Nonoperating Revenues (Expenses)	648,945	330,272	979,217	2,477,143
Income Before Transfers and Capital Contributions	444,614	(1,188,401)	(743,787)	(2,809,899)
Transfers in	30,000	-	30,000	-
Transfers (out)	(598,400)	(598,400)	(1,196,800)	-
Capital Contributions:				
Intergovernmental	4,526,984	2,018,237	6,545,221	-
Connection fees	482,820	2,436,758	2,919,578	-
Developer contributions	526,291	54,465	580,756	1,772,007
Total Transfers and Capital Contributions	4,967,695	3,911,060	8,878,755	1,772,007
Changes in Net Position	5,412,309	2,722,659	8,134,968	(1,037,892)
Net Position at Beginning of Year	106,013,548	181,949,810	287,963,358	12,418,168
Net Position at End of Year	\$ 111,425,857	\$ 184,672,469	\$ 296,098,326	\$ 11,380,276
Change in Net Position			\$ 8,134,968	
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds			(134,925)	
Change in net position of business-type activities			<u>\$ 8,000,043</u>	

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities Internal Service Funds
	Water	Wastewater	Total	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 69,122,508	\$ 40,030,398	\$ 109,152,906	\$ 37,750,862
Cash paid to employees for services	(13,751,935)	(13,807,419)	(27,559,354)	(9,078,230)
Cash paid to suppliers for goods or services	(51,127,431)	(23,881,794)	(75,009,225)	(29,165,948)
Cash for rents and concessions	1,249,016	-	1,249,016	-
Cash from other sources	91,435	(8,105)	83,330	595,670
Net Cash Provided by Operating Activities	5,583,593	2,333,080	7,916,673	102,354
Cash Flows from Noncapital Financing Activities:				
Cash received from other funds	30,000	-	30,000	22,503
Cash (paid to) other funds	(598,400)	(598,400)	(1,196,800)	-
Net Cash Provided by Noncapital Financing Activities	(568,400)	(598,400)	(1,166,800)	22,503
Cash Flows from Capital and Related Financing Activities:				
Purchase and construction of capital assets	(5,660,391)	(12,632,926)	(18,293,317)	(2,832,734)
Construction in progress reimbursement	6,673,154	1,333,366	8,006,520	-
Sale of capital assets	-	-	-	352,190
Payments received on connection rights	466,671	2,414,886	2,881,557	-
Cash received for developer fees	526,291	54,465	580,756	-
Proceeds from loans payable	-	22,313,031	22,313,031	-
Principal payments on bonds	(1,495,000)	(2,115,000)	(3,610,000)	-
Interest payments on bonds	(1,846,608)	(1,314,654)	(3,161,262)	-
Principal payments on loans	(1,248,480)	(374,687)	(1,623,167)	-
Interest payments on loans	(969,375)	(178,941)	(1,148,316)	-
Net Cash (Used in) Capital and Related Financing Activities	(3,553,738)	9,499,540	5,945,802	(2,480,544)
Cash Flows from Investing Activities:				
Investment income received	1,784,155	711,373	2,495,528	1,561,961
Net Cash Provided by Investing Activities	1,784,155	711,373	2,495,528	1,561,961
Net increase (decrease) in cash and cash equivalents	3,245,610	11,945,593	15,191,203	(793,726)
Cash and cash equivalents:				
Beginning of year	35,240,104	23,552,070	58,792,174	32,964,523
End of year	<u>\$ 38,485,714</u>	<u>\$ 35,497,663</u>	<u>\$ 73,983,377</u>	<u>\$ 32,170,797</u>
Reconciliation of Cash Equivalents to the Statement of Net Position:				
Cash and investments	\$ 38,088,788	\$ 33,744,125	\$ 71,832,913	\$ 32,170,797
Restricted cash and investments	396,926	1,753,538	2,150,464	-
Total cash and cash equivalents	<u>\$ 38,485,714</u>	<u>\$ 35,497,663</u>	<u>\$ 73,983,377</u>	<u>\$ 32,170,797</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental
	Water	Wastewater	Total	Activities Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ (204,331)	\$ (1,518,673)	\$ (1,723,004)	\$ (5,287,042)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	5,732,696	7,749,974	13,482,670	2,145,139
Cash from rent and concessions	1,255,194	-	1,255,194	-
Cash from other sources	91,435	(90,454)	981	595,670
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
Accounts receivable	(976,418)	(127,765)	(1,104,183)	(636)
Inventories	-	4,063	4,063	(81,653)
Prepaid items	-	5,743	5,743	(4,929)
Loans receivable	-	82,349	82,349	-
Leases receivable	(29,479)	-	(29,479)	-
Deferred outflows of resources related to pensions	202,891	220,496	423,387	95,937
Accounts payable	(2,590,553)	(5,328,922)	(7,919,475)	(52,828)
Retentions payable	995,853	192,124	1,187,977	-
Accrued expenses	57,304	42,115	99,419	45,304
Compensated absences	9,862	(27,256)	(17,394)	44,540
Customer deposits	27	-	27	-
Pension liability	1,105,604	1,201,548	2,307,152	522,793
Deferred inflows of resources related to pensions	(66,492)	(72,262)	(138,754)	(31,391)
Estimated claims payable	-	-	-	2,111,450
Total adjustments	5,787,924	3,851,753	9,639,677	5,389,396
Net Cash Provided by Operating Activities	\$ 5,583,593	\$ 2,333,080	\$ 7,916,673	\$ 102,354
Noncash Investing, Capital and Financing Activities:				
Contributed property, plant and equipment	\$ 526,291	\$ 160,645	\$ 686,936	\$ -
Amortization of bond premium/discounts	(226,398)	781,233	554,835	-
Amortization of deferred charge on bond refundings	(25,241)	(4,867)	(30,108)	-
Total noncash investing, capital and financing activities	\$ 274,652	\$ 937,011	\$ 1,211,663	\$ -

See Accompanying Notes to Basic Financial Statements.

CITY OF ESCONDIDO
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former CDC
ASSETS		
Cash and investments	\$ 1,892,643	\$ 150,000
Cash and investments with fiscal agent	1,644,467	-
Receivables:		
Interest	5,793	-
Taxes	18,200	-
Total Assets	3,561,103	150,000
LIABILITIES		
Long-term liabilities:		
Due within one year	-	150,000
Due in more than one year	-	735,616
Total Liabilities	-	885,616
NET POSITION		
Net position restricted for individuals, organizations, and other governments	3,561,103	(735,616)
Total Net Position (Deficit)	\$ 3,561,103	\$ (735,616)

CITY OF ESCONDIDO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former CDC
ADDITIONS:		
Taxes	\$ -	\$ 150,000
Special assessments	2,776,278	-
Interest and change in fair value of investments	50,423	-
Total Additions	<u>2,826,701</u>	<u>150,000</u>
DEDUCTIONS:		
Administrative expenses	167,027	-
Interest expense	-	110,958
Payments on conduit bonds - principal	970,000	-
Payments on conduit bonds - interest	1,408,022	-
Total Deductions	<u>2,545,049</u>	<u>110,958</u>
Changes in Net Position	281,652	39,042
NET POSITION:		
Beginning of year	<u>3,279,451</u>	<u>(774,658)</u>
End of year (Deficit)	<u>\$ 3,561,103</u>	<u>\$ (735,616)</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing government accounting and financial reporting standards.

A. Reporting Entity

The City of Escondido (City) was incorporated in 1888 and operates under a Council/Manager form of government. The Council is composed of five members. As required by U. S. GAAP, the financial statements present the government and its component units for which the government is considered financially accountable. The inclusion of an organization within the scope of the reporting entity of the City of Escondido is based on the provisions of GASB Statement No. 14 and amended with GASB Statement No. 61. The following criteria were used in the determination of the blended component units:

- The members of the City Council also act as the governing body of the Escondido Vehicle Parking District (District) and the Escondido Joint Power Financing Authority (Authority).
- The District and the Authority are managed by employees of the City.
- The District and the Authority are financially interdependent. They provide financial benefit/burden to the City.

Blended Component Units

The following blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Each blended component unit as described below has a June 30-year end.

Escondido Vehicle Parking District

The Escondido Vehicle Parking District (District) was established in 1962 for the purpose of acquiring and improving parking lots in Escondido. The City Council acts as the District's governing board and exerts significant influence over its operations. The funds of the District have been included in the governmental activities of the financial statements. Separate financial statements are not prepared for this blended component unit.

Escondido Joint Powers Financing Authority

The City and Commission formed the Escondido Joint Powers Financing Authority (Authority). The Authority was established in 1991 for the purpose of providing for the financing of public capital improvements for the Members through the issuance of bonds by the Authority and the leasing of the public capital improvements to the members and/or the acquisition of obligations pursuant to which public capital improvements are financed by or for the benefit of the members.

The City Council acts as the Authority's governing board and exerts significant influence over its operations. The funds of the Authority have been included in the governmental activities of the financial statements. Separate financial statements are not prepared for this blended component unit.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units

California Center for the Arts, Escondido Foundation

The California Center for the Arts, Escondido Foundation (Foundation) was established in 1988 as a nonprofit public benefit corporation to provide a variety of visual and performing arts events, to encourage other cultural activities, and to provide a venue for local events and presentations. The Foundation has a governing board elected separately from the City. It is included as a discretely presented component unit because the Foundation is fiscally dependent on the City; the City has assumed the obligation to provide financial support to the organization including the Center’s management fee, facility, and additional funding as needed based on annual operations. The City issued bonds in 1992 for the construction of the facility and was obligated for those payments. In addition, all land and buildings used by the Foundation are legally owned by the City. Separate financial statements of the Foundation can be obtained at:

California Center for the Arts, Escondido Foundation
340 North Escondido Boulevard
Escondido, California 92025

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time.

Government - Wide Financial Statements

The City’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Government - Wide Financial Statements (Continued)

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as 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.

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

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

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, 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 nonmajor 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.

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 presents 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.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental Fund Financial Statements (Continued)

Revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred. The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures not paid through other funds are paid from this fund.

The **Successor Agency Housing Special Revenue Fund** was established to account for the housing activities of the dissolved Community Development Commission. The Successor Agency provides the resources for the activities of this fund that were approved by the California Department of Finance on the Successor Agency Recognized Obligation Payment Schedules. Other resources are received through loan repayments.

The **American Rescue Plan Act Fund** was established to account for \$38.8 million in monies the city received from the American Rescue Plan Act of 2021 which was passed on March 11, 2021. The funds may be used to: support urgent COVID-19 response efforts, replace lost public sector lost revenue, support immediate economic stabilization, address systemic public health and economic challenges, and fund certain water, sewer, and broadband infrastructure improvements. All funds must be earmarked by December 31, 2024 and fully spent by December 31, 2026.

The **Street Special Revenue Fund** was established to account for transactions related to:

- Gasoline taxes received under Sections 2103, 2105, 2106, 2107, and 2107.5 of the Streets and Highways Code. These funds are utilized solely for street-related purposes such as new construction, rehabilitation, or maintenance.
- Revenues allocated to the City based on section 2031 of the Streets & Highway Code and the Road Repair and Accountability Act of 2017 (SB1 Beall). These funds are utilized for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.
- Traffic impact fees which are collected from developers. These fees are used exclusively for street improvements that are required as the result of growth and development.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 each major Proprietary Fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include seven individual funds, which provide services directly to other City funds. These areas of service include Building Maintenance, Vehicle and Equipment Maintenance, Central Services, Network and Systems Administration, Workers' Compensation, General Liability Self-Insurance, and Insurance.

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 the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

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 of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major proprietary funds:

The **Water Enterprise Fund** is used to account for the financial activity of the City's water utility. The costs of providing these services to the general public are financed or recovered primarily through user charges.

The **Wastewater Enterprise Fund** is used to account for the financial activity of the City's sewer utility. The costs of providing these services to the general public are financed or recovered primarily through user charges.

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 City's Custodial funds (Hidden Trails Community Facilities District, Eureka Ranch Community Facilities District, Rancho San Pasqual, The Villages, and Eclipse and Mountain House) are used to account for 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.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fiduciary Fund Financial Statements (Continued)

The City elected to serve as the successor agency for its former redevelopment agency, which was dissolved by state law. The successor agency activity is accounted for in a private purpose trust fund used by the City to account for assets, liabilities and activities of the Successor Agency to the former Commission and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former Commission are paid in full and assets have been liquidated.

C. 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.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The statement of cash flows requires presentation of “cash and cash equivalents”. For the purposes of the statement of cash flows, the City considers all proprietary fund pooled cash and investments as “cash and cash equivalents”, as such, funds are available to the various funds as needed.

Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

U. S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position or Balance Sheet, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash and Investments with Fiscal Agents

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's investment policy.

E. Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Due From Other Governments

The amounts recorded as a receivable due from other governments include amounts collected or provided by Federal, State and County governments and not remitted to the City at year end.

G. Property Taxes

Property taxes attach as an 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 (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 levied to the extent that they result in current receivables.

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 tax value base no more than 2% per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

H. Inventories

Inventories within the various fund types consist of fuel, supplies and equipment valued at cost, which approximates market, on the first-in, first-out basis. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Land Held for Resale

Land held for resale is valued at lower of cost or net realizable value. The reported amount is classified as restricted net position in the low and moderate income housing fund and the County Transportation Street Projects Fund since the proceeds from the sale of the land held for resale will be restricted for a specific purpose. The land held for resale primarily consists of lots in two mobile home parks that the City owns and is holding until sold. It is anticipated that these lots could take several years to sell.

J. Capital Assets

Capital assets, which include property, plant, equipment infrastructure assets, and right-to-use lease and subscription assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, equipment, and infrastructure assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at the acquisition value of the assets on the date on which they were contributed. Donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The City utilizes a capitalization threshold of \$5,000 - \$10,000 depending on asset type.

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	5-40 years
Buildings	30-40 years
Machinery and equipment	5-30 years
Motorized vehicles	5-15 years
Infrastructure	30-50 years
Golf course	30 years
Water system	40 years
Electrical system	40 years
Sewer system	40 years
Recycled water system	40 years

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the streets, water purification and distribution system, sewer collection and treatment system, parks and recreation, lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. 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, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Capital Assets (Continued)

Subscription-Based Information Technology Arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

K. Compensated Absences – Employee Leave Benefits

Depending upon length of employment, City employees earn 12 to 27 vacation days a year. Sick leave is accrued at the rate of 12 days per year except for Fire Safety which earns six twenty-four hour shifts. Employees can carry forward to subsequent two to three years' worth of earned but unused vacation leave benefits depending on employee group. Upon termination, the City is obligated to compensate employees for all earned but unused vacation days. The earned but unused sick leave benefits are not payable in the event of employee termination. These benefits are considered to be contingent liabilities subject to the continuation of the employee relationship. Such sick leave benefits are therefore not recorded as liabilities in the accompanying basic financial statements.

In government-wide financial statements and the proprietary fund financial statements, compensated absences are recorded as expenses and liabilities as incurred.

In governmental fund financial statements, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid vacation or sick leave at year-end from future resources rather than currently available and expendable resources. The General Fund is typically used to liquidate compensated absences.

The California Center for the Arts, Escondido Foundation (Foundation) provides Paid Time Off (PTO) benefits to all full-time employees. The accrual begins immediately upon hire and is determined based on length of employment, employees earn approximately 10-25 days of PTO. The Foundation allows employees to carry over all accrued available PTO to the following calendar year, and upon termination, is mandated to compensate employees for all earned but unused vacation days. Part time employees accrue one hour of sick time for every 30 hours worked. The Foundation allows employees to carry over all accrued paid sick days to the following calendar year of employment. Paid sick accrues until it reaches a maximum cap of 48 hours. Upon termination, employees are not compensated for unused paid sick time.

L. Long-Term Debt

Government-Wide Financial Statements and Proprietary Fund Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when incurred. Gains or losses on bond refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Long-Term Debt (Continued)

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Claims and Judgments

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service funds, which account for the City's self-insurance activities.

N. Unearned Revenues

Unearned revenue recorded in the Government-Wide Statement of Net Position for governmental activities and the governmental fund financial statements consist of federal and state capital grants, representing voluntary nonexchange transactions, for which advance payments have been received from the provider for which eligibility requirements, other than timing requirements, have not been satisfied.

Unearned revenue recorded in the Government-Wide Statement of Net Position for business-type activities and the proprietary fund financial statements generally consist of program fees collected from customers prior to the statement of net position date for recreation programs that begin in the next fiscal year or donations for capital or work projects, for which the related expenses have not yet been incurred.

O. Pensions

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 plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 13). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for pension reporting:

CalPERS:	
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Pensions (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

P. Net Position

In governmental-wide and proprietary fund financial statements, net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Q. Fund Balance

In governmental fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. Adoption of a resolution by the City Council is required to commit resources or rescind the commitment. The action that constitutes the most binding constraint (i.e. ordinance) of the City’s highest level of decision-making authority, City Council, commits fund balance for specific purposes. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Fund Balance (Continued)

Included in the General Fund’s committed fund balance, the City Council has approved a reserve stabilization arrangement to be used to fund one-time unanticipated expenditure requirements, local disasters, or for the purpose of providing a mechanism to allow for a measured and thoughtful reduction in expenditures during times of economic downturn. City Council action is required to add or spend the funds and, if used, the method for replenishing deficiencies including the source of funding and time period of replenishment to occur will be defined in the resolution. At June 30, 2023, the balance totaled \$17,392,319.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Finance Director is authorized to assign amounts to a specific purpose, which was established by the governing body by resolution.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

R. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When an expense is incurred for purposes for which both restricted and unrestricted Net Position are available, the City’s policy is to apply restricted Net Position first.

Governmental Fund Financial Statements

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

Note 2 – Stewardship, Compliance and Accountability

A. Excess of Expenditures Over Appropriations

There was no excess of expenditures over appropriations for the year ended June 30, 2024.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Stewardship, Compliance and Accountability (Continued)

B. Deficit Fund Equity

The following funds reported a deficit fund balance/net position as of June 30, 2024:

Fund	Fund Type	Amount
Unrestricted Net Position	Governmental Activities	\$ (122,244,388)
Law Enforcement	Special Revenue Fund	(389,608)
Miscellaneous Grants	Special Revenue Fund	(238,007)
County Transportation Street Projects	Special Revenue Fund	(1,606,806)
Building Maintenance	Internal Service Fund	(471,495)
Network and Systems Administration	Internal Service Fund	(1,152,709)
General Liability Self-Insurance	Internal Service Fund	(1,361,889)
Insurance	Internal Service Fund	(465,481)
Successor Agency of the former CDC	Private Purpose Trust Fund	(735,616)

At June 30, 2024, the City had an unrestricted net position deficit of (\$122,244,388) on the Government-wide Statement of Net Position that was increased due to the recording of the Net Pension Liability. The City expects to eliminate the deficit via pension contributions as required by the City’s pension administrator (CalPERS).

The (\$389,608) in the Law Enforcement fund, (\$238,007) in the Miscellaneous Grants fund, and (\$1,606,806) in the County Transportation Street Projects Fund are the result of unreimbursed funds and will be eliminated with future grant reimbursements.

Internal service fund deficits for the Building Maintenance (\$471,495) and Network and Systems Administration (\$1,152,709) funds are due to the impact from recording the Net Pension Liability items. The deficits are expected to be funded by future internal service charges to other City funds. The General Liability Self-Insurance Fund deficit (\$1,361,889) is due to estimated Claims Payable recorded in the fund based on an actuarial study. The Insurance Internal Service Fund deficit (\$465,481) is due to the timing of insurance premium payments paid to the City’s health insurance provider.

The (\$735,616) deficit in the Successor Agency of the former CDC private purpose trust fund will be eliminated with future distributions from the Redevelopment Property Tax Trust Fund (RPTTF).

Note 3 – Cash and Investments

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Component Unit	Fiduciary Funds	Total
Cash and investments	\$ 162,769,480	\$ 71,832,913	\$ 3,359,870	\$ 2,042,643	\$ 240,004,906
Investment in Section 115 Trust	34,430,968	-	-	-	34,430,968
Cash and investments with fiscal agent	3,510,652	2,150,464	-	1,644,467	7,305,583
Total	<u>\$ 200,711,100</u>	<u>\$ 73,983,377</u>	<u>\$ 3,359,870</u>	<u>\$ 3,687,110</u>	<u>\$ 281,741,457</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

At June 30, 2024, cash and investments, including cash and investments with fiscal agent, are reported at fair value. The following table presents the fair value measurements of the investments recognized in the accompanying statement of net position and balance sheet measured at fair value on a recurring basis and the levels within GASB 72 fair value hierarchy in which fair value measurement fall at June 30, 2024:

	Fair Value	Measurement Input			Uncategorized
		Level 1	Level 2	Level 3	
Cash on hand	\$ 18,631	\$ -	\$ -	\$ -	\$ 18,631
Demand deposits	4,542,426	-	-	-	4,542,426
Investments:					
U. S. Treasury Obligations	111,009,032	-	111,009,032	-	-
U. S. Corporate Bonds	27,868,302	-	27,868,302	-	-
U. S. Municipal Bonds	7,229,053	-	7,229,053	-	-
Supranational Obligations	2,327,329	-	2,327,329	-	-
Federal Agency Securities	15,170,868	-	15,170,868	-	-
Asset Backed Securities	2,720,129	-	-	-	2,720,129
Placement Service Deposits	5,233,322	-	-	-	5,233,322
Money Market Funds	3,082,421	3,082,421	-	-	-
Local Gov. Investment Pool (CAMP)	57,431,408	-	-	-	57,431,408
State Investment Pool (LAIF)	12,115	-	-	-	12,115
Subtotal	232,083,979	3,082,421	163,604,584	-	65,396,974
Held by fiscal agent:					
Cash	5,951,894	-	-	-	5,951,894
Money Market Funds	1,353,689	-	1,353,689	-	-
Subtotal	7,305,583	-	1,353,689	-	5,951,894
Investment in Section 115 Trust	34,430,968	-	-	-	34,430,968
Subtotal Cash and Investments - City	278,381,587	3,082,421	164,958,273	-	110,340,893
Cash and Investments- Component Unit					
Demand deposits	1,804,824	-	-	-	1,804,824
Held by Trust:					
Cash and cash equivalents	82,407	-	-	-	82,407
Equities	1,465,992	1,465,992	-	-	-
Mutual Funds	6,647	6,647	-	-	-
Subtotal Held by Trust	1,555,046	1,472,639	-	-	82,407
Subtotal Cash and Investments - Component Unit	3,359,870	1,472,639	-	-	1,887,231
Total Cash and Investments	\$ 281,741,457	\$ 4,555,060	\$ 164,958,273	\$ -	\$ 112,228,124

A. Demand Deposits

The carrying amount of the City’s cash deposits was \$1,260,979 at June 30, 2024. Bank balances before reconciling items (outstanding checks and deposits in transit) were \$4,706,932 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City’s name as discussed below.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

A. Demand Deposits (Continued)

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

B. Investments

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 and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee (i.e. fiscal agent) that are governed by the provisions of debt agreements of the City rather than the general provisions of the California Government Code or the City's investment policy. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

B. Investments (Continued)

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

Investment types Authorized by State Law	Authorized by Investment Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	30%
Municipal Securities	Yes	5 years	40%	5%
Banker's Acceptance	Yes	180 days	30%	5%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	5%
Placement Service Deposits	Yes	5 years	30%	30%
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	5%
Mutual Funds	No	N/A	20%	10%
Money Market Funds	Yes	N/A	20%	20%
Mortgage Pass-Through/Asset Backed Securities	Yes	5 years	20%	5%
Local Government Investment Pools	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	\$75 million	None
Supranational Obligations	Yes	5 years	30%	30%

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

Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	*Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	365 days	None	None
Banker's Acceptance	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	None	None	None
Investment Contracts	30 years	None	None
State or Municipal Obligations	None	None	None
State Pooled Investment Fund	None	None	None

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

C. Investments in Local Agency Investment Fund

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments in LAIF included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2024, the City had \$12,115 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The credit quality rating of LAIF is unrated as of June 30, 2024. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

D. Investments in Section 115 Trust

The City established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the City’s CalPERS pension plans. The Section 115 Pension Trust’s specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City.

E. Investment in California Asset Management Program (CAMP)

The City is a voluntary participant in the California Asset Management Program (CAMP) that is regulated by the California Government Code. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis.

F. Risk Disclosures

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 ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

F. Risk Disclosures (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

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

Investment Type	Fair Value	Remaining Maturity in Months			
		12 Months or Less	13 to 36 Months	36 to 48 Months	48 to 60 Months
Investments:					
U. S. Treasury Obligations	\$ 111,009,032	\$ 20,374,820	\$ 43,490,792	\$47,143,420	\$ -
U. S. Corporate Bonds	27,868,302	11,592,994	11,485,728	4,789,580	-
U. S. Municipal Bonds	7,229,053	5,281,541	1,947,512	-	-
Supranational Obligations	2,327,329	2,327,329	-	-	-
Federal Agency Securities	15,170,868	8,076,509	5,326,589	1,767,770	-
Asset Backed Securities	2,720,129	2,720,129	-	-	-
Placement Service Deposits	5,233,322	5,233,322	-	-	-
Money Market Funds	3,082,421	3,082,421	-	-	-
Local Gov. Investment Pool (CAMP)	57,431,408	57,431,408	-	-	-
State Investment Pool (LAIF)	12,115	12,115	-	-	-
Subtotal	232,083,979	116,132,588	62,250,621	53,700,770	-
Held by fiscal agent:					
Money Market Funds	1,353,689	1,353,689	-	-	-
Investment in Section 115 Trust	34,430,968	34,430,968	-	-	-
Subtotal Investments - City	267,868,636	151,917,245	62,250,621	53,700,770	-
Investments - Component Unit					
Held by Trust:					
Equities	1,465,992	1,465,992	-	-	-
Mutual Funds	6,647	6,647	-	-	-
Subtotal Investments - Component Unit	1,472,639	1,472,639	-	-	-
Total Investments	\$ 269,341,275	\$ 153,389,884	\$ 62,250,621	\$ 53,700,770	\$ -

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 Moody's or Standards and Poor, as of yearend for each investment type.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

F. Risk Disclosures

Disclosures Relating to Credit Risk (Continued)

Investment Type	Fair Value	Minimum Legal Rating	Exempt from Disclosures	Rating as of Year End				
				AAA/Aaa	AA+/Aa1	AA to AA-/ Aa2 to Aa3	A+ to A-/ A1 to A3	Not Rated
Investments:								
U. S. Treasury Obligations	\$ 111,009,032	N/A	\$ -	\$ -	\$ 111,009,032	\$ -	\$ -	\$ -
U. S. Corporate Bonds	27,868,302	A	-	-	1,830,420	1,677,659	24,360,223	-
U. S. Municipal Bonds	7,229,053	A	-	1,275,781	5,038,200	-	-	915,072
Supranational Obligations	2,327,329	A	-	2,327,329	-	-	-	-
Federal Agency Securities	15,170,868	N/A	-	-	15,170,868	-	-	-
Asset Backed Securities	2,720,129	N/A	-	2,720,129	-	-	-	-
Placement Service Deposits	5,233,322	N/A	-	-	-	-	-	5,233,322
Money Market Funds	3,082,421	N/A	3,082,421	-	-	-	-	-
Local Gov. Investment Pool (CAMP)	57,431,408	N/A	-	57,431,408	-	-	-	-
State Investment Pool (LAIF)	12,115	N/A	-	-	-	-	-	12,115
Subtotal	<u>232,083,979</u>		<u>3,082,421</u>	<u>63,754,647</u>	<u>133,048,520</u>	<u>1,677,659</u>	<u>24,360,223</u>	<u>6,160,509</u>
Held by fiscal agent:								
Money Market Funds	1,353,689	N/A	-	-	-	-	-	1,353,689
Investment in Section 115 Trust	34,430,968	N/A	-	-	-	-	-	34,430,968
Subtotal Investments - City	<u>267,868,636</u>		<u>3,082,421</u>	<u>63,754,647</u>	<u>133,048,520</u>	<u>1,677,659</u>	<u>24,360,223</u>	<u>41,945,166</u>
Investments - Component Unit								
Held by Trust:								
Equities	1,465,992	N/A	1,465,992	-	-	-	-	-
Mutual Funds	6,647	N/A	6,647	-	-	-	-	-
Subtotal Investments - Component Unit	<u>1,472,639</u>		<u>1,472,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 269,341,275</u>		<u>\$ 4,555,060</u>	<u>\$ 63,754,647</u>	<u>\$ 133,048,520</u>	<u>\$ 1,677,659</u>	<u>\$ 24,360,223</u>	<u>\$ 41,945,166</u>

Disclosures Relating to Concentration of Credit Risk

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
U.S. Treasury	U.S. Treasury Obligations	\$ 111,009,032

Disclosures Relating to 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. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

F. Risk Disclosures (Continued)

For investments identified herein as held by bond trustee, the bond trustee provides the City with investment options that are authorized under the terms of the applicable trust agreement, acquires the investment as directed, and holds the investment on behalf of the reporting government.

Note 4 – Accounts Receivable

As of June 30, 2024, the accounts receivable are categorized as follows:

	Governmental Activities	Business-type Activities	Total
Accounts receivable	\$ 6,205,404	\$ 14,372,467	\$ 20,577,871
Interest receivable	21,158,823	227,936	21,386,759
Taxes receivable	9,652,951	-	9,652,951
Total receivables	37,017,178	14,600,403	51,617,581
Less: Allowance for uncollectible amounts	(1,170,429)	(1,053,269)	(2,223,698)
Total receivables, net of allowance	<u>\$ 35,846,749</u>	<u>\$ 13,547,134</u>	<u>\$ 49,393,883</u>

Governmental and Business-type Activities receivables are shown net of an allowance for uncollectibles. The governmental activities allowance is recorded in the General Fund for paramedic and general accounts receivable activities. The uncollectible accounts related to accounts receivable at June 30, 2024 are \$655,553 for the Water Fund and \$397,716 for the Wastewater Fund.

Note 5 – Notes and Loans Receivable

At June 30, 2024, the loans receivable was reported in the accompanying basic financial statements as follows:

	Governmental Activities	Business-type Activities	Total
General Fund	\$ 11,000,000	\$ -	\$ 11,000,000
Successor Agency Housing Fund	38,006,616	-	38,006,616
HOME Fund	17,554,978	-	17,554,978
Community Development Block Grant Fund	231,659	-	231,659
Public Facilities Capital Projects Fund	12,478	-	12,478
Wastewater Enterprise Fund	-	72,492	72,492
Total	<u>\$ 66,805,731</u>	<u>\$ 72,492</u>	<u>\$ 66,878,223</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Notes and Loans Receivable (Continued)

The General Fund has an outstanding loan receivable due from the Escondido Senior Housing Corporation. In exchange for the sale of City owned property valued at \$14,900,000 million, the General Fund received \$4,100,000 in cash payments and a promissory loan agreement secured by a deed of trust recorded against the property for the remaining balance of \$10,800,000 which will be repaid from residual receipts over 55 years. If not paid earlier from residual receipts within the 55-year loan period, the entire amount of outstanding principal and accrued interest will be due and payable. Interest accrues at the rate of 2.21% compounded annually. As of June 30, 2024, the notes receivable balance was \$10,800,000, and unavailable revenue of \$11,818,958 is reported as a deferred inflow of resources.

The General Fund has an outstanding loan receivable due from the Vineyard Golf Course, funds were provided as part of the construction of the golf course. The loan is to be paid back at \$40,000 per year once the golf course reaches a level of 240,000 rounds played in a 36 consecutive month period. As of June 30, 2024, the notes receivable balance was \$200,000.

On June 30, 2024, the City has outstanding loans of \$38,006,616 recorded in the Successor Agency Housing Fund; \$17,554,978 recorded in the HOME Fund; and \$231,659 recorded in Community Development Block Grant Fund as a result of programs designed to encourage the construction and improvement in low-to-moderate income housing and other projects. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's or Housing Successor Agency's terms. These loans have been offset by restricted or committed fund balances, as they are not expected to be repaid immediately.

The Public Facilities Capital Projects Fund has loaned the California Center for the Arts Foundation \$361,500 to finance the purchase of equipment and furnishings for the Conference Center. The balance outstanding at June 30, 2024 is \$12,478.

As part of the development of an ice arena, health club, and a co-energy generation facility, the Wastewater Enterprise fund agreed that the sewer connection fee of \$1,241,405 would be paid incrementally over a 30-year period with an interest rate of 6%. The balance outstanding at June 30, 2024 is \$72,492 including principal and interest.

Note 6 – Lease Receivables

The City, acting as lessor, leases buildings and cell towers under long-term, noncancelable lease agreements. The leases expire at various dates through 2053 and provide for renewal options ranging from 3 to 30 years. During the year ended June 30, 2024, the City recognized \$2,911,171 and \$718,131 in lease revenue and interest revenue, respectively, pursuant to these contracts.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Lease Receivables (Continued)

Principal and interest requirements to maturity under lease agreements are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 2,397,426	\$ 695,091	\$ 81,604	\$ 17,663	\$ 3,191,784
2026	2,392,433	667,575	85,579	16,665	3,162,252
2027	1,842,329	641,598	89,695	15,617	2,589,239
2028	1,397,319	619,952	93,957	14,515	2,125,743
2029	1,377,352	598,619	98,365	13,360	2,087,696
2030-2034	6,484,582	2,678,624	245,825	54,046	9,463,077
2035-2039	7,010,855	2,125,980	226,472	36,555	9,399,862
2040-2044	8,068,809	1,488,982	245,321	17,705	9,820,817
2045-2049	7,200,686	794,698	99,364	1,463	8,096,211
2050-2054	5,196,827	202,661	-	-	5,399,488
Total	<u>\$ 43,368,618</u>	<u>\$ 10,513,780</u>	<u>\$ 1,266,182</u>	<u>\$ 187,589</u>	<u>\$ 55,336,169</u>

Note 7 – Interfund Transactions

A. Due To and From Other Funds

At June 30, 2024, due from and to other funds balances are as follows:

Due To Other Funds	Due From Other Funds	Amounts
General Fund	Nonmajor Governmental Funds: Community Development Block Grant Fund	\$ 180,335
General Fund	Nonmajor Governmental Funds: County Transportation Street Projects Fund	\$ 613,543
General Fund	Internal Service Funds: Insurance Fund	\$ 22,503

Operating receivables between funds are classified as due from or due to other funds. Negative individual fund cash and investment balances in the Community Development Block Grant Fund, the County Transportation Street Projects Fund, and the Insurance Fund are offset by a due from other funds in the General Fund with a due to other funds set up in those funds owing the General Fund.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Interfund Transactions (Continued)

B. Advances To and From Other Funds

At June 30, 2024, advances to and from other fund balances are as follows:

<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Amounts</u>
Nonmajor Governmental Funds: Street Improvement Capital Projects Fund	General Fund	\$ 200,000
Nonmajor Governmental Funds: Public Facilities Capital Projects Fund	Nonmajor Governmental Funds: Storm Drain Capital Projects Fund	\$ 303,072

In December 1993, the General Fund entered into an agreement with the Street Improvement Capital Projects fund in the amount of \$200,000 for improvements to the Vineyard Golf Course. The loan is to be paid back at \$40,000 per year once the golf course reaches a level of 240,000 rounds played in a 36 consecutive month period. The balance outstanding at June 30, 2024 is \$200,000.

In February of 2003 the City entered into a reimbursement agreement with a developer for reimbursement for the costs of upsizing the existing storm water infrastructure to complete needed construction in accordance with the City Master Drainage Plan. In March 2022, City Council approved a loan from the Public Facilities Fund to the Storm Drain Capital Projects Fund to facilitate payment to the developer. The Storm Drain Capital Projects Fund will repay this amount plus interest to the Public Facilities Fund over a ten-year period at a rate equivalent to the City’s calculated annual investment portfolio monthly yield. The balance outstanding at June 30, 2024 is \$303,072 including principal and interest

C. Transfers In and Out

For the year ended June 30, 2024, interfund transfers are as follows:

<u>Transfer Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Successor Agency Housing</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise - Water</u>	
General Fund	\$ -	\$ 25,000	\$ 10,619,295	\$ -	\$ 10,644,295
Street Fund	2,055,000	-	-	-	2,055,000
Nonmajor Governmental	-	-	-	30,000	30,000
Enterprise:					
Water	-	-	598,400	-	598,400
Wastewater	-	-	598,400	-	598,400
Total	<u>\$ 2,055,000</u>	<u>\$ 25,000</u>	<u>\$ 11,816,095</u>	<u>\$ 30,000</u>	<u>\$ 13,926,095</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for the governmental activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Transfers of CIP	Contributions Between Activities	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated:						
Art and historical treasures	\$ 9,573,194	\$ 64,500	\$ -	\$ -	\$ -	\$ 9,637,694
Land	53,189,126	-	-	-	-	53,189,126
Construction in progress	37,243,118	(5,560,403)	-	29,452,182	-	61,134,897
Total capital assets, not being depreciated	100,005,438	(5,495,903)	-	29,452,182	-	123,961,717
Capital assets, being depreciated/amortized:						
Land improvements	42,557,371	2,404,223	-	-	-	44,961,594
Buildings	223,343,668	54,955	-	-	-	223,398,623
Machinery and equipment	37,589,561	147,862	-	75,061	(423,933)	37,388,551
Motorized vehicles	31,627,980	775,000	106,180	3,696,767	(667,429)	35,538,498
Infrastructure	338,037,542	2,113,863	-	907,686	-	341,059,091
Golf course	4,326,835	-	-	-	-	4,326,835
Radio rights	3,230,225	-	-	-	-	3,230,225
Intangible assets						
Leased assets - land	10,644,889	-	-	-	-	10,644,889
Subscription software	207,875	-	-	-	-	207,875
Total capital assets, being depreciated/amortized	691,565,946	5,495,903	106,180	4,679,514	(1,091,362)	700,756,181
Less accumulated depreciation/amortization						
Land improvements	(40,462,037)	-	-	(894,137)	-	(41,356,174)
Buildings	(148,531,535)	-	-	(5,676,485)	-	(154,208,020)
Machinery and equipment	(33,389,888)	-	-	(1,081,917)	-	(34,471,805)
Motorized vehicles	(27,569,712)	-	-	(1,814,920)	423,933	(28,960,698)
Infrastructure	(236,393,425)	-	-	(5,548,835)	667,429	(241,274,831)
Golf course	(2,980,709)	-	-	(144,228)	-	(3,124,937)
Radio rights	(1,130,578)	-	-	(161,510)	-	(1,292,089)
Intangible assets						
Leased assets - land	(840,831)	-	-	(413,088)	-	(1,253,919)
Subscription software	(88,815)	-	-	(78,939)	-	(167,754)
Total accumulated depreciation/amortization	(491,387,530)	-	-	(15,814,060)	1,091,362	(506,110,227)
Total capital assets, being depreciated/amortized, net	200,178,416	5,495,903	106,180	(11,134,546)	-	194,645,954
Total Governmental Activities capital assets, net	\$ 300,183,854	\$ -	\$ 106,180	\$ 18,317,636	\$ -	\$ 318,607,671

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Depreciation and amortization expense was charged to the following functions:

General government	\$ 4,106,574
Public safety	2,869,398
Public works	5,811,017
Community services	719,293
Community development	162,639
Internal service funds	<u>2,145,139</u>
Total	\$ 15,814,060

B. Business-type Activities

Summary of changes in capital assets for the business-type activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Transfers of CIP	Contributions Between Activities	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated:						
Land	\$ 3,138,397	\$ -	\$ -	\$ -	\$ -	\$ 3,138,397
Construction in progress	147,884,899	(120,706,588)	-	16,243,526	-	43,421,837
Total capital assets, not being depreciated	<u>151,023,296</u>	<u>(120,706,588)</u>	<u>-</u>	<u>16,243,526</u>	<u>-</u>	<u>46,560,234</u>
Capital assets, being depreciated:						
Land improvements	1,131,503	-	-	-	-	1,131,503
Buildings	31,805,187	-	-	-	-	31,805,187
Machinery and equipment	15,335,008	-	-	725,950	(5,406)	16,055,552
Motorized vehicles	-	-	(106,180)	106,180	-	-
Water system	188,047,934	46,263,682	-	526,291	-	234,837,907
Electrical system	3,609,179	-	-	-	-	3,609,179
Sewer system	218,077,258	74,442,906	-	54,465	-	292,574,629
Recycled water system	45,340,654	-	-	-	-	45,340,654
Total capital assets, being depreciated	<u>503,346,723</u>	<u>120,706,588</u>	<u>(106,180)</u>	<u>1,412,886</u>	<u>(5,406)</u>	<u>625,354,611</u>
Less accumulated depreciation						
Land improvements	(438,429)	-	-	(27,211)	-	(465,640)
Buildings	(22,508,618)	-	-	(415,404)	-	(22,924,022)
Machinery and equipment	(13,103,228)	-	-	(770,489)	5,406	(13,868,311)
Water system	(69,321,238)	-	-	(5,171,211)	-	(74,492,449)
Electrical system	(3,538,472)	-	-	(44,643)	-	(3,583,115)
Sewer system	(97,914,862)	-	-	(5,385,190)	-	(103,300,052)
Recycled water system	(12,495,708)	-	-	(1,668,522)	-	(14,164,230)
Total accumulated depreciation	<u>(219,320,554)</u>	<u>-</u>	<u>-</u>	<u>(13,482,670)</u>	<u>5,406</u>	<u>(232,797,818)</u>
Total capital assets, being depreciated, net	<u>284,026,169</u>	<u>120,706,588</u>	<u>(106,180)</u>	<u>(12,069,784)</u>	<u>-</u>	<u>392,556,793</u>
Total Business-type Activities capital assets, net	<u>\$ 435,049,465</u>	<u>\$ -</u>	<u>\$ (106,180)</u>	<u>\$ 4,173,742</u>	<u>\$ -</u>	<u>\$ 439,117,027</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Capital Assets (Continued)

B. Business-type Activities (Continued)

Depreciation expense was charged to the following functions:

Water	\$ 5,732,696
Wastewater	7,749,974
Total	\$ 13,482,670

C. Component Unit

Property and equipment consisted of the following at June 30, 2024:

	Balance
	June 30, 2024
Operating equipment and furniture	1,294,847
Tenant improvements	168,745
Computer software	12,050
Right-to-use leased assets	166,511
Total capital assets, being depreciated	1,642,153
Less accumulated depreciation	(1,069,186)
Total Component Unit capital assets, net	\$ 572,967

Note 9 – Long-Term Debt

A. Governmental Activities

Summary of changes in long-term liabilities for Governmental Activities as of June 30, 2024, are as follows:

	Balance			Balance	Due within	Due in More
	July 1, 2023	Additions	Deletions	June 30, 2024	One Year	Than One Year
Compensated absences	\$ 7,338,007	\$ 1,844,529	\$ (1,737,845)	\$ 7,444,691	\$ 744,474	\$ 6,700,217
Claims payable	18,162,550	5,455,639	(3,344,189)	20,274,000	4,054,800	16,219,200
Loans payable	1,063,987	-	(344,948)	719,039	354,573	364,466
Financed purchase payable	322,574	-	(322,574)	-	-	-
Leases payable	9,951,925	-	(346,957)	9,604,968	352,267	9,252,701
Subscription payable	96,196	-	(82,257)	13,939	13,939	-
2015 Refunding General Obligation Bonds	48,340,000	-	(2,390,000)	45,950,000	2,525,000	43,425,000
Unamortized bond premium	5,670,182	-	(430,646)	5,239,536	-	5,239,536
2013A Lease Revenue Bonds	2,495,000	-	(275,000)	2,220,000	285,000	1,935,000
Unamortized bond discount	(4,236)	-	547	(3,689)	-	(3,689)
Total	\$ 97,009,300	\$ 7,300,168	\$ (9,273,869)	\$ 91,462,484	\$ 8,330,053	\$ 83,132,431

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Compensated Absences - Employee Leave Benefits Payable

The City's policies relating to employee leave benefits are described in Note 1. The balance at June 30, 2024, is \$7,444,691. This liability will be paid in future years from future resources primarily from the General Fund.

Claims Payable

The balance of claims payable at June 30, 2024, is \$20,274,000. For more information, see Note 11.

Loans Payable

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
County of San Diego Loan	\$ 1,063,987	\$ -	\$ (344,948)	\$ 719,039	\$ 354,573	\$ 364,466
	<u>\$ 1,399,572</u>	<u>\$ -</u>	<u>\$ (344,948)</u>	<u>\$ 719,039</u>	<u>\$ 354,573</u>	<u>\$ 364,466</u>

County of San Diego Loan

The City of Escondido, County of San Diego, and multiple participating agencies are involved in a Regional Communication System; the multi-year agreement expired in 2016. As a continuation of the program, the City entered into a new 20-year agreement with the County and participating agencies. The agreement obligated the City to share in the infrastructure costs with the County and to purchase radios and support devices. In 2017, the City entered into a loan agreement with the County of San Diego for the City's share of the infrastructure costs. The infrastructure is financed over a ten-year period with an annual interest rate of 2.79%. The outstanding balance at June 30, 2024, is \$719,039. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 354,573	\$ 20,062	\$ 374,635
2026	364,466	10,168	374,634
Total	<u>\$ 719,039</u>	<u>\$ 30,230</u>	<u>\$ 749,269</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Financed Purchase Payable

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Motorola Radios Equipment	\$ 322,574	\$ -	\$ (322,574)	\$ -	\$ -	\$ -
	<u>\$ 322,574</u>	<u>\$ -</u>	<u>\$ (322,574)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Motorola Radios Equipment Financed Purchase Payable

In 2018, the City entered into a financed purchase agreement for the purchase of the mobile radios and support devices. The equipment is financed over a seven-year period with an annual interest rate of 2.79%. The loan has been paid in full as of June 30, 2024.

Leases Payable

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Leases Payable	\$ 9,951,925	\$ -	\$ (346,957)	\$ 9,604,968	\$ 352,267	\$ 9,252,701
	<u>\$ 9,951,925</u>	<u>\$ -</u>	<u>\$ (346,957)</u>	<u>\$ 9,604,968</u>	<u>\$ 352,267</u>	<u>\$ 9,252,701</u>

The City leases land for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2052 and provide for renewal options ranging from 9 months to 5 years. The gross value of the lease assets as of June 30, 2024 was \$10,644,889 and the amortization of the assets for the year totaled \$1,253,919 detailed in Note 8.

Principal and interest requirements to maturity under lease agreements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 352,267	\$ 152,189	\$ 504,456
2026	328,310	146,917	475,227
2027	312,428	141,875	454,303
2028	312,505	136,830	449,335
2029	317,637	131,694	449,331
2030-2034	1,668,166	578,490	2,246,656
2035-2039	1,809,714	436,941	2,246,655
2040-2044	1,963,274	283,381	2,246,655
2045-2049	2,129,864	116,790	2,246,654
2050-2054	410,803	2,292	413,095
Total	<u>\$ 9,604,968</u>	<u>\$ 2,127,398</u>	<u>\$ 11,732,366</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Subscriptions Payable

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Subscriptions Payable	96,196	-	(82,257)	13,939	13,939	-
	<u>\$ 96,196</u>	<u>\$ -</u>	<u>\$ (82,257)</u>	<u>\$ 13,939</u>	<u>\$ 13,939</u>	<u>\$ -</u>

The City has entered into subscription-based information technology arrangements (SBITA) for the use of software for terms for a period of 24-60 months. The SBITA arrangements expire at various dates through 2025. As of June 30, 2024, SBITA assets and the related accumulated amortization totaled \$207,875 and \$167,754, respectively. The future subscription payments under the SBITA arrangements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 13,939	\$ 129	\$ 14,068
Total	<u>\$ 13,939</u>	<u>\$ 129</u>	<u>\$ 14,068</u>

2015 Refunding General Obligation Bonds

In May 2015, the City issued \$61,520,000 of General Obligation Refunding Bonds Series 2015 to refund the General Obligation Bonds, election 2004, Series A. The 2004 Bonds were issued to construct City fire stations, an emergency response training center, and a combined police and fire headquarters facility. The Bonds bear interest ranging from 3.00% to 5.00% per annum payable on March 1 and September 1 of each year commencing March 1, 2015. The Bonds mature starting September 1, 2016 and end on September 1, 2036. At June 30, 2024, the outstanding balance of the Bonds was \$45,950,000 and unamortized bond premium was \$5,239,536. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 2,525,000	\$ 2,297,500	\$ 4,822,500
2026	2,665,000	2,171,250	4,836,250
2027	2,810,000	2,038,000	4,848,000
2028	2,960,000	1,897,500	4,857,500
2029	3,125,000	1,749,500	4,874,500
2030-2034	18,360,000	6,225,000	24,585,000
2034-2037	13,505,000	1,373,750	14,878,750
Total	<u>\$ 45,950,000</u>	<u>\$ 17,752,500</u>	<u>\$ 63,702,500</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

2013A Lease Revenue Bonds

In March 2013, the City of Escondido issued \$4,830,000 in Lease Revenue Bonds to refund the Escondido Joint Powers Financing Authority 2001 Lease Revenue Bonds and to pay the costs of issuance of the Bonds. The principal is due annually on October 1 in amounts ranging from \$205,000 to 355,000, commencing 2013 and ending 2030. Interest is payable semi-annually on April 1 and October 1 of each year commencing October 1, 2013, at rates ranging from 2.00% to 4.00%. At June 30, 2024, the outstanding balance of these bonds was \$2,220,000 and unamortized bond discount was \$3,689. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 285,000	\$ 77,972	\$ 362,972
2026	295,000	68,000	363,000
2027	305,000	57,309	362,309
2028	315,000	45,875	360,875
2029	325,000	33,672	358,672
2030-2031	695,000	27,888	722,888
Total	<u>\$ 2,220,000</u>	<u>\$ 310,716</u>	<u>\$ 2,530,716</u>

B. Business-Type Activities

Summary of changes in long-term liabilities for Business-type Activities as of June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Connection rights payable	\$ 12,932,858	\$ -	\$ (38,022)	\$ 12,894,836	\$ -	\$ 12,894,836
Compensated absences	1,610,239	353,874	(371,268)	1,592,845	159,285	1,433,560
Loans payable	66,544,895	22,313,031	(1,623,167)	87,234,759	1,529,991	85,704,768
2019A Water Refunding Bonds	18,565,000	-	(665,000)	17,900,000	755,000	17,145,000
Unamortized bond premium	3,267,874	-	(226,398)	3,041,476	-	3,041,476
2019B Water Refunding Bonds	27,605,000	-	(830,000)	26,775,000	855,000	25,920,000
2021A Wastewater Refunding Bonds	21,550,000	-	(280,000)	21,270,000	295,000	20,975,000
Unamortized bond premium	4,101,150	-	(341,238)	3,759,912	-	3,759,912
2015A Wastewater Refunding Revenue B	5,820,000	-	(1,350,000)	4,470,000	1,415,000	3,055,000
Unamortized bond premium	676,386	-	(213,597)	462,789	-	462,789
2015B Wastewater Refunding Revenue Bc	1,505,000	-	(485,000)	1,020,000	505,000	515,000
Unamortized bond discount	(15,408)	-	4,867	(10,541)	-	(10,541)
Total	<u>\$ 164,162,994</u>	<u>\$ 22,666,905</u>	<u>\$ (6,418,823)</u>	<u>\$ 180,411,076</u>	<u>\$ 5,514,276</u>	<u>\$ 174,896,800</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Connection Rights Payable

In 1982, the City raised funds for water and sewer improvements by selling in advance rights to connect to the utility system. The holders of those rights could sell or transfer those rights to others. The value of the rights resulted from the ability of the holder to redeem the rights to the City in order to connect to the system. The amounts collected represent connection fees collected in advance of the connection. The amounts collected are recorded as a liability until earned at the time of connection.

The purchase price for sewer connection rights sold was \$1,500 per right. Per the contract, the rights increased in value 10% per year until May 31, 2007. As of that date, a sewer right was valued at \$21,872. The purchase price for water connection rights sold was \$900 per right. Per the contract, the rights increased in value 10% per year until July 1, 1993. At that time, each right was valued at \$3,230.

There was no limit to the number of rights purchased under a contract or the number of contracts an individual might purchase. Both contracts allowed several options to the purchaser. These options were: 1) The rights could be used by the purchaser at the time of pulling building permits, thus waiving the current fee being charged by the Building Department; 2) if the owner of the rights sold the property for which the rights were originally purchased, the rights could be transferred to the new owner; 3) the last option was to turn in the right to the City of Escondido for the purpose of resale on a "first come, first served" basis. Resales are paid based on receipts from current connection fees on building permits. Interest on connection rights represents the increase in the obligation of the City to the holders of the rights as a result of rates of increase stipulated in the City's agreement with the holders of the rights. The outstanding balance at June 30, 2024 is \$12,894,836.

Compensated Absences – Employee Leave Benefits Payable

The City's policies relating to employee leave benefits are described in Note 1 of the Notes to Basic Financial Statements. This liability will be paid in future years from future resources. The balance at June 30, 2024, is \$1,592,845.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Loans Payable

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Gravity Float Line Capital Project	\$ 128,493	\$ -	\$ (128,493)	\$ -	\$ -	\$ -
HARRF Aeration Blower Replacement Project	190,742	-	(94,239)	96,503	96,503	-
Alexander Area Phase II Water Line Project	1,375,505	-	(147,193)	1,228,312	150,898	1,077,414
Brine Transmission Line Project	4,624,233	-	(134,515)	4,489,718	136,936	4,352,782
Lindley Reservoir Tank Replacement Project	13,974,686	-	(362,479)	13,612,207	373,354	13,238,853
Recycled Water Easterly Main and Tanks Project	5,252,933	-	(145,931)	5,107,002	148,558	4,958,444
San Pasqual Undergrounding Project	24,402,822	-	(610,317)	23,792,505	623,742	23,168,763
Membrane Filtration Reverse Osmosis Facility	15,194,636	22,164,581	-	37,359,217	-	37,359,217
Recycled Water Easterly Agriculture Distribution System	1,400,845	148,450	-	1,549,295	-	1,549,295
Total	\$ 66,544,895	\$ 22,313,031	\$ (1,623,167)	\$ 87,234,759	\$ 1,529,991	\$ 85,704,768

Gravity Float Line Capital Project

In 2002, the City entered into an agreement with the Department of Water Resources for a loan program. The funds were provided in part from the Federal Capitalization Grant for Drinking Water State Revolving Funds program. The proceeds were used to construct the Gravity Float Line Capital Project. Repayment of the total amount issued of \$2,048,125 began on January 1, 2005, with semi-annual payments of \$65,459 with varying interest rates from 1.94% to 3.16%. The repayment ends on July 1, 2024. Principal and interest payments on the loans are payable from the Water Fund consisting of water rates, fees, and charges. The outstanding balance at June 30, 2024, is \$0.

HARRF Aeration Blower Replacement Project

In 2005, the City entered into an agreement with the Department of Water Resources for a loan program. The funds were provided in part from the Federal Capitalization Grants for Clean Water State Revolving Funds program. The proceeds of \$1,572,306 were used for the HARRF Aeration Blower Replacement Project. Principal and interest is due annually on December 30 in the amount of \$98,817 commencing 2005 and ending 2025. The project was completed as of June 30, 2006. Principal and interest payments on the loans are payable from the Wastewater Fund consisting of sewer rates, fees, and charges. The outstanding balance at June 30, 2024, is \$96,503. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 96,503	\$ 2,317	\$ 98,820
Total	\$ 96,503	\$ 2,317	\$ 98,820

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Loans Payable (Continued)

Alexander Area Phase II Water Line Project

In October 2009, the City entered into an agreement with the State Department of Public Health for funding of construction of the Alexander Area Phase II Water Line. The agreement provided for loan funding under the provisions of the California Safe Drinking Water State Revolving Fund Loan Program and the American Recovery and Reinvestment Act of 2009. A total of \$5,626,469 in project costs were incurred and submitted to the State for reimbursement. As per the terms of the agreement, fifty percent of each disbursement was forgiven by the State and not added to the principal amount of the loan. Upon project completion in October 2012, final loan principal to be repaid amounted to \$2,813,324. Repayment began March 1, 2012, with semi-annual payments of principal and interest of \$89,816, including interest at the rate of 2.5017%. The repayment period ends on September 1, 2031. Principal and interest payments on the loans are payable from the Water Fund consisting of water rates, fees, and charges. The outstanding balance at June 30, 2024, is \$1,228,312. The annual debt service requirements are as follows:

Year Ended				
June 30,	Principal	Interest	Total	
2025	\$ 150,898	\$ 29,792	\$	180,690
2026	154,698	25,992		180,690
2027	158,592	22,098		180,690
2028	162,584	18,106		180,690
2029	166,677	14,013		180,690
2030-2032	434,863	16,443		451,306
Total	<u>\$ 1,228,312</u>	<u>\$ 126,444</u>	<u>\$</u>	<u>1,354,756</u>

Brine Transmission Line Project

In October 2017, the City entered a construction installment sale agreement with the State Water Resources Control Board for funding for construction of a 15-inch brine transmission pipeline from Broadway to the Hale Avenue Resource Recovery Facility. A total of \$5,019,938 in project costs were incurred and submitted to the State for reimbursement. The repayment period is from October 23, 2020 to October 23, 2049, with semi-annual payments of principal and interest of \$217,751, including interest at the rate of 1.8%. Principal and interest payments on the loans are payable from the Wastewater Fund consisting of sewer rates, fees, and charges. The outstanding balance at June 30, 2024, is \$4,489,718.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Loans Payable (Continued)

Brine Transmission Line Project (Continued)

The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 136,936	\$ 80,815	\$ 217,751
2026	139,401	78,350	217,751
2027	141,910	75,841	217,751
2028	144,465	73,286	217,751
2029	147,065	70,686	217,751
2030-2034	775,998	312,757	1,088,755
2035-2039	848,398	240,357	1,088,755
2040-2044	927,552	161,203	1,088,755
2045-2049	1,014,092	74,663	1,088,755
2050	213,901	3,850	217,751
Total	\$ 4,489,718	\$ 1,171,808	\$ 5,661,526

Lindley Reservoir Tank Replacement Project

In June 2019, the City entered into an installment sale agreement with the California Infrastructure and Economic Development Bank (IBank) for the Lindley Reservoir Tank Replacement Project. The IBank loan is provided through IBank’s Infrastructure State Revolving Fund (ISRF) Loan Program. The loan amount approved is \$15 million with a term of 30 years at an annual interest rate of 3.00%. Repayment of the loan began in August 2020, with semi-annual payments of interest and principal of approximately \$776,000. The project is expected to be completed in 2023. The loan will be funded from revenues of the Water Fund. The outstanding balance at June 30, 2024, is \$13,612,207. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 373,354	\$ 402,766	\$ 776,120
2026	384,554	391,397	775,951
2027	396,091	379,688	775,779
2028	407,974	367,626	775,600
2029	420,213	355,204	775,417
2030-2034	2,297,897	1,576,235	3,874,132
2035-2039	2,663,893	1,204,749	3,868,642
2040-2044	3,088,182	774,096	3,862,278
2045-2049	3,580,049	274,850	3,854,899
Total	\$ 13,612,207	\$ 5,726,611	\$ 19,338,818

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Loans Payable (Continued)

Recycled Water Easterly Main and Tanks Project

In October 2017, the City entered into a construction installment sale agreement with the State Water Resources Control Board for funding of up to \$8 million for the Recycled Water Easterly Main and Tanks Project. This project extends the existing transmission pipeline from the Broadway crossing of Escondido Creek to the Hale Avenue Resource and Recovery Facility. A portion of the principal amount, \$2,500,000, is funded by Proposition 1 – the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and the Clean Water State Revolving Fund and is anticipated to be forgiven contingent on the City’s performance of its obligations under the agreement. The interest rate on the loan is 1.8% and the repayment period for the loan is 30 years. Repayment of the loan began in February 2022, with semi-annual payments of interest and principal of approximately \$240,484. The loan will be funded from revenues of the Wastewater Fund. The outstanding balance at June 30, 2024, is \$5,017,002.

Year Ended				
June 30,	Principal	Interest	Total	
2025	\$ 148,558	\$ 91,926	\$ 240,484	
2026	151,232	89,252	240,484	
2027	153,954	86,530	240,484	
2028	156,725	83,759	240,484	
2029	159,547	80,937	240,484	
2030-2034	841,859	360,562	1,202,421	
2035-2039	920,403	282,018	1,202,421	
2040-2044	1,006,276	196,145	1,202,421	
2045-2049	1,100,160	102,261	1,202,421	
2050-2051	468,288	12,681	480,969	
Total	<u>\$ 5,107,002</u>	<u>\$ 1,386,072</u>	<u>\$ 6,493,073</u>	

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Loans Payable (Continued)

San Pasqual Undergrounding Project

In September 2021, the City entered into an installment sale agreement with the California Infrastructure and Economic Development Bank (IBank) for the San Pasqual Undergrounding Project. The IBank loan is provided through IBank’s Infrastructure State Revolving Fund (ISRF) Loan Program. The loan amount approved is \$25 million with a term of 30 years at an annual interest rate of 2.20%. Repayment of the loan began on August 1, 2022, with annual payments of interest and principal of approximately \$1.1 million. The loan will be funded from revenues of the Water Fund. The outstanding balance at June 30, 2024, is \$23,792,506. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 623,742	\$ 587,951	\$ 1,211,693
2026	637,466	572,207	1,209,673
2027	651,490	556,116	1,207,606
2028	665,823	539,671	1,205,494
2029	680,471	522,864	1,203,335
2030-2034	3,633,605	2,348,992	5,982,597
2035-2039	4,051,280	1,869,767	5,921,047
2040-2044	4,516,965	1,335,457	5,852,422
2045-2049	5,036,180	739,729	5,775,909
2050-2052	3,295,484	129,719	3,425,203
Total	<u>\$ 23,792,506</u>	<u>\$ 9,202,473</u>	<u>\$ 32,994,979</u>

Membrane Filtration Reverse Osmosis Project

In July 2021, the City entered into a construction installment sale agreement with the State Water Resources Control Board for funding of up to \$45 million for the Membrane Filtration Reverse Osmosis Project. This is a project within the Agricultural Recycled Water and Potable Reuse Program and will construct a facility to remove salt from the recycled water supply via microfiltration and reverse osmosis. The lower salt concentration is needed if the water is to be used for crop irrigation. In June 2023, the City’s Wastewater Fund received the first disbursement. The interest rate on the loan is 1.8% and the repayment period for the loan is 30 years, beginning one year after completion of construction of the project, which is currently projected for fiscal year 2025. The outstanding balance at June 30, 2024, is \$37,359,217.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Recycled Water Easterly Agriculture Distribution System Project

In January 2021, the City entered into a construction installment sale agreement with the State Water Resources Control Board for funding of up to \$4.3 million for the Recycled Water Easterly Agriculture Distribution System Project. This is a project within the Agricultural Recycled Water and Potable Reuse Program. This project will construct approximately 11,000 feet of distribution pipeline and 8 service connections to supply recycled water to agricultural customers. Two recycled water emergency storage ponds are also included within the project. In March 2023, the City’s Wastewater Fund received the first disbursement. The interest rate on the loan is 1.4% and the repayment period for the loan is 30 years, beginning one year after completion of construction of the project, which is currently projected for fiscal year 2025. The outstanding balance at June 30, 2024, is \$1,549,295.

2019A Water Refunding Revenue Bonds

In November 2019, the Escondido Joint Powers Financing Authority issued \$20,380,000 of Refunding Revenue Bonds (Water System), Series 2019A. Proceeds from the issuance were used to refund the 2007 Water Certificates of Participation bonds and to pay the costs of issuing the Bonds. The Bonds bear interest ranging from 3.00% to 5.00% per annum payable on March 1 and September 1 of each year commencing March 1, 2020. The Bonds mature starting September 1, 2020 and end on September 1, 2037 and are limited obligations of the City payable solely from net revenues of the City’s Water System remaining after payment of operation and maintenance costs. At June 30, 2024, the outstanding balance of the Bonds was \$17,900,000 and unamortized bond premium was \$3,041,476. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 755,000	\$ 810,825	\$ 1,565,825
2026	845,000	770,825	1,615,825
2027	890,000	727,450	1,617,450
2028	935,000	681,825	1,616,825
2029	990,000	633,700	1,623,700
2030-2034	3,375,000	2,536,925	5,911,925
2035-2039	10,110,000	880,100	10,990,100
Total	<u>\$ 17,900,000</u>	<u>\$ 7,041,650</u>	<u>\$ 24,941,650</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

2019B Water Refunding Revenue Bonds

In November 2019, the Escondido Joint Powers Financing Authority issued \$30,000,000 of Refunding Revenue Bonds (Water System), Series 2019B. Proceeds from the issuance were used to refund the 2012 Escondido Joint Powers Financing Authority Water Revenue Bonds and to pay the costs of issuing the Bonds. The Bonds bear interest ranging from 1.83% to 3.15% per annum payable on March 1 and September 1 of each year commencing March 1, 2020. The Bonds mature starting September 1, 2020 and end on September 1, 2033. Bonds with stated maturities on or after September 1, 2030 will be subject to optional redemption prior to their respective stated maturities, as a whole or in part, on any date as directed by the City provided at least a 35-day notice is mailed by the Trustee to bondholders, and by lot within each maturity in integral multiples of \$5,000, on or after September 1, 2029 at a price without premium, equal to the principal amount plus accrued interest to the redemption date. Additionally, the term certificates, maturing annually on September 1, 2034 to September 1, 2041 are subject to mandatory sinking fund redemption in integral multiples of \$5,000, at a redemption price without premium, equal to the principal amount plus accrued interest to the redemption date, in accordance with the schedules contained in the covenants. The Bonds are limited obligations of the City payable solely from net revenues of the City’s Water System remaining after payment of operation and maintenance costs. At June 30, 2024, the outstanding balance of the Bonds was \$26,775,000.

The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 855,000	\$ 849,043	\$ 1,704,043
2026	885,000	828,892	1,713,892
2027	910,000	806,284	1,716,284
2028	935,000	781,868	1,716,868
2029	955,000	755,980	1,710,980
2030-2034	7,965,000	3,224,979	11,189,979
2035-2039	4,245,000	2,332,658	6,577,658
2040-2042	10,025,000	536,065	10,561,065
Total	<u>\$ 26,775,000</u>	<u>\$ 10,115,769</u>	<u>\$ 36,890,769</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

2021A Wastewater Revenue Bonds

In November 2021, the City issued \$21,550,000 of Refunding Revenue Bonds (Wastewater System), Series 2021A. Proceeds from the issuance were used to refund the 2012 Escondido Joint Powers Financing Authority Wastewater Revenue Bonds and to pay the costs of issuing the Bonds. The Bonds bear interest ranging from 1.32% to 1.73% per annum payable on March 1 and September 1 of each year commencing September 1, 2022. The Bonds mature starting September 1, 2023 and end on September 1, 2041. Bonds with stated maturities on or after March 1, 2032 will be subject to optional redemption prior to their respective stated maturities, as a whole or in part, on any date as directed by the City provided at least a 30-day notice is mailed by the Trustee to bondholders, and by lot within each maturity in integral multiples of \$5,000, on or after March 1, 2031 at a price without premium, equal to the principal amount plus accrued interest to the redemption date. The outstanding balance at June 30, 2024, was \$21,270,000 and unamortized bond premium is \$3,759,912. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 295,000	\$ 824,344	\$ 1,119,344
2026	295,000	820,656	1,115,656
2027	305,000	816,906	1,121,906
2028	1,020,000	794,600	1,814,600
2029	1,060,000	753,000	1,813,000
2030-2034	5,965,000	3,081,100	9,046,100
2035-2039	7,245,000	1,764,100	9,009,100
2040-2042	5,085,000	310,300	5,395,300
Total	<u>\$ 21,270,000</u>	<u>\$ 9,165,006</u>	<u>\$ 30,435,006</u>

2015A Wastewater Refunding Revenue Bonds

In April 2015, the City issued \$14,645,000 of Refunding Revenue Bonds (Wastewater System), Series 2015A. Proceeds from the issuance were used to refund the 2004A COP Bonds and pay the costs of issuing the Bonds. The Bonds bear interest ranging from 2.00% to 5.00% per annum payable on March 1 and September 1 of each year commencing on September 1, 2015. The Bonds mature September 1, 2015 through September 1, 2026 and are limited obligations of the City payable solely from net revenues of the City's Wastewater System remaining after payment of operation and maintenance costs. At June 30, 2024, the outstanding balance of the Bonds was \$4,470,000 and unamortized bond premium was \$462,789. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,415,000	\$ 188,125	\$ 1,603,125
2026	1,490,000	115,500	1,605,500
2027	1,565,000	39,125	1,604,125
Total	<u>\$ 4,470,000</u>	<u>\$ 342,750</u>	<u>\$ 4,812,750</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

2015B Wastewater Refunding Revenue Bonds

On April 29, 2015, the City issued \$5,060,000 of Refunding Revenue Bonds (Wastewater System), Series 2015B. Proceeds from the issuance were used to refund the 2004B Certificates of Participation and pay the costs of issuing the Bonds. The Bonds bear interest ranging from 0.40% to 3.25% per annum payable on March 1 and September 1 of each year commencing on September 1, 2015. The Bonds mature September 1, 2015 through September 1, 2025. The 2015 Bonds are limited obligations of the City payable solely from net revenues of the City’s Wastewater System remaining after payment of operation and maintenance costs. At June 30, 2024, the outstanding balance of the Bonds was \$1,020,000 and unamortized bond discount was \$10,541. The annual debt service requirements are as follows:

Year Ended				
June 30,	Principal	Interest	Total	
2025	\$ 505,000	\$ 24,313	\$	529,313
2026	515,000	8,368		523,368
Total	<u>\$ 1,020,000</u>	<u>\$ 32,681</u>	<u>\$</u>	<u>1,052,681</u>

Pledged Revenue

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment.

Description of	Annual Amount of	Annual Debt Service	Debt Service as a
Pledged Revenue	Pledged Revenue	Payments	Percentage of Pledged
(net of expenses,	where required)	(of all debt secured by	Revenue
this revenue)	this revenue)	Revenue	Revenue
Charges for services	\$ 19,879,627	\$ 9,252,103	46.54%
Loan repayment revenue	362,250	362,250	100.00%

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Rate Covenants

Under various debt issues, the City has agreed to set charges for water and wastewater services each year at rates sufficient to produce net revenues (after paying operating and maintenance expenses, excluding depreciation and interest) of at least 1.20 and 1.15 times the debt service on the bonds for that year for the Water and Wastewater Fund, respectively. For the year ended June 30, 2024, the City met this requirement, as follows:

	Water	Wastewater
Gross revenues, excluding intergovernmental revenue and developer contributions	\$ 73,199,568	\$ 41,960,931
Operating and maintenance expenses, excluding depreciation, interest and transfers	63,351,831	31,929,041
Net revenues	9,847,737	10,031,890
Amount required:		
Debt service payments	5,451,850	3,800,253
Coverage required	1.20	1.15
Amount required	6,542,220	4,370,291
Excess of net revenues	\$ 3,305,517	\$ 5,661,599

C. Fiduciary Funds

Summary of changes in long-term liabilities for Fiduciary Funds as of June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Advances from the City of Escondido -						
Street Fund	\$ 924,657	\$ 110,959	\$ (150,000)	\$ 885,616	\$ 150,000	\$ 735,616
Total	\$ 924,657	\$ 110,959	\$ (150,000)	\$ 885,616	\$ 150,000	\$ 735,616

Advances from the City of Escondido

The Community Development Commission Debt Service Fund had received monies from the Street Special Revenue Fund for use in its operations and capital improvement projects. These advances were absorbed by the Successor Agency at February 1, 2012, and recorded on the ROPS to be an enforceable obligation. At June 30, 2024, the outstanding balance of the advance from the Street Special Revenue Fund totaled \$885,616.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Debt (Continued)

D. Component Unit

Summary of changes in long-term liabilities for Component Unit as of June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Note Payable to the City of Escondido	\$ 47,237	\$ -	\$ (34,755)	\$ 12,482	\$ 12,482	\$ -
Lease payable	221,787		(48,369)	173,418	61,017	112,401
Total	\$ 269,024	\$ -	\$ (83,124)	\$ 185,900	\$ 73,499	\$ 112,401

Notes Payable to the City of Escondido

In October 2018, the Foundation entered into a loan agreement with the City of Escondido in the amount of \$261,500 to finance the purchase of equipment. The note bears interest at 2.598% per annum and has a maturity date of September 2023. Fixed monthly payments of \$4,652 are due on the first day of each month, beginning October 2018. The note has been paid in full as of June 30, 2024.

In December 2019, the Foundation entered into a loan agreement with the City of Escondido in the amount of \$100,000 to finance the purchase of new Conference Center chairs and lobby seating. The note bears interest at 3.069% per annum and has a maturity date of January 2025. Fixed monthly payments of \$1,800 are due on the first day of each month, beginning February 2020. The balance of the note is \$12,460 at June 30, 2024. The note is not secured by any collateral. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 12,482	\$ 128	\$ 12,610
Total	\$ 12,482	\$ 128	\$ 12,610

Leases Payable

The Foundation has one operating lease for office equipment. During 2023, the Foundation entered into a lease agreement for office equipment. The lease has a term of five years and doesn't include options to extend. The lease agreement does not contain any residual value guarantees or restrictive covenants. Lease expense for this lease was \$54,319 for the year ended June 30, 2024. As the rate implicit in the Foundation's leases is not readily determinable, the Foundation has made an accounting policy to apply a risk-free rate as the discount rate used to measure lease liabilities and right-to-use leased assets at commencement of a lease. The Foundation's operating lease has weighted average remaining lease terms of 3.96 years and weighted average discount rate of 1.36% as of June 30, 2024. The maturities of lease liabilities as of June 30, 2024 are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 61,017	\$ -	\$ 61,017
2026	56,202	-	56,202
2027	56,199	-	56,199
Total	\$ 173,418	\$ -	\$ 173,418

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Debt without City’s Commitment

Special Assessment Debt

The City has issued certain Community Facilities District Bonds. The bonds are secured by and payable from the proceeds of annual special assessment taxes levied and collected on the property within the Districts. The bonds are not general or special obligations of the City of Escondido. The City is not obligated in any manner for the payment of debt service in the event of default by the property owners but is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if appropriate. Neither the faith and credit nor taxing power of the City is pledged to the payment of these bonds. Accordingly, no liability for these bond issuances has been recorded and all debt service transactions have been recorded as a custodial fund.

In August 1998, the City issued \$5,105,000 in Limited Obligation Refunding Bonds for Assessment District No. 98-1 (Rancho San Pasqual). Interest payments commenced March 2, 1999 and are paid semiannually thereafter on March 2 and September 2. Principal payments are paid annually in amounts ranging from \$80,000 to \$165,000 commencing September 2, 1999 and ending September 2, 2013. In addition, \$3,040,000 of Term Bonds are due September 2, 2026. These bonds were issued to refund the Limited Obligation Improvements Bonds issued in September 1995 for Rancho San Pasqual Assessment District No. 95-1. On June 30, 2024, the 98-1 Limited Obligation Refunding Bonds outstanding were \$900,000.

In May 2015, the City issued \$13,745,000 in Special Tax Refunding Bonds for Community Facility District No. 2006-01 (Eureka Ranch). These bonds were issued to refund the 2006 Series Special Tax Bonds for Community Facility District No. 2006-01 (Eureka Ranch). The bonds were issued to finance various public improvements needed to develop property located within Community Facilities District No. 2006-01 (Eureka Ranch). The May 2015 issuance of the Special Tax Refunding Bonds fully defeased the 2006 Special Tax Bonds. Interest payments for the Special Tax Refunding Bonds, Series 2015 commenced March 1, 2016 and are paid semiannually thereafter on September 1 and March 1 of each year. Principal is paid annually in amounts ranging from \$285,000 to \$985,000, commencing September 1, 2016 and ending September 1, 2036. In addition, \$2,965,000 and \$3,875,000 of Term Bonds are due September 1, 2036. On June 30, 2024, the 2006-01 Special Tax Bonds outstanding were \$10,020,000.

In July 2013, the City issued \$2,355,000 in Special Tax Refunding Bonds for Community Facility District No. 2000-01 (Hidden Trails). These bonds were issued to refund the 2001 Series Special Tax Bonds issued to finance various public improvements needed to develop property located within Community Facility District No. 2000-01 (Hidden Trails). The July 2013 issuance of the Special Tax Refunding Bonds fully defeased the 2001 Special Tax bonds. Interest payments for the Special Tax Refunding Bonds, Series 2013 commenced March 1, 2014, and are paid semiannually thereafter on September 1 and March 1 of each year. Principal payments are paid annually in amounts ranging from \$95,000 to \$185,000, commencing September 1, 2014 and ending September 1, 2031. On June 30, 2024, the outstanding principal of Community Facilities District No. 2000-01 (Hidden Trails) Special Tax Refunding bonds, Series 2013 was \$1,250,000.

In July 2022, the City issued \$11,945,000 in Special Tax Bonds for Community Facility District No. 2020-2 (The Villages). Interest payments commenced on September 1, 2022, and are paid semiannually thereafter on September 1 and March 1 of each year. Principal payments are paid annually in amounts ranging from \$20,000 to \$1,045,000, commencing September 1, 2023 and ending September 1, 2052. On June 30, 2024, the outstanding principal of Community Facilities District No. 2020-2 (The Villages) Special Tax Refunding bonds, Series 2022 was \$11,925,000.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Debt without City’s Commitment

Special Assessment Debt (Continued)

In April 2024, the City issued \$3,350,000 in Special Tax Bonds for Community Facility District No. 2022-1 (Eclipse/Mountain House). Interest payments commenced on September 1, 2024, and are paid semiannually thereafter on September 1 and March 1 of each year. Principal payments are paid annually in amounts ranging from \$30,000 to \$190,000, commencing September 1, 2024 and ending September 1, 2054. On June 30, 2024, the outstanding principal of Community Facilities District No. 2022-1 (Eclipse/Mountain House) Special Tax Refunding bonds, Series 2024 was \$3,350,000.

Note 11 – Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is self-insured for the first \$500,000 per occurrence on workers' compensation claims and the first \$500,000 per occurrence on general liability claims. The City is covered up to the statutory limit for workers' compensation and \$50,000,000 for general liability by an excess liability policy with commercial insurance corporations for any claims in excess of the above amounts.

The City utilizes the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), a member-directed risk sharing pool of counties and public entities. With the dissolution of SANDPIPA, the City elected to join the CSAC-EIA pool as a new member and procured all lines of insurance coverage for the City. With the assistance of the City's broker Alliant, coverage includes General Liability, Workers' Compensation, First Party Property, Automobile, Vessel and Cyber Liability coverages. Annual premiums and assessments are approved by the Board of Directors and are adjusted each year based on based on an actuarial review that estimates each of the program participant’s ultimate liabilities.

The City uses the General Liability Self-Insurance Fund and the Workers’ Compensation Fund to account for and finance risks for each liability. Both funds are accounted for as an internal service fund where assets are set aside for risk management, administration, claim settlements and benefit distribution. Fund liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts and other economic and social factors. Increases and decreases in claim liabilities for changes in estimates are charged to expense in the period in which the estimates are adjusted.

As of June 30, 2024, the City has recorded general self-insurance and workers' compensation liabilities of \$4,003,000 and \$16,271,000 respectively, for a total of \$20,274,000. There were no significant changes in insurance coverage from the prior year, and there were no settlements in excess of the insurance coverage in any of the prior three years. Changes in the City's liability for claims payable for the past three fiscal years are summarized as follows:

Fiscal Year	Beginning Balance	Claims Incurred and Charges in Estimates	Less Claim Payments	Ending Balance
2021-22	\$ 17,528,800	\$ 2,912,401	\$ (2,690,351)	\$ 17,750,850
2022-23	17,750,850	1,410,142	(998,442)	18,162,550
2023-24	18,162,550	5,455,639	(3,344,189)	20,274,000

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Fund Balance

A. Fund Balance Classification

At June 30, 2024, fund balances are classified as follows:

	Special Revenue				Nonmajor Governmental Funds	Total Governmental Funds
	General	Successor Agency Housing	American Rescue Plan Act	Street		
Fund Balances:						
Nonspendable						
Inventory and prepaid items	\$ -	\$ -	\$ -	\$ -	\$ 545,835	\$ 545,835
Deposits	-	-	-	-	42,476	42,476
Loans receivable	200,000	-	-	-	-	200,000
Daley Ranch Permanent Fund	-	-	-	-	253,134	253,134
Total nonspendable	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>841,445</u>	<u>1,041,445</u>
Restricted for						
Housing & community development	-	49,409,095	-	-	19,210,852	68,619,947
Community Development Block Grant	-	-	-	-	66,813	66,813
Other grants	-	-	-	-	17,785	17,785
Investment in Section 115 Trust	34,430,968	-	-	-	-	34,430,968
Debt service	-	-	-	-	4,864,645	4,864,645
Capital projects	3,089,640	-	-	-	12,406,024	15,495,664
Citywide services	-	-	-	-	448,559	448,559
Community services	154,202	-	-	-	-	154,202
Street maintenance	-	-	-	7,156,038	2,849,379	10,005,417
Landscape and assessment districts	-	-	-	-	1,792,885	1,792,885
SB1186 - CASPs	247,481	-	-	-	-	247,481
PEG fees	1,911,450	-	-	-	-	1,911,450
Vehicle Parking District	-	-	-	-	28,431	28,431
Daley Ranch	-	-	-	-	564,015	564,015
Park development	-	-	-	-	8,563,612	8,563,612
Public art	-	-	-	-	1,139,902	1,139,902
Total restricted	<u>39,833,741</u>	<u>49,409,095</u>	<u>-</u>	<u>7,156,038</u>	<u>51,952,902</u>	<u>148,351,776</u>
Committed to						
Reserves	17,392,319	-	-	-	-	17,392,319
Capital projects	-	-	-	-	14,072,732	14,072,732
Total committed	<u>17,392,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,072,732</u>	<u>31,465,051</u>
Assigned to						
Carryovers	150,950	-	-	-	-	150,950
Underground waivers	2,752,635	-	-	-	-	2,752,635
Library Trust	735,895	-	-	-	-	735,895
Total assigned	<u>3,639,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,639,480</u>
Unassigned (deficit)	<u>12,720,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,252,203)</u>	<u>10,468,260</u>
Total Fund Balances	<u>\$ 73,786,003</u>	<u>\$ 49,409,095</u>	<u>\$ -</u>	<u>\$ 7,156,038</u>	<u>\$ 64,614,876</u>	<u>\$ 194,966,012</u>

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Fund Balance (Continued)

B. General Fund Reserve

The General Fund Reserves portion of fund balance is committed by City Council to maintain adequate levels of fund balance to mitigate current and future risks and to provide for cash flow requirements and contingencies for unseen operating or capital needs the City. The Reserve balance is available to fund one-time unanticipated expenditure requirements, local disasters, or for the purpose of providing a mechanism to allow for a measured and thoughtful reduction in expenditures during times of economic downturn. City Council action by Resolution is required to adjust the Reserve level.

Note 13 – City Employees Retirement Plan

A. CalPERS

Plan Description

The City of Escondido contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. 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 June 30, 2022 Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

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.

The plans’ provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous Plan		
	Tier 1 *	Tier 2 *	PEPRA (Tier 3)
Hire date	Prior to December 23, 2012	December 23, 2012 and after	January 1, 2013 and after
Benefit formula	3% @ 60	2% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.000% - 3.000%, 50 yrs - 60+ yrs, respectively	1.092% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	8.000%	7.000%	7.000%
Required employer contribution rates	11.550%	11.550%	11.550%

* Plan is closed to new entrants

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – City Employees Retirement Plan (Continued)

A. CalPERS (Continued)

Benefits Provided (continued)

	Safety Plan		
	Tier 1 *	Tier 2 *	PEPRA (Tier 3)
Hire date	Fire - prior to May 27, 2012, Police - prior to September 30, 2012	Fire - May 27, 2012 and after Police - September 30, 2012 and after	January 1, 2013 and after
Benefit formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	3.000% - 3.000%, 50 yrs - 55+ yrs, respectively	2.000% - 2.700%, 50 yrs - 55+ yrs, respectively	2.000% - 2.700%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.000%	9.000%	13.000%
Required employer contribution rates	19.840%	19.840%	22.840%

* Plan is closed to new entrants

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms of the plan:

Description	Number of members	
	Miscellaneous	Safety
Active members	584	234
Transferred members	372	63
Terminated members	491	78
Retired members and beneficiaries	802	371
Total Members	2,249	746

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contributions for the miscellaneous and safety plans for the year ended June 30, 2024, was \$18,838,952 and \$17,691,041, respectively.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – City Employees Retirement Plan (Continued)

A. CalPERS (Continued)

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
Inflation	2.300%	2.300%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2020. Pre-retirement and Postretirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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.

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.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – City Employees Retirement Plan (Continued)

A. CalPERS (Continued)

Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

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:

<u>Assets Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return ^{(1),(2)}</u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.590%

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management Study

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – City Employees Retirement Plan (Continued)

A. CalPERS (Continued)

Changes in Net Pension Liability

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

Miscellaneous Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2022 (Valuation Date)	\$ 502,390,626	\$ 349,182,513	\$ 153,208,113
Changes Recognized for the Measurement Period:			
Service Cost	7,775,792	-	7,775,792
Interest on the Total Pension Liability	34,507,362	-	34,507,362
Changes of Benefit Terms	541,477	-	541,477
Changes of Assumptions	-	-	-
Difference between Expected and Actual Experience	7,311,883	-	7,311,883
Plan to Plan Resource Movement	-	-	-
Contribution from the Employer	-	18,692,523	(18,692,523)
Contributions from Employees	-	3,364,594	(3,364,594)
Net Investment Income ⁽¹⁾	-	21,727,259	(21,727,259)
Benefit Payments including Refunds of Employee Contributions	(28,050,370)	(28,050,370)	-
Administrative Expense	-	(256,772)	256,772
Net Changes During 2022-23	<u>22,086,144</u>	<u>15,477,234</u>	<u>6,608,910</u>
Balance at: 6/30/2023 (Measurement Date)	<u>\$ 524,476,770</u>	<u>\$ 364,659,747</u>	<u>\$ 159,817,023</u>

Safety Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2022 (Valuation Date)	\$ 489,684,669	\$ 340,374,296	\$ 149,310,373
Changes Recognized for the Measurement Period:			
Service Cost	8,919,629	-	8,919,629
Interest on the Total Pension Liability	33,547,160	-	33,547,160
Changes of Benefit Terms	191,517	-	191,517
Changes of Assumptions	-	-	-
Difference between Expected and Actual Experience	4,397,868	-	4,397,868
Contribution from the Employer	-	16,429,115	(16,429,115)
Contributions from Employees	-	3,477,937	(3,477,937)
Net Investment Income ⁽¹⁾	-	21,024,848	(21,024,848)
Benefit Payments including Refunds of Employee Contributions	(25,086,297)	(25,086,297)	-
Administrative Expense	-	(250,295)	250,295
Net Changes During 2022-23	<u>21,969,877</u>	<u>15,595,308</u>	<u>6,374,569</u>
Balance at: 6/30/2023 (Measurement Date)	<u>\$ 511,654,546</u>	<u>\$ 355,969,604</u>	<u>\$ 155,684,942</u>

⁽¹⁾ Net of administrative expenses.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – City Employees Retirement Plan (Continued)

A. CalPERS (Continued)

Changes in Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 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% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Miscellaneous Plan	\$ 255,930,956	\$ 159,817,023	\$ 104,955,977
Safety Plan	226,416,682	155,684,942	97,893,404
Total Plans	\$ 482,347,638	\$ 315,501,965	\$ 202,849,381

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report.

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

For the year ended June 30, 2024, the City recognized pension expense of \$26,263,204 and \$25,451,572 for Miscellaneous and Safety plans, respectively. As of the measurement date of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Plan		Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after measurement date	\$ 18,838,952	\$ -	\$ 17,691,041	\$ -
Changes of Assumptions	4,594,179	-	9,012,453	-
Differences between Expected and Actual Experiences	4,790,594	(788,752)	4,433,802	(70,435)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	16,335,886	-	16,183,141	-
	\$ 44,559,611	\$ (788,752)	\$ 47,320,437	\$ (70,435)

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – City Employees Retirement Plan (Continued)

A. CalPERS (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

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 members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The \$18,838,952 and \$17,691,041 reported as deferred outflows of resources related to pensions for the miscellaneous plan and safety plan, respectively, resulting from the City’s contributions subsequent to the measurement date June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
June 30:	Miscellaneous Plan	Safety Plan
2024	\$ 9,170,076	\$ 8,998,105
2025	3,834,042	7,398,936
2026	11,500,143	12,709,669
2027	427,646	452,251
2028	-	-
Thereafter	-	-
Total	\$ 24,931,907	\$ 29,558,961

B. Defined Contribution Plan

In accordance with the Federal Omnibus Budget Reconciliation Act of 1990, the City established pension benefits for all of its part-time employees through Public Agency Retirement Services (PARS) which is a private administrator of pension plans that administers for the City a defined contribution plan, qualifying under sections 401 and 501 of the Internal Revenue Code. PARS acts as a common investment and administrative agent for participating public entities within the State of California. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City by Council action and agreements with labor bargaining units has the authority to establish or amend the plan provisions and contribution requirements, subject to the constraints and limitations imposed by PARS as a part of the plan design options it offers to participating employers.

For the year ended June 30, 2024, the City's total covered payroll was \$2,178,107. The City made employer contributions of \$0, and employees contributed \$163,360 (7.5 percent of covered payroll). All eligible employees are covered by the plan and are fully vested. Employer liabilities are limited to the amount of current contributions. The plan covers part-time, seasonal, or temporary employees, and all employees not covered by another retirement system, subject to the requirements of Section 3121 of the Internal Revenue Code.

CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – Developer Agreement with Palomar Pomerado Health (Hospital)

On February 8, 2006, the City entered into a developer agreement with Palomar Pomerado Health (Hospital). The Hospital established a bank account in the amount of \$13 million (deposit) to construct certain Citracado Parkway improvements (project). The City is entitled to draw from the deposit so long as the funds are used exclusively on the project. At June 30, 2024, the balance is \$2,206,408.

Note 15 – Contingencies and Commitments

A. Litigation

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these matters is not presently determinable in the opinion of legal counsel, the city believes that the resolutions of these matters will not have a material adverse effect on the financial condition of the City.

B. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustments by grantor agencies. While no matters of non-compliance were disclosed by the audit of the financial statements or single audit of the Federal programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have material adverse effect on the financial position of the City.

C. Construction Commitments

The City has several outstanding or planned construction projects evidenced by contractual commitments with contractors. As of June 30, 2024, the City’s outstanding commitments are as follows:

Project Name	Contract Amount	Expenditures to date as of June 30, 2024	Remaining Commitments
East Valley and Midway Drainage Project	\$ 1,103,590	\$ 43,300	\$ 1,060,290
Flood Mitigation Project	2,450,000	280,083	2,169,917
Grand Avenue Improvement Project	9,095,162	342,000	8,753,162
Lake Wohlford Dam Project	5,620,527	1,027,256	4,593,271
Outfall Maintenance	1,239,385	-	1,239,385
Recycled Water Easterly Agriculture Distribution	6,812,805	5,446,244	1,366,560
San Pasqual Undergrounding Project	3,664,254	457,107	3,207,147
Trunk Main Expansion	17,232,933	2,042,961	15,189,972

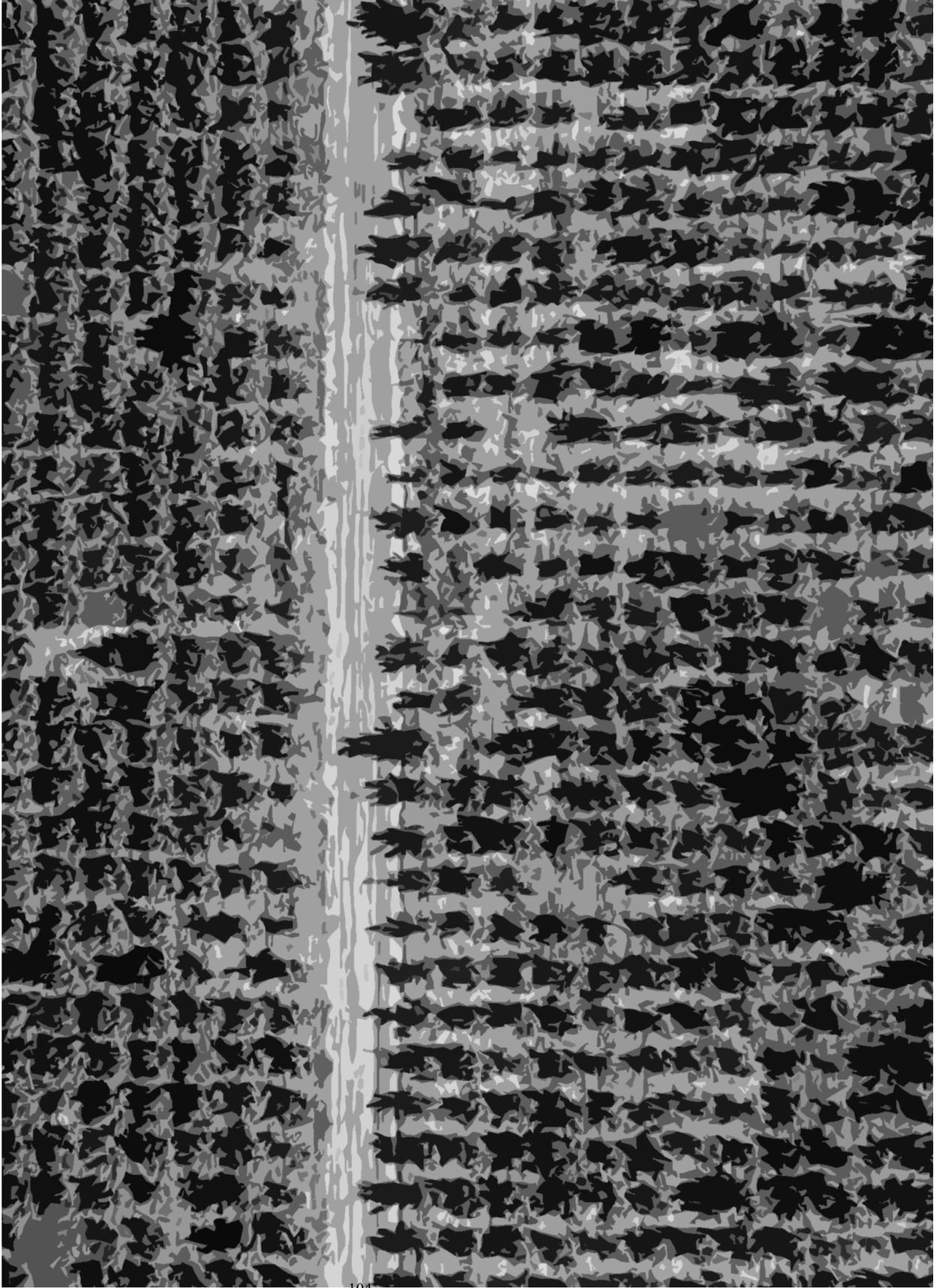
CITY OF ESCONDIDO
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 16 – Change in Fund Presentation

The Street Special Revenue Fund was previously reported as a nonmajor governmental fund. For the current year, this fund met the requirements to be reported as a major governmental fund. The effect of this change within the financial reporting entity is as follows:

	Reporting Units Affected by Adjustments of Beginning Balances	
	Funds	
	Street	Nonmajor Governmental Funds
Fund Balances:		
Beginning of Year, as previously presented	\$ -	\$ 60,290,471
Change within financial reporting entity (nonmajor to major fund)	13,855,638	(13,855,638)
Beginning of Year, as adjusted	\$ 13,855,638	\$ 46,434,833

2023/24





Required Supplementary Information

CITY OF ESCONDIDO
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Sales tax	\$ 49,507,600	\$ 49,507,600	\$ 45,485,941	\$ (4,021,659)
Property taxes	35,068,340	35,068,340	37,314,523	2,246,183
Other taxes	16,483,370	16,483,370	17,758,115	1,274,745
Licenses and permits	2,145,500	2,674,930	2,176,299	(498,631)
Fines and forfeits	873,000	873,000	693,271	(179,729)
Intergovernmental	3,506,250	3,797,430	4,857,233	1,059,803
Charges for services	11,901,900	15,078,000	17,571,363	2,493,363
Lease income	3,829,000	3,829,000	3,853,387	24,387
Investment income	851,150	851,150	6,924,498	6,073,348
Miscellaneous	262,000	262,000	540,489	278,489
Total revenues	124,428,110	128,424,820	137,175,119	8,750,299
EXPENDITURES:				
General Government				
City council	396,390	486,390	402,735	83,655
City manager	1,530,580	1,597,460	1,611,237	(13,777)
City attorney	198,290	238,455	269,799	(31,344)
City clerk	680,240	687,755	711,179	(23,424)
City treasurer	233,490	235,655	232,084	3,571
Finance	1,809,720	1,843,955	1,728,743	115,212
Human resources	764,200	779,100	686,454	92,646
Information systems	1,721,750	1,777,610	1,394,310	383,300
Other general government	1,434,500	880,260	1,578,077	(697,817)
Public Safety				
Police	53,822,835	54,742,950	50,791,835	3,951,115
Fire	33,514,870	34,422,085	31,458,684	2,963,401
Public Works				
Public works	10,887,530	12,319,136	13,040,628	(721,492)
Community Services				
Community services	6,018,350	6,110,600	5,648,428	462,172
Library	3,802,961	3,802,961	3,967,727	(164,766)
California Center for the Arts	3,247,370	3,247,370	3,365,400	(118,030)
Development Services				
Planning	2,391,860	2,456,955	1,998,796	458,159
Building	1,688,550	1,688,565	1,301,028	387,537
Engineering	3,251,450	3,290,295	2,961,315	328,980
Code enforcement	1,011,200	1,019,925	900,800	119,125
Capital Outlay	433,634	433,634	433,634	-
Debt Service:				
Principal retirements	588,240	588,240	588,184	56
Software principal retirements	68,545	68,545	68,546	(1)
Lease principal retirements	346,960	346,960	346,957	3
Interest and fiscal charges	189,640	189,640	189,629	11
Total expenditures	130,033,155	133,254,501	125,676,209	7,578,292

CITY OF ESCONDIDO
Required Supplementary Information
General Fund
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual	Variance Over (Under)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,605,045)	(4,829,681)	11,498,910	16,328,591
OTHER FINANCING SOURCES (USES)				
Transfers in	2,055,000	2,055,000	2,055,000	-
Transfers (out)	(10,644,295)	(10,644,295)	(10,644,295)	-
Total other financial sources (uses)	(8,589,295)	(8,589,295)	(8,589,295)	-
NET CHANGE IN FUND BALANCE	(14,194,340)	(13,418,976)	2,909,615	16,328,591
FUND BALANCE:				
Beginning of Year	70,876,388	70,876,388	70,876,388	-
End of Year	<u>\$ 56,682,048</u>	<u>\$ 57,457,412</u>	<u>\$ 73,786,003</u>	<u>\$ 16,328,591</u>

CITY OF ESCONDIDO
Required Supplementary Information
Successor Agency Housing Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Lease income	\$ 160,000	\$ 160,000	\$ 152,500	\$ (7,500)
Investment income	-	-	873,053	873,053
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	161,000	161,000	1,025,553	864,553
EXPENDITURES:				
Current:				
Development services	796,430	796,430	572,438	223,992
Total expenditures	796,430	796,430	572,438	223,992
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(635,430)	(635,430)	453,115	1,088,545
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	25,000	-
Total other financing sources (uses)	25,000	25,000	25,000	-
NET CHANGE IN FUND BALANCE	(610,430)	(610,430)	478,115	1,088,545
FUND BALANCE:				
Beginning of Year	48,930,980	48,930,980	48,930,980	-
End of Year	\$ 48,320,550	\$ 48,320,550	\$ 49,409,095	\$ 1,088,545

CITY OF ESCONDIDO
Required Supplementary Information
American Rescue Plan Act Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 22,067,265	\$ 22,067,265	\$ 9,779,182	\$ (12,288,083)
Total revenues	<u>22,067,265</u>	<u>22,067,265</u>	<u>9,779,182</u>	<u>(12,288,083)</u>
EXPENDITURES:				
Current:				
General government	20,760,955	20,760,955	8,479,128	12,281,827
Capital outlay	1,306,310	1,306,310	1,300,054	6,256
Total expenditures	<u>22,067,265</u>	<u>22,067,265</u>	<u>9,779,182</u>	<u>12,288,083</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE:				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ESCONDIDO
Required Supplementary Information
Street Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 24,335,270	\$ 24,335,270	\$ 15,327,344	\$ (9,007,926)
Charges for services	-	-	1,754,393	1,754,393
Investment income	189,050	189,050	741,896	552,846
Miscellaneous	-	-	1,070	1,070
Total revenues	<u>24,524,320</u>	<u>24,524,320</u>	<u>17,824,703</u>	<u>(6,699,617)</u>
EXPENDITURES:				
Current:				
Public works	6,113,400	6,113,400	6,113,387	13
Capital outlay	16,355,920	16,355,920	16,355,916	4
Total expenditures	<u>22,469,320</u>	<u>22,469,320</u>	<u>22,469,303</u>	<u>17</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,055,000</u>	<u>2,055,000</u>	<u>(4,644,600)</u>	<u>(6,699,600)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,055,000)	(2,055,000)	(2,055,000)	-
Total other financing sources (uses)	<u>(2,055,000)</u>	<u>(2,055,000)</u>	<u>(2,055,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(6,699,600)	(6,699,600)
FUND BALANCE:				
Beginning of year	13,855,638	13,855,638	13,855,638	-
End of year	<u>\$ 13,855,638</u>	<u>\$ 13,855,638</u>	<u>\$ 7,156,038</u>	<u>\$ (6,699,600)</u>

CITY OF ESCONDIDO
Required Supplementary Information (Unaudited)
Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Plan
Schedule of Changes in Net Pension Liability and Related Ratios
As of June 30, the Last Ten Fiscal Years

MEASUREMENT PERIOD	2022-23	2021-22	2020-21	2019-20	2018-19
TOTAL PENSION LIABILITY					
Service Cost	\$ 7,775,792	\$ 7,521,173	\$ 6,730,454	\$ 6,596,060	\$ 6,589,855
Interest	34,507,362	33,033,259	32,355,527	31,234,511	30,075,271
Changes of Benefits Terms	541,477	-	-	-	-
Changes in Assumptions	-	14,803,465	-	-	-
Difference Between expected and Actual Experience	7,311,883	(2,541,370)	1,676,037	1,757,818	3,980,050
Benefit Payments, Including Refunds of Employee Contributions	(28,050,370)	(26,292,253)	(24,758,487)	(23,032,041)	(21,393,785)
Net Change in Total Pension Liability	\$ 22,086,144	\$ 26,524,274	\$ 16,003,531	\$ 16,556,348	\$ 19,251,391
Total Pension Liability - Beginning	502,390,626	475,866,352	459,862,821	443,306,473	424,055,082
Total Pension Liability - Ending (a)	\$ 524,476,770	\$ 502,390,626	\$ 475,866,352	\$ 459,862,821	\$ 443,306,473
PLAN FIDUCIARY NET POSITION					
Contribution - Employer	\$ 18,692,523	\$ 17,350,538	\$ 15,884,869	\$ 14,696,078	\$ 13,300,378
Contribution - Employee	3,364,594	3,249,143	3,108,863	3,151,859	2,790,203
Net Investment Income ⁽²⁾	21,727,259	(29,074,831)	72,179,923	15,427,822	19,150,898
Benefit Payments, Including Refunds of Employee Contributions	(28,050,370)	(26,292,253)	(24,758,487)	(23,032,041)	(21,393,785)
Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(256,772)	(239,327)	(317,754)	(434,603)	(210,265)
Other Miscellaneous Income/(Expense) ⁽³⁾	-	-	-	-	684
Net Change in Fiduciary Net Position	\$ 15,477,234	\$ (35,006,730)	\$ 66,097,414	\$ 9,809,115	\$ 13,638,113
Plan Fiduciary Net Position - Beginning	349,182,513	384,189,243	318,091,829	308,282,714	294,644,601
Plan Fiduciary Net Position - Ending (b)	\$ 364,659,747	\$ 349,182,513	\$ 384,189,243	\$ 318,091,829	\$ 308,282,714
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 159,817,023	\$ 153,208,113	\$ 91,677,109	\$ 141,770,992	\$ 135,023,759
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.53%	69.50%	80.73%	69.17%	69.54%
Covered Payroll	\$ 42,183,242	\$ 40,724,910	\$ 37,685,287	\$ 37,403,038	\$ 35,526,739
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	378.86%	376.20%	243.27%	379.04%	380.06%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable.

⁽²⁾ Net of administrative expenses for fiscal year 2013-14.

⁽³⁾ CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule:

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

Changes of Assumptions: Effective with the June 30, 2021 valuation date (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. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. None in 2019-2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF ESCONDIDO
Required Supplementary Information (Unaudited)
Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Plan (Continued)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
As of June 30, the Last Ten Fiscal Years

MEASUREMENT PERIOD	2017-18	2016-17	2015-16	2014-15	2013-14
TOTAL PENSION LIABILITY					
Service Cost	\$ 7,086,737	\$ 7,098,079	\$ 6,041,393	\$ 6,086,726	\$ 6,187,698
Interest	28,726,687	27,888,570	26,975,771	25,822,523	24,823,748
Changes of Benefits Terms	-	-	-	-	-
Changes in Assumptions	(2,390,700)	22,286,442	-	(6,078,768)	-
Difference Between expected and Actual Experience	(1,867,216)	(1,062,074)	(607,786)	(3,440,683)	-
Benefit Payments, Including Refunds of Employee Contributions	(19,973,641)	(18,028,629)	(16,660,225)	(15,747,072)	(14,003,896)
Net Change in Total Pension Liability	\$ 11,581,867	\$ 38,182,388	\$ 15,749,153	\$ 6,642,726	\$ 17,007,550
Total Pension Liability - Beginning	412,473,215	374,290,827	358,541,674	351,898,948	334,891,398
Total Pension Liability - Ending (a)	\$ 424,055,082	\$ 412,473,215	\$ 374,290,827	\$ 358,541,674	\$ 351,898,948
PLAN FIDUCIARY NET POSITION					
Contribution - Employer	\$ 11,929,230	\$ 11,179,205	\$ 10,112,332	\$ 8,956,819	\$ 8,191,219
Contribution - Employee	2,810,647	2,789,527	2,818,117	2,702,365	2,751,097
Net Investment Income ⁽²⁾	23,296,317	28,354,307	1,306,944	5,794,332	38,132,668
Benefit Payments, Including Refunds of Employee Contributions	(19,973,641)	(18,028,629)	(16,660,225)	(15,747,072)	(14,003,896)
Plan to Plan Resource Movement	(684)	-	-	(741)	-
Administrative Expense	(432,948)	(374,893)	(156,322)	(288,739)	-
Other Miscellaneous Income/(Expense) ⁽³⁾	(822,175)	-	-	-	-
Net Change in Fiduciary Net Position	\$ 16,806,746	\$ 23,919,517	\$ (2,579,154)	\$ 1,416,964	\$ 35,071,088
Plan Fiduciary Net Position - Beginning	277,837,855	253,918,338	256,497,492	255,080,528	220,009,440
Plan Fiduciary Net Position - Ending (b)	\$ 294,644,601	\$ 277,837,855	\$ 253,918,338	\$ 256,497,492	\$ 255,080,528
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 129,410,481	\$ 134,635,360	\$ 120,372,489	\$ 102,044,182	\$ 96,818,420
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.48%	67.36%	67.84%	71.54%	72.49%
Covered Payroll	\$ 37,294,690	\$ 37,199,720	\$ 34,850,841	\$ 34,030,669	\$ 32,920,288
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	346.99%	361.93%	345.39%	299.86%	294.10%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable.

⁽²⁾ Net of administrative expenses for fiscal year 2013-14.

⁽³⁾ CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule:

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

Changes of Assumptions: Effective with the June 30, 2021 valuation date (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. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. None in 2019-2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF ESCONDIDO
Required Supplementary Information (Unaudited) (Continued)
Safety Plan - Agent Multiple-Employer Defined Benefit Plan
Schedule of Changes in Net Pension Liability and Related Ratios
As of June 30, the Last Ten Fiscal Years

MEASUREMENT PERIOD	2022-23	2021-22	2020-21	2019-20	2018-19
TOTAL PENSION LIABILITY					
Service Cost	\$ 8,919,629	\$ 8,959,002	\$ 8,040,737	\$ 8,034,036	\$ 7,977,162
Interest	33,547,160	32,077,856	30,745,736	29,392,100	28,267,807
Changes of Benefits Terms	191,517	-	-	-	-
Changes in Assumptions	-	17,595,741	-	-	-
Difference Between expected and Actual Experience	4,397,868	758,426	2,563,889	(1,009,543)	1,855,614
Benefit Payments, Including Refunds of Employee Contributions	(25,086,297)	(23,538,303)	(21,888,917)	(20,233,865)	(18,845,100)
Net Change in Total Pension Liability	\$ 21,969,877	\$ 35,852,722	\$ 19,461,445	\$ 16,182,728	\$ 19,255,483
Total Pension Liability - Beginning	489,684,669	453,831,947	434,370,502	418,187,774	398,932,291
Total Pension Liability - Ending (a)	\$ 511,654,546	\$ 489,684,669	\$ 453,831,947	\$ 434,370,502	\$ 418,187,774
PLAN FIDUCIARY NET POSITION					
Contribution - Employer	\$ 16,429,115	\$ 15,013,579	\$ 13,974,176	\$ 12,682,525	\$ 11,295,735
Contribution - Employee	3,477,937	3,334,366	3,278,329	3,156,851	2,743,929
Net Investment Income ⁽²⁾	21,024,848	(28,358,042)	70,063,163	14,925,922	18,673,377
Benefit Payments, Including Refunds of Employee Contributions	(25,086,297)	(23,538,303)	(21,888,917)	(20,233,865)	(18,845,100)
Plan to Plan Resource Movement	-	-	-	-	160,070
Administrative Expense	(250,295)	(233,077)	(308,710)	(421,525)	(203,455)
Other Miscellaneous Income/(Expense) ⁽³⁾	-	-	-	-	661
Net Change in Fiduciary Net Position	\$ 15,595,308	\$ (33,781,477)	\$ 65,118,041	\$ 10,109,908	\$ 13,825,217
Plan Fiduciary Net Position - Beginning	340,374,296	374,155,773	309,037,732	298,927,824	285,102,607
Plan Fiduciary Net Position - Ending (b)	\$ 355,969,604	\$ 340,374,296	\$ 374,155,773	\$ 309,037,732	\$ 298,927,824
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 155,684,942	\$ 149,310,373	\$ 79,676,174	\$ 125,332,770	\$ 119,259,950
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.57%	69.51%	82.44%	71.15%	71.48%
Covered Payroll	\$ 28,663,807	\$ 27,580,822	\$ 27,866,912	\$ 27,406,087	\$ 26,395,214
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	543.14%	541.36%	285.92%	457.32%	4.518241451

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable.

⁽²⁾ Net of administrative expenses for fiscal year 2013-14.

⁽³⁾ CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule:

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

Changes of Assumptions: Effective with the June 30, 2021 valuation date (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. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. None in 2019-2021. In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF ESCONDIDO
Required Supplementary Information (Unaudited) (Continued)
Safety Plan - Agent Multiple-Employer Defined Benefit Plan (Continued)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
As of June 30, for Last Ten Fiscal Years

MEASUREMENT PERIOD	2017-18	2016-17	2015-16	2014-15	2013-14
TOTAL PENSION LIABILITY					
Service Cost	\$ 7,860,653	\$ 7,712,365	\$ 6,945,677	\$ 6,321,850	\$ 5,878,133
Interest	26,945,680	26,029,723	25,001,133	23,398,715	22,099,344
Changes of Benefits Terms	-	-	-	-	-
Changes in Assumptions	(1,803,722)	22,546,727	-	(5,933,256)	-
Difference Between expected and Actual Experience	(1,997,161)	(1,522,544)	5,753,055	2,817,273	-
Benefit Payments, Including Refunds of Employee Contributions	(17,612,750)	(16,796,782)	(15,432,111)	(14,245,717)	(13,505,688)
Net Change in Total Pension Liability	\$ 13,392,700	\$ 37,969,489	\$ 22,267,754	\$ 12,358,865	\$ 14,471,789
Total Pension Liability - Beginning	385,539,591	347,570,102	325,302,348	312,943,483	298,471,694
Total Pension Liability - Ending (a)	\$ 398,932,291	\$ 385,539,591	\$ 347,570,102	\$ 325,302,348	\$ 312,943,483
PLAN FIDUCIARY NET POSITION					
Contribution - Employer	\$ 10,527,707	\$ 9,490,834	\$ 9,136,622	\$ 9,066,062	\$ 7,687,967
Contribution - Employee	2,757,287	2,397,909	2,460,227	2,322,205	2,079,491
Net Investment Income ⁽²⁾	22,392,729	27,240,685	1,283,251	5,455,063	36,944,486
Benefit Payments, Including Refunds of Employee Contributions	(17,612,750)	(16,796,782)	(15,432,111)	(14,245,717)	(13,505,688)
Plan to Plan Resource Movement	(661)	-	-	-	-
Administrative Expense	(418,008)	(363,617)	(151,743)	(280,190)	-
Other Miscellaneous Income/(Expense) ⁽³⁾	(793,803)	-	-	-	-
Net Change in Fiduciary Net Position	\$ 16,852,501	\$ 21,969,029	\$ (2,703,754)	\$ 2,317,423	\$ 33,206,256
Plan Fiduciary Net Position - Beginning	268,250,106	246,281,077	248,984,831	246,667,408	213,461,153
Plan Fiduciary Net Position - Ending (b)	\$ 285,102,607	\$ 268,250,106	\$ 246,281,077	\$ 248,984,831	\$ 246,667,409
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 113,829,684	\$ 117,289,485	\$ 101,289,025	\$ 76,317,517	\$ 66,276,074
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	69.58%	70.86%	76.54%	78.82%
Covered Payroll	\$ 25,864,216	\$ 25,070,264	\$ 25,315,004	\$ 23,096,046	\$ 20,583,139
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	440.10%	467.84%	400.11%	330.44%	321.99%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable.

⁽²⁾ Net of administrative expenses for fiscal year 2013-14.

⁽³⁾ CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule:

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

Changes of Assumptions: Effective with the June 30, 2021 valuation date (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. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. None in 2019-2021. In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF ESCONDIDO
Required Supplementary Information (Unaudited) (Continued)
Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Plan
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Actuarially Determined Contribution	\$ 18,838,952	\$ 18,692,523	\$ 17,350,538	\$ 15,884,869	\$ 14,696,078
Contribution in Relation to the Actuarially Determined Contribution	<u>(18,838,952)</u>	<u>(18,692,523)</u>	<u>(17,350,538)</u>	<u>(15,884,869)</u>	<u>(14,696,078)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 41,984,865	\$ 42,183,242	\$ 40,724,910	\$ 37,685,287	\$ 37,403,038
Contributions as a Percentage of Covered Payroll	44.87%	44.31%	42.60%	42.15%	39.29%

Note to Schedule:

Valuation Date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 was from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00% net of pension investment and administrative expenses, including inflation.
Retirement age	3% @ 60, 2% @ 60, and 2% @ 62
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF ESCONDIDO
Required Supplementary Information (Unaudited) (Continued)
Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Plan (Continued)
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

	<u>2018-19</u>	<u>2016-17</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Actuarially Determined Contribution	\$ 13,300,378	\$ 11,179,205	\$ 11,179,205	\$ 10,112,303	\$ 8,956,958
Contribution in Relation to the Actuarially Determined Contribution	<u>(13,300,378)</u>	<u>(11,179,205)</u>	<u>(11,179,205)</u>	<u>(10,112,303)</u>	<u>(8,956,958)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 35,526,739	\$ 37,199,720	\$ 37,199,720	\$ 34,850,841	\$ 34,030,669
Contributions as a Percentage of Covered Payroll	37.44%	30.05%	30.05%	29.02%	26.32%

Note to Schedule:

Valuation Date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 was from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00% net of pension investment and administrative expenses, including inflation.
Retirement age	3% @ 60, 2% @ 60, and 2% @ 62
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF ESCONDIDO
Required Supplementary Information (Unaudited) (Continued)
Safety Plan - Agent Multiple-Employer Defined Benefit Plan
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Actuarially Determined Contribution	\$ 17,691,041	\$ 16,431,115	\$ 15,013,579	\$ 13,974,176	\$ 12,682,525
Contribution in Relation to the Actuarially Determined Contribution	<u>(17,691,041)</u>	<u>(16,431,115)</u>	<u>(15,013,579)</u>	<u>(13,974,176)</u>	<u>(12,682,525)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$27,460,052	\$28,663,807	\$27,580,822	\$27,866,912	\$ 27,406,087
Contributions as a Percentage of Covered Payroll	64.42%	57.32%	54.43%	50.15%	46.28%

Note to Schedule:

Valuation Date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 was from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00% net of pension investment and administrative expenses, including inflation.
Retirement age	3% @ 50, 2% @ 50, and 2.7% at 57
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF ESCONDIDO
Required Supplementary Information (Unaudited) (Continued)
Safety Plan - Agent Multiple-Employer Defined Benefit Plan (Continued)
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Actuarially Determined Contribution	\$ 11,295,735	\$ 10,527,707	\$ 9,490,834	\$ 9,136,624	\$ 9,066,062
Contribution in Relation to the Actuarially Determined Contribution	<u>(11,295,735)</u>	<u>(10,527,707)</u>	<u>(9,490,834)</u>	<u>(9,136,624)</u>	<u>(9,066,062)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 26,395,214	\$ 25,864,216	\$ 25,070,264	\$ 25,315,004	\$ 23,096,046
Contributions as a Percentage of Covered Payroll	42.79%	40.70%	37.86%	36.09%	39.25%

Note to Schedule:

Valuation Date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 was from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00% net of pension investment and administrative expenses, including inflation.
Retirement age	3% @ 50, 2% @ 50, and 2.7% at 57
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF ESCONDIDO
Notes to Required Supplementary Information
June 30, 2024

Budgetary Information

The City adopts an annual operating budget prepared on the modified accrual basis for its general, certain special revenue, and certain debt service funds. Under Section 2-59 of the Escondido City Code, the City Manager is required to prepare and submit to the City Council the annual budget of the City and administer it after adoption. Each year, the City Manager submits a proposed budget to the City Council in May. The City Council holds budget hearings in June and the final budget is adopted by the City Council before June 30. The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between the accounts of any fund; however, any revisions that alter the total appropriations of any fund must be approved by City Council.

No budgetary comparisons are presented for certain capital projects or proprietary funds as the City is not legally required to adopt an annual budget for those funds.

The City holds a midyear budget review meeting at which time revenue and expenditure projections are reviewed. Any necessary changes are approved by the City Council. Prior period appropriations lapse unless they are appropriated again through the formal budget process or through the carryover process. The City controls its expenditures using encumbrance accounting.

In addition to the annual operating budget, the City adopts a Five-Year Capital improvement Program. Funds are appropriated for the first year of the plan with years two through five included for planning purposes. Funds are appropriated on a project basis and are carried over until expended or the project is closed. The legal level of budgetary control is at the project level. The City Manager is authorized to transfer budgeted amounts between projects when transfers are less than \$50,000 or 10% of the project. Transfers in excess of the budget policy amount must be approved by the City Council.



Supplementary Information

CITY OF ESCONDIDO
Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

VEHICLE PARKING DISTRICT FUND

This fund was established to account for transactions related to the maintenance and operation of the City-owned public parking lots. Funding was historically provided by parking permit revenues and is currently supported by transfers from the General Fund.

COMMUNITY SERVICES AND DEVELOPMENT FUND

This fund was established to account for transactions related to:

- The purchase and development of parks with funding received from park development fees collected from developers.
- Public art fees, which are assessed when development occurs. The funds will be used to provide public art throughout the city.
- The revenue received from the sale of mitigation credits. The funds will be used to provide fund restoration projects at Daley Ranch.
- The operating activities of the Reidy Creek Golf Course

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

This fund was created to account for transactions related to the Community Development Block Grant provided by the Federal Government. The resources are expended for community development and housing assistance.

LANDSCAPE AND ASSESSMENT DISTRICT FUND

This fund was created to account for transactions related to the maintenance of landscaping in various subdivision areas throughout the City. There are currently 38 active assessment districts.

LAW ENFORCEMENT FUND

This fund was established to account for transactions related to:

- Revenue received by the Police Department through the asset forfeiture program. The funds must be used to supplement and enhance existing law enforcement budgets.
- Transactions related to the law enforcement grants received from the Federal and State Government. These funds are used to provide front line law enforcement services and must supplement existing services.

CITY OF ESCONDIDO
Non-Major Governmental Funds

SPECIAL REVENUE FUNDS (continued)

HOME FUND

This fund was created to account for transactions related to the HOME grant provided by the Department of Housing and Urban Development (HUD). The resources are expended for affordable housing programs.

MISCELLANEOUS GRANT FUND

This fund was established to account for transactions related to general reimbursable grants received and restricted by outside sources including federal, state, county, and local agencies.

COMMUNITY FACILITIES DISTRICT NO. 2020-01 SERVICES FUND

This fund was established to account for transactions related to Community Facilities District No. 2020-1 (“Services”) which was formed under the Mello-Roos Community Facilities Act of 1982 to fund public.

DEBT SERVICE FUNDS

GENERAL OBLIGATION DEBT SERVICE FUND

This fund was created to account for transactions related to debt issued for the construction of new public safety facilities. On November 2, 2004, Escondido voters approved Proposition P, which authorized the sale of up to \$84,350,000 in municipal bonds. Funding is provided through special assessments on the property tax rolls.

GOLF COURSE DEBT SERVICE FUND

This fund was created to account for transactions related to debt issued for the development of two Municipal Golf Courses. Funding is provided by repayment of a loan to American Golf Corporation and a General Fund transfer.

CAPITAL PROJECT FUNDS

GENERAL CAPITAL PROJECTS FUND

This fund was created to account for transactions related to general capital projects. These projects are typically funded through transfers from General, Public Facilities, and Water and Sewer funds. Project balances may include other funding sources that are restricted in how they can be used.

STREET IMPROVEMENT FUND

This fund was created to account for projects related to street improvements such as street-related construction, improvements, and right-of-way acquisitions. Funding is provided from a variety of sources, which include transfers from Gas Tax and Traffic Impact Funds as well as grant funding received from the Department of Transportation.

CITY OF ESCONDIDO
Non-Major Governmental Funds

CAPITAL PROJECT FUNDS (continued)

STORM DRAIN FUND

This fund was created to account for funds collected from developers when projects create a need for improvements to the City's storm drain basin system. Funds are held until collections for a specific basin make an improvement.

COUNTY TRANSPORTATION STREET PROJECTS FUND

This fund was established to account for transactions related to the San Diego Transportation Improvement Program Ordinance and Expenditure Plan administered by the San Diego Association of Governments (SANDAG). Allocations are funded by a one-half of one percent Transaction and Use Tax, which was established in 1987 under Proposition-A and extended by voters in November 2004. All resources are legally restricted to expenditures for street, pedestrian, and bicycle transportation programs.

PUBLIC FACILITIES FUND

This fund was created to account for developer fees to ensure public facility standards, established by the City, are met with respect to additional needs that are created as the result of growth and development in the City. The funds collected are restricted in how they can be spent; they cannot be used for operation, maintenance, repair, alteration, or replacement of capital facilities.

PERMANENT FUNDS

DALEY RANCH FUND

This fund was created to fund the City's long-term management and maintenance efforts of Daley Ranch as stated in an agreement with the Wildlife Agencies entered into with the California Department of Fish and Game and the U.S. Fish and Wildlife Services in 1997. Funds are deposited into the Daley Ranch Fund when conservation credits are sold by the City. Interest earned on the funds is available for the management and maintenance of the Conservation Bank in accordance with the Agreement.

CITY OF ESCONDIDO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue			
	Street	Vehicle Parking District	Community Services and Development	Community Development Block Grant
ASSETS				
Cash and investments	\$ -	\$ 28,344	\$ 9,581,099	\$ -
Cash and investments with fiscal agent	-	-	753,005	-
Receivable:				
Accounts	-	-	16,820	-
Interest	-	180	22,819	-
Taxes	-	-	-	-
Loans	-	-	-	231,659
Due from other governments	-	-	-	433,454
Due from Successor Agency	-	-	-	-
Inventory	-	-	12,742	-
Prepaid items	-	-	6,776	526,317
Deposits	-	-	42,476	-
Advances to other funds	-	-	-	-
Total assets	\$ -	\$ 28,524	\$ 10,435,737	\$ 1,191,430
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 92	\$ 88,130	\$ 137,224
Deposits payable	-	-	-	-
Retention payable	-	-	-	20,475
Accrued expenditures	-	-	54,597	3,912
Due to other funds	-	-	-	180,335
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	92	142,727	341,946
Deferred inflows of resources:				
Unavailable revenue	-	-	-	256,354
Total deferred inflows of resources	-	-	-	256,354
Fund balances:				
Nonspendable	-	-	61,994	526,317
Restricted	-	28,432	10,231,016	66,813
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	-	28,432	10,293,010	593,130
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 28,524	\$ 10,435,737	\$ 1,191,430

CITY OF ESCONDIDO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue			
	Landscape and Assessment District	Law Enforcement	HOME	Miscellaneous Grants
	District	Enforcement	HOME	Grants
ASSETS				
Cash and investments	\$ 1,789,355	\$ 1,322,843	\$ 1,649,765	\$ 6,666,974
Cash and investments with fiscal agent	-	-	-	-
Receivable:				
Accounts	-	1,702,153	-	-
Interest	6,268	7,708	7,594,148	17,782
Taxes	4,253	-	-	-
Loans	-	-	17,554,978	-
Due from other governments	-	636,660	-	260,202
Due from Successor Agency	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 1,799,876	\$ 3,669,364	\$ 26,798,891	\$ 6,944,958
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,991	\$ 113,001	\$ 7	\$ 140,687
Deposits payable	-	-	-	-
Retention payable	-	-	-	-
Accrued expenditures	-	8,135	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	3,522,594	-	6,795,369
Advances from other funds	-	-	-	-
Total liabilities	6,991	3,643,730	7	6,936,056
Deferred inflows of resources:				
Unavailable revenue	-	415,242	7,588,031	246,909
Total deferred inflows of resources	-	415,242	7,588,031	246,909
Fund balances:				
Nonspendable	-	-	-	-
Restricted	1,792,885	-	19,210,853	17,782
Committed	-	-	-	-
Unassigned (deficit)	-	(389,608)	-	(255,789)
Total fund balances	1,792,885	(389,608)	19,210,853	(238,007)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,799,876	\$ 3,669,364	\$ 26,798,891	\$ 6,944,958

CITY OF ESCONDIDO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue	Debt Service		Capital Projects
	CFD 2020-01 Services	General Obligation	Golf Course	General Capital Projects
ASSETS				
Cash and investments	\$ 444,456	\$ 4,813,301	\$ 1,648	\$ 14,277,684
Cash and investments with fiscal agent	-	-	80	-
Receivable:				
Accounts	-	-	-	31,959
Interest	-	14,555	59	45,282
Taxes	4,103	35,827	-	-
Loans	-	-	-	-
Due from other governments	-	-	-	-
Due from Successor Agency	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 448,559	\$ 4,863,683	\$ 1,787	\$ 14,354,925
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 825	\$ -	\$ 252,900
Deposits payable	-	-	-	29,293
Retention payable	-	-	-	-
Accrued expenditures	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	825	-	282,193
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	448,559	4,862,858	1,787	-
Committed	-	-	-	14,072,732
Unassigned (deficit)	-	-	-	-
Total fund balances	448,559	4,862,858	1,787	14,072,732
Total liabilities, deferred inflows of resources and fund balances	\$ 448,559	\$ 4,863,683	\$ 1,787	\$ 14,354,925

CITY OF ESCONDIDO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects			
	Street Improvement	Storm Drain	County Transportation Street Projects	Public Facilities
ASSETS				
Cash and investments	\$ 3,390,117	\$ 1,300,207	\$ -	\$ 8,953,938
Cash and investments with fiscal agent	-	384,224	-	1,835,348
Receivable:				
Accounts	-	-	-	1,800
Interest	11,724	4,428	700	30,944
Taxes	-	-	-	-
Loans	-	-	-	12,478
Due from other governments	1,643,765	-	2,575,214	-
Due from Successor Agency	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Advances to other funds	200,000	-	-	303,072
Total assets	<u>\$ 5,245,606</u>	<u>\$ 1,688,859</u>	<u>\$ 2,575,914</u>	<u>\$ 11,137,580</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 329,378	\$ -	\$ 932,067	\$ 117,342
Deposits payable	-	-	-	-
Retention payable	423,084	-	61,896	-
Accrued expenditures	-	-	-	-
Due to other funds	-	-	613,543	-
Unearned revenues	-	-	-	-
Advances from other funds	-	303,072	-	-
Total liabilities	<u>752,462</u>	<u>303,072</u>	<u>1,607,506</u>	<u>117,342</u>
Deferred inflows of resources:				
Unavailable revenue	1,643,765	-	2,575,214	-
Total deferred inflows of resources	<u>1,643,765</u>	<u>-</u>	<u>2,575,214</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	2,849,379	1,385,787	-	11,020,238
Committed	-	-	-	-
Unassigned (deficit)	-	-	(1,606,806)	-
Total fund balances	<u>2,849,379</u>	<u>1,385,787</u>	<u>(1,606,806)</u>	<u>11,020,238</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,245,606</u>	<u>\$ 1,688,859</u>	<u>\$ 2,575,914</u>	<u>\$ 11,137,580</u>

CITY OF ESCONDIDO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Permanent	Total
	Daley Ranch	Nonmajor Governmental Funds
ASSETS		
Cash and investments	\$ 288,609	\$ 54,508,340
Cash and investments with fiscal agent	-	2,972,657
Receivable:		
Accounts	-	1,752,732
Interest	1,038	7,757,635
Taxes	-	44,183
Loans	-	17,799,115
Due from other governments	-	5,549,295
Due from Successor Agency	-	-
Inventory	-	12,742
Prepaid items	-	533,093
Deposits	-	42,476
Advances to other funds	-	503,072
Total assets	\$ 289,647	\$ 91,475,340
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 2,118,644
Deposits payable	-	29,293
Retention payable	-	505,455
Accrued expenditures	-	66,644
Due to other funds	-	793,878
Unearned revenues	-	10,317,963
Advances from other funds	-	303,072
Total liabilities	-	14,134,949
Deferred inflows of resources:		
Unavailable revenue	-	12,725,515
Total deferred inflows of resources	-	12,725,515
Fund balances:		
Nonspendable	253,134	841,445
Restricted	36,513	51,952,902
Committed	-	14,072,732
Unassigned (deficit)	-	(2,252,203)
Total fund balances	289,647	64,614,876
Total liabilities, deferred inflows of resources and fund balances	\$ 289,647	\$ 91,475,340

CITY OF ESCONDIDO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue			
	Street	Vehicle Parking District	Community Services and Development	Community Development Block Grant
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,502,873
Charges for services	-	-	5,998,411	-
Special assessments	-	-	-	-
Investment income	-	906	6,801	1,959
Miscellaneous	-	-	-	-
Total revenues	-	906	6,005,212	1,504,832
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	103,462	-	-
Community services	-	-	934,384	685,720
Development services	-	-	38,633	-
Capital outlay	-	-	614,372	644,802
Debt services:	-	-	-	-
Principal retirements	-	-	-	-
Software principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	103,462	1,587,389	1,330,522
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(102,556)	4,417,823	174,310
OTHER FINANCING SOURCES (USES)				
Transfers in	-	104,600	110,950	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	104,600	110,950	-
NET CHANGE IN FUND BALANCES		2,044	4,528,773	174,310
FUND BALANCES:				
Beginning of Year, as previously presented	13,855,638	26,388	5,764,237	418,820
Change within financial reporting entity (nonmajor to major fund)	(13,855,638)	-	-	-
Beginning of Year, as adjusted or restated	-	26,388	5,764,237	418,820
End of year	\$ -	\$ 28,432	\$ 10,293,010	\$ 593,130

CITY OF ESCONDIDO

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

Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue			
	Landscape and Assessment District	Law Enforcement	HOME	Miscellaneous Grants
REVENUES:				
Intergovernmental	\$ -	\$ 1,898,240	\$ -	\$ 3,420,067
Charges for services	-	-	-	-
Special assessments	991,602	-	-	-
Investment income	43,082	49,663	137,864	17,781
Miscellaneous	9,278	21,590	-	-
Total revenues	1,043,962	1,969,493	137,864	3,437,848
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	1,933,410	-	-
Public works	861,408	-	-	-
Community services	-	-	-	1,047,386
Development services	-	-	95,826	-
Capital outlay	-	-	-	865,259
Debt services:				
Principal retirements	-	-	-	-
Software principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	861,408	1,933,410	95,826	1,912,645
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	182,554	36,083	42,038	1,525,203
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	182,554	36,083	42,038	1,525,203
FUND BALANCES:				
Beginning of Year, as previously presented	1,610,331	(425,691)	19,168,815	(1,763,210)
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-
Beginning of Year, as adjusted or restated	1,610,331	(425,691)	19,168,815	(1,763,210)
End of year	\$ 1,792,885	\$ (389,608)	\$ 19,210,853	\$ (238,007)

CITY OF ESCONDIDO

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

Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue	Debt Service		Capital Projects
	CFD 2020-01 Services	General Obligation	Golf Course	General Capital Projects
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 357,578
Charges for services	-	-	-	-
Special assessments	450,296	4,810,739	-	-
Investment income	-	168,358	265	205,034
Miscellaneous	-	-	-	-
Total revenues	450,296	4,979,097	265	562,612
EXPENDITURES:				
Current:				
General government	8,755	-	-	365,165
Public safety	-	-	-	30,905
Public works	-	-	-	-
Community services	-	-	-	-
Development services	-	-	-	-
Capital outlay	-	-	-	3,233,295
Debt services:				
Principal retirements	-	2,390,000	275,000	-
Software principal retirements	-	-	-	13,708
Interest and fiscal charges	-	2,358,825	89,158	332
Total expenditures	8,755	4,748,825	364,158	3,643,405
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	441,541	230,272	(363,893)	(3,080,793)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	364,300	11,236,245
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	364,300	11,236,245
NET CHANGE IN FUND BALANCES	441,541	230,272	407	8,155,452
FUND BALANCES:				
Beginning of Year, as previously presented	7,018	4,632,586	1,380	5,917,280
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-
Beginning of Year, as adjusted or restated	7,018	4,632,586	1,380	5,917,280
End of year	\$ 448,559	\$ 4,862,858	\$ 1,787	\$ 14,072,732

CITY OF ESCONDIDO

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2024

	Capital Projects			
	Street	Storm	County	Public
	Improvement	Drain	Transportation Street Projects	Facilities
REVENUES:				
Intergovernmental	\$ 5,545,111	\$ -	\$ 6,307,010	\$ -
Charges for services	-	378,039	-	1,868,800
Special assessments	-	-	-	-
Investment income	(42,510)	30,692	1,620	334,033
Miscellaneous	-	-	-	-
Total revenues	5,502,601	408,731	6,308,630	2,202,833
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	14,164	-	-	179,012
Community services	-	-	-	163,834
Development services	-	16,018	4,652,160	-
Capital outlay	4,202,764	25,517	2,200,194	1,909
Debt services:				
Principal retirements	-	-	-	79,338
Software principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	6,828
Total expenditures	4,216,928	41,535	6,852,354	430,921
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,285,673	367,196	(543,724)	1,771,912
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	1,285,673	367,196	(543,724)	1,771,912
FUND BALANCES:				
Beginning of Year, as previously presented	1,563,706	1,018,591	(1,063,082)	9,248,326
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-
Beginning of Year, as adjusted or restated	1,563,706	1,018,591	(1,063,082)	9,248,326
End of year	\$ 2,849,379	\$ 1,385,787	\$ (1,606,806)	\$ 11,020,238

CITY OF ESCONDIDO

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

Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Permanent	Total
	Daley Ranch	Nonmajor Governmental Funds
REVENUES:		
Intergovernmental	\$ -	\$ 19,030,879
Charges for services	2,055	8,247,305
Special assessments	-	6,252,637
Investment income	8,254	963,802
Miscellaneous	-	30,868
Total revenues	10,309	34,525,491
EXPENDITURES:		
Current:		
General government	-	373,920
Public safety	-	1,964,315
Public works	-	1,158,046
Community services	-	2,831,324
Development services	-	4,802,637
Capital outlay	-	11,788,112
Debt services:		
Principal retirements	-	2,744,338
Software principal retirements	-	13,708
Interest and fiscal charges	-	2,455,143
Total expenditures	-	28,131,543
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,309	6,393,948
OTHER FINANCING SOURCES (USES)		
Transfers in	-	11,816,095
Transfers out	(30,000)	(30,000)
Total other financing sources (uses)	(30,000)	11,786,095
NET CHANGE IN FUND BALANCES	(19,691)	18,180,043
FUND BALANCES:		
Beginning of Year, as previously presented	309,338	60,290,471
Change within financial reporting entity (nonmajor to major fund)	-	(13,855,638)
Beginning of Year, as adjusted or restated	309,338	46,434,833
End of year	\$ 289,647	\$ 64,614,876

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Vehicle Parking District Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment income	\$ -	\$ 906	\$ 906
Total revenues	-	906	906
EXPENDITURES:			
Current:			
Public works	104,600	103,462	1,138
Total expenditures	104,600	103,462	1,138
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(104,600)	(102,556)	2,044
OTHER FINANCING SOURCES (USES)			
Transfers in	104,600	104,600	-
Total other financing sources (uses)	104,600	104,600	-
NET CHANGE IN FUND BALANCE	-	2,044	2,044
FUND BALANCE:			
Beginning of year	26,388	26,388	-
End of year	\$ 26,388	\$ 28,432	\$ 2,044

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Community Services and Development Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ 4,870,000	\$ 5,998,411	\$ 1,128,411
Investment income	53,550	6,801	(46,749)
Miscellaneous	-	-	-
Total revenues	<u>4,923,550</u>	<u>6,005,212</u>	<u>1,081,662</u>
EXPENDITURES:			
Current:			
Community services	9,088,289	934,384	8,153,905
Community development	38,640	38,633	7
Capital outlay	614,380	614,372	8
Total expenditures	<u>9,741,309</u>	<u>1,587,389</u>	<u>8,153,920</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,817,759)</u>	<u>4,417,823</u>	<u>9,235,582</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	110,950	110,950	-
Total other financing sources (uses)	<u>110,950</u>	<u>110,950</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,706,809)	4,528,773	9,235,582
FUND BALANCE:			
Beginning of year	5,764,237	5,764,237	-
End of year	<u>\$ 1,057,428</u>	<u>\$ 10,293,010</u>	<u>\$ 9,235,582</u>

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,600,000	\$ 1,502,873	\$ (97,127)
Investment income	-	1,959	1,959
Total revenues	<u>1,600,000</u>	<u>1,504,832</u>	<u>(95,168)</u>
EXPENDITURES:			
Current:			
Community services	685,720	685,720	-
Capital outlay	645,000	644,802	198
Total expenditures	<u>1,330,720</u>	<u>1,330,522</u>	<u>198</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>269,280</u>	<u>174,310</u>	<u>(94,970)</u>
NET CHANGE IN FUND BALANCE	269,280	174,310	(94,970)
FUND BALANCE:			
Beginning of year	418,820	418,820	-
End of year	<u>\$ 688,100</u>	<u>\$ 593,130</u>	<u>\$ (94,970)</u>

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Landscape and Assessment District Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Special assessments	\$ 1,038,630	\$ 991,602	\$ (47,028)
Investment income	2,200	43,082	40,882
Miscellaneous	8,940	9,278	338
Total revenues	<u>1,049,770</u>	<u>1,043,962</u>	<u>(5,808)</u>
EXPENDITURES:			
Current:			
Public works	1,399,320	861,408	537,912
Total expenditures	<u>1,399,320</u>	<u>861,408</u>	<u>537,912</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(349,550)</u>	<u>182,554</u>	<u>532,104</u>
NET CHANGE IN FUND BALANCE	(349,550)	182,554	532,104
FUND BALANCE:			
Beginning of year	1,610,331	1,610,331	-
End of year	<u>\$ 1,260,781</u>	<u>\$ 1,792,885</u>	<u>\$ 532,104</u>

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,673,940	\$ 1,898,240	\$ 224,300
Investment income	-	49,663	49,663
Miscellaneous	393,840	21,590	(372,250)
Total revenues	<u>2,067,780</u>	<u>1,969,493</u>	<u>(98,287)</u>
EXPENDITURES:			
Current:			
Public safety	1,933,410	1,933,410	-
Total expenditures	<u>1,933,410</u>	<u>1,933,410</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>134,370</u>	<u>36,083</u>	<u>(98,287)</u>
NET CHANGE IN FUND BALANCE	134,370	36,083	(98,287)
FUND BALANCE:			
Beginning of year	(425,691)	(425,691)	-
End of year	<u>\$ (291,321)</u>	<u>\$ (389,608)</u>	<u>\$ (98,287)</u>

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
HOME Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 650,000	\$ -	\$ (650,000)
Investment income	-	137,864	137,864
Total revenues	<u>650,000</u>	<u>137,864</u>	<u>(512,136)</u>
EXPENDITURES:			
Current:			
Development services	155,630	95,826	59,804
Total expenditures	<u>155,630</u>	<u>95,826</u>	<u>59,804</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>494,370</u>	<u>42,038</u>	<u>(452,332)</u>
NET CHANGE IN FUND BALANCE	494,370	42,038	(452,332)
FUND BALANCE:			
Beginning of year	19,168,815	19,168,815	-
End of year	<u>\$ 19,663,185</u>	<u>\$ 19,210,853</u>	<u>\$ (452,332)</u>

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Miscellaneous Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 6,051,793	\$ 3,420,067	\$ (2,631,726)
Investment income	-	17,781	17,781
Total revenues	<u>6,051,793</u>	<u>3,437,848</u>	<u>(2,613,945)</u>
EXPENDITURES:			
Current:			
Community services	4,087,759	1,047,386	3,040,373
Capital outlay	865,260	865,259	1
Total expenditures	<u>4,953,019</u>	<u>1,912,645</u>	<u>3,040,374</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,098,774</u>	<u>1,525,203</u>	<u>426,429</u>
NET CHANGE IN FUND BALANCE	1,098,774	1,525,203	426,429
FUND BALANCE:			
Beginning of year	(1,763,210)	(1,763,210)	-
End of year	<u>\$ (664,436)</u>	<u>\$ (238,007)</u>	<u>\$ 426,429</u>

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
CFD 2020-01 Services Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Special assessments	\$ 295,000	\$ 450,296	\$ 155,296
Total revenues	<u>295,000</u>	<u>450,296</u>	<u>155,296</u>
EXPENDITURES:			
Current:			
General government	10,000	8,755	1,245
Total expenditures	<u>10,000</u>	<u>8,755</u>	<u>1,245</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>285,000</u>	<u>441,541</u>	<u>156,541</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(5,900)	-	5,900
Total other financing sources (uses)	<u>(5,900)</u>	<u>-</u>	<u>5,900</u>
NET CHANGE IN FUND BALANCE	279,100	441,541	162,441
FUND BALANCE:			
Beginning of year	-	7,018	7,018
End of year	<u>\$ 279,100</u>	<u>\$ 448,559</u>	<u>\$ 169,459</u>

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
General Obligation Debt Service Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Special assessments	\$ 4,731,300	\$ 4,810,739	\$ 79,439
Investment income	20,000	168,358	148,358
Total revenues	<u>4,751,300</u>	<u>4,979,097</u>	<u>227,797</u>
EXPENDITURES:			
Debt services:			
Principal retirements	2,390,000	2,390,000	-
Interest and fiscal charges	2,361,300	2,358,825	2,475
Total expenditures	<u>4,751,300</u>	<u>4,748,825</u>	<u>2,475</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>230,272</u>	<u>230,272</u>
FUND BALANCE:			
Beginning of year	4,632,586	4,632,586	-
End of year	<u>\$ 4,632,586</u>	<u>\$ 4,862,858</u>	<u>\$ 230,272</u>

CITY OF ESCONDIDO
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Golf Course Debt Service Fund
For the Year Ended June 30, 2024

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment income	\$ -	\$ 265	\$ 265
Total revenues	<u>-</u>	<u>265</u>	<u>265</u>
EXPENDITURES:			
Debt services:			
Principal retirements	275,000	275,000	-
Interest and fiscal charges	89,300	89,158	142
Total expenditures	<u>364,300</u>	<u>364,158</u>	<u>142</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(364,300)</u>	<u>(363,893)</u>	<u>407</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	364,300	364,300	-
Total other financing sources (uses)	<u>364,300</u>	<u>364,300</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	407	407
FUND BALANCE:			
Beginning of year	1,380	1,380	-
End of year	<u>\$ 1,380</u>	<u>\$ 1,787</u>	<u>\$ 407</u>

CITY OF ESCONDIDO INTERNAL SERVICE FUNDS

BUILDING MAINTENANCE FUND

This fund was created to account for financial activity related to the maintenance and repair of all City-owned buildings. Funding is provided through charges to other departments, based on square footage, common area allocation, and specific maintenance projects.

VEHICLE AND EQUIPMENT MAINTENANCE FUND

This fund was created to account for transactions related to the maintenance, operation, and replacement of the City's vehicles, whereby the City can more accurately determine the full cost of services. Such costs to other departments are billed through charges to departments in the form of a rental payment for each piece of equipment.

CENTRAL SERVICES FUND

This fund was created to account for transactions related to the provision of a central stores warehouse as well as postage, telephone, and copying services. Funding is provided through charges to other departments based on actual usage.

NETWORK AND SYSTEMS ADMINISTRATION FUND

This fund was created to account for financial activity related to Network & Systems Administration services, licensing and hardware. Funding is provided through charges to other departments based on workstation inventory.

WORKERS' COMPENSATION FUND

This fund was created to account for transactions related to the City's self-insurance provision of Workers' Compensation insurance. Funding is provided through charges to other departments based on payroll expense.

GENERAL LIABILITY SELF-INSURANCE FUND

This fund was created to account for transactions related to the City's self-insurance provision of general liability insurance. Funding is provided through charges to other departments based on future risk evaluation, prior claims experience, and other factors.

INSURANCE FUND

This fund was created to account for transactions related to:

- The provision of health, vision, dental, and life insurance for City employees. Funding is provided through charges to other departments and employee contributions based on employee participation.
- Property insurance obtained for the City. Funding is provided through charges to other departments based on replacement cost of the property and square footage allocations.
- The provision of unemployment insurance. Funding is provided through charges to other departments based on payroll expense.

CITY OF ESCONDIDO
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Building Maintenance	Vehicle and Equipment Maintenance	Central Services	Network and Systems Administration
ASSETS				
Current Assets:				
Cash and investments	\$ 1,978,100	\$ 6,564,015	\$ 925,572	\$ 1,269,482
Receivables (Net):				
Accounts	771	-	-	-
Interest	6,861	28,083	3,601	3,804
Inventory	78,678	144,209	484,593	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Total Current Assets	<u>2,064,410</u>	<u>6,736,307</u>	<u>1,413,766</u>	<u>1,273,286</u>
Noncurrent Assets:				
Capital assets:				
Not being depreciated	8,100	-	-	-
Being depreciated, net	1,145,656	7,438,858	19,933	135,463
Total Noncurrent Assets	<u>1,153,756</u>	<u>7,438,858</u>	<u>19,933</u>	<u>135,463</u>
Total Assets	<u>3,218,166</u>	<u>14,175,165</u>	<u>1,433,699</u>	<u>1,408,749</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	1,225,675	832,772	246,055	812,567
Total Deferred Outflows of Resources	<u>1,225,675</u>	<u>832,772</u>	<u>246,055</u>	<u>812,567</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	308,435	281,564	130,674	320,551
Accrued expenses	35,961	24,435	5,194	18,721
Due to other funds	-	-	-	-
Long-term debt, due within one year	11,805	9,761	837	-
Total Current Liabilities	<u>356,201</u>	<u>315,760</u>	<u>136,705</u>	<u>339,272</u>
Noncurrent Liabilities:				
Aggregate net pension liabilities	4,432,426	3,002,986	856,908	3,020,951
Long-term debt, due in more than one year	106,247	87,853	7,534	-
Total Noncurrent Liabilities	<u>4,538,673</u>	<u>3,090,839</u>	<u>864,442</u>	<u>3,020,951</u>
Total Liabilities	<u>4,894,874</u>	<u>3,406,599</u>	<u>1,001,147</u>	<u>3,360,223</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	20,462	14,520	3,760	13,802
Total Deferred Inflows of Resources	<u>20,462</u>	<u>14,520</u>	<u>3,760</u>	<u>13,802</u>
NET POSITION				
Net investment in capital assets	1,153,756	7,424,673	19,933	135,463
Unrestricted (deficit)	(1,625,251)	4,162,145	654,914	(1,288,172)
Total Net Position	<u>\$ (471,495)</u>	<u>\$ 11,586,818</u>	<u>\$ 674,847</u>	<u>\$ (1,152,709)</u>

CITY OF ESCONDIDO
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2024

ASSETS	Workers' Compensation	General Liability Self-Insurance	Insurance	Total
Current Assets:				
Cash and investments	\$ 18,788,673	\$ 2,644,955	\$ -	\$ 32,170,797
Receivables (Net):				
Accounts	-	-	38,555	39,326
Interest	65,683	11,621	2,506	122,159
Inventory	-	-	-	707,480
Prepaid items	-	-	4,929	4,929
Deposits	250,000	-	62,600	312,600
Total Current Assets	19,104,356	2,656,576	108,590	33,357,291
Noncurrent Assets:				
Capital assets:				
Not being depreciated	-	-	-	8,100
Being depreciated, net	-	-	-	8,739,910
Total Noncurrent Assets	-	-	-	8,748,010
Total Assets	19,104,356	2,656,576	108,590	42,105,301
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	95,098	-	242,040	3,454,207
Total Deferred Outflows of Resources	95,098	-	242,040	3,454,207
LIABILITIES				
Current Liabilities:				
Accounts payable	32,239	15,465	53,482	1,142,410
Accrued expenses	1,449	-	42,177	127,937
Due to other funds	-	-	22,503	22,503
Long-term debt, due within one year	3,254,461	800,600	2,206	4,079,670
Total Current Liabilities	3,288,149	816,065	120,368	5,372,520
Noncurrent Liabilities:				
Aggregate net pension liabilities	319,778	-	670,949	12,303,998
Long-term debt, due in more than one year	13,019,145	3,202,400	19,858	16,443,037
Total Noncurrent Liabilities	13,338,923	3,202,400	690,807	28,747,035
Total Liabilities	16,627,072	4,018,465	811,175	34,119,555
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	2,197	-	4,936	59,677
Total Deferred Inflows of Resources	2,197	-	4,936	59,677
NET POSITION				
Net investment in capital assets	-	-	-	8,733,825
Unrestricted (deficit)	2,570,185	(1,361,889)	(465,481)	2,646,451
Total Net Position	\$ 2,570,185	\$ (1,361,889)	\$ (465,481)	\$ 11,380,276

CITY OF ESCONDIDO
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Building Maintenance	Vehicle and Equipment Maintenance	Central Services	Network and Systems Administration
Operating Revenues:				
Charges for services	\$ 7,318,720	\$ 4,551,710	\$ 1,137,140	\$ 2,897,480
Total Operating Revenues	<u>7,318,720</u>	<u>4,551,710</u>	<u>1,137,140</u>	<u>2,897,480</u>
Operating Expenses:				
Personnel services	2,818,731	1,786,652	415,904	1,668,212
Administrative expenses	49,193	49,430	134,000	55,600
Benefit claims	-	-	-	-
Supplies	149,457	78,321	73,251	26,419
Repairs and maintenance	324,735	1,526,499	31,979	5,346
Depreciation	74,683	2,005,906	6,399	58,151
Utilities	1,493,255	6,061	183,086	13,326
Fuel	-	1,625,824	-	-
Professional services	1,524,234	159,039	126,305	16,255
Insurance premiums	89,406	81,240	18,740	7,340
Other	78,758	223,607	102,702	1,030,302
Total Operating Expenses	<u>6,602,452</u>	<u>7,542,579</u>	<u>1,092,366</u>	<u>2,880,951</u>
Operating Income (Loss)	<u>716,268</u>	<u>(2,990,869)</u>	<u>44,774</u>	<u>16,529</u>
Nonoperating Revenues (Expenses):				
Investment income	52,023	459,472	27,865	35,519
Miscellaneous	(21,606)	738,168	492	(30,828)
Total Nonoperating Revenues (Expenses)	<u>30,417</u>	<u>1,197,640</u>	<u>28,357</u>	<u>4,691</u>
Income Before Capital Contributions	<u>746,685</u>	<u>(1,793,229)</u>	<u>73,131</u>	<u>21,220</u>
Capital Contributions:				
Developer contributions	-	1,772,007	-	-
Total Capital Contributions	<u>-</u>	<u>1,772,007</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>746,685</u>	<u>(21,222)</u>	<u>73,131</u>	<u>21,220</u>
Net Position at Beginning of Year	<u>(1,218,180)</u>	<u>11,608,040</u>	<u>601,716</u>	<u>(1,173,929)</u>
Net Position at End of Year	<u>\$ (471,495)</u>	<u>\$ 11,586,818</u>	<u>\$ 674,847</u>	<u>\$ (1,152,709)</u>

CITY OF ESCONDIDO
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Workers' Compensation	General Liability Self-Insurance	Insurance	Total
Operating Revenues:				
Charges for services	\$ 6,323,945	\$ 2,549,744	\$ 12,972,759	\$ 37,751,498
Total Operating Revenues	<u>6,323,945</u>	<u>2,549,744</u>	<u>12,972,759</u>	<u>37,751,498</u>
Operating Expenses:				
Personnel services	124,249	-	472,704	7,286,452
Administrative expenses	374,710	1,742,790	159,400	2,565,123
Benefit claims	939,313	1,410,759	403,564	2,753,636
Supplies	255	-	824	328,527
Repairs and maintenance	-	-	-	1,888,559
Depreciation	-	-	-	2,145,139
Utilities	994	-	9,960	1,706,682
Fuel	-	-	-	1,625,824
Professional services	2,726,546	354,751	254,327	5,161,457
Insurance premiums	1,081,880	2,500,346	12,313,464	16,092,416
Other	790	10,959	37,607	1,484,725
Total Operating Expenses	<u>5,248,737</u>	<u>6,019,605</u>	<u>13,651,850</u>	<u>43,038,540</u>
Operating Income (Loss)	<u>1,075,208</u>	<u>(3,469,861)</u>	<u>(679,091)</u>	<u>(5,287,042)</u>
Nonoperating Revenues (Expenses):				
Investment income	754,753	233,734	20,940	1,584,306
Miscellaneous	97,366	-	109,245	892,837
Total Nonoperating Revenues (Expenses)	<u>852,119</u>	<u>233,734</u>	<u>130,185</u>	<u>2,477,143</u>
Income Before Capital Contributions	<u>1,927,327</u>	<u>(3,236,127)</u>	<u>(548,906)</u>	<u>(2,809,899)</u>
Capital Contributions:				
Developer contributions	-	-	-	1,772,007
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,772,007</u>
Changes in Net Position	<u>1,927,327</u>	<u>(3,236,127)</u>	<u>(548,906)</u>	<u>(1,037,892)</u>
Net Position at Beginning of Year	<u>642,858</u>	<u>1,874,238</u>	<u>83,425</u>	<u>12,418,168</u>
Net Position at End of Year	<u>\$ 2,570,185</u>	<u>\$ (1,361,889)</u>	<u>\$ (465,481)</u>	<u>\$ 11,380,276</u>

CITY OF ESCONDIDO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Building Maintenance	Vehicle and Equipment Maintenance	Central Services	Network and Systems Administration
Cash Flows from Operating Activities:				
Cash received from customers	\$ 7,317,949	\$ 4,551,710	\$ 1,137,140	\$ 2,897,480
Cash paid to employees for services	(2,629,783)	(1,656,766)	(505,005)	(1,574,526)
Cash paid to other suppliers of goods and services	(3,645,503)	(3,834,925)	(452,934)	(804,956)
Cash from other sources	3,084	385,977	-	-
Net Cash Provided by (Used in) Operating Activities	<u>1,045,747</u>	<u>(554,004)</u>	<u>179,201</u>	<u>517,998</u>
Cash Flows from Noncapital Financing Activities:				
Cash received from (paid to) other funds	-	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase and construction of capital assets	(25,347)	(2,786,759)	-	(20,628)
Sale of capital assets	-	352,190	-	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(25,347)</u>	<u>(2,434,569)</u>	<u>-</u>	<u>(20,628)</u>
Cash Flows from Investing Activities:				
Investment income	47,630	459,201	26,676	33,499
Net Cash Provided by (Used in) Investing Activities	<u>47,630</u>	<u>459,201</u>	<u>26,676</u>	<u>33,499</u>
Net increase (decrease) in cash and cash equivalents	1,068,030	(2,529,372)	205,877	530,869
Cash and cash equivalents:				
Beginning of year	910,070	9,093,387	719,695	738,613
End of year	<u>\$ 1,978,100</u>	<u>\$ 6,564,015</u>	<u>\$ 925,572</u>	<u>\$ 1,269,482</u>

CITY OF ESCONDIDO
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	Workers' Compensation	General Liability Self-Insurance	Insurance	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 6,323,945	\$ 2,549,744	\$ 12,972,894	\$ 37,750,862
Cash paid to employees for services	(490,882)	(1,742,790)	(478,478)	(9,078,230)
Cash paid to other suppliers of goods and services	(4,358,862)	(2,936,407)	(13,132,361)	(29,165,948)
Cash from other sources	97,366	-	109,243	595,670
Net Cash Provided by (Used in) Operating Activities	<u>1,571,567</u>	<u>(2,129,453)</u>	<u>(528,702)</u>	<u>102,354</u>
Cash Flows from Noncapital Financing Activities:				
Cash received from other funds	-	-	22,503	22,503
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>22,503</u>	<u>22,503</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase and construction of capital assets	-	-	-	(2,832,734)
Sale of capital assets	-	-	-	352,190
Net Cash (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,480,544)</u>
Cash Flows from Investing Activities:				
Investment income	738,255	234,483	22,217	1,561,961
Net Cash Provided by (Used in) Investing Activities	<u>738,255</u>	<u>234,483</u>	<u>22,217</u>	<u>1,561,961</u>
Net increase (decrease) in cash and cash equivalents	2,309,822	(1,894,970)	(483,982)	(793,726)
Cash and cash equivalents:				
Beginning of year	16,478,851	4,539,925	483,982	32,964,523
End of year	<u>\$ 18,788,673</u>	<u>\$ 2,644,955</u>	<u>\$ -</u>	<u>\$ 32,170,797</u>

CITY OF ESCONDIDO
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	<u>Building Maintenance</u>	<u>Vehicle and Equipment Maintenance</u>	<u>Central Services</u>	<u>Network and Systems Administration</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 716,268	\$ (2,990,869)	\$ 44,774	\$ 16,529
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	74,683	2,005,906	6,399	58,151
Cash from other sources	3,084	385,977	-	-
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
Accounts receivable	(771)	-	-	-
Inventories	(44,716)	(47,702)	10,765	-
Prepaid items	-	-	-	-
Deferred outflows of resources related to pensions	32,674	24,442	6,534	23,469
Accounts payable	59,058	(86,632)	72,314	294,032
Accrued expenses	13,967	9,650	2,501	5,613
Compensated absences	24,155	20,043	2,401	-
Pension liability	178,053	133,191	35,604	127,896
Deferred inflows of resources related to pensions	(10,708)	(8,010)	(2,091)	(7,692)
Estimated claims payable	-	-	-	-
Total adjustments	<u>329,479</u>	<u>2,436,865</u>	<u>134,427</u>	<u>501,469</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,045,747</u>	<u>\$ (554,004)</u>	<u>\$ 179,201</u>	<u>\$ 517,998</u>

CITY OF ESCONDIDO
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	Workers' Compensation	General Liability Self-Insurance	Insurance	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 1,075,208	\$ (3,469,861)	\$ (679,091)	\$ (5,287,042)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	-	2,145,139
Cash from other sources	97,366	-	109,243	595,670
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
Accounts receivable	-	-	135	(636)
Inventories	-	-	-	(81,653)
Prepaid items	-	-	(4,929)	(4,929)
Deferred outflows of resources related to pensions	1,728	-	7,090	95,937
Accounts payable	(375,084)	(5,042)	(11,474)	(52,828)
Accrued expenses	(23)	-	13,596	45,304
Compensated absences	(2,476)	-	417	44,540
Pension liability	9,414	-	38,635	522,793
Deferred inflows of resources related to pensions	(566)	-	(2,324)	(31,391)
Estimated claims payable	766,000	1,345,450	-	2,111,450
Total adjustments	496,359	1,340,408	150,389	5,389,396
Net Cash Provided by Operating Activities	\$ 1,571,567	\$ (2,129,453)	\$ (528,702)	\$ 102,354

CITY OF ESCONDIDO CUSTODIAL FUNDS

HIDDEN TRAILS COMMUNITY FACILITIES DISTRICT

This fund was created to account for debt service payments on 1982 Mello-Roos Community Facility Act special tax bonds paid from special taxes collected and remitted to a fiscal agent. The bonds were issued to finance the acquisition of certain backbone public facilities including street, water and sewer facilities in the Hidden Trails Community Facilities District.

EUREKA RANCH COMMUNITY FACILITIES DISTRICT

This fund was created to account for debt service payments on 1982 Mello-Roos Community Facility Act special tax bonds paid from special taxes collected and remitted to a fiscal agent. The bonds were issued to finance various public improvements including street, storm drain and sewer improvements as well as utility undergrounding within the Eureka Ranch Community Facilities District.

RANCHO SAN PASQUAL FUND

This fund was created to account for the debt service payments collected directly from property owners and remitted to bondholders for payment on Rancho San Pasqual bonds, issued to finance certain public improvements within the City's Assessment District No. 95-1.

THE VILLAGES PROJECT FUND

This fund was created to account for debt service payments on 1982 Mello-Roos Community Facility Act special tax bonds paid from special taxes collected and remitted to a fiscal agent. The bonds were issued in July 2022 to finance certain public improvements needed with respect to the development of property located within the district, including public improvements to be owned by the City and water and sewer facilities to be owned and operated by the Rincon Del Diablo Municipal Water District.

THE ECLIPSE AND MOUNTAIN HOUSE PROJECT FUND

This fund was created to account for debt service payments on 1982 Mello-Roos Community Facility Act special tax bonds paid from special taxes collected and remitted to a fiscal agent. The bonds were issued in April 2024 to finance certain public improvements needed with respect to the development of property located within the district, including public improvements to be owned by the City.

CITY OF ESCONDIDO
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2024

	Hidden Trails Community Facilities District	Eureka Ranch Community Facilities District	Rancho San Pasqual	The Villages
ASSETS				
Cash and investments	\$ 186,199	\$ 862,284	\$ 338,774	\$ 406,413
Cash and investments with fiscal agent	15	154	357,314	1,049,790
Receivables:				
Interest	557	2,415	991	1,204
Taxes	1,215	3,911	961	2,175
Total assets	<u>187,986</u>	<u>868,764</u>	<u>698,040</u>	<u>1,459,582</u>
NET POSITION				
Net position restricted for individuals, organizations, and other governments	<u>187,986</u>	<u>868,764</u>	<u>698,040</u>	<u>1,459,582</u>
Total Net Position	<u><u>\$ 187,986</u></u>	<u><u>\$ 868,764</u></u>	<u><u>\$ 698,040</u></u>	<u><u>\$ 1,459,582</u></u>

CITY OF ESCONDIDO
Combining Statement of Fiduciary Net Position (Continued)
Fiduciary Funds - Custodial Funds
June 30, 2024

	Eclipse and Mountain House		Total
ASSETS			
Cash and investments	\$ 98,973	\$	1,892,643
Cash and investments with fiscal agent	237,194		1,644,467
Receivables:			
Interest	626		5,793
Taxes	9,938		18,200
Total assets	346,731		3,561,103
 NET POSITION			
Net position restricted for individuals, organizations, and other governments	346,731		3,561,103
Total Net Position	\$ 346,731	\$	3,561,103

CITY OF ESCONDIDO
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	Hidden Trails Community Facilities District	Eureka Ranch Community Facilities District	Rancho San Pasqual	The Villages
ADDITIONS:				
Special assessments	\$ 210,376	\$ 1,112,091	\$ 329,142	\$ 634,805
Interest and change in fair value of investments	3,027	12,441	24,099	7,056
Total Additions	<u>213,403</u>	<u>1,124,532</u>	<u>353,241</u>	<u>641,861</u>
DEDUCTIONS:				
Administrative expenses	19,175	48,872	19,184	47,618
Payments on conduit bonds - principal	125,000	550,000	275,000	20,000
Payments on conduit bonds - interest	61,444	476,000	59,137	596,750
Total Deductions	<u>205,619</u>	<u>1,074,872</u>	<u>353,321</u>	<u>664,368</u>
Changes in Net Position	7,784	49,660	(80)	(22,507)
NET POSITION:				
Beginning of year	<u>180,202</u>	<u>819,104</u>	<u>698,120</u>	<u>1,482,089</u>
End of year	<u>\$ 187,986</u>	<u>\$ 868,764</u>	<u>\$ 698,040</u>	<u>\$ 1,459,582</u>

CITY OF ESCONDIDO
Combining Statement of Changes in Fiduciary Net Position (Continued)
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	Eclipse and Mountain House	Total
ADDITIONS:		
Special assessments	\$ 489,864	\$ 2,776,278
Interest and change in fair value of investments	3,800	50,423
Total Additions	493,664	2,826,701
DEDUCTIONS:		
Administrative expenses	32,178	167,027
Payments on conduit bonds - principal	-	970,000
Payments on conduit bonds - interest	214,691	1,408,022
Total Deductions	246,869	2,545,049
Changes in Net Position	246,795	281,652
NET POSITION:		
Beginning of year	99,936	3,279,451
End of year	\$ 346,731	\$ 3,561,103



Statistical Section

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

	2015	2016	2017	2018	2019
Governmental Activities:					
Net investment in capital assets	\$ 201,314,048	\$ 223,906,554	\$ 218,477,270	\$ 218,992,174	\$ 218,870,698
Restricted	90,509,538	96,530,455	100,550,008	104,851,906	115,547,295
Unrestricted	(124,495,479)	(121,164,871)	(99,262,303)	(112,191,974)	(124,447,522)
Total Governmental Activities Net Position	\$ 167,328,107	\$ 199,272,138	\$ 219,764,975	\$ 211,652,106	\$ 209,970,471
Business-type Activities:					
Net investment in capital assets	\$ 158,231,376	\$ 172,888,190	\$ 188,875,729	\$ 183,764,968	\$ 195,706,168
Restricted	-	-	-	3,642,092	1,095,891
Unrestricted	28,819,831	22,072,596	9,234,771	21,293,844	20,679,543
Total Business-type Activities Net Position	\$ 187,051,207	\$ 194,960,786	\$ 198,110,500	\$ 208,700,904	\$ 217,481,602
Primary Government:					
Net investment in capital assets	\$ 359,545,424	\$ 396,794,744	\$ 407,352,999	\$ 402,757,142	\$ 414,576,866
Restricted	90,509,538	96,530,455	100,550,008	108,493,998	116,643,186
Unrestricted	(95,675,648)	(99,092,275)	(90,027,532)	(90,898,130)	(103,767,979)
Total Primary Government Activities Net Position	\$ 354,379,314	\$ 394,232,924	\$ 417,875,475	\$ 420,353,010	\$ 427,452,073

Note:

The City of Escondido implemented GASBs No. 68 and 71 for the fiscal year ended June 30, 2015 which modified the Net Position of both Governmental and Business-type Net Position

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2021	2022	2023	2024
Governmental Activities:					
Net investment in capital assets	\$ 221,761,230	\$ 221,473,365	\$ 219,632,631	\$ 231,896,273	\$ 246,339,924
Restricted	124,688,550	151,769,546	162,675,947	165,073,815	180,360,981
Unrestricted	(133,063,895)	(141,744,978)	(118,853,522)	(112,995,110)	(115,589,512)
Total Governmental Activities Net Position	\$ 213,385,885	\$ 231,497,933	\$ 263,455,056	\$ 283,974,978	\$ 311,111,393
Business-type Activities:					
Net investment in capital assets	\$ 184,746,125	\$ 199,326,286	\$ 223,858,484	\$ 281,165,049	\$ 270,134,954
Restricted	15,665,650	10,655,617	28,963,855	5,371,302	2,150,464
Unrestricted	25,669,085	31,939,666	10,870,402	472,348	22,723,324
Total Business-type Activities Net Position	\$ 226,080,860	\$ 241,921,569	\$ 263,692,741	\$ 287,008,699	\$ 295,008,742
Primary Government:					
Net investment in capital assets	\$ 406,507,355	\$ 420,799,651	\$ 443,491,115	\$ 513,061,322	\$ 516,474,878
Restricted	140,354,200	162,425,163	191,639,802	170,445,117	182,511,445
Unrestricted	(107,394,810)	(109,805,312)	(107,983,120)	(112,522,762)	(92,866,188)
Total Primary Government Activities Net Position	\$ 439,466,745	\$ 473,419,502	\$ 527,147,797	\$ 570,983,677	\$ 606,120,135

Note:

The City of Escondido implemented GASBs No. 68 and 71 for the fiscal year ended June 30, 2015 which modified the Net Position of both Governmental and Business-type Net Position

Source:

City of Escondido Finance Department.

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

	2015	2016	2017	2018	2019
<u>Expenses</u>					
Governmental Activities:					
General government	\$ 6,412,164	\$ 8,852,170	\$ 9,357,787	\$ 11,319,840	\$ 11,594,163
Public safety	62,464,110	65,521,010	71,876,096	80,848,786	80,834,482
Public works	24,390,896	20,066,941	22,107,665	25,876,603	27,320,553
Community services	12,485,541	12,559,645	12,571,637	13,453,775	14,394,666
Community development	4,652,366	4,643,576	5,077,618	5,516,258	5,388,553
Interest and fiscal charges	4,655,972	2,952,792	2,646,232	2,849,950	2,695,321
Total Governmental Activities Expenses	115,061,049	114,596,134	123,637,035	139,865,212	142,227,738
Business-type Activities:					
Water	51,558,727	49,844,796	57,314,740	62,431,613	60,286,760
Wastewater	29,740,987	30,565,986	32,361,361	32,843,118	33,669,077
Total Business-type Activities Expenses	81,299,714	80,410,782	89,676,101	95,274,731	93,955,837
Total Primary Government Expenses	<u>\$ 196,360,763</u>	<u>\$ 195,006,916</u>	<u>\$ 213,313,136</u>	<u>\$ 235,139,943</u>	<u>\$ 236,183,575</u>
<u>Program Revenues</u>					
Governmental activities:					
Charges for services:					
General government	\$ 261,135	\$ 479,655	\$ 300,203	\$ 681,369	\$ 700,526
Public safety	9,450,880	9,292,514	10,251,178	11,190,662	11,701,922
Public works	1,292,959	2,280,973	2,424,590	1,738,505	2,276,458
Community services	4,042,601	3,807,474	3,739,242	3,634,653	3,668,178
Community development	1,615,495	1,811,997	1,973,600	1,763,863	1,501,441
Operating grants and contributions	9,216,428	10,604,522	9,441,222	9,980,538	15,008,732
Capital grants and contributions	2,855,849	4,787,949	6,622,075	9,564,799	7,654,270
Total Governmental Activities Program Revenues	28,735,347	33,065,084	34,752,110	38,554,389	42,511,527
Business-type Activities:					
Charges for services:					
Water	54,323,287	51,055,900	55,442,545	61,551,122	57,495,553
Wastewater	32,014,382	33,594,079	34,166,698	34,464,076	35,780,554
Operating grants and contributions	533,816	70,130	30,832	143,298	152,007
Capital grants and contributions	2,972,993	1,355,692	1,766,559	7,846,908	4,859,530
Total Business-type Activities Program Revenues	89,844,478	86,075,801	91,406,634	104,005,404	98,287,644
Total Primary Government Program Revenues	<u>\$ 118,579,825</u>	<u>\$ 119,140,885</u>	<u>\$ 126,158,744</u>	<u>\$ 142,559,793</u>	<u>\$ 140,799,171</u>

CITY OF ESCONDIDO
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2021	2022	2023	2024
<u>Expenses</u>					
Governmental Activities:					
General government	\$ 14,133,562	\$ 14,943,541	\$ 10,258,342	\$ 13,662,634	\$ 24,410,023
Public safety	87,387,146	84,691,286	73,817,032	92,177,826	97,541,230
Public works	25,322,314	20,683,917	13,815,377	19,018,581	28,144,825
Community services	14,854,363	14,044,934	14,906,208	16,150,522	18,556,014
Community development	6,217,692	5,113,312	18,924,626	11,321,013	13,516,807
Interest and fiscal charges	2,552,817	2,414,298	2,444,385	2,383,091	2,142,791
Total Governmental Activities Expenses	150,467,894	141,891,288	134,165,970	154,713,667	184,311,690
Business-type Activities:					
Water	62,805,742	69,582,076	69,297,563	68,809,459	73,125,968
Wastewater	36,482,537	38,337,115	35,770,779	40,241,339	42,664,212
Total Business-type Activities Expenses	99,288,279	107,919,191	105,068,342	109,050,798	115,790,180
Total Primary Government Expenses	<u>\$ 249,756,173</u>	<u>\$ 249,810,479</u>	<u>\$ 239,234,312</u>	<u>\$ 263,764,465</u>	<u>\$ 300,101,870</u>
<u>Program Revenues</u>					
Governmental activities:					
Charges for services:					
General government	\$ 829,648	\$ 688,165	\$ 2,459,670	\$ 608,153	\$ 1,017,608
Public safety	11,433,902	11,542,555	11,865,776	13,111,749	13,944,836
Public works	2,466,849	2,532,205	2,406,021	2,326,802	3,920,688
Community services	2,522,517	3,001,163	3,874,868	4,906,934	5,076,216
Community development	3,387,612	3,619,039	3,183,155	8,820,205	10,251,491
Operating grants and contributions	12,072,370	19,055,188	15,519,185	20,795,187	25,493,376
Capital grants and contributions	6,812,806	15,330,083	12,015,086	9,540,146	31,911,397
Total Governmental Activities Program Revenues	39,525,704	55,768,398	51,323,761	60,109,176	91,615,612
Business-type Activities:					
Charges for services:					
Water	60,636,276	73,069,548	71,138,194	66,282,444	71,217,245
Wastewater	36,064,926	37,147,393	41,370,100	40,673,365	40,152,420
Operating grants and contributions	75,098	16,916	272,843	60,658	454,251
Capital grants and contributions	6,374,790	12,849,613	13,697,769	23,800,987	10,045,555
Total Business-type Activities Program Revenues	103,151,090	123,083,470	126,478,906	130,817,454	121,869,471
Total Primary Government Program Revenues	<u>\$ 142,676,794</u>	<u>\$ 178,851,868</u>	<u>\$ 177,802,667</u>	<u>\$ 190,926,630</u>	<u>\$ 213,485,083</u>

(Continued)

CITY OF ESCONDIDO
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019
<u>Net (Expense)/Revenue</u>					
Governmental activities	\$ (86,325,702)	\$ (81,531,050)	\$ (88,884,925)	\$ (101,310,823)	\$ (99,716,211)
Business-type activities	8,544,764	5,665,019	1,730,533	9,112,999	4,331,807
Total Primary Government					
Net Expense	<u>\$ (77,780,938)</u>	<u>\$ (75,866,031)</u>	<u>\$ (87,154,392)</u>	<u>\$ (92,197,824)</u>	<u>\$ (95,384,404)</u>
<u>General Revenues and Other</u>					
<u>Changes in Net Position</u>					
Governmental activities:					
Taxes:					
Sales taxes	\$ 29,447,205	\$ 32,080,999	\$ 37,905,908	\$ 42,100,337	\$ 44,601,539
Property taxes	16,953,228	17,039,019	17,779,603	19,968,848	20,665,489
Payments in lieu of taxes	20,531,727	18,648,743	13,680,629	13,140,350	13,906,639
Franchise tax	5,147,696	6,110,634	4,997,491	6,673,212	6,083,566
Other taxes	4,411,676	4,616,524	5,026,190	4,352,631	4,454,434
Investment earnings	4,309,471	4,445,175	4,353,656	4,903,198	7,221,048
Sale of capital assets	138,304	173,750	-	1,449,580	465,008
Miscellaneous	362,066	564,129	3,249,318	559,798	581,853
Transfers	(54,620)	25,000	25,000	50,000	25,000
Extraordinary item:					
Gain/(loss)	-	30,722,560	22,359,967	-	-
Total Governmental Activities	<u>81,246,753</u>	<u>114,426,533</u>	<u>109,377,762</u>	<u>93,197,954</u>	<u>98,004,576</u>
Business-type activities:					
Investment earnings	1,699,516	2,043,040	1,338,109	1,350,539	4,078,342
Miscellaneous	176,720	226,520	106,072	176,866	395,549
Transfers	54,620	(25,000)	(25,000)	(50,000)	(25,000)
Extraordinary item:					
Loss on chemical tank spill	-	-	-	-	-
Total Business-type Activities	<u>1,930,856</u>	<u>2,244,560</u>	<u>1,419,181</u>	<u>1,477,405</u>	<u>4,448,891</u>
Total Primary Government	<u>\$ 83,177,609</u>	<u>\$ 116,671,093</u>	<u>\$ 110,796,943</u>	<u>\$ 94,675,359</u>	<u>\$ 102,453,467</u>
<u>Change in Net Position</u>					
Governmental activities	\$ (5,078,949)	\$ 31,944,031	\$ 20,492,837	\$ (8,112,869)	\$ (1,711,635)
Business-type activities	10,475,620	7,909,579	3,149,714	10,590,404	8,780,698
Total primary government	<u>\$ 5,396,671</u>	<u>\$ 39,853,610</u>	<u>\$ 23,642,551</u>	<u>\$ 2,477,535</u>	<u>\$ 7,069,063</u>

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2021	2022	2023	2024
<u>Net (Expense)/Revenue</u>					
Governmental activities	\$(110,939,190)	\$ (86,122,890)	\$ (82,842,209)	\$ (94,604,491)	\$ (92,696,078)
Business-type activities	3,862,811	15,164,279	21,410,564	21,766,656	6,079,291
Total Primary Government					
Net Expense	<u><u>\$(107,076,379)</u></u>	<u><u>\$ (70,958,611)</u></u>	<u><u>\$ (61,431,645)</u></u>	<u><u>\$ (72,837,835)</u></u>	<u><u>\$ (86,616,787)</u></u>
<u>General Revenues and Other</u>					
<u>Changes in Net Position</u>					
Governmental activities:					
Taxes:					
Sales taxes	\$ 42,665,081	\$ 46,937,129	\$ 52,639,592	\$ 47,103,024	\$ 45,485,941
Property taxes	21,704,880	23,164,029	24,239,543	25,429,997	26,603,394
Payments in lieu of taxes	14,631,684	15,465,008	18,169,990	21,068,963	18,617,711
Franchise tax	6,093,168	6,886,816	5,953,212	7,216,374	8,747,022
Other taxes	4,626,355	4,889,389	6,130,957	6,189,144	5,915,250
Investment earnings	7,414,032	6,007,169	(668,283)	7,834,357	12,282,779
Sale of capital assets	14,935,539	261,625	-	-	-
Miscellaneous	2,118,865	623,773	793,487	312,554	1,013,596
Transfers	195,000	-	(30,000)	(30,000)	1,166,800
Extraordinary item:					
Gain/(loss)	-	-	-	-	-
Total Governmental Activities	<u>114,384,604</u>	<u>104,234,938</u>	<u>107,228,498</u>	<u>115,124,413</u>	<u>119,832,493</u>
Business-type activities:					
Investment earnings	4,210,650	513,100	(1,830,352)	1,347,150	2,711,028
Miscellaneous	720,797	163,330	2,009,232	172,152	376,524
Transfers	(195,000)	-	30,000	30,000	(1,166,800)
Extraordinary item:					
Loss on chemical tank spill	-	-	-	-	-
Total Business-type Activities	<u>4,736,447</u>	<u>676,430</u>	<u>208,880</u>	<u>1,549,302</u>	<u>1,920,752</u>
Total Primary Government	<u><u>\$ 119,121,051</u></u>	<u><u>\$ 104,911,368</u></u>	<u><u>\$ 107,437,378</u></u>	<u><u>\$ 116,673,715</u></u>	<u><u>\$ 121,753,245</u></u>
<u>Change in Net Position</u>					
Governmental activities	\$ 3,445,414	\$ 18,112,048	\$ 24,386,289	\$ 20,519,922	\$ 27,136,415
Business-type activities	8,599,258	15,840,709	21,619,444	23,315,958	8,000,043
Total primary government	<u><u>\$ 12,044,672</u></u>	<u><u>\$ 33,952,757</u></u>	<u><u>\$ 46,005,733</u></u>	<u><u>\$ 43,835,880</u></u>	<u><u>\$ 35,136,458</u></u>

Source:

City of Escondido Finance Department.

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

	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 183,403	\$ 179,185	\$ 9,991,902	\$ 9,991,902	\$ 5,187,424
Restricted	-	-	-	1,997,186	7,013,035
Committed to	17,281,659	16,892,319	17,921,319	17,392,319	17,392,319
Assigned to	681,822	941,262	1,541,101	1,762,773	2,297,428
Unassigned	-	1,961,211	1,712,930	2,839,620	1,888,896
Total General Fund	\$ 18,146,884	\$ 19,973,977	\$ 31,167,252	\$ 33,983,800	\$ 33,779,102
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ 333,590	\$ 373,620	\$ 282,173
Restricted for	78,261,012	84,682,384	86,075,428	87,811,164	90,532,465
Committed to	1,860,686	984,157	1,656,212	698,161	796,697
Assigned to	488	-	-	-	-
Unassigned	(1,184,683)	(846,790)	(1,354,541)	(1,347,939)	(50,146)
Total All Other Governmental Funds	\$ 78,937,503	\$ 84,819,751	\$ 86,710,689	\$ 87,535,006	\$ 91,561,189

Source:
City of Escondido Finance Department.

CITY OF ESCONDIDO
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund					
Nonspendable	\$ 1,865,098	\$ -	\$ -	\$ 200,000	\$ 200,000
Restricted	13,572,027	15,301,704	28,876,086	37,362,692	39,833,741
Committed to	17,392,319	17,392,319	17,500,736	17,502,003	17,392,319
Assigned to	2,364,520	14,423,119	14,026,663	2,951,528	3,639,480
Unassigned	1,894,735	1,603,254	665,517	12,860,165	12,720,463
Total General Fund	<u>\$37,088,699</u>	<u>\$ 48,720,396</u>	<u>\$ 61,069,002</u>	<u>\$ 70,876,388</u>	<u>\$ 73,786,003</u>
All Other Governmental Funds					
Nonspendable	\$ 294,171	\$ 282,413	\$ 281,067	\$ 865,418	\$ 841,445
Restricted for	93,753,131	107,266,960	112,138,541	106,477,338	108,518,035
Committed to	764,863	5,171,026	5,586,791	5,238,175	14,072,732
Assigned to	-	-	-	-	-
Unassigned	(1,516,035)	(2,091,521)	(4,707,430)	(3,359,480)	(2,252,203)
Total All Other Governmental Funds	<u>\$93,296,130</u>	<u>\$ 110,628,878</u>	<u>\$ 113,298,969</u>	<u>\$109,221,451</u>	<u>\$ 121,180,009</u>

Source:
City of Escondido Finance Department.

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

	2015	2016	2017	2018	2019
<u>Revenues</u>					
Taxes	\$ 59,989,511	\$ 64,220,119	\$ 62,296,112	\$ 86,246,378	\$ 89,722,666
Licenses and permits	862,280	934,455	1,222,686	1,183,587	888,019
Fines and forfeits	1,151,366	1,344,221	1,186,276	1,076,387	1,257,729
Intergovernmental	22,900,854	24,648,821	23,485,944	17,091,365	18,031,912
Charges for services	13,670,047	13,509,208	16,154,072	16,305,361	15,438,111
Special assessments	5,970,331	5,567,955	5,589,696	797,529	831,574
Lease income	203,599	3,502,021	3,632,770	3,951,092	3,998,929
Investment income	941,778	1,245,689	540,184	481,733	3,130,835
Miscellaneous	4,544,360	1,574,553	2,298,139	467,910	824,270
Total Revenues	110,234,126	116,547,042	116,405,879	127,601,342	134,124,045
<u>Expenditures</u>					
General government	6,086,111	6,447,372	6,251,493	6,212,196	6,404,132
Public safety	61,843,630	64,266,503	65,038,985	67,917,569	70,183,327
Public works	17,407,197	14,442,206	16,592,694	20,020,822	20,583,634
Community services	11,744,673	12,080,978	11,825,028	12,096,472	12,982,171
Community development	4,585,497	4,985,006	5,078,286	4,944,488	4,777,498
Capital outlay	2,966,301	3,919,203	6,084,281	10,522,490	7,606,834
Debt service:					
Principal retirements	74,848,007	243,360	1,592,870	2,616,218	2,702,509
Software principal retirements	-	-	-	-	-
Lease principal retirements	-	-	-	-	-
Interest and fiscal charges	5,637,963	2,351,824	3,235,906	3,216,739	3,133,810
Total Expenditures	185,119,379	108,736,452	115,699,543	127,546,994	128,373,915
Excess (Deficiency) of Revenues Over Expenditures	(74,885,253)	7,810,590	706,336	54,348	5,750,130
<u>Other Financing Sources (Uses)</u>					
Issuance of debt	70,660,479	-	3,230,225	2,095,893	-
Sale of capital assets	138,304	173,751	-	1,724,580	-
Transfers in	3,173,695	2,968,322	3,765,952	5,615,293	4,056,429
Transfers out	(4,748,440)	(3,243,322)	(4,450,952)	(5,849,248)	(5,985,074)
Total Other Financing Sources (Uses)	69,224,038	(101,249)	2,545,225	3,586,518	(1,928,645)
Special item:					
Extraordinary item: Gain/(loss)	-	-	9,832,652	-	-
Net Change in Fund Balance	\$ (5,661,215)	\$ 7,709,341	\$ 13,084,213	\$ 3,640,866	\$ 3,821,485
Debt service as a percentage of noncapital expenditures	5.4%	2.5%	4.4%	5.0%	4.8%

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
<u>Revenues</u>					
Taxes	\$ 89,863,291	\$ 97,342,370	\$ 102,401,706	\$ 102,108,428	\$ 100,558,579
Licenses and permits	923,125	2,433,872	2,157,445	1,996,753	2,176,299
Fines and forfeits	1,122,485	864,799	880,874	795,770	693,271
Intergovernmental	16,966,436	20,976,786	24,204,645	31,128,185	48,994,638
Charges for services	14,314,208	19,272,322	18,303,849	17,996,969	27,573,061
Special assessments	852,395	844,356	5,719,440	6,188,966	6,252,637
Lease income	3,828,840	4,292,952	4,076,313	4,089,579	4,005,887
Investment income	3,585,146	9,476,604	(1,793,867)	5,092,649	9,503,249
Miscellaneous	2,109,526	828,754	808,956	241,019	572,427
Total Revenues	133,565,452	156,332,815	156,759,361	169,638,318	200,330,048
<u>Expenditures</u>					
General government	7,953,939	10,194,155	8,702,273	8,622,589	17,467,666
Public safety	73,271,168	73,537,275	79,596,254	87,148,487	84,214,834
Public works	19,157,773	14,862,569	11,592,375	13,053,714	20,312,061
Community services	12,278,475	12,964,749	13,588,568	15,403,841	15,812,879
Community development	5,386,850	4,842,967	19,389,907	11,171,255	12,537,014
Capital outlay	8,155,234	4,912,206	9,740,977	22,004,982	29,877,716
Debt service:					
Principal retirements	2,817,359	2,936,927	3,398,078	3,489,404	3,332,522
Software principal retirements	-	-	-	111,678	82,254
Lease principal retirements	-	-	340,435	340,806	346,957
Interest and fiscal charges	3,024,656	2,897,077	2,939,106	2,793,776	2,644,772
Total Expenditures	132,045,454	127,147,925	149,287,973	164,140,532	186,628,675
Excess (Deficiency) of Revenues Over Expenditures	1,519,998	29,184,890	7,471,388	5,497,786	13,701,373
<u>Other Financing Sources (Uses)</u>					
Issuance of debt	-	-	-	48,963	-
Sale of capital assets	4,135,540	261,625	-	-	-
Transfers in	4,440,745	10,144,702	3,094,750	3,214,370	13,896,095
Transfers out	(5,051,745)	(10,626,772)	(3,458,710)	(3,331,250)	(12,729,295)
Total Other Financing Sources (Uses)	3,524,540	(220,445)	(363,960)	(67,917)	1,166,800
Special item:					
Extraordinary item: Gain/(loss)	-	-	-	-	-
Net Change in Fund Balance	\$ 5,044,538	\$ 28,964,445	\$ 7,107,428	\$ 5,429,869	\$ 14,868,173
Debt service as a percentage of noncapital expenditures	4.7%	4.8%	4.5%	4.4%	3.8%

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Secured ⁽¹⁾				
	Residential	Commercial	Industrial	Other	Total
2015	9,141,236,450	892,083,504	705,542,595	1,974,941,095	12,713,803,644
2016	9,660,263,316	929,027,539	722,758,161	2,034,053,982	13,346,102,998
2017	10,700,250,243	2,078,689,776	789,351,890	508,151,608	14,076,443,517
2018	11,429,262,692	2,231,580,409	825,162,925	546,043,980	15,032,050,006
2019	12,122,763,897	2,353,765,429	885,053,468	544,401,944	15,905,984,738
2020	12,738,506,790	2,494,247,128	967,956,954	560,934,076	16,761,644,948
2021	13,388,436,706	2,597,400,135	1,025,979,488	650,318,368	17,662,134,697
2022	13,974,742,893	2,676,123,166	1,069,355,700	691,960,027	18,412,181,786
2023	15,026,427,114	2,793,925,519	1,128,731,824	684,387,875	19,633,472,332
2024	15,627,243,618	2,835,534,614	1,291,230,155	1,851,316,221	21,605,324,608

Fiscal Year Ended June 30	Unsecured	Less: Exemptions	Taxable	Total
			Assessed Value	Direct Tax Rate ⁽²⁾
2015	494,147,367	(625,897,200)	12,582,053,811	0.103
2016	501,273,002	(659,335,434)	13,188,040,566	0.103
2017	505,626,175	(739,647,768)	13,842,421,924	0.103
2018	507,918,480	(756,770,988)	14,783,197,498	0.103
2019	559,432,166	(809,077,827)	15,656,339,077	0.103
2020	563,144,195	(842,196,425)	16,482,592,718	0.103
2021	603,919,710	(970,806,705)	17,395,247,702	0.103
2022	486,066,875	(892,967,747)	18,005,280,914	0.103
2023	575,624,137	(891,381,491)	19,317,714,978	0.103
2024	690,953,093	(559,565,013)	21,473,936,528	0.103

Notes:

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 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 reassessed at 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.

(1) Includes City of Escondido and Community Development Commission assessed values.

(2) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 004-013 and rounded.

Source:

County of San Diego Auditor and Controller's Office and HdL Coren & Cone

CITY OF ESCONDIDO
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

Allocation of 1% Ad Valorem Property Taxes								
Fiscal Year Ended June 30	City Direct Rate*	Total Direct Rate	Overlapping Rates			Total	Voter Approved Debt	Total Tax Rate
			School District	San Diego County	All Other			
2015	0.103	0.103	0.710	0.157	0.030	1.000	0.127	1.127
2016	0.103	0.103	0.710	0.157	0.030	1.000	0.153	1.153
2017	0.103	0.103	0.710	0.157	0.030	1.000	0.146	1.146
2018	0.103	0.103	0.710	0.157	0.030	1.000	0.145	1.145
2019	0.103	0.103	0.710	0.157	0.030	1.000	0.141	1.141
2020	0.103	0.103	0.710	0.157	0.030	1.000	0.150	1.150
2021	0.103	0.103	0.710	0.157	0.030	1.000	0.155	1.155
2022	0.103	0.103	0.710	0.157	0.030	1.000	0.150	1.150
2023	0.103	0.103	0.710	0.157	0.030	1.000	0.150	1.150
2024	0.103	0.103	0.710	0.157	0.030	1.000	0.150	1.150

Note:

* The City Direct Rate is the total direct rate to the City General Fund.

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within.

Source:

County of San Diego Auditor and Controller's Office, Avenu Insights & Analytics
 TRA 004-013 is represented in this table

CITY OF ESCONDIDO
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽²⁾
San Diego Gas and Electric	\$293,721,328	1	1.52 %	\$211,076,916	2	1.77 %
North County Fair LP	250,304,229	2		\$240,356,169	1	2.01
Homefed Corporation	115,489,500	3	0.60			
Waterford Property Company	109,200,180	4	0.57			
CH El Norte Communities LLC	85,987,993	5	0.45			
Casa Vallecitos Limited	75,696,380	6	0.39			
HCII-2181 Citracado Parkway LLC	64,500,000	7	0.33			
FR Escondido TIC LLC	61,195,706	8	0.32			
Ascenda Capital	60,239,160	9	0.31			
Ross Apartment Company	58,416,036	10	0.30			
Conrad Prebys Trust				88,103,744	3	0.74
Frit Escondido Promenade LLC				45,245,593	4	0.38
Vons Companies				42,343,076	5	0.35
Luna Properties LLC				41,512,392	6	0.35
Latitude Del LLC				40,053,187	7	0.33
Cox Communications				35,517,997	8	0.30
Emerald Glen Apartments Escondido				34,835,123	9	0.29
Garick Motors Inc				34,266,779	10	0.29
TOTAL	\$1,174,750,512		4.79 %	\$813,310,976		6.81 %

Notes:

(1) Net assessed valuation for 2023-24 is \$21,473,936,528

(2) Net assessed valuation for 2014-15 is \$12,927,043,954

Source:

County of San Diego Auditor and Controller's Office, Avenu Insights & Analytics

CITY OF ESCONDIDO
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	10,403,367	10,222,663	98.26	189,807	10,412,470	100.09
2016	10,966,106	10,779,437	98.30	165,151	10,944,588	99.80
2017	11,541,072	11,328,962	98.16	167,550	11,496,512	99.61
2018	12,210,502	12,008,665	98.35	174,069	12,182,734	99.77
2019	13,245,889	12,990,223	98.07	142,712	13,132,935	99.15
2020	13,847,297	13,519,216	97.63	164,192	13,683,408	98.82
2021	14,623,696	14,312,096	97.87	231,318	14,543,414	99.45
2022	15,346,044	14,929,833	97.29	157,165	15,086,998	98.31
2023	16,929,979	15,821,801	93.45	249,052	16,070,853	94.93
2024	17,957,410	17,529,866	97.62	178,502	17,708,368	98.61

Source:

County of San Diego Auditor and Controller's Office.

CITY OF ESCONDIDO
Top 25 Sales Tax Producers
Current Year and Nine Years Ago

2024	
Business Name	Business Category
7-Eleven Food Stores	Convenience Stores/Liquor
76	Service Stations
Aaron Ford of Escondido	New Motor Vehicle Dealers
BMW Mini of Escondido	New Motor Vehicle Dealers
Carmax Auto Superstores	Used Automotive Dealers
Carvana Distributors	Used Automotive Dealers
Consolidated Electrical Distributors	Plumbing/Electrical Supplies
Dixieline Lumber and Home Centers	Building Materials
Genesis Of Escondido	New Motor Vehicle Dealers
Home Depot	Building Materials
Honda of Escondido	New Motor Vehicle Dealers
Jack Powell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Lexus Escondido	New Motor Vehicle Dealers
Lowe's	Building Materials
Mercedes Benz of Escondido	New Motor Vehicle Dealers
Mossy Nissan Escondido	New Motor Vehicle Dealers
North County GMC	New Motor Vehicle Dealers
North County Kia	New Motor Vehicle Dealers
Quality Chevrolet	New Motor Vehicle Dealers
Ross	Family Apparel
Superior Ready Mix Concrete	Contractors
Target	Discount Dept Stores
Toyota of Escondido	New Motor Vehicle Dealers
Vons Fuel	Service Stations
Wal Mart Stores	Discount Dept Stores

Percent of Calendar Year Total Paid By Top 25 Accounts = 40.22%

Notes:

State law does not allow disclosure of the top ten sales tax providers to the City
 Firms Listed Alphabetically

Source:

State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

CITY OF ESCONDIDO
Top 25 Sales Tax Producers (Continued)
Current Year and Nine Years Ago

Business Name	2014 Business Category
76	Service Stations
BMW Mini of Escondido	New Motor Vehicle Dealers
Carmax Auto Superstores	Used Automotive Dealers
Ford of Escondido	New Motor Vehicle Dealers
Home Depot	Building Materials
Honda of Escondido	New Motor Vehicle Dealers
Jack Powell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Lexus Escondido	New Motor Vehicle Dealers
Lowes	Building Materials
Macy's	Department Stores
Mazda of Escondido	New Motor Vehicle Dealers
Mercedes Benz of Escondido	New Motor Vehicle Dealers
Mossy Mitsubishi Volkswagen	New Motor Vehicle Dealers
Mossy Nissan Escondido	New Motor Vehicle Dealers
Nordstrom	Department Stores
North County GMC	New Motor Vehicle Dealers
North County Kia	New Motor Vehicle Dealers
Pine Tree Lumber	Building Materials
Quality Chevrolet	New Motor Vehicle Dealers
Shell	Service Stations
Target	Discount Dept Stores
Toyota of Escondido	New Motor Vehicle Dealers
Vons	Grocery Stores
Vons Fuel	Service Stations
Wal Mart Stores	Discount Dept Stores

Percent of Calendar Year Total Paid By Top 25 Accounts = 39.65%

Notes:

State law does not allow disclosure of the top ten sales tax providers to the City
 Firms Listed Alphabetically

Source:

State Board of Equalization, California Department of Taxes and Fees Administration , State Controller's Office, The HdL Companies

CITY OF ESCONDIDO
Taxable Sales by Category
Last Ten Calendar Years (in thousands of dollars)

Category Name	2014	2015	2016	2017	2018
Apparel Stores	\$ 118,434	\$ 127,820	\$ 131,284	\$ 129,029	\$ 127,416
General Merchandise	198,303	197,872	193,658	187,442	182,016
Food Stores	109,334	110,816	112,644	113,824	115,672
Eating and Drinking Places	248,107	264,739	279,525	292,933	299,752
Building Materials	310,251	353,820	384,220	417,860	448,952
Auto Dealers and Supplies	937,871	1,040,734	1,074,377	1,065,952	1,040,428
Service Stations	310,353	273,810	237,482	261,179	293,498
Other Retail Stores	344,927	357,358	347,571	352,977	355,916
All Other Outlets	311,373	325,413	336,673	374,884	375,592
Total	\$ 2,770,519	\$ 2,924,562	\$ 2,966,150	\$ 3,067,051	\$ 3,111,826

Notes:

Adjusted for Economic Data. Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue

Source:

State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

CITY OF ESCONDIDO
Taxable Sales by Category (Continued)
Last Ten Calendar Years (in thousands of dollars)

Category Name	2109	2020	2021	2022	2023
Apparel Stores	\$ 122,766	\$ 80,258	\$ 132,854	\$ 135,610	\$ 134,805
General Merchandise	172,769	130,288	146,045	152,587	146,636
Food Stores	118,364	130,740	130,892	135,269	135,369
Eating and Drinking Places	310,550	261,409	340,005	382,456	399,524
Building Materials	427,804	441,280	488,352	522,503	513,550
Auto Dealers and Supplies	1,063,250	1,042,588	1,359,759	1,313,260	1,207,221
Service Stations	325,980	223,361	353,172	409,521	351,078
Other Retail Stores	347,017	316,834	368,340	389,557	364,326
All Other Outlets	378,265	366,654	425,763	1,362,265	1,311,490
Total	<u>\$ 3,143,999</u>	<u>\$ 2,913,154</u>	<u>\$ 3,612,328</u>	<u>\$ 4,667,418</u>	<u>\$ 4,429,194</u>

Notes:

Adjusted for Economic Data. Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue

Source:

State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

CITY OF ESCONDIDO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities (1)					Total Governmental Activities
	General Obligation Bond (2)	Lease Revenue Bond	Loans Payable	Financed Purchase Payable	Leases & Subscription Payable	
2015	70,635,357	4,423,610	779,130	1,046,067	-	76,884,164
2016	70,204,710	4,208,063	666,456	874,856	-	75,954,085
2017	68,714,064	3,987,516	3,496,159	709,677	-	76,907,416
2018	66,503,417	3,756,970	3,085,997	2,348,521	-	75,694,905
2019	64,202,770	3,521,423	2,674,999	1,892,577	-	72,291,769
2020	61,807,123	3,275,877	2,258,338	1,423,757	-	68,765,095
2021	59,311,477	3,014,671	1,831,313	941,695	-	65,099,156
2022	52,302,221	2,754,245	1,399,572	636,393	10,292,731	67,385,162
2023	49,440,888	2,489,530	1,063,987	322,574	10,048,121	63,365,100
2024	47,131,596	2,216,311	737,428	-	9,618,907	59,704,242

Notes:

- (1) Details regarding the City's outstanding debt can be found in Note 9 of the financial statements
- (2) Amounts are net of externally restricted resources for the repayment of the principal of debt

Sources:

City of Escondido Finance Department,

CITY OF ESCONDIDO
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Business-type Activities (1)			Total Business Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Lease Revenue Bonds	Loans Payable	Conection Rights Payable				
2015	108,643,605	18,304,767	13,323,491	140,271,863	217,156,027	5.82	1,474
2016	105,583,563	16,153,467	13,273,287	135,010,317	210,964,402	6.35	1,399
2017	102,608,520	13,994,615	13,244,955	129,848,090	206,755,506	5.91	1,365
2018	99,543,476	11,839,768	13,155,991	124,539,235	200,234,140	5.38	1,322
2019	98,723,724	11,305,828	12,987,768	123,017,320	195,309,089	4.93	1,279
2020	95,525,438	30,391,080	12,978,078	138,894,596	207,659,691	5.03	1,357
2021	91,867,310	29,451,614	12,949,008	134,267,932	199,367,088	4.52	1,314
2022	87,006,577	53,033,190	12,942,548	152,982,315	220,367,477	4.99	1,462
2023	83,075,002	66,544,895	12,932,858	162,552,755	225,917,855	3.87	1,508
2024	78,688,636	87,234,759	12,894,836	178,818,231	238,522,473	4.47	1,590

Notes:

- (1) Details regarding the City's outstanding debt can be found in Note 9 of the financial statements
- (2) Amounts are net of externally restricted resources for the repayment of the principal of debt

Sources:

City of Escondido Finance Department,

CITY OF ESCONDIDO
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Outstanding General Obligation Bonded Debt					Percent of Assessed Value ⁽¹⁾	Per Capita
	General Obligation Bond	Loans Payable	Financed Purchase Payable	Leases & Subscription Payable	Total		
2015	70,635,357	779,130	1,046,067	-	72,460,554	0.58	492
2016	70,204,710	666,456	874,856	-	71,746,022	0.54	476
2017	68,714,064	3,496,159	709,677	-	72,919,900	0.53	481
2018	66,503,417	3,085,997	2,348,521	-	71,937,935	0.49	475
2019	64,202,770	2,674,999	1,892,577	-	68,770,346	0.44	450
2020	61,807,123	2,258,338	1,423,757	-	65,489,218	0.40	428
2021	59,311,477	1,831,313	941,695	-	62,084,485	0.36	409
2022	52,302,221	1,399,572	636,393	10,292,731	64,630,917	0.37	429
2023	49,440,888	1,063,987	322,574	10,048,121	60,875,570	0.32	406
2024	47,131,596	737,428	-	9,618,907	57,487,931	0.27	383

Notes:

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

Sources:

City of Escondido Finance Department
Avenu Insights & Analytics

CITY OF ESCONDIDO
Direct and Overlapping Debt
For the Year Ended June 30, 2024

2023-24 Assessed Valuation		\$ 21,476,941,419	
Redevelopment Agency Incremental Valuation		4,483,972,529	
Adjusted Assessed Valuation		<u>\$ 16,992,968,890</u>	
	Percentage Applicable ⁽¹⁾	Outstanding Debt 06/30/24	Estimated Share of Overlapping Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	0.552 %	\$ 18,210,000	\$ 100,519
Palomar Community College District	13.272	627,562,522	83,290,098
San Marcos Unified School District School	3.623	263,560,519	9,548,798
Escondido Union High School District	76.584	73,705,512	56,446,629
Escondido Union School District	77.263	171,634,622	132,610,058
Palomar Hospital District	19.409	391,373,366	75,961,657
City of Escondido General Obligation Bond	100.000	47,131,596	47,131,596
City of Escondido Community Facilities District No. 2020-02	100.000	11,925,000	11,925,000
City of Escondido Community Facilities District No. 2006-01	100.000	10,020,000	10,020,000
City of Escondido Hidden Trails Community Facilities District	100.000	1,250,000	1,250,000
City of Escondido 1915 Act Bonds	100.000	900,000	900,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>1,617,273,137</u>	<u>429,184,355</u>
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	3.055	374,600,000	11,444,030
San Diego County Pension Obligation Bonds	3.055	211,225,000	6,452,924
San Diego County Superintendent of School Obligations	3.055	6,050,000	184,828
Palomar Community College District Certificates of Participation	13.272	1,175,000	155,946
San Marcos Unified School General Fund Obligations	3.623	88,669,368	3,212,491
Escondido Union High School District Certificates of Participation	76.584	45,130,000	34,562,359
Escondido Union School District Certificates of Participation	77.263	27,397,885	21,168,428
City of Escondido General Fund Obligations	100.000	53,405,847	53,405,847
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>807,653,100</u>	<u>130,586,853</u>
TOTAL CITY DIRECT DEBT			\$ 53,405,847
TOTAL OVERLAPPING DEBT			\$ 506,365,361
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 559,771,208 ⁽²⁾

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

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

RATIOS TO 2023-24 ASSESSED VALUATION:

Direct Debt (\$46,358,629)	0.28 %
Total Direct Debt (\$56,287,946)	0.31 %
Combined Total Debt	3.29 %

Source:

California Municipal Statistics, Inc.

CITY OF ESCONDIDO
Legal Debt Margin Information
Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Assessed valuation	\$10,389,492,632	\$ 10,901,050,697	\$11,397,164,781	\$12,065,097,152	\$12,707,545,218
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	2,597,373,158	2,725,262,674	2,849,291,195	3,016,274,288	3,176,886,305
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	389,605,974	408,789,401	427,393,679	452,441,143	476,532,946
Total Debt Applicable to Limit:					
General Obligation Bonds	61,520,000	61,520,000	60,460,000	58,680,000	56,810,000
Legal Debt Margin	<u>\$ 328,085,974</u>	<u>\$ 347,269,401</u>	<u>\$ 366,933,679</u>	<u>\$ 393,761,143</u>	<u>\$ 419,722,946</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	16%	15%	14%	13%	12%

Note:

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 now 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 that the legal debt margin was enacted by the State of California for local governments located within that state.

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

	2020	2021	2022	2023	2024
Assessed valuation	\$13,330,606,284	\$14,101,521,001	\$14,541,843,183	\$15,849,330,406	\$16,992,968,890
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	3,332,651,571	3,525,380,250	3,635,460,796	3,962,332,602	4,248,242,223
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	499,897,736	528,807,037.54	545,319,119.36	594,349,890.23	637,236,333.38
Total Debt Applicable to Limit:					
General Obligation Bonds	61,807,123	59,311,477	56,715,830	54,010,182	49,440,888
Legal Debt Margin	<u>\$ 438,090,613</u>	<u>\$ 469,495,561</u>	<u>\$ 488,603,289</u>	<u>\$ 540,339,708</u>	<u>\$ 587,795,445</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	12%	11%	10%	9%	8%

Note:

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 now 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 that the legal debt margin was enacted by the State of California for local governments located within that state.

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Pledged-Revenue Coverage
Last Ten Fiscal Years

2013A Lease Revenue Refunding Bonds

Fiscal Year Ended June 30	Loan Payment Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	359,268	-	359,268	210,000	149,268	359,268	1.00
2016	360,019	-	360,019	215,000	145,019	360,019	1.00
2017	359,569	-	359,569	220,000	139,569	359,569	1.00
2018	362,819	-	362,819	230,000	132,819	362,819	1.00
2019	360,844	-	360,844	235,000	125,844	360,844	1.00
2020	363,644	-	363,644	245,000	118,644	363,644	1.00
2021	361,219	-	361,219	250,000	111,219	361,219	1.00
2022	363,569	-	363,569	260,000	103,569	363,569	1.00
2023	360,694	-	360,694	265,000	95,694	360,694	1.00
2024	362,250	-	362,250	275,000	87,250	362,250	1.00

1993 Certificates of Participation

Fiscal Year Ended June 30	Loan Payment Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	672,090	-	672,090	645,000	27,090	672,090	1.00
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-

Water and Wastewater Revenue Refunding Bonds

Fiscal Year Ended June 30	Charges for Services and Other Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	87,671,696	66,305,756	21,365,940	1,170,000	3,974,086	5,144,086	4.15
2016	86,015,050	66,144,441	19,870,609	2,720,000	4,559,645	7,279,645	2.73
2017	93,821,259	72,905,682	20,915,577	2,635,000	4,643,985	7,278,985	2.87
2018	101,325,778	80,281,886	21,043,892	2,725,000	4,545,937	7,270,937	2.89
2019	98,754,414	76,800,519	21,953,895	2,830,000	4,435,876	7,265,876	3.02
2020	102,086,780	79,333,184	22,753,596	2,950,000	3,588,839	6,538,839	3.48
2021	115,457,470	88,958,525	26,498,945	3,160,000	3,621,857	6,781,857	3.91
2022	117,648,656	91,484,587	26,164,069	3,260,000	3,508,781	6,768,781	3.87
2023	111,032,391	92,754,010	18,278,381	3,200,000	3,168,934	6,368,934	2.87
2024	115,160,499	67,518,230	47,642,269	3,610,000	2,741,563	6,351,563	7.50

Notes:

Details regarding the City's outstanding debt can be found in Note 8 of the financial statements

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Pledged-Revenue Coverage (Continued)
Last Ten Fiscal Years

Special Assessment Debt - Hidden Trails

Fiscal Year Ended June 30	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2015	202,543	-	202,543	95,000	185,180	280,180	0.72
2016	192,845	-	192,845	100,000	88,231	188,231	1.02
2017	199,532	-	199,532	100,000	86,231	186,231	1.07
2018	202,926	-	202,926	110,000	83,994	193,994	1.05
2019	201,350	-	201,350	110,000	81,381	191,381	1.05
2020	206,133	-	206,133	110,000	78,356	188,356	1.09
2021	206,642	-	206,642	115,000	74,838	189,838	1.09
2022	206,304	-	206,304	115,000	70,956	185,956	1.11
2023	191,444	-	191,444	125,000	66,444	191,444	1.00
2024	186,181	-	186,181	130,000	56,181	186,181	1.00

Special Assessment Debt - Eureka Ranch

Fiscal Year Ended June 30	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2015	1,240,086	-	1,240,086	-	1,218,656	1,218,656	1.02
2016	1,088,472	-	1,088,472	-	445,103	445,103	2.45
2017	1,028,832	-	1,028,832	295,000	594,950	889,950	1.16
2018	1,067,698	-	1,067,698	445,000	587,550	1,032,550	1.03
2019	1,044,975	-	1,044,975	460,000	576,200	1,036,200	1.01
2020	1,068,540	-	1,068,540	470,000	562,250	1,032,250	1.04
2021	1,084,101	-	1,084,101	480,000	545,600	1,025,600	1.06
2022	1,057,859	-	1,057,859	500,000	526,000	1,026,000	1.03
2023	1,027,875	-	1,027,875	525,000	502,875	1,027,875	1.00
2024	1,026,000	-	1,026,000	550,000	476,000	1,026,000	1.00

Special Assessment Debt - Auto Parkway

Fiscal Year Ended June 30	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2015	343,788	-	343,788	255,000	72,984	327,984	1.05
2016	343,967	-	343,967	270,000	58,219	328,219	1.05
2017	340,252	-	340,252	285,000	42,609	327,609	1.04
2018	338,357	-	338,357	300,000	26,156	326,156	1.04
2019	327,091	-	327,091	315,000	8,859	323,859	1.01
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-

Notes:

Details regarding the City's outstanding debt can be found in Note 8 of the financial statements

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Pledged-Revenue Coverage (Continued)
Last Ten Fiscal Years

Special Assessment Debt - Rancho San Pasqual

Fiscal Year Ended June 30	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	349,564	-	349,564	165,000	168,577	333,577	1.05
2016	345,177	-	345,177	175,000	158,887	333,887	1.03
2017	353,979	-	353,979	175,000	148,913	323,913	1.09
2018	348,126	-	348,126	195,000	138,368	333,368	1.04
2019	353,023	-	353,023	205,000	126,968	331,968	1.06
2020	335,626	-	335,626	220,000	114,855	334,855	1.00
2021	358,678	-	358,678	230,000	102,030	332,030	1.08
2022	364,050	-	364,050	245,000	88,492	333,492	1.09
2023	329,242	-	329,242	255,000	74,242	329,242	1.00
2024	334,138	-	334,138	275,000	59,138	334,138	1.00

Special Assessment Debt - The Villages

Fiscal Year Ended June 30	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	364,986	-	364,986	-	364,986	364,986	1.00
2024	589,750	-	589,750	20,000	569,750	589,750	1.00

Special Assessment Debt - Eclipse / Mountain House

Fiscal Year Ended June 30	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-

Notes:

Details regarding the City's outstanding debt can be found in Note 8 of the financial statements

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population⁽¹⁾</u>	<u>Personal Income (in millions)⁽²⁾</u>	<u>Per Capita Income⁽²⁾</u>	<u>Unemployment Rate⁽³⁾</u>
2014	147,294	3,267	22,181	4.8
2015	150,760	3,323	22,042	5.2
2016	151,492	3,500	23,103	4.7
2017	151,478	3,700	24,573	3.1
2018	152,739	3,960	25,919	2.7
2019	153,008	4,124	26,957	14.8
2020	151,688	4,413	29,097	9.0
2021	150,679	5,035	33,421	2.5
2022	149,799	5,839	38,982	3.4
2023	150,002	5,340	35,599	3.8

Notes:

The California Department of Finance demographics estimates now incorporate 2020 Census counts as the benchmark

- (1) Population Projections are provided by the California Department of Finance Projections.
- (2) Income Data is provided by the U.S. Census Bureau
- (3) Unemployment Data is provided by the California Employment Development Department

Sources:

HdL, Coren & Cone, U.S. Census Bureau

CITY OF ESCONDIDO
Principal Employers
Current Year and Nine Years Ago

Employer	2024		2015	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Palomar Medical Center	2,906	4.21 %	3,290	4.83 %
Escondido Union School District	2,077	3.01	1,804	2.65
City of Escondido ⁽¹⁾	959	1.39	1,082	1.59
Escondido Union High School District	881	1.28	862	1.27
Toyota of Escondido	368	0.53		
Bergelectric	354	0.51		
Home Depot	332	0.48	310	0.46
Vons Grocery Stores (3 locations)	266	0.39	364	0.53
The Classical Academies (Escondido locations)	225	0.33	340	0.50
Ne-Mo's Bakery	216	0.03		
Welk Group Inc			1,200	1.76
San Diego Wild Animal Park			1,100	1.62
Nordstrom Inc ⁽²⁾			290	0.43
Palomar Community College District			211	0.31

Notes:

Results based on direct correspondence with city's local businesses.

Total City Labor Force provided by EDD Labor Force Data. Total City Labor Force in 2022-23 is 69,000

(1) Includes FT and PT employees

(2) Nordstrom has closed this location

Sources:

2014-15 previously published ACFR

CITY OF ESCONDIDO
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years
As of June 30

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	107	113	120	123	115	114	111	117	114	104
Public Safety	365	383	398	397	397	394	384	388	376	364
Public Works	140	118	111	107	105	111	112	124	120	172
Community Development	37	38	37	37	36	33	32	31	29	26
Community Services	174	168	167	94	105	71	83	98	107	120
Housing & Neighborhood Services	9	10	9	10	9	8	8	7	8	11
Water	118	115	117	115	121	121	123	122	121	121
Wastewater	78	73	73	71	72	75	75	71	69	77
Total	<u>1,028</u>	<u>1,018</u>	<u>1,032</u>	<u>954</u>	<u>960</u>	<u>927</u>	<u>928</u>	<u>958</u>	<u>944</u>	<u>995</u>

Source:

City of Escondido Finance Department.

CITY OF ESCONDIDO
Operating Indicators by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019
Police:					
Physical Arrests	4,923	5,114	5,533	5,763	5,491
Traffic Violations	8,528	7,038	6,912	5,779	7,221
Parking Violations	5,571	6,052	6,218	6,752	7,509
Fire:					
Number of Calls Answered	13,450	14,553	15,369	16,710	16,154
Number of Inspections Conducted	2,590	2,086	1,826	3,624	4,082
Public Works⁽¹⁾:					
Street Resurfacing (miles)	44.0	63.5	67.0	94.0	98.0
Parks and Recreation⁽²⁾:					
Number of Recreation Classes	1,070	808	577	640	728
Number of Facility Rentals	1,770	1,857	3,056	3,482	3,000
Golf Rounds Played	94,917	99,130	97,394	99,817	96,709
Water:					
Number of Service Connections	26,567	26,617	26,694	26,884	27,052
Average Daily Consumption (gallons)	19,500,000	16,680,000	17,206,595	19,431,105	17,120,000
Sewer:					
Number of Service Connections	27,139	27,048	27,070	48,092	48,161
Average Daily Treatment (gallons)	11,900,000	11,700,000	12,600,000	12,300,000	13,400,000

Note:

(1) Funding for street resurfacing was increased beginning in 2013

(2) A new registration process for recreation was implemented in 2013.

Source:

City of Escondido.

CITY OF ESCONDIDO
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

Function	2020	2021	2022	2023	2024
Police:					
Physical Arrests	5,074	4,616	5,039	4,222	4,145
Traffic Violations	5,300	4,561	3,993	3,816	2,973
Parking Violations	5,305	5,757	7,101	6,247	6,436
Fire:					
Number of Calls Answered	15,962	16,119	17,261	17,740	17,777
Number of Inspections Conducted	2,734	3,772	3,224	2,697	2,650
Public Works⁽¹⁾:					
Street Resurfacing (miles)	71.0	77.0	50.0	0.0	35.9
Parks and Recreation⁽²⁾:					
Number of Recreation Classes	523	464	760	840	973
Number of Facility Rentals	2,860	1,678	3,698	4,137	3,123
Golf Rounds Played	90,173	123,786	117,337	102,269	103,126
Water:					
Number of Service Connections	27,078	27,286	27,340	27,383	26,943
Average Daily Consumption (gallons)	18,413,863	18,640,684	19,930,000	17,860,000	17,140,000
Sewer:					
Number of Service Connections	48,425	48,823	49,018	49,169	49,443
Average Daily Treatment (gallons)	13,876,317	12,628,496	12,600,000	12,800,000	13,200,000

Note:

(1) Funding for street resurfacing was increased beginning in 2013

(2) A new registration process for recreation was implemented in 2013.

Source:

City of Escondido.

CITY OF ESCONDIDO
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019
Police:					
Stations	1	1	1	1	1
Fire:					
Stations	7	7	7	7	7
Public Works:					
Streets (miles)	306.2	307.4	323.0	363.8	331.0
Streetlights	6,488	6,489	6,489	6,489	6,635
Traffic Signals	153	155	155	155	165
Parks and Recreation:					
Parks	14	14	14	14	14
Community Centers	3	3	3	3	3
Golf Courses	2	2	2	2	2
Water:					
Water Mains (miles)	423	423	430	436	436
Maximum Daily Plant Capacity (gallons)	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Sewer:					
Sanitary Sewers (miles)	374	380	380	389	389
Storm Drains (miles)	411	411	221	200	200
Maximum Daily Treatment Capacity (gallons)	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000

Source:

City of Escondido.

CITY OF ESCONDIDO
Capital Asset Statistics by Function (Continued)
Last Ten Fiscal Years

Function	2020	2021	2022	2023	2024
Police:					
Stations	1	1	1	1	1
Fire:					
Stations	7	7	7	7	7
Public Works:					
Streets (miles)	298.0	291.0	293.0	294.0	291.0
Streetlights	6,635	6,790	6,796	6,797	6,797
Traffic Signals	165	170	170	172	181
Parks and Recreation:					
Parks	14	14	14	14	14
Community Centers	3	3	3	3	3
Golf Courses	2	2	2	2	2
Water:					
Water Mains (miles)	436	440	440	440	440
Maximum Daily Plant Capacity (gallons)	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Sewer:					
Sanitary Sewers (miles)	367	367	380	380	380
Storm Drains (miles)	171	192	175	175	175
Maximum Daily Treatment Capacity (gallons)	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000

Source:

City of Escondido.



Fiscal Year ended June 30, 2024