



# Annual Comprehensive Financial Report

**City of  
Escondido**  
*California*

**Fiscal  
Year**  
*2021/22*





# Annual Comprehensive Financial Report

CITY OF ESCONDIDO - California  
**FISCAL YEAR 2021/22**



**Paul McNamara**  
*Mayor*



**Consuelo Martinez**  
*Councilmember  
District One*



**Tina Inscoc**  
*Councilmember  
District Two*



**Joe Garcia**  
*Councilmember  
District Three*



**Michael Morasco**  
*Deputy Mayor  
District Four*

## **CITY MANAGER**

Sean McGlynn

## **DEPUTY CITY MANAGER/ DIRECTOR OF COMMUNICATIONS & COMMUNITY SERVICES**

Joanna Axelrod

## **DEPUTY CITY MANAGER/ DIRECTOR OF UTILITIES**

Christopher McKinney

*Prepared by the Finance Department*







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**June 30, 2022**

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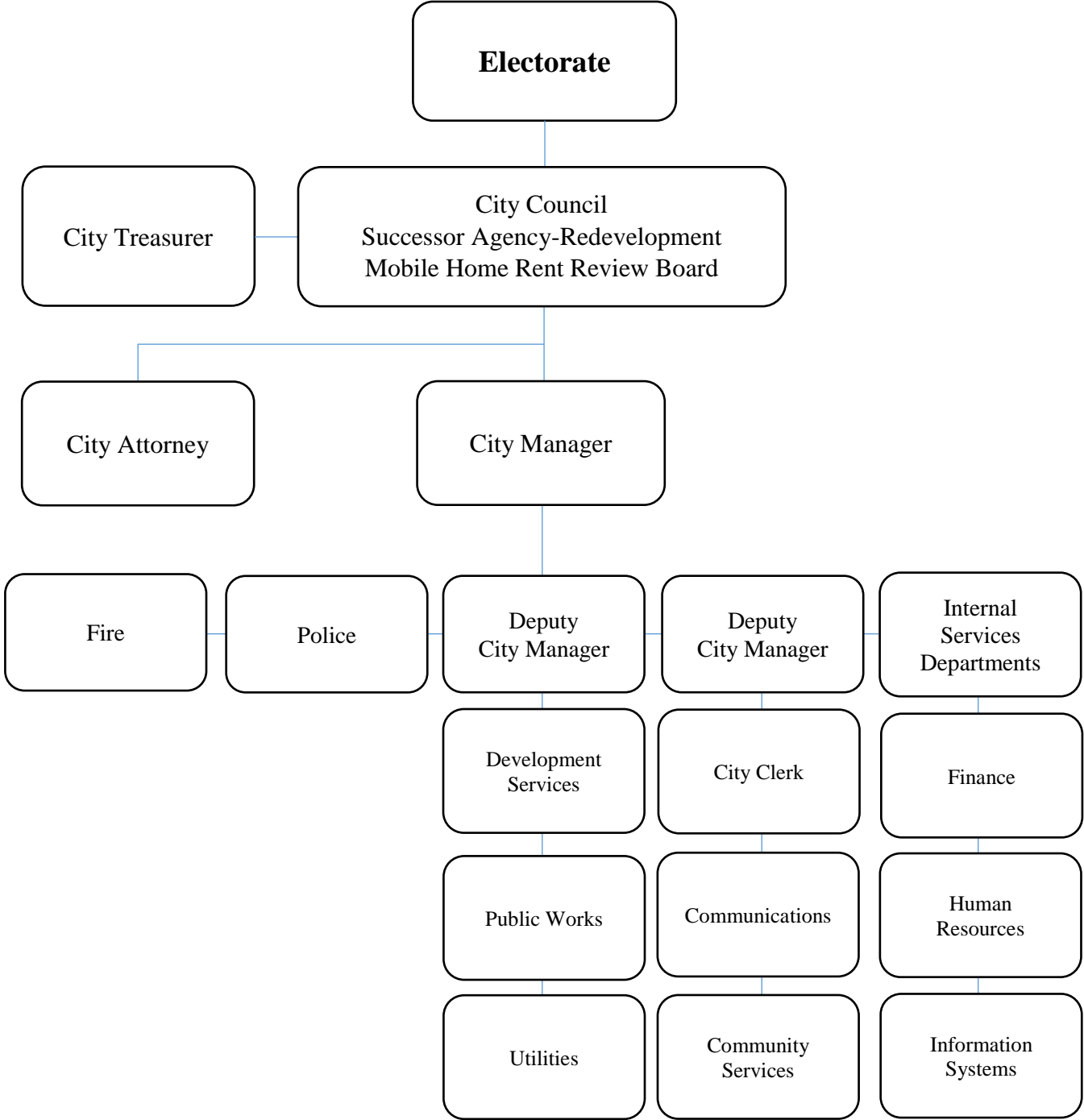
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**CITY OF ESCONDIDO**  
**Organization Chart**  
**June 30, 2022**





October 6, 2023

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, 2022.

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, 2022, 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, 2022, 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 CAFR 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**

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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 has 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.

COVID-19 restrictions began to be lifted in FY2020/21 and a combination of California fully reopening its economy, improved vaccination rates, public health measures to reduce the spread of the COVID-19 virus, and additional federal funding allowed for additional public activities and improved the economic environment. As a result, the City's major General Fund revenues grew significantly in April, May, and June 2021 and operating

## CITY OF ESCONDIDO Letter of Transmittal

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revenues exceeded the original FY2020/21 budgeted amount by \$11.4 million, a 10.8% increase in revenue from the prior fiscal year.

In FY2021/22, the economy continued to recover from the initial impacts of the COVID-19 pandemic and resulting restrictions. Strong consumer demand for products, continued high inflation, and a strong housing market resulted in overall operating revenue exceeding the amount projected by \$11.8 million, a 9% increase from the prior fiscal year ending June 30, 2021. 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. Actual sales tax receipts increased by \$5.6 million or 13% compared to the prior 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: [www.escondido.org/city-financial-policies](http://www.escondido.org/city-financial-policies).

**CITY OF ESCONDIDO**  
**Letter of Transmittal**

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**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, 2021. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. 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, 2021

*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 the City of Escondido (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, 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 represent 100% percent of the 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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Emphasis of Matters**

*Change in Accounting Principle*

As described in Note 1S to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, GASB No. 87, *Leases*. The implementation of this standard did not impact beginning net positions or fund balances. Our opinions are not modified with respect to this matter.

*Restatement*

As described in Note 16 to the financial statements, beginning net position of the governmental activities, the business-type activities, and the water and wastewater enterprise funds, and beginning fund balance of the general fund and nonmajor governmental funds, were restated to correct a misstatement. Our opinions are not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

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

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

**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.

***Auditors' Responsibilities for the Audit of the Financial Statements (Continued)***

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the general fund and major special revenue funds, schedules of changes in net pension liability and related ratios, and schedules of plan contributions for the miscellaneous and safety plan 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'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.

Honorable Mayor and Members of the City Council  
City of Escondido

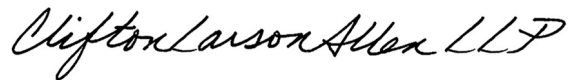
**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine California  
October 6, 2023



## CITY OF ESCONDIDO Management's Discussion and Analysis

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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, 2022. 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

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**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, 2022. 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 \$527,148 million, an increase of \$46.0 million or 9.6 percent.

**City of Escondido's Summary of Net Position**

As of June 30, 2022 and 2021

(Amounts expressed in thousands)

	Governmental activities		Business-type activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 346,279	\$ 247,314	\$ 111,990	\$ 108,800	\$ 458,269	\$ 356,114
Capital assets	292,077	286,914	371,778	327,150	663,855	614,064
Total Assets	638,356	534,228	483,768	435,950	1,122,124	970,178
Deferred outflows of resources	30,205	32,244	6,325	7,742	36,530	39,986
Long-term liabilities outstanding	233,167	312,052	175,760	180,895	408,927	492,947
Other liabilities	64,101	14,403	35,888	20,221	99,989	34,624
Total Liabilities	297,268	326,455	211,648	201,116	508,916	527,571
Deferred inflows of resources	107,837	948	14,753	503	122,590	1,451
Net position:						
Net investment in capital assets	219,633	221,473	223,858	198,320	443,491	419,793
Restricted	162,676	151,770	28,964	10,655	191,640	162,425
Unrestricted	(118,853)	(134,174)	10,870	33,098	(107,983)	(101,076)
Total net position, as restated	\$ 263,456	\$ 239,069	\$ 263,692	\$ 242,073	\$ 527,148	\$ 481,142

## CITY OF ESCONDIDO

### Management's Discussion and Analysis

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The largest portion of the City's net position (84.1 percent or \$443.5 million) is its net investment in capital assets such as land, buildings, infrastructure, and vehicles, 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 (36.4 percent or \$191.6 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, 2022, unrestricted net position was a deficit of (\$108.0) 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 \$46.0 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 current and other assets increased by \$102.2 million when compared to the prior fiscal year. Governmental activities increased \$99 million, primarily due to increased cash received from sales tax and property tax, as well as a reduction in current fiscal year operating expenditures as a result of restrictions in place due to COVID-19. Business-type activities increased \$21.6 million mostly due to increased cash received from water and wastewater charges for service.

Citywide, capital assets increased \$49.8 million or about 8.1%. Governmental activities had an increase of \$5.2 million that is mostly attributable to the capitalization of various street projects in the City, replacement of vehicles and the inclusion of leased assets as part of the implementation of GASB No. 87, offset by depreciation and amortization of capital assets. Business-type activities increased \$44.6 million resulting from continued work on the Lindley Reservoir Replacement project and the Membrane Filtration Reverse Osmosis facility.

Long-term liabilities decreased by \$84 million from the prior year. This is primarily attributed to the City's net pension liability which decreased by \$95.8 million from the prior year and by principal payments made during the fiscal year on outstanding long-term liabilities. The net pension liability at June 30, 2022, is \$171.4 million, compared to \$267.1 million at June 30, 2021.

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, 2022, the Section 115 Trust balance amounted to \$23.6 million held in restricted cash and investments in the General Fund. On December 7, 2022, the City Council approved the transfer of \$6,851,220 in additional funding to the Section 115 Trust reported as Assigned Fund Balance at June 30, 2022.

Deferred outflows of resources decreased by \$4.3 million primarily due to changes in assumptions in actuarial valuations by CalPERS for the City's pension plan. Deferred inflows of resources increased by \$118.5 million also due to changes in assumptions in actuarial valuations by CalPERS for the City's pension plan as well as the implementation of GASB No. 87 related to leases.

**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 decreased by \$1.4 million or 1.0 percent during the current fiscal year resulting in total revenues of \$158.5 million.

**Governmental Activities - Revenues**

For the Year Ended June 30

(Amounts expressed in thousands)

Revenues by Source	2022	2021	Increase / (Decrease)
<b>Program revenues:</b>			
Charges for services	\$ 23,789	\$ 21,383	\$ 2,406
Operating grants and contributions	15,519	19,055	(3,536)
Capital grants and contributions	12,015	15,330	(3,315)
<b>Total program revenues</b>	<b>51,323</b>	<b>55,768</b>	<b>(4,445)</b>
<b>General revenues:</b>			
Sales tax	52,640	46,937	5,703
Property taxes	40,189	38,629	1,560
Other taxes	14,305	11,776	2,529
Other	125	6,893	(6,768)
<b>Total general revenues</b>	<b>107,259</b>	<b>104,234</b>	<b>3,024</b>
<b>Total Revenues</b>	<b>\$ 158,582</b>	<b>\$ 160,002</b>	<b>\$ (1,421)</b>

Key elements of this change are discussed below.

- Sales tax revenue increased by \$5.7 million, or 12.2 percent, compared to the prior year. The economy continued to recover from the initial impacts of the COVID-19 pandemic and resulting restrictions. 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. Overall, the City's local economy is currently experiencing a strong recovery and as a result, sales tax revenues exceeded the amount projected for the fiscal year.
- Property tax revenue increased by \$1.6 million over the prior fiscal year or 4.0 percent. 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 is composed of franchise, transient occupancy, business license, transfer station, and refuse taxes. Revenues received from franchise agreements increased by \$2.5 million from the prior fiscal year primarily due to an increase in fees collected from Escondido Disposal and SDG&E due to increasing electric prices.
- Overall charges for services increased by \$2.4 million or 11.2 percent. In the prior fiscal year, due to the public health orders, City recreation facilities and services were restricted or closed. However, as certain restrictions have been lifted, Community Service fees have increased by approximately \$0.9 million compared to the prior fiscal year. General Government revenue also increased by about \$1.8 million, due to the development projects occurring throughout the City.



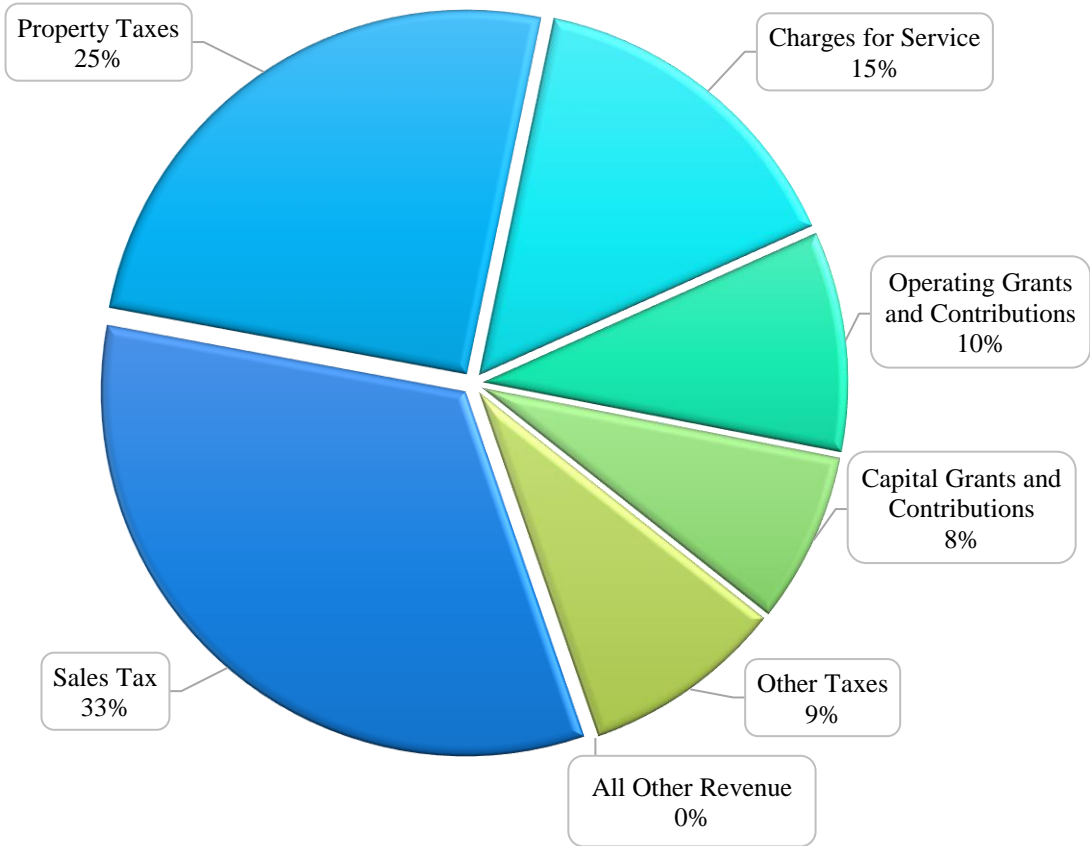
**CITY OF ESCONDIDO**  
**Management’s Discussion and Analysis**

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- Operating grants and contributions decreased by \$3.5 million, or 18.8 percent. In the prior fiscal year, the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act signed last year provided \$2.2 trillion in federal funds to respond to the COVID-19 emergency. Under the CARES Act, the Treasury provided direct funding only to counties and municipalities with populations greater than 500,000. All other funding was provided to states to distribute as they deemed appropriate. Escondido was allocated \$1,889,210 from the State and \$2,713,486 from the County of San Diego; a total of \$4,602,696. All funds were fully spent in the prior fiscal year.
- Capital grants and contributions decreased by \$3.3 million compared to the prior year. This is due to the timing of Housing and Community Development projects and capital contributions received from development.
- Other revenue decreased by \$6.8 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 67% 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 2022 and fiscal year 2023 expenses by function, along with interest and other expenses.

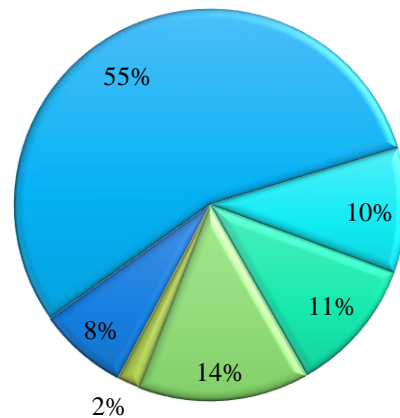
**Governmental Activities**  
 Expenses and Change in Net Position for the Year Ended June 30  
 (Amounts expressed in thousands)

	2022	2021	Increase / (Decrease)
Expenses:			
General government	\$ 10,258	\$ 14,944	\$ (4,686)
Public safety	73,817	84,691	(10,874)
Community services	14,906	14,045	861
Public works	13,815	20,684	(6,869)
Community development	18,925	5,113	13,812
Interest and fiscal charges	2,444	2,413	31
Total expenses	<u>134,165</u>	<u>141,890</u>	<u>(7,725)</u>
Increase (decrease) in net position before transfers	24,417	18,112	6,305
Transfers	(30)	-	(30)
Increase (decrease) in net position after transfers	24,387	18,112	6,275
Net position – July 1, Restated	239,069	213,386	25,683
Net position – June 30	<u>\$ 263,456</u>	<u>\$ 231,498</u>	<u>\$ 31,958</u>

Governmental activities expenses decreased by \$8.1 million, or 5.7 percent, compared to the prior fiscal year. The expenditure savings were largely the result of vacant staff positions in multiple departments. The City continues to experience expenditure savings from vacant staff positions in multiple departments as recruitments are being performed. In calendar year 2021 the City had the highest turnover rate at 14%. This is not unique to the City but is comparable to the competitive job market locally.

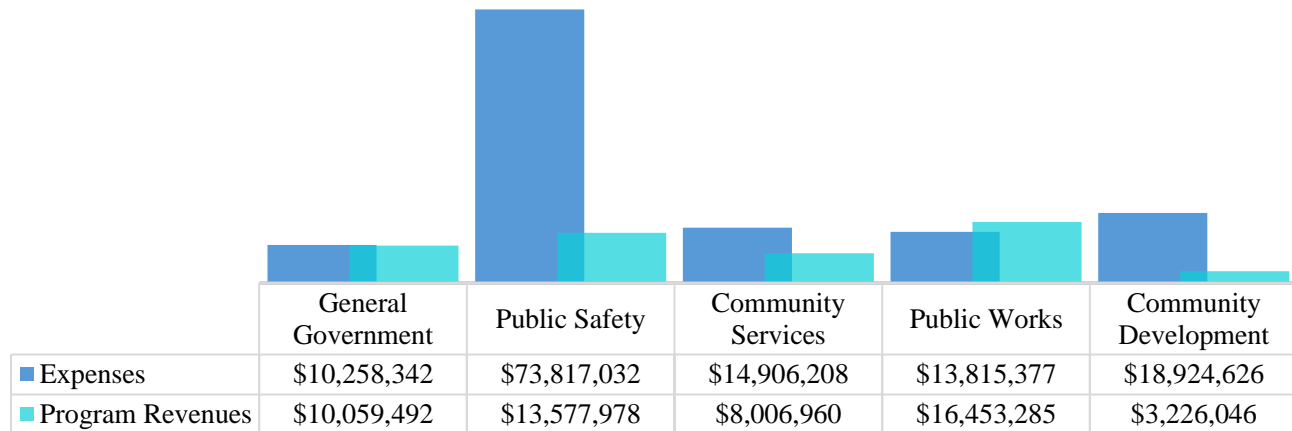
The chart on the right presents current year expenses by function for Governmental Activities. Capital outlays are not included as those are added to the City's capital assets.

- General Government
- Community Services
- Community Development
- Public Safety
- Public Works
- Interest and Fiscal Charges



**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 \$21.6 million.

**Business-type Activities - Change in Net Position**

For the Year Ended June 30

(Amounts expressed in thousands)

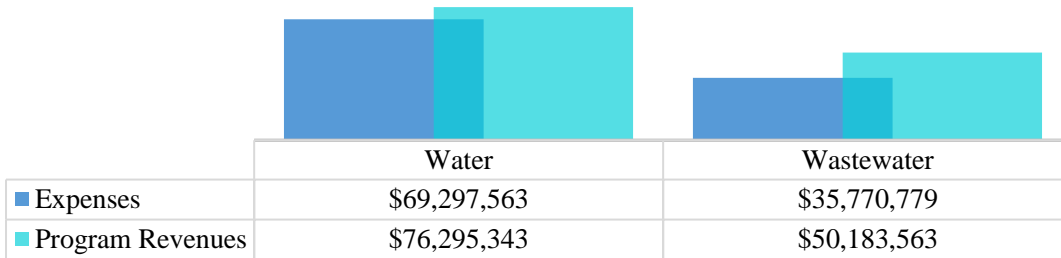
	2022	2021	Increase / (Decrease)
Program revenues:			
Charges for services	\$112,508	\$110,217	\$ 2,291
Operating grants and contributions	273	17	256
Capital grants and contributions	13,698	12,850	848
Other general revenues	178	676	(498)
<b>Total revenues</b>	<b>126,657</b>	<b>123,760</b>	<b>2,897</b>
Expenses:			
Water	69,298	69,582	\$ (284)
Wastewater	35,770	38,337	(2,567)
<b>Total expenses</b>	<b>105,068</b>	<b>107,919</b>	<b>(2,851)</b>
Increase (decrease) in net position before transfers	21,589	15,841	5,748
Transfers	30	-	30
Increase (decrease) in net position after transfers	21,619	15,841	5,778
Net position – July 1, Restated	242,073	226,080	15,993
<b>Net position – June 30</b>	<b>\$263,692</b>	<b>\$241,921</b>	<b>\$ 21,771</b>

**CITY OF ESCONDIDO**  
**Management’s Discussion and Analysis**

The Water Fund ended the year with a change in net position of \$7.9 million. This was the result of an increase in capital grant funds for ongoing construction and infrastructure projects. Due to an increase in rainfall and no increase in water rates in fiscal year 2022, water charges for services remained flat compared to the prior year.

The Wastewater Fund ended the year with a change in net position of \$13.8 million. Charges for services increased from the prior year due to rate adjustments that change annually. In addition, intergovernmental and capital contribution revenue increased due to continued construction activity on the Membrane Filtration Reverse Osmosis Facility.

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 \$174.4 million, an increase of \$7.4 million in comparison with the prior year. Of this amount, 0.2 percent or \$0.3 million represents non-spendable assets, advances and loans receivable, which are not expected to be converted to cash until future periods.

Approximately 80.9 percent of this total amount or \$141.0 million is not available for new spending because it is legally restricted by external third parties. In addition, \$37.1 million or 21.3 percent 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 (\$4.0 million) is comprised of unassigned funds in the General Fund of \$0.7 million and deficit fund balances in non-major special revenue funds of (\$4.7 million). 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 \$17.4 million in Reserves available to fund expenditures in an economic downturn while total fund balance is \$61.1 million. 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 15.1 percent of total General Fund expenditures, while total fund balance represents 50.8 percent of that same amount.

The restricted portion of the fund balance of the General Fund of \$23.7 million is the total value of assets held in the Section 115 Pension Trust Fund discussed above. On December 7, 2022, the City Council approved the transfer of \$6.9 million in additional funding to the Section 115 Trust reported as Assigned Fund Balance at June 30, 2022.

**CITY OF ESCONDIDO**  
**Management’s Discussion and Analysis**

During the current fiscal year, the fund balance of the City’s General Fund increased by \$7.4 million, or 13.7 percent, compared to the prior year. The increase is primarily due to unanticipated increases in sales tax.

In June 2021, the City Council adopted the FY2021/22 operating budget with General Fund revenues of \$107.2 million and expenditures of \$117.1 million. Total operating revenue was projected to increase by 3% and the adopted expenditure budget increased by approximately \$7.1 million or 6% compared to the revised FY2020/21 operating budget. In addition to providing core City services including Public Safety, Public Works, Community Services, and Development Services, the FY2021/22 budget reflected the resources required to address specific public service needs around traffic flow, traffic safety, and homelessness.

Prior to the FY2021/22 operating budget adoption, the General Fund financial forecast projected an \$8 million net operating deficit. To continue to provide essential City services and identified community priorities, respond to infrastructure maintenance and repair needs, and address the net operating deficit with a balanced budget for FY2021/22, City Council approved the use of the final one-time source of funds from the Successor Agency Redevelopment Loan repayment of \$2.2 million and a transfer of \$6.1 million from the Section 115 Pension Trust Fund though this did not address the ongoing deficit the City faces

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 \$107.2 million to the final general fund budgeted revenue of \$112.8 million results in a net increase in budgeted revenue of \$5.6 million.

**General Fund Revenues**  
**Budgetary Comparison Schedule**

	Original Budget Amounts	Final Budget Amounts	Actual	Variance Over (Under)
<b>REVENUES:</b>				
Sales tax	\$ 42,147,300	\$ 46,347,300	\$ 49,857,192	\$ 3,509,892
Property taxes	30,925,000	30,925,000	32,753,742	1,828,742
Other taxes	13,680,000	13,680,000	17,008,372	3,328,372
Licenses and permits	1,412,500	1,412,500	2,157,445	744,945
Fines and forfeits	908,000	908,000	880,874	(27,126)
Intergovernmental	3,341,000	4,397,680	4,907,744	510,064
Charges for services	10,169,710	10,469,710	11,865,686	1,395,976
Lease income	3,738,000	3,738,000	3,911,532	173,532
Investment income	581,150	581,150	(1,324,265)	(1,905,415)
Miscellaneous	323,000	323,000	174,630	(148,370)
<b>Total revenues</b>	<b>\$ 107,225,660</b>	<b>\$ 112,782,340</b>	<b>\$ 122,192,952</b>	<b>\$ 9,410,612</b>

Contrary to financial indicators and the consultant’s revenue analysis prepared each quarter, as the result of strong sales tax receipts, increases in property tax revenue, and an increase in development activities in the City, operating revenues exceeded the amended FY2021/22 budgeted amount by \$9.4 million.

In FY2021/22, strong consumer demand for products, continued high inflation, and a strong housing market resulted in overall operating revenue exceeding the amount projected by \$9.4 million, an 8.3% increase from the prior fiscal year ending June 30, 2021. The largest source of revenue for the General Fund is sales tax revenue at 40%, followed by property tax revenue at 27%, and other taxes account for 14% of total operating revenue.

The economy continued to recover from the initial impacts of the COVID-19 pandemic and resulting restrictions. 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. Actual sales tax receipts increased by \$5.6 million or 13% compared to the prior year.



**CITY OF ESCONDIDO**  
**Management's Discussion and Analysis**

This increase was anticipated in the mid-year financial report to City Council, and the Sales Tax revenue budget was increased by \$4.2 million approved by City Council on February 2, 2022. Property tax and other tax revenue also increased from the prior year by about \$4.1 million.

Comparison of the fiscal year original general fund budgeted expenditures of \$117.1 million to the final General Fund budgeted expenditures of \$119.3 million results in a net increase in budgeted expenditures of \$2.2 million. Operating expenditures were increased for each department as the result of negotiated increases to employee services. In addition, the fire department budget was increased by \$1.3 million 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 FY2021/22 budgeted amount by \$3.8 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 Over (Under)
<b>EXPENDITURES:</b>				
General Government	8,181,450	8,565,200	7,105,239	(1,459,961)
Public Safety	76,518,290	77,975,410	78,096,301	120,891
Public Works	11,271,130	11,486,930	10,575,486	(911,444)
Community Services	11,431,210	11,494,370	11,033,898	(460,472)
Community Development	8,061,670	8,185,560	6,575,071	(1,610,489)
Capital Outlay	979,020	979,020	979,017	(3)
Debt Service:				
Principal retirements	557,620	557,620	897,988	340,368
Interest and fiscal charges	63,370	63,370	235,758	172,388
<b>Total expenditures</b>	<b>117,063,760</b>	<b>119,307,480</b>	<b>115,498,758</b>	<b>(3,808,722)</b>

**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, 2022, the City's investments in capital assets for its governmental and business-type activities are \$663.9 million, (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.

**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	
	2022	2021	2022	2021	2022	2021
Land	\$ 53,189	\$ 52,704	\$ 3,138	\$ 3,138	\$ 56,327	\$ 55,842
Buildings and systems	80,483	86,019	9,709	10,017	90,192	96,036
Improvements other than buildings	12,810	12,890	677	705	13,487	13,595
Machinery and equipment	9,636	10,777	2,191	2,541	11,827	13,318
Infrastructure	103,592	107,825	265,423	274,731	369,015	382,556
Right-to-Use Lease Assets	10,214	10,633	-	-	10,214	10,633
Construction in progress	22,153	16,699	90,640	36,017	112,793	52,716
Total, as restated	\$ 292,077	\$ 297,547	\$ 371,778	\$ 327,149	\$ 663,855	\$ 624,696

The total increase in the City's investment in capital assets for the current fiscal year is 6.3 percent; this represents a 1.8 percent decrease for governmental activities and a 13.6 percent 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 and the undergrounding for San Pasqual through the Escondido Canal.

**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 \$480 million, an increase of \$5.2 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	
	2022	2021	2022	2021	2022	2021
Compensated absences	\$ 7,459	\$ 7,311	\$ 1,555	\$ 1,636	\$ 9,014	\$ 8,947
Net pension liability	143,644	222,113	27,710	44,991	171,354	267,104
Claims payable	17,750	17,529	-	-	17,750	17,529
Loans payable	1,399	1,831	53,033	29,452	54,432	31,283
Financed purchase payable	636	942	-	-	636	942
Leases payable	10,292	10,633	-	-	10,292	10,633
Connection rights payable	-	-	12,942	12,949	12,942	12,949
Revenue Bonds	-	-	78,245	85,755	78,245	85,755
Lease Revenue Bonds	2,760	3,020	-	-	2,760	3,020
General Obligation Bonds	50,615	52,780	-	-	50,615	52,780
Total, as restated	\$234,555	\$305,526	\$173,485	\$ 174,783	\$408,040	\$490,942

**CITY OF ESCONDIDO**  
**Management's Discussion and Analysis**

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**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. Cost saving measures have been implemented in an effort to keep expenditures in line with the growth of revenue.

The proposed FY2022/23 operating budget continues to reflect an overall strategy of fiscal prudence on the part of the entire City workforce by continuing to maintain a hardline on expenditures while also continuing to provide core City services including Public Safety, Public Works, Community Services, and Community Development. To maintain an appropriate level of service provided by the City, address select community priorities, and provide resources for infrastructure maintenance and repair needs, the FY2022/23 proposed operating budget utilizes one-time funds of \$3,735,030 from the Revenue Loss category of the American Rescue Plan Act Funds. 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.org](http://www.escondido.org).





# **Basic Financial Statements**

# CITY OF ESCONDIDO

## Statement of Net Position

June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	California Center for the Arts, Escondido Foundation
<b>ASSETS</b>				
Cash and investments	\$ 166,463,405	\$ 63,772,951	\$ 230,236,356	\$ 2,637,864
Receivables, net of allowances	32,852,986	17,930,919	50,783,905	181,198
Loans receivable	63,176,738	232,407	63,409,145	-
Leases receivable	48,674,619	1,252,794	49,927,413	-
Due from Successor Agency	959,515	-	959,515	-
Internal balances	1,324,605	(1,324,605)	-	-
Due from other governments	6,886,145	1,150,872	8,037,017	-
Inventory, at cost	695,312	2,476	697,788	21,948
Deposits	661,392	-	661,392	-
Prepaid expenses	14,385	7,673	22,058	325,540
Land held for resale	901,732	-	901,732	-
Assets held in charitable remainder trust	-	-	-	94,643
Restricted assets:				
Investment in Section 115 Trust	23,667,372	-	23,667,372	-
Cash and investments with fiscal agent	1	28,963,855	28,963,856	422,046
Capital assets:				
Right to use leased asset, net	10,214,274	-	10,214,274	-
Not being depreciated	84,874,698	93,778,422	178,653,120	-
Being depreciated, net	196,988,947	277,999,753	474,988,700	513,993
<b>Total Assets</b>	<b>638,356,126</b>	<b>483,767,517</b>	<b>1,122,123,643</b>	<b>4,197,232</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	30,176,553	6,325,310	36,501,863	-
Deferred loss on refundings	28,522	-	28,522	-
<b>Total Deferred Outflows of Resources</b>	<b>30,205,075</b>	<b>6,325,310</b>	<b>36,530,385</b>	<b>-</b>

See Accompanying Notes to Basic Financial Statements.

**CITY OF ESCONDIDO**  
**Statement of Net Position (Continued)**  
**June 30, 2022**

	Primary Government			Component Unit
	Governmental	Business-type	Total	California Center for the Arts, Escondido Foundation
	Activities	Activities		
<b>LIABILITIES</b>				
Accounts payable	5,207,044	17,379,022	22,586,066	118,811
Retentions payable	373,098	8,852,025	9,225,123	-
Accrued interest payable	910,212	1,711,562	2,621,774	-
Deposits payable	6,530,039	604,458	7,134,497	-
Accrued expenses	4,230,275	726,955	4,957,230	550,247
Unearned revenue	39,365,026	-	39,365,026	397,735
Long-term debt:				
Due within one year	7,830,013	6,614,002	14,444,015	74,931
Due in more than one year:				
Aggregate net pension liability	143,643,740	27,709,543	171,353,283	-
Leases payable	9,948,163	-	9,948,163	-
Other long-term debt	79,231,123	148,049,699	227,280,822	47,208
<b>Total Liabilities</b>	<b>297,268,733</b>	<b>211,647,266</b>	<b>508,915,999</b>	<b>1,188,932</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	59,436,348	12,406,280	71,842,628	-
Deferred inflows of resources related to leases	48,100,094	1,248,148	49,348,242	-
Deferred gain on refundings	300,970	1,098,392	1,399,362	-
<b>Total Deferred Inflows of Resources</b>	<b>107,837,412</b>	<b>14,752,820</b>	<b>122,590,232</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	219,632,631	223,858,484	443,491,115	391,854
Restricted for:				
General government	11,509,203	-	11,509,203	-
Low and moderate income housing	85,580,854	-	85,580,854	-
Community services	7,451,403	-	7,451,403	-
Debt service	3,548,401	28,963,855	32,512,256	-
Capital projects	6,604,350	-	6,604,350	-
Public works	23,980,991	-	23,980,991	-
Investment in Section 115 Trust	23,667,372	-	23,667,372	-
Permanent funds:				
Nonexpendable	250,334	-	250,334	-
Expendable	83,039	-	83,039	-
Total restricted net position	162,675,947	28,963,855	191,639,802	-
Unrestricted (deficit)	(118,853,522)	10,870,402	(107,983,120)	2,616,446
<b>Total net position</b>	<b>\$ 263,455,056</b>	<b>\$ 263,692,741</b>	<b>\$ 527,147,797</b>	<b>\$ 3,008,300</b>

See Accompanying Notes to Basic Financial Statements.



**CITY OF ESCONDIDO**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 10,258,342	\$ 2,459,670	\$ 4,000,470	\$ 3,599,352
Public safety	73,817,032	11,865,776	1,712,202	-
Community services	14,906,208	3,874,868	3,208,313	923,779
Public works	13,815,377	2,406,021	6,555,309	7,491,955
Community development	18,924,626	3,183,155	42,891	-
Interest and fiscal charges	2,444,385	-	-	-
<b>Total Governmental Activities</b>	<b>134,165,970</b>	<b>23,789,490</b>	<b>15,519,185</b>	<b>12,015,086</b>
<b>Business-type activities:</b>				
Water	69,297,563	71,138,194	-	5,157,149
Wastewater	35,770,779	41,370,100	272,843	8,540,620
<b>Total Business-type Activities</b>	<b>105,068,342</b>	<b>112,508,294</b>	<b>272,843</b>	<b>13,697,769</b>
<b>Total Primary Government</b>	<b>\$ 239,234,312</b>	<b>\$ 136,297,784</b>	<b>\$ 15,792,028</b>	<b>\$ 25,712,855</b>
<b>Component Unit:</b>				
California Center for the Arts, Escondido Foundation	\$ 13,734,874	\$ 4,553,143	\$ 10,685,002	\$ -

**CITY OF ESCONDIDO**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit California Center for the Arts, Escondido Foundation
	Primary Government		Total	
	Governmental Activities	Business-type Activities		
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ (198,850)	\$ -	\$ (198,850)	\$ -
Public safety	(60,239,054)	-	(60,239,054)	-
Community services	(6,899,248)	-	(6,899,248)	-
Public works	2,637,908	-	2,637,908	-
Community development	(15,698,580)	-	(15,698,580)	-
Interest and fiscal charges	(2,444,385)	-	(2,444,385)	-
<b>Total Governmental Activities</b>	<b>(82,842,209)</b>	<b>-</b>	<b>(82,842,209)</b>	<b>-</b>
<b>Business-type activities:</b>				
Water	-	6,997,780	6,997,780	-
Wastewater	-	14,412,784	14,412,784	-
<b>Total Business-type Activities</b>	<b>-</b>	<b>21,410,564</b>	<b>21,410,564</b>	<b>-</b>
<b>Total Primary Government</b>	<b>(82,842,209)</b>	<b>21,410,564</b>	<b>(61,431,645)</b>	<b>-</b>
<b>Component Unit:</b>				
California Center for the Arts, Escondido Foundation	-	-	-	1,503,271
<b>General Revenues:</b>				
Sales tax	52,639,592	-	52,639,592	-
Property tax	40,188,573	-	40,188,573	-
Franchise tax	8,442,633	-	8,442,633	-
Transient occupancy tax	2,530,715	-	2,530,715	-
Business license tax	1,986,153	-	1,986,153	-
Transfer station tax	1,345,628	-	1,345,628	-
Investment earnings	(668,283)	(1,830,352)	(2,498,635)	226,616
Miscellaneous	793,487	2,009,232	2,802,719	-
Total general revenues	107,258,498	178,880	107,437,378	226,616
<b>Transfers</b>	<b>(30,000)</b>	<b>30,000</b>	<b>-</b>	<b>-</b>
<b>Total general revenues and transfers</b>	<b>107,228,498</b>	<b>208,880</b>	<b>107,437,378</b>	<b>226,616</b>
Change in net position	24,386,289	21,619,444	46,005,733	1,729,887
<b>Net position:</b>				
Beginning of year, as restated	239,068,767	242,073,297	481,142,064	1,278,413
End of year	<b>\$ 263,455,056</b>	<b>\$ 263,692,741</b>	<b>\$ 527,147,797</b>	<b>\$ 3,008,300</b>

See Accompanying Notes to Basic Financial Statements.

# CITY OF ESCONDIDO

## Balance Sheet Governmental Funds June 30, 2022

ASSETS	Major Funds			Nonmajor Governmental Funds
	General	Successor Agency Housing	American Rescue Plan Act	
Cash and investments	\$ 33,596,134	\$ 13,000,747	\$ 36,922,280	\$ 52,288,363
Receivables (net):				
Accounts	3,735,323	-	-	143
Interest	673,140	10,615,180	-	6,823,016
Taxes	10,829,260	-	-	39,655
Loans	11,000,000	34,807,660	-	17,369,078
Leases	48,674,619	-	-	-
Due from other governments	215,664	-	-	6,670,481
Due from Successor Agency	-	-	-	959,515
Due from other funds	2,259,642	-	-	-
Inventory, at cost	-	-	-	16,348
Prepaid items	-	-	-	14,385
Deposits	-	-	-	348,792
Land held for resale	-	901,732	-	-
Advances to other funds	-	-	-	578,840
Restricted assets:				
Cash and investments	23,667,372	-	-	-
Cash and investments with fiscal agent	-	-	-	1
<b>Total Assets</b>	<b>\$ 134,651,154</b>	<b>\$ 59,325,319</b>	<b>\$ 36,922,280</b>	<b>\$ 85,108,617</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,854,074	\$ 3,504	\$ 269,352	\$ 2,004,720
Deposits payable	6,489,943	9,450	-	30,646
Retentions payable	-	-	-	373,098
Accrued expenditures	3,887,643	9,893	1,194	102,436
Due to other funds	-	-	-	2,259,642
Unearned revenue	-	-	36,651,734	2,713,292
Advances from other funds	200,000	-	-	378,840
<b>Total Liabilities</b>	<b>12,431,660</b>	<b>22,847</b>	<b>36,922,280</b>	<b>7,862,674</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	13,050,398	10,584,219	-	12,665,227
Deferred inflows of resources related to leases	48,100,094	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>61,150,492</b>	<b>10,584,219</b>	<b>-</b>	<b>12,665,227</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	281,067
Restricted	28,876,086	48,718,253	-	63,420,288
Committed	17,500,736	-	-	5,586,791
Assigned	14,026,663	-	-	-
Unassigned (deficit)	665,517	-	-	(4,707,430)
<b>Total Fund Balances</b>	<b>61,069,002</b>	<b>48,718,253</b>	<b>-</b>	<b>64,580,716</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 134,651,154</b>	<b>\$ 59,325,319</b>	<b>\$ 36,922,280</b>	<b>\$ 85,108,617</b>

See Accompanying Notes to Basic Financial Statements.

# CITY OF ESCONDIDO

## Balance Sheet (Continued)

### Governmental Funds

June 30, 2022

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	Total Governmental Funds
	<u>                    </u>
<b>ASSETS</b>	
Cash and investments	\$ 135,807,524
Receivables (net):	
Accounts	3,735,466
Interest	18,111,336
Taxes	10,868,915
Loans	63,176,738
Leases	48,674,619
Due from other governments	6,886,145
Due from Successor Agency	959,515
Due from other funds	2,259,642
Inventory, at cost	16,348
Prepaid items	14,385
Deposits	348,792
Land held for resale	901,732
Advances to other funds	578,840
Restricted assets:	
Cash and investments	23,667,372
Cash and investments with fiscal agent	1
<b>Total Assets</b>	<u><u>\$ 316,007,370</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 4,131,650
Deposits payable	6,530,039
Retentions payable	373,098
Accrued expenditures	4,001,166
Due to other funds	2,259,642
Unearned revenue	39,365,026
Advances from other funds	578,840
<b>Total Liabilities</b>	<u>57,239,461</u>
<b>Deferred Inflows of Resources:</b>	
Unavailable revenue	36,299,844
Deferred inflows of resources related to leases	48,100,094
<b>Total Deferred Inflows of Resources</b>	<u>84,399,938</u>
<b>Fund Balances:</b>	
Nonspendable	281,067
Restricted	141,014,627
Committed	23,087,527
Assigned	14,026,663
Unassigned (deficit)	(4,041,913)
<b>Total Fund Balances</b>	<u>174,367,971</u>
<b>Total Liabilities, Deferred Inflows of     Resources, and Fund Balances</b>	<u><u>\$ 316,007,370</u></u>

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, 2022**

<b>Fund balances for governmental funds</b>		\$ 174,367,971
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	\$ 84,874,698	
Capital assets, being depreciated, net	196,988,947	
Right to use leased asset, net	10,214,274	
Less: amount reported in internal services fund	(5,693,882)	286,384,037
A portion of the unavailable revenue is not available to pay for current-period expenditures and, therefore, is not recognized in the funds.		
		36,299,833
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	9,572,428	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,324,605	10,897,033
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	(7,458,707)	
Claims payable	(17,750,850)	
Loans	(1,399,572)	
Financed purchase payable	(636,393)	
Leases payable	(10,292,730)	
Bonds	(53,375,000)	
Bond premium	(6,100,829)	
Bond discount	4,782	
Deferred gain on refunding	(300,970)	
Deferred loss on refunding	28,522	
Less: amount reported in internal services fund	18,014,933	(79,266,814)
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	(143,643,740)	
Less: amount reported in internal services fund	7,057,130	(136,586,610)
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	30,176,553	
Deferred inflows of resources related to pensions	(59,436,348)	
Less: amount reported in internal services fund	1,529,603	(27,730,192)
Interest payable on noncurrent liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
		(910,212)
<b>Net position of governmental activities</b>		<b>\$ 263,455,046</b>

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, 2022**

	Major Funds			Nonmajor Governmental Funds
	General Fund	Successor Agency Housing	American Rescue Plan Act	
<b>Revenues:</b>				
Sales tax	\$ 49,857,192	\$ -	\$ -	\$ -
Property taxes	32,753,742	-	-	-
Other taxes	17,008,372	-	-	2,782,400
Licenses and permits	2,157,445	-	-	-
Fines and forfeits	880,874	-	-	-
Intergovernmental	4,907,744	54,101	2,156,775	17,086,025
Charges for services	11,865,686	-	-	6,438,163
Special assessments	-	-	-	5,719,440
Lease income	3,911,532	164,781	-	-
Investment income	(1,324,265)	215,480	-	(685,082)
Miscellaneous	174,630	613,895	-	20,431
<b>Total Revenues</b>	<u>122,192,952</u>	<u>1,048,257</u>	<u>2,156,775</u>	<u>31,361,377</u>
<b>Expenditures:</b>				
Current:				
General government	7,105,239	-	1,562,550	34,484
Public safety	78,096,301	-	-	1,499,953
Public works	10,575,486	-	-	1,016,889
Community services	11,033,898	-	-	2,554,670
Development services	6,575,071	458,314	-	12,356,522
Capital outlay	979,017	-	594,225	8,167,735
Debt service:				
Principal retirements	557,553	-	-	2,500,090
Lease principal retirements	340,435	-	-	-
Interest and fiscal charges	235,758	-	-	2,703,348
<b>Total Expenditures</b>	<u>115,498,758</u>	<u>458,314</u>	<u>2,156,775</u>	<u>30,833,691</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	6,694,194	589,943	-	527,686
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,055,000	573,590	-	466,160
Transfers (out)	(1,373,710)	-	-	(2,085,000)
<b>Total Other Financing Sources (Uses)</b>	<u>681,290</u>	<u>573,590</u>	<u>-</u>	<u>(1,618,840)</u>
<b>Net Change in Fund Balance</b>	7,375,484	1,163,533	-	(1,091,154)
<b>Fund Balances:</b>				
Beginning of Year, as Restated (Note 16)	53,693,518	47,554,720	-	65,671,870
End of Year	<u>\$ 61,069,002</u>	<u>\$ 48,718,253</u>	<u>\$ -</u>	<u>\$ 64,580,716</u>

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, 2022**

	Total Governmental Funds
<b>Revenues:</b>	
Sales tax	\$ 49,857,192
Property taxes	32,753,742
Other taxes	19,790,772
Licenses and permits	2,157,445
Fines and forfeits	880,874
Intergovernmental	24,204,645
Charges for services	18,303,849
Special assessments	5,719,440
Lease income	4,076,313
Investment income	(1,793,867)
Miscellaneous	808,956
<b>Total Revenues</b>	<b>156,759,361</b>
<b>Expenditures:</b>	
Current:	
General government	8,702,273
Public safety	79,596,254
Public works	11,592,375
Community services	13,588,568
Community development	19,389,907
Capital outlay	9,740,977
Debt service:	
Principal retirements	3,057,643
Lease principal retirements	340,435
Interest and fiscal charges	2,939,106
<b>Total Expenditures</b>	<b>148,947,538</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>7,811,823</b>
<b>Other Financing Sources (Uses):</b>	
Transfers in	3,094,750
Transfers (out)	(3,458,710)
<b>Total Other Financing Sources (Uses)</b>	<b>(363,960)</b>
<b>Net Change in Fund Balance</b>	<b>7,447,863</b>
<b>Fund Balances:</b>	
Beginning of Year, as Restated (Note 16)	166,920,108
End of Year	<b>\$ 174,367,971</b>

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, 2022**

**Net change in fund balances - total governmental funds:** \$ 7,447,863

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	\$ 9,740,977	
Depreciation, net of \$2,762,181 from Internal Service Funds	(13,530,955)	
Contributed capital assets	1,466,492	
Amortization	<u>(418,892)</u>	
		(2,742,378)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (23,104)

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	(731,935)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>95,152</u>	
		(636,783)

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	(140,339)	
Change in pension liability	16,585,544	
Principal retirements	3,398,078	
Accrued interest	<u>497,408</u>	
		<u>20,340,691</u>

**Change in net position of governmental activities** **\$ 24,386,289**

**CITY OF ESCONDIDO**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2022**

ASSETS	Major Funds			Governmental
	Water	Wastewater	Total	Internal
				Service Funds
<b>Current Assets:</b>				
Cash and investments	\$ 35,121,560	\$ 28,651,391	\$ 63,772,951	\$ 30,655,881
Receivables (Net):				
Accounts	14,375,727	3,393,300	17,769,027	67,341
Interest	85,220	76,672	161,892	69,928
Loans	-	89,400	89,400	-
Leases	67,286	-	67,286	-
Due from other governments	123,400	1,027,472	1,150,872	-
Inventory	-	2,476	2,476	678,964
Prepaid items	-	7,673	7,673	-
Deposits	-	-	-	312,600
<b>Total Current Assets</b>	<b>49,773,193</b>	<b>33,248,384</b>	<b>83,021,577</b>	<b>31,784,714</b>
<b>Noncurrent Assets:</b>				
Restricted cash and investments	28,077,247	886,608	28,963,855	-
Loans receivable	-	143,007	143,007	-
Leases receivable	1,185,508	-	1,185,508	-
Capital assets:				
Not being depreciated	43,324,088	50,454,334	93,778,422	-
Being depreciated, net	108,766,455	169,233,298	277,999,753	5,693,882
<b>Total Noncurrent Assets</b>	<b>181,353,298</b>	<b>220,717,247</b>	<b>402,070,545</b>	<b>5,693,882</b>
<b>Total Assets</b>	<b>231,126,491</b>	<b>253,965,631</b>	<b>485,092,122</b>	<b>37,478,596</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	2,988,742	3,336,568	6,325,310	1,494,083
<b>Total Deferred Outflows of Resources</b>	<b>2,988,742</b>	<b>3,336,568</b>	<b>6,325,310</b>	<b>1,494,083</b>

**CITY OF ESCONDIDO**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2022**

	Major Funds		Total	Governmental Activities
	Water	Wastewater		Internal Service Funds
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	11,685,090	5,693,932	17,379,022	1,075,394
Retention payable	8,852,025	-	8,852,025	-
Accrued expenses	372,381	354,574	726,955	229,108
Accrued interest	1,058,198	653,364	1,711,562	-
Long-term debt, due within one year	2,864,279	3,749,723	6,614,002	3,576,579
<b>Total Current Liabilities</b>	<b>24,831,973</b>	<b>10,451,593</b>	<b>35,283,566</b>	<b>4,881,081</b>
<b>Noncurrent Liabilities:</b>				
Deposits payable	604,458	-	604,458	-
Aggregate net pension liabilities	12,846,217	14,863,326	27,709,543	7,057,130
Long-term debt, due in more than one year	99,221,038	48,828,661	148,049,699	14,438,354
<b>Total Noncurrent Liabilities</b>	<b>112,671,713</b>	<b>63,691,987</b>	<b>176,363,700</b>	<b>21,495,484</b>
<b>Total Liabilities</b>	<b>137,503,686</b>	<b>74,143,580</b>	<b>211,647,266</b>	<b>26,376,565</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to leases	1,248,148	-	1,248,148	-
Deferred inflows of resources related to pensions	5,853,437	6,552,843	12,406,280	3,023,686
Deferred gain on refundings	478,112	620,280	1,098,392	-
<b>Total Deferred Inflows of Resources</b>	<b>7,579,697</b>	<b>7,173,123</b>	<b>14,752,820</b>	<b>3,023,686</b>
<b>NET POSITION</b>				
Net investment in capital assets	51,507,848	172,350,636	223,858,484	5,693,882
Unrestricted	37,524,002	3,634,860	41,158,862	3,878,546
<b>Total Net Position</b>	<b>\$ 89,031,850</b>	<b>\$ 175,985,496</b>	<b>265,017,346</b>	<b>\$ 9,572,428</b>
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds			<u>(1,324,605)</u>	
Net position of business-type activities			<u>\$ 263,692,741</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, 2022**

	Business-Type Activities			Governmental Activities
	Water	Wastewater	Total	Internal Service Funds
	Water	Wastewater	Total	Funds
<b>Operating Revenues:</b>				
Charges for services	\$ 70,180,281	\$ 41,244,235	\$ 111,424,516	\$ 34,962,747
<b>Total Operating Revenues</b>	<u>70,180,281</u>	<u>41,244,235</u>	<u>111,424,516</u>	<u>34,962,747</u>
<b>Operating Expenses:</b>				
Personnel services	10,922,426	11,097,497	22,019,923	5,277,393
Purchased water	31,605,969	-	31,605,969	-
Administrative expenses	7,106,998	2,624,055	9,731,053	2,247,873
Benefit claims	-	-	-	1,006,897
Supplies	3,201,175	1,265,692	4,466,867	241,397
Repairs and maintenance	2,494,092	2,198,187	4,692,279	2,226,991
Depreciation	4,639,175	7,034,333	11,673,508	2,762,181
Utilities	3,599,657	3,955,142	7,554,799	1,565,546
Fuel	-	-	-	1,628,202
Professional services	940,076	3,613,908	4,553,984	4,538,894
Insurance premiums	724,670	618,650	1,343,320	13,969,809
Rent	511,266	316,683	827,949	-
Other	626,705	704,099	1,330,804	1,077,560
<b>Total Operating Expenses</b>	<u>66,372,209</u>	<u>33,428,246</u>	<u>99,800,455</u>	<u>36,542,743</u>
<b>Operating Income (Loss)</b>	<u>3,808,072</u>	<u>7,815,989</u>	<u>11,624,061</u>	<u>(1,579,996)</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, 2022**

	Business-Type Activities			Governmental Activities Internal Service Funds
	Water	Wastewater	Total	
<b>Nonoperating Revenues (Expenses):</b>				
Investment income	(1,073,754)	(871,870)	(1,945,624)	(669,377)
Rents and concessions	1,328,840	-	1,328,840	-
Interest and fiscal charges	(2,770,335)	(2,264,660)	(5,034,995)	(3,089)
Miscellaneous	1,946,167	222,543	2,168,710	724,055
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(569,082)</u>	<u>(2,913,987)</u>	<u>(3,483,069)</u>	<u>51,589</u>
<b>Income Before Transfers and Capital Contributions</b>	<u>3,238,990</u>	<u>4,902,002</u>	<u>8,140,992</u>	<u>(1,528,407)</u>
Transfers in	30,000	-	30,000	415,000
Transfers (out)	(54,530)	(26,510)	(81,040)	-
Capital Contributions:				
Intergovernmental	2,964,523	6,792,262	9,756,785	-
Connection fees	925,970	1,974,532	2,900,502	-
Developer contributions	794,824	172,533	967,357	381,472
<b>Total Transfers and Capital Contributions</b>	<u>4,660,787</u>	<u>8,912,817</u>	<u>13,573,604</u>	<u>796,472</u>
<b>Changes in Net Position</b>	7,899,777	13,814,819	21,714,596	(731,935)
<b>Net Position at Beginning of Year, as Restated</b>	<u>81,132,073</u>	<u>162,170,677</u>	<u>243,302,750</u>	<u>10,304,363</u>
<b>Net Position at End of Year</b>	<u>\$ 89,031,850</u>	<u>\$ 175,985,496</u>	<u>\$ 265,017,346</u>	<u>\$ 9,572,428</u>
Change in Net Position			\$ 21,714,596	
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds			<u>(95,152)</u>	
Change in net position of business-type activities			<u>\$ 21,619,444</u>	

See Accompanying Notes to Basic Financial Statements.

**CITY OF ESCONDIDO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Business-Type Activities			Governmental Activities Internal Service Funds
	Water	Wastewater	Total	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 66,647,492	\$ 40,367,077	\$ 107,014,569	\$ 34,955,396
Cash paid to employees for services	(12,919,339)	(13,420,094)	(26,339,433)	(7,805,862)
Cash paid to suppliers for goods or services	(42,163,741)	(15,119,343)	(57,283,084)	(25,719,724)
Cash for rents and concessions	1,324,194	-	1,324,194	-
Cash from other sources	1,946,167	295,602	2,241,769	456,974
<b>Net Cash Provided by Operating Activities</b>	<u>14,834,773</u>	<u>12,123,242</u>	<u>26,958,015</u>	<u>1,886,784</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Cash received from (paid to) other funds	(24,530)	(26,510)	(51,040)	415,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>(24,530)</u>	<u>(26,510)</u>	<u>(51,040)</u>	<u>415,000</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase and construction of capital assets	(25,950,682)	(30,351,414)	(56,302,096)	(591,951)
Construction in progress reimbursement	3,065,374	6,925,311	9,990,685	938,000
Sale of capital assets	-	-	-	267,082
Payments on connection rights	919,509	-	919,509	-
Cash received for connection fees	794,824	2,147,065	2,941,889	-
Proceeds from loans payable	25,000,000	892,074	25,892,074	-
Principal payments on bonds	(1,400,000)	(6,110,000)	(7,510,000)	-
Interest payments on bonds	(1,590,668)	2,585,388	994,720	-
Principal payments on loans	(603,956)	(1,706,542)	(2,310,498)	(104,400)
Interest payments on loans	(1,218,064)	(440,673)	(1,658,737)	(3,089)
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<u>(983,663)</u>	<u>(26,058,791)</u>	<u>(27,042,454)</u>	<u>505,642</u>
<b>Cash Flows from Investing Activities:</b>				
Investment income received	(1,075,515)	(854,047)	(1,929,562)	(675,975)
<b>Net Cash Provided by Investing Activities</b>	<u>(1,075,515)</u>	<u>(854,047)</u>	<u>(1,929,562)</u>	<u>(675,975)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	12,751,065	(14,816,106)	(2,065,041)	2,131,451
<b>Cash and cash equivalents:</b>				
Beginning of year	<u>50,447,742</u>	<u>44,354,105</u>	<u>94,801,847</u>	<u>28,524,430</u>
End of year	<u>\$ 63,198,807</u>	<u>\$ 29,537,999</u>	<u>\$ 92,736,806</u>	<u>\$ 30,655,881</u>
<b>Reconciliation of Cash Equivalents to the Statement of Net Position:</b>				
Cash and investments	\$ 35,121,560	\$ 28,651,391	\$ 63,772,951	\$ 30,655,881
Restricted cash and investments	28,077,247	886,608	28,963,855	-
<b>Total cash and cash equivalents</b>	<u>\$ 63,198,807</u>	<u>\$ 29,537,999</u>	<u>\$ 92,736,806</u>	<u>\$ 30,655,881</u>

See Accompanying Notes to Basic Financial Statements.

**CITY OF ESCONDIDO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Business-Type Activities			Governmental Activities Internal Service Funds
	Water	Wastewater	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating income (loss)	\$ 3,808,072	\$ 7,815,989	\$ 11,624,061	\$ (1,579,996)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	4,639,175	7,034,333	11,673,508	2,762,181
Cash from rent and concessions	1,328,840	-	1,328,840	-
Cash from other sources	1,946,167	222,543	2,168,710	456,974
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
Accounts receivable	(3,543,907)	(869,485)	(4,413,392)	(7,351)
Inventories	-	2,085	2,085	(34,710)
Prepaid items	-	(7,673)	(7,673)	-
Loans receivable	-	73,059	73,059	-
Leases receivable	(4,646)	-	(4,646)	-
Deferred outflows of resources related to pensions	291,625	344,983	636,608	149,673
Accounts payable	7,249,342	468,984	7,718,326	1,061,691
Retentions payable	1,359,703	(296,063)	1,063,640	-
Accrued expenses	37,822	2,067	39,889	37,363
Compensated absences	11,468	(92,752)	(81,284)	7,014
Customer deposits	11,118	-	11,118	-
Pension liability	(8,153,443)	(9,127,671)	(17,281,114)	(4,211,791)
Deferred inflows of resources related to pensions	5,853,437	6,552,843	12,406,280	3,023,686
Estimated claims payable	-	-	-	222,050
Total adjustments	<u>11,026,701</u>	<u>4,307,253</u>	<u>15,333,954</u>	<u>3,466,780</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 14,834,773</u>	<u>\$ 12,123,242</u>	<u>\$ 26,958,015</u>	<u>\$ 1,886,784</u>
<b>Noncash Investing, Capital and Financing Activities:</b>				
Contributed property, plant and equipment	\$ 794,824	\$ 172,533	\$ 967,357	\$ 381,472
Amortization of bond premium/discounts	(226,398)	2,875,667	2,649,269	-
Amortization of deferred charge on bond refundings	(25,241)	1,400,928	1,375,687	-
<b>Total noncash investing, capital and financing activities</b>	<u>\$ 543,185</u>	<u>\$ 4,449,128</u>	<u>\$ 4,992,313</u>	<u>\$ 381,472</u>

See Accompanying Notes to Basic Financial Statements.



**CITY OF ESCONDIDO**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former CDC
<b>ASSETS</b>		
Cash and investments	\$ 1,880,927	\$ 212,137
Cash and investments with fiscal agent	353,945	-
Receivables:		
Interest	3,119	-
Taxes	3,795	-
<b>Total Assets</b>	2,241,786	212,137
<b>LIABILITIES</b>		
Long-term liabilities:		
Due within one year	-	150,000
Due in more than one year	-	809,515
<b>Total Liabilities</b>	-	959,515
<b>NET POSITION</b>		
Net position restricted for individuals, organizations, and other governments	2,241,786	(747,378)
<b>Total Net Position (Deficit)</b>	\$ 2,241,786	\$ (747,378)

**CITY OF ESCONDIDO**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former CDC
<b>ADDITIONS:</b>		
Taxes	\$ -	\$ 98,439
Special assessments	2,197,203	-
Interest and change in fair value of investments	6,756	-
<b>Total Additions</b>	<u>2,203,959</u>	<u>98,439</u>
<b>DEDUCTIONS:</b>		
Administrative expenses	75,958	-
Interest expense	-	118,877
Payments on conduit bonds - principal	860,000	-
Payments on conduit bonds - interest	685,446	-
<b>Total Deductions</b>	<u>1,621,404</u>	<u>118,877</u>
<b>Changes in Net Position</b>	582,555	(20,438)
<b>NET POSITION:</b>		
Beginning of year	<u>1,659,231</u>	<u>(726,940)</u>
End of year (Deficit)	<u>\$ 2,241,786</u>	<u>\$ (747,378)</u>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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**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 activity of the Authority is included in the golf course nonmajor debt service fund and water enterprise fund. 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, 2022**

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**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 is 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, 2022**

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**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, 2022**

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**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.

**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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

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

**Proprietary Fund Financial Statements (Continued)**

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, and Rancho San Pasqual) 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.

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.



**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**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.

**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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**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.

**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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**J. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are reported 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. 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.

**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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**K. Compensated Absences – Employee Leave Benefits (Continued)**

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.

*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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**P. Net Position (Continued)**

*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.

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, 2022, 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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**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.

**S. Implementation of New GASB Pronouncements**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to beginning net position as a result of the implementation of this standard as lease liabilities equaled right to use lease assets and lease receivables equaled deferred inflow of resources at the beginning of the period of adoption. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Lease assets are reported in the applicable governmental and business-type activities columns in the government-wide and respective proprietary fund financial statements. Lease assets are recorded at the amount of the initial measurement of the lease term, less any lease incentive received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the asset into service. Lease assets are depreciated using straight-line depreciation over the useful life of the underlying asset.

The City recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Lease payable represents the City's obligation to make lease payments arising from the lease. A lease payable is recognized at the commencement date based on the present value of expected lease payments over the lease term, less any incentives. Interest expense is recognized ratably over the contract term.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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, 2022.

**B. Deficit Fund Equity**

The following funds reported a deficit fund balance/net position as of June 30, 2022:

Fund	Fund Type	Amount
Unrestricted Net Position	Governmental Activities	\$ (118,853,522)
Community Development Block Grant	Special Revenue Fund	(136,413)
Law Enforcement	Special Revenue Fund	(624,258)
Miscellaneous Grants	Special Revenue Fund	(1,478,625)
County Transportation Street Projects	Special Revenue Fund	(2,468,134)
Building Maintenance	Internal Service Fund	(1,707,935)
Network and Systems Administration	Internal Service Fund	(1,354,034)
Workers' Compensation	Internal Service Fund	(144,556)
Successor Agency of the former CDC	Private Purpose Trust Fund	(747,378)

At June 30, 2022, the City had an unrestricted net position deficit of (\$118,853,522) 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 (\$136,413) deficit in the Community Development Block Grant fund, (\$624,258) in the Law Enforcement fund, (\$1,478,625) in the Miscellaneous Grants fund, and (\$2,468,134) 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, Network and Systems Administration, and Workers Compensation 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 (\$747,378) 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, 2022, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Component Unit	Fiduciary Funds	Total
Cash and investments	\$ 166,463,405	\$ 63,772,951	\$ 2,637,864	\$ 2,093,064	\$ 234,967,284
Investment in Section 115 Trust	23,667,372	-	-	-	23,667,372
Cash and investments with fiscal agent	1	28,963,855	422,046	353,945	29,739,847
<b>Total</b>	<b>\$ 190,130,778</b>	<b>\$ 92,736,806</b>	<b>\$ 3,059,910</b>	<b>\$ 2,447,009</b>	<b>\$ 288,374,503</b>



**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 3 – Cash and Investments (Continued)**

At June 30, 2022, 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, 2022:

	Fair Value	Measurement Input			
		Level 1	Level 2	Level 3	Uncategorized
Cash on hand	\$ 23,312	\$ -	\$ -	\$ -	\$ 23,312
Demand deposits	28,090,324	-	-	-	28,090,324
Investments:					
U. S. Treasury Obligations	70,958,135	-	70,958,135	-	-
U. S. Corporate Bonds	26,915,420	-	26,915,420	-	-
U. S. Municipal Bonds	9,043,981	-	9,043,981	-	-
Supranational Obligations	2,893,953	-	2,893,953	-	-
Federal Agency Securities	10,037,248	-	10,037,248	-	-
Negotiable Certificates of Deposit	1,191,723	-	-	-	1,191,723
Asset Backed Securities	7,068,261	-	-	-	7,068,261
Placement Service Deposits	5,250,409	-	-	-	5,250,409
Money Market Funds	451,567	-	451,567	-	-
Local Gov. Investment Pool (CAMP)	26,037,987	-	-	-	26,037,987
State Investment Pool (LAIF)	47,427,010	-	-	-	47,427,010
Subtotal	207,275,694	-	120,300,304	-	86,975,390
Held by fiscal agent:					
U.S. Treasury Obligations	28,431,074	-	28,431,074	-	-
Money Market Funds	886,727	-	886,727	-	-
Subtotal	29,317,801	-	29,317,801	-	-
Investment in Section 115 Trust	23,667,372	-	-	-	23,667,372
<b>Total</b>	<b>\$ 288,374,503</b>	<b>\$ -</b>	<b>\$ 149,618,105</b>	<b>\$ -</b>	<b>\$ 138,756,398</b>

**A. Demand Deposits**

The carrying amount of the City’s cash deposits were \$25,053,726 at June 30, 2022. Bank balances before reconciling items were \$27,645,335 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.

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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 3 – Cash and Investments (Continued)**

**A. Demand Deposits (Continued)**

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.

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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 3 – Cash and Investments (Continued)**

**B. Investments (Continued)**

**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

**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, 2022, the City had \$47,427,010 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, 2022. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 3 – Cash and Investments (Continued)**

**D. 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. 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
<b>Investments:</b>					
U. S. Treasury Obligations	\$ 70,958,135	\$ 7,672,399	\$ 35,381,966	\$ 21,348,236	\$ 6,555,534
U. S. Corporate Bonds	26,915,420	2,105,301	16,116,236	2,702,708	5,991,175
U. S. Municipal Bonds	9,043,981	729,920	6,382,397	1,931,664	
Supranational Obligations	2,893,953	-	2,893,953		-
Federal Agency Securities	10,037,248	123,619	9,913,629		
Negotiable Certificates of Deposit	1,191,723	1,191,723		-	-
Asset Backed Securities	7,068,261	1,529,958	5,538,303		
Placement Service Deposits	5,250,409	5,250,409	-	-	-
Money Market Funds	451,567	451,567			
Local Gov. Investment Pool (CAMP)	26,037,987	26,037,987			
State Investment Pool (LAIF)	47,427,010	47,427,010	-	-	-
Subtotal	207,275,694	92,519,893	76,226,484	25,982,608	12,546,709
<b>Held by fiscal agent:</b>					
U.S. Treasury Obligations	28,431,074	28,431,074	-	-	-
Money Market Funds	886,727	886,727	-	-	-
Subtotal	29,317,801	29,317,801	-	-	-
Investment in Section 115 Trust	23,667,372	23,667,372	-	-	-
<b>Total</b>	<b>\$ 260,260,867</b>	<b>\$ 145,505,066</b>	<b>\$ 76,226,484</b>	<b>\$ 25,982,608</b>	<b>\$ 12,546,709</b>

**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, 2022**

**Note 3 – Cash and Investments (Continued)**

**D. 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
<b>Investments:</b>								
U. S. Treasury Obligations	\$ 70,958,135	N/A	\$ -	\$ -	\$ 70,958,135	\$ -	\$ -	\$ -
U. S. Corporate Bonds	26,915,420	A	-	-	-	2,963,158	23,952,262	-
U. S. Municipal Bonds	9,043,981	A	-	2,637,787	2,326,919	3,349,356	-	729,919
Supranational Obligations	2,893,953	A	-	2,893,953	-	-	-	-
Federal Agency Securities	10,037,248	N/A	-	-	10,037,248	-	-	-
Negotiable Certificates of Deposit	1,191,723	N/A	1,191,723	-	-	-	-	-
Asset Backed Securities	7,068,261	N/A	7,068,261	-	-	-	-	-
Placement Service Deposits	5,250,409	N/A	-	-	-	-	-	5,250,409
Money Market Funds	451,567	N/A	451,567	-	-	-	-	-
Local Gov. Investment Pool (CAMP)	26,037,987	N/A	-	26,037,987	-	-	-	-
State Investment Pool (LAIF)	47,427,010	N/A	-	-	-	-	-	47,427,010
Subtotal	207,275,694		8,711,551	31,569,727	83,322,302	6,312,514	23,952,262	53,407,338
<b>Held by fiscal agent:</b>								
U.S. Treasury Obligations	28,431,074	N/A	-	-	-	-	-	28,431,074
Money Market Funds	886,727	N/A	-	-	-	-	-	886,727
Subtotal	29,317,801		-	-	-	-	-	29,317,801
Investment in Section 115 Trust	23,667,372	N/A	-	-	-	-	-	23,667,372
<b>Total</b>	<b>\$ 260,260,867</b>		<b>\$ 8,711,551</b>	<b>\$ 31,569,727</b>	<b>\$ 83,322,302</b>	<b>\$ 6,312,514</b>	<b>\$ 23,952,262</b>	<b>\$ 106,392,511</b>

**Disclosures Relating to Concentration of Credit Risk**

The City has no 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.

**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.

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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 4 – Accounts Receivable**

As of June 30, 2022, the accounts receivable are categorized as follows:

	Governmental Activities	Business-type Activities	Total
Accounts receivable	\$ 5,709,763	\$ 18,645,784	\$ 24,355,547
Interest receivable	18,111,336	161,892	18,273,228
Taxes receivable	10,868,915	-	10,868,915
<b>Total receivables</b>	34,690,014	18,807,676	53,497,690
Less: Allowance for uncollectible amounts	(1,837,028)	(876,757)	(2,713,785)
<b>Total receivables, net of allowance</b>	<u>\$ 32,852,986</u>	<u>\$ 17,930,919</u>	<u>\$ 50,783,905</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, 2022 are \$548,028 for the Water Fund and \$328,729 for the Wastewater Fund.

**Note 5 – Notes and Loans Receivable**

At June 30, 2022, 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	34,807,660	-	34,807,660
HOME Fund	17,015,254	-	17,015,254
Community Development Block Grant Fund	231,659	-	231,659
Public Facilities Capital Projects Fund	122,165	-	122,165
Wastewater Enterprise Fund	-	232,407	232,407
<b>Total</b>	<u>\$ 63,176,738</u>	<u>\$ 232,407</u>	<u>\$ 63,409,145</u>

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 for the remaining balance of \$10,800,000 which will be repaid from residual receipts over 55 years. Interest accrues at the rate of 2.21% compounded annually. As of June 30, 2022, the notes receivable balance was \$10,800,000, and unavailable revenue of \$11,316,743 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, 2022, the notes receivable balance was \$200,000.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 5 – Notes and Loans Receivable (Continued)**

On June 30, 2022, the City has outstanding loans of \$34,807,660 recorded in the Successor Agency Housing Fund; \$17,015,254 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, 2022 is \$122,165.

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, 2022 is \$232,407 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, 2022, the City recognized \$3,004,654 and \$756,198 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2023	\$ 2,394,831	\$ 713,483	\$ 67,286	\$ 17,493	\$ 3,193,093
2024	2,400,488	688,234	70,566	16,755	3,176,043
2025	2,468,969	662,068	73,963	15,978	3,220,978
2026	2,465,155	635,082	77,479	15,161	3,192,877
2027	1,941,767	608,823	81,119	14,300	2,646,009
2028-2032	7,037,085	2,708,123	225,586	60,567	10,031,361
2033-2037	6,971,019	2,160,904	219,344	43,682	9,394,949
2038-2042	7,912,685	1,558,808	237,600	25,426	9,734,519
2043-2047	7,893,177	888,679	199,851	6,186	8,987,893
2048-2052	5,961,647	343,128	-	-	6,304,775
2053	1,227,794	9,300	-	-	1,237,094
<b>Total</b>	<b>\$ 48,674,617</b>	<b>\$ 10,976,632</b>	<b>\$ 1,252,794</b>	<b>\$ 215,548</b>	<b>\$ 61,119,591</b>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 7 – Interfund Transactions**

**A. Due To and From Other Funds**

At June 30, 2022, due from and to other funds balances are as follows:

<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Amounts</u>
General Fund	Nonmajor Governmental Funds: Community Development Block Grant Fund	\$ 345,477
General Fund	Nonmajor Governmental Funds: County Transportation Street Projects Fund	\$ 1,914,165
Private Purpose Trust Fund: Successor Agency of the Former CDC	Nonmajor Governmental Funds: Street Special Revenue Fund	\$ 959,515

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 and the County Transportation Street Projects 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.

The Former Community Development Commission had received monies from the General Fund and from the Street Special Revenue Fund for use in its operations and capital improvement projects. For more information, see Note 9C.

**B. Advances To and From Other Funds**

At June 30, 2022, 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	\$ 378,840

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.

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, 2022 is \$378,840 including principal and interest



**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 7 – Interfund Transactions (Continued)**

**C. Transfers In and Out**

For the year ended June 30, 2022, interfund transfers are as follows:

<b>Transfer Out</b>	<b>Transfers In</b>					<b>Total</b>
	General Fund	Successor Agency Housing	Nonmajor Governmental Funds	Enterprise - Water	Internal Service Funds	
General Fund	\$ -	\$ 573,590	\$ 466,160	\$ -	\$ 333,960	\$ 1,373,710
Nonmajor Governmental	2,055,000	-	-	30,000	-	2,085,000
Enterprise:						
Water	-	-	-	-	54,530	54,530
Water	-	-	-	-	26,510	26,510
<b>Total</b>	<b>\$ 2,055,000</b>	<b>\$ 573,590</b>	<b>\$ 466,160</b>	<b>\$ 30,000</b>	<b>\$ 415,000</b>	<b>\$ 3,539,750</b>

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, 2022**

**Note 8 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for the governmental activities for the year ended June 30, 2022, is as follows:

	Balance Beginning of Year, Restated <sup>(1)</sup>	Transfers of CIP	Additions	Deletions	Balance June 30, 2022
<b>Capital assets, not being depreciated:</b>					
Art and historical treasures	\$ 9,532,194	\$ -	\$ -	\$ -	\$ 9,532,194
Land	52,704,126	-	485,000	-	53,189,126
Construction in progress	16,699,331	(2,369,915)	7,823,962	-	22,153,378
<b>Total capital assets, not being depreciated</b>	<b>78,935,651</b>	<b>(2,369,915)</b>	<b>8,308,962</b>	<b>-</b>	<b>84,874,698</b>
<b>Capital assets, being depreciated:</b>					
Land improvements	40,679,775	856,388	-	-	41,536,163
Buildings	223,218,010	34,408	91,250	-	223,343,668
Machinery and equipment	34,229,585	1,460,037	633,544	(27,780)	36,295,386
Motorized vehicles	30,201,646	19,082	954,341	(1,696,426)	29,478,643
Infrastructure	333,209,793	-	1,254,793	-	334,464,586
Golf Course	4,326,835	-	-	-	4,326,835
Radio Rights	3,230,225	-	-	-	3,230,225
<b>Total capital assets, being depreciated</b>	<b>669,095,869</b>	<b>2,369,915</b>	<b>2,933,928</b>	<b>(1,724,206)</b>	<b>672,675,506</b>
<b>Less accumulated depreciation</b>					
Land improvements	(38,956,930)	-	(792,070)	-	(39,749,000)
Buildings	(137,199,234)	-	(5,661,623)	-	(142,860,857)
Machinery and equipment	(30,432,237)	-	(1,767,025)	27,780	(32,171,482)
Motorized vehicles	(25,644,674)	-	(2,278,961)	1,696,426	(26,227,209)
Infrastructure	(225,384,745)	-	(5,487,718)	-	(230,872,463)
Golf Course	(2,692,253)	-	(144,228)	-	(2,836,481)
Radio Rights	(807,556)	-	(161,511)	-	(969,067)
<b>Total accumulated depreciation</b>	<b>(461,117,629)</b>	<b>-</b>	<b>(16,293,136)</b>	<b>1,724,206</b>	<b>(475,686,559)</b>
<b>Total capital assets, being depreciated, net</b>	<b>207,978,240</b>	<b>2,369,915</b>	<b>(13,359,208)</b>	<b>-</b>	<b>196,988,947</b>
<b>Right-to-Use Lease Assets:</b>					
Land	10,633,166	-	-	-	10,633,166
<b>Total Right-to-Use Lease Assets</b>	<b>10,633,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,633,166</b>
<b>Less accumulated amortization:</b>					
Land	-	-	(418,892)	-	(418,892)
<b>Total accumulated amortization</b>	<b>-</b>	<b>-</b>	<b>(418,892)</b>	<b>-</b>	<b>(418,892)</b>
<b>Total Right-to-Use Lease Assets, Net</b>	<b>10,633,166</b>	<b>-</b>	<b>(418,892)</b>	<b>-</b>	<b>10,214,274</b>
<b>Total Governmental Activities capital assets, net</b>	<b>\$ 297,547,057</b>	<b>\$ -</b>	<b>\$ (5,469,138)</b>	<b>\$ -</b>	<b>\$ 292,077,919</b>

<sup>(1)</sup> The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1S.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 8 – Capital Assets (Continued)**

**A. Governmental Activities (Continued)**

Depreciation and amortization expense was charged to the following functions:

General government	\$	3,942,614
Public safety		2,904,607
Public works		5,940,162
Community services		932,754
Community development		229,710
Internal service funds		2,762,181
<b>Total</b>	<b>\$</b>	<b>16,712,028</b>

**B. Business-type Activities**

Summary of changes in capital assets for the business-type activities for the year ended June 30, 2022, is as follows:

	Balance July 1, 2021	Transfers of CIP	Additions	Deletions	Balance June 30, 2022
<b>Capital assets, not being depreciated:</b>					
Land	\$ 3,138,397	\$ -	\$ -	\$ -	\$ 3,138,397
Construction in progress	36,016,737	(99,304)	54,722,592	-	90,640,025
<b>Total capital assets, not being depreciated</b>	<b>39,155,134</b>	<b>(99,304)</b>	<b>54,722,592</b>	<b>-</b>	<b>93,778,422</b>
<b>Capital assets, being depreciated:</b>					
Land improvements	1,092,101	-	-	-	1,092,101
Buildings	31,705,883	99,304	-	-	31,805,187
Machinery and equipment	13,848,845	-	612,144	(17,887)	14,443,102
Water system	170,469,392	-	794,824	-	171,264,216
Electrical system	3,609,179	-	-	-	3,609,179
Sewer system	217,904,725	-	172,533	-	218,077,258
Recycled water system	45,340,654	-	-	-	45,340,654
<b>Total capital assets, being depreciated</b>	<b>483,970,779</b>	<b>99,304</b>	<b>1,579,501</b>	<b>(17,887)</b>	<b>485,631,697</b>
<b>Less accumulated depreciation</b>					
Land improvements	(386,622)	-	(28,454)	-	(415,076)
Buildings	(21,688,731)	-	(407,503)	-	(22,096,234)
Machinery and equipment	(11,307,659)	-	(962,694)	17,887	(12,252,466)
Water system	(61,186,090)	-	(4,004,885)	-	(65,190,975)
Electrical system	(3,449,186)	-	(44,643)	-	(3,493,829)
Sewer system	(87,199,928)	-	(5,621,245)	-	(92,821,173)
Recycled water system	(10,758,107)	-	(604,085)	-	(11,362,192)
<b>Total accumulated depreciation</b>	<b>(195,976,323)</b>	<b>-</b>	<b>(11,673,508)</b>	<b>17,887</b>	<b>(207,631,944)</b>
<b>Total capital assets, being depreciated, net</b>	<b>287,994,456</b>	<b>99,304</b>	<b>(10,094,007)</b>	<b>-</b>	<b>277,999,753</b>
<b>Total Business-type Activities capital assets, net</b>	<b>\$ 327,149,590</b>	<b>\$ -</b>	<b>\$ 44,628,585</b>	<b>\$ -</b>	<b>\$ 371,778,175</b>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 8 – Capital Assets (Continued)**

**B. Business-type Activities (Continued)**

Depreciation expense was charged to the following functions:

Water	\$ 4,639,175
Wastewater	<u>7,034,333</u>
<b>Total</b>	<u><u>\$ 11,673,508</u></u>

**C. Component Unit**

Property and equipment consisted of the following at June 30, 2022:

	Balance
	<u>June 30, 2022</u>
Operating equipment and furniture	1,237,460
Tenant improvements	168,745
Computer software	<u>12,050</u>
<b>Total capital assets, being depreciated</b>	1,418,255
Less accumulated depreciation	<u>(904,262)</u>
<b>Total Component Unit capital assets, net</b>	<u><u>\$ 513,993</u></u>

Depreciation expense for the year ended June 30, 2022 was \$75,855.

**Note 9 – Long-Term Debt**

**A. Governmental Activities**

Summary of changes in long-term liabilities for Governmental Activities as of June 30, 2022, are as follows:

	Balance			Balance June 30, 2022	Due within One Year	Due in More Than One Year
	Beginning of Year, Restated <sup>(1)</sup>	Additions	Deletions			
Compensated absences	\$ 7,311,294	\$ 1,851,225	\$ (1,703,812)	\$ 7,458,707	\$ 745,871	\$ 6,712,836
Claims payable	17,528,800	2,912,401	(2,690,351)	17,750,850	3,550,170	14,200,680
Loans payable	1,831,313	-	(431,741)	1,399,572	335,586	1,063,986
Financed purchase payable	941,695	-	(305,302)	636,393	313,819	322,574
Leases payable	10,633,166	-	(340,436)	10,292,730	344,567	9,948,163
2015 Refunding General Obligation Bonds	52,780,000	-	(2,165,000)	50,615,000	2,275,000	48,340,000
Unamortized bond premium	6,531,476	-	(430,647)	6,100,829	-	6,100,829
2013A Lease Revenue Bonds	3,020,000	-	(260,000)	2,760,000	265,000	2,495,000
Unamortized bond discount	(5,329)	-	547	(4,782)	-	(4,782)
<b>Total</b>	<u>\$ 89,939,249</u>	<u>\$ 4,763,626</u>	<u>\$ (8,326,742)</u>	<u>\$ 97,009,299</u>	<u>\$ 7,830,013</u>	<u>\$ 89,179,286</u>

<sup>(1)</sup> The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1S.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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, 2022, is \$7,458,707. 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, 2022, is \$17,750,850. For more information, see Note 11.

**Loans Payable**

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
California Energy Commission Loan	\$ 103,834	\$ -	\$ (103,834)	\$ -	\$ -	\$ -
San Diego Gas & Electric Loan	1,430	-	(1,430)	-	-	-
County of San Diego Loan	1,726,049	-	(326,477)	1,399,572	335,586	1,063,986
	<u>\$ 1,831,313</u>	<u>\$ -</u>	<u>\$ (431,741)</u>	<u>\$ 1,399,572</u>	<u>\$ 335,586</u>	<u>\$ 1,063,986</u>

**California Energy Commission Loan**

In 2004, the City was granted an energy conservation loan from the California Energy Commission to fund various energy conservation projects. The term of the loan is 15 years with an annual interest rate of 3.95%. The loan has been paid in full and the outstanding balance at June 30, 2022, is \$0.

**San Diego Gas & Electric Loan**

In 2011, the City was granted five loans from the San Diego Gas and Electric Company to fund various energy conservation projects. The term of the loan is 8 years of monthly installment payments with no interest. The loan has been paid in full and the outstanding balance at June 30, 2022, is \$0.

**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%.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**A. Governmental Activities (Continued)**

**Loans Payable (Continued)**

**County of San Diego Loan (Continued)**

The outstanding balance at June 30, 2022, is \$1,399,572. The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 335,585	\$ 39,048	\$ 374,633
2024	344,949	29,685	374,634
2025	354,573	20,062	374,635
2026	364,465	10,168	374,633
Total	<u>\$ 1,399,572</u>	<u>\$ 98,963</u>	<u>\$ 1,498,535</u>

**Financed Purchase Payable**

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Motorola Radios Equipment	\$ 941,695	\$ -	\$ (305,302)	\$ 636,393	\$ 313,819	\$ 322,574
	<u>\$ 941,695</u>	<u>\$ -</u>	<u>\$ (305,302)</u>	<u>\$ 636,393</u>	<u>\$ 313,819</u>	<u>\$ 322,574</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 outstanding balance at June 30, 2022, is \$636,393. The net carrying amount of the capital assets, classified as machinery and equipment, acquired under the capital lease totaled \$355,669 at June 30, 2022. The amortization of the leased assets are included as part of depreciation expense. The future minimum lease and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 313,820	\$ 17,754	\$ 331,574
2024	322,573	8,999	331,572
Total	<u>\$ 636,393</u>	<u>\$ 26,752</u>	<u>\$ 663,145</u>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**A. Governmental Activities (Continued)**

**Leases Payable**

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 right-to-use lease assets and the related accumulated amortization are detailed in Note 8.

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

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 344,567	\$ 166,179	\$ 510,746
2024	344,622	159,834	504,456
2025	351,093	153,363	504,456
2026	328,071	147,156	475,227
2027	312,416	141,892	454,308
2028-2032	1,614,695	631,959	2,246,654
2033-2037	1,751,707	494,947	2,246,654
2038-2042	1,900,346	346,309	2,246,655
2043-2047	2,061,596	185,059	2,246,655
2048-2052	1,283,618	28,138	1,311,756
Total	<u>\$ 10,292,731</u>	<u>\$ 2,454,836</u>	<u>\$ 12,747,567</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, 2022, the outstanding balance of the Bonds was \$50,615,000 and unamortized bond premium was \$6,100,829. The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 2,275,000	\$ 2,530,750	\$ 4,805,750
2024	2,390,000	2,417,000	4,807,000
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
2028-2032	16,530,000	7,922,750	24,452,750
2033-2037	21,420,000	3,323,000	24,743,000
Total	<u>\$ 50,615,000</u>	<u>\$ 22,700,250</u>	<u>\$ 73,315,250</u>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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, 2021, the outstanding balance of these bonds was \$2,760,000 and unamortized bond discount was \$4,782. The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 265,000	\$ 95,694	\$ 360,694
2024	275,000	87,250	362,250
2025	285,000	77,972	362,972
2026	295,000	68,000	363,000
2027	305,000	57,309	362,309
2028-2031	1,335,000	107,435	1,442,435
<b>Total</b>	<b>\$ 2,760,000</b>	<b>\$ 493,660</b>	<b>\$ 3,253,660</b>

**B. Business-Type Activities**

Summary of changes in long-term liabilities for Business-type Activities as of June 30, 2022, are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Connection rights payable	\$ 12,949,008	\$ -	\$ (6,460)	\$ 12,942,548	\$ -	\$ 12,942,548
Compensated absences	1,636,380	266,481	(347,765)	1,555,096	388,775	1,166,320
Loans payable	29,451,613	25,892,074	(2,310,498)	53,033,189	3,025,227	50,007,962
2019A Water Refunding Bonds	19,800,000	-	(605,000)	19,195,000	630,000	18,565,000
Unamortized bond premium	3,720,670	-	(226,398)	3,494,272	-	3,494,272
2019B Water Refunding Bonds	29,215,000	-	(795,000)	28,420,000	815,000	27,605,000
2012 Wastewater Revenue Bonds	25,985,000	-	(25,985,000)	-	-	-
Unamortized bond premium	1,313,202	-	(1,313,202)	-	-	-
2021A Wastewater Refunding Bonds	-	21,550,000	-	21,550,000	-	21,550,000
Unamortized bond premium	-	4,523,889	-	4,523,889	-	4,523,889
2015A Wastewater Refunding Revenue Bonds	8,315,000	-	(1,215,000)	7,100,000	1,280,000	5,820,000
Unamortized bond premium	1,103,580	-	(213,597)	889,983	-	889,983
2015B Wastewater Refunding Revenue Bonds	2,440,000	-	(460,000)	1,980,000	475,000	1,505,000
Unamortized bond discount	(25,142)	-	4,867	(20,275)	-	(20,275)
<b>Total</b>	<b>\$ 135,904,311</b>	<b>\$ 52,232,444</b>	<b>\$ (33,473,053)</b>	<b>\$ 154,663,702</b>	<b>\$ 6,614,002</b>	<b>\$ 148,049,699</b>



**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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, 2022 is \$12,942,548.

**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, 2022, is \$1,555,096.

**Loans Payable**

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Tertiary Treatment Facility Project	\$ 2,881,401	\$ -	\$ (1,440,704)	\$ 1,440,697	\$ 1,440,697	\$ -
Gravity Float Line Capital Project	376,046	-	(122,231)	253,815	125,322	128,493
HARRF Aeration Blower Replacement Project	372,645	-	(89,873)	282,772	92,030	190,742
Alexander Area Phase II Water Line Project	1,659,146	-	(140,053)	1,519,093	143,579	1,375,514
Brine Transmission Line Project	4,886,169	-	(129,800)	4,756,369	132,136	4,624,233
Lindley Reservoir Tank Replacement Project	14,668,280	-	(341,672)	14,326,608	351,922	13,974,686
Recycled Water Easterly Main and Tanks Project	4,607,926	892,074	(46,165)	5,453,835	142,363	5,311,472
San Pasqual Undergrounding Project	-	25,000,000	-	25,000,000	597,178	24,402,822
<b>Total</b>	<b>\$ 29,451,613</b>	<b>\$ 25,892,074</b>	<b>\$ (2,310,498)</b>	<b>\$ 53,033,189</b>	<b>\$ 3,025,227</b>	<b>\$ 50,007,962</b>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

*Loans Payable (Continued)*

**Tertiary Treatment Facility Project**

In 1999, the City entered into an agreement with the State Water Resources Control Board (State Board) for a revolving fund loan program. The fund was established with a combination of Federal Clean Water Act funds and State matching funds. The proceeds were used to construct a Tertiary Treatment Facility for local wastewater and a delivery system for recycled water to a specified number of local users.

There are two phases in the Tertiary Treatment Facility project, and the loan was set up with sub-loan amounts for each phase. The City is obligated to repay the State Board on the Federal Disbursement Amount as principal and the Local Match Amount as interest on the loan. The Federal Disbursement portion is 83.33% and the Local Match portion is 16.67% of the total loan balance. The first phase of the Tertiary Treatment Facility project was completed on May 25, 2001 for a total project cost of \$8,149,808. The second phase of the project was completed on April 1, 2003 and included two sub-loan amounts of \$16,461,971 and \$19,754,444. The principal and interest on the first phase loan is due annually on May 25 for \$488,990 commencing 2002 and ended 2021. The principal and interest on the second phase loan is due annually on April 1 for \$1,728,852 commencing 2004 and ending 2023. 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, 2022, is \$1,440,697. The annual debt service requirements are as follows:

Year Ended June 30,	Principals		
	Phase II	Phase III	Total
2023	\$ 823,098	\$ 617,599	\$ 1,440,697
Total	\$ 823,098	\$ 617,599	\$ 1,440,697

**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, 2022, is \$253,815. The annual debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
	2023	\$ 125,323	\$ 5,596
2024	128,492	2,427	130,919
Total	\$ 253,815	\$ 8,023	\$ 261,838

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**Loans Payable (Continued)**

**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, 2022, is \$282,772. The annual debt service requirements are as follows:

<b>Year Ended</b>				
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2023	\$ 92,030	\$ 6,787	\$	98,817
2024	94,240	4,577		98,817
2025	96,502	2,317		98,819
Total	<u>\$ 282,772</u>	<u>\$ 13,681</u>	<u>\$</u>	<u>296,453</u>

**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, 2022, is \$1,519,093. The annual debt service requirements are as follows:

<b>Year Ended</b>				
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2023	\$ 143,580	\$ 37,110	\$	180,690
2024	147,194	33,496		180,690
2025	150,899	29,791		180,690
2026	154,698	25,992		180,690
2027	158,592	22,098		180,690
2028-2032	764,130	48,562		812,692
Total	<u>\$ 1,519,093</u>	<u>\$ 197,049</u>	<u>\$</u>	<u>1,716,142</u>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

*Loans Payable (Continued)*

**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. Repayment begins October 23, 2020, with semi-annual payments of principal and interest of \$217,751, including interest at the rate of 1.8%. The repayment period ends on October 23, 2049. 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, 2022, is \$4,756,369.

The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 132,136	\$ 85,615	\$ 217,751
2024	134,515	83,236	217,751
2025	136,936	80,815	217,751
2026	139,401	78,350	217,751
2027	141,910	75,841	217,751
2028-2032	748,799	339,956	1,088,755
2033-2037	818,661	270,094	1,088,755
2038-2042	895,041	193,714	1,088,755
2043-2047	978,547	110,208	1,088,755
2048-2050	630,423	22,830	653,253
Total	<u>\$ 4,756,369</u>	<u>\$ 1,340,659</u>	<u>\$ 6,097,028</u>

**Lindley Reservoir Tank Replacement Project**

In June 2019, the City of Escondido 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, 2022, is \$14,326,608.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**Loans Payable (Continued)**

**Lindley Reservoir Tank Replacement Project (Continued)**

The annual debt service requirements are as follows:

<b>Year Ended</b>				
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2023	\$ 351,922	\$ 424,519	\$ 776,441	
2024	362,479	413,803	776,282	
2025	373,354	402,766	776,120	
2026	384,554	391,397	775,951	
2027	396,091	379,688	775,779	
2028-2032	2,165,989	1,710,122	3,876,111	
2033-2037	2,510,974	1,359,961	3,870,936	
2038-2042	2,910,907	954,029	3,864,937	
2043-2047	3,374,540	483,443	3,857,982	
2048-2049	1,495,798	45,205	1,541,003	
Total	<u>\$ 14,326,608</u>	<u>\$ 6,564,934</u>	<u>\$ 20,891,541</u>	

**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 \$236,641. The loan will be funded from revenues of the Wastewater Fund. The outstanding balance at June 30, 2022, is \$5,453,835. The annual debt service requirements are as follows:

<b>Year Ended</b>				
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2023	\$ 142,253	\$ 96,389	\$ 238,641	
2024	144,813	93,828	238,641	
2025	147,420	91,222	238,641	
2026	150,073	88,568	238,641	
2027	152,775	85,867	238,641	
2028-2032	806,126	387,081	1,193,207	
2033-2037	881,337	311,871	1,193,207	
2038-2042	963,565	229,643	1,193,207	
2043-2047	1,053,464	139,743	1,193,207	
2048-2051	1,012,009	41,456	1,053,466	
Total	<u>\$ 5,453,835</u>	<u>\$ 1,565,668</u>	<u>\$ 7,019,503</u>	

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**Loans Payable (Continued)**

**San Pasqual Undergrounding Project**

In September 2021, the City of Escondido 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 will begin on August 1, 2022, with annual payments of interest and principal of approximately \$1.1 million. 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, 2022, is \$25,000,000.

The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 597,178	\$ 543,431	\$ 1,140,609
2024	610,316	530,149	1,140,465
2025	623,743	516,574	1,140,317
2026	637,466	502,701	1,140,166
2027	651,490	488,522	1,140,012
2028-2032	3,478,852	2,218,772	5,697,625
2033-2037	3,878,738	1,814,487	5,693,226
2038-2042	4,324,590	1,363,731	5,688,321
2043-2047	4,821,692	861,162	5,682,853
2048-2052	5,375,934	300,823	5,676,757
Total	<u>\$ 25,000,000</u>	<u>\$ 9,140,352</u>	<u>\$ 34,140,352</u>

**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, 2022, the outstanding balance of the Bonds was \$19,195,000 and unamortized bond premium was \$3,494,272.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**2019A Water Refunding Revenue Bonds (Continued)**

The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 630,000	\$ 878,700	\$ 1,508,700
2024	665,000	746,325	1,411,325
2025	755,000	810,825	1,565,825
2026	845,000	770,825	1,615,825
2027	890,000	727,450	1,617,450
2028-2032	4,625,000	2,919,750	7,544,750
2033-2037	8,095,000	1,759,000	9,854,000
2038	2,690,000	53,800	2,743,800
Total	<u>\$ 19,195,000</u>	<u>\$ 8,666,675</u>	<u>\$ 27,861,675</u>

**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, 2022, the outstanding balance of the Bonds was \$28,420,000.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**2019B Water Refunding Revenue Bonds (Continued)**

The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 815,000	\$ 883,813	\$ 1,698,813
2024	830,000	867,037	1,697,037
2025	855,000	849,043	1,704,043
2026	885,000	828,892	1,713,892
2027	910,000	806,284	1,716,284
2028-2032	5,580,000	3,625,956	9,205,956
2033-2037	5,105,000	2,596,680	7,701,680
2038-2042	13,440,000	1,408,914	14,848,914
Total	<u>\$ 28,420,000</u>	<u>\$ 11,866,619</u>	<u>\$ 40,286,619</u>

**2021A Wastewater Revenue Bonds**

In November 2021, the City of Escondido 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 refunding decreased the total debt service payment by \$9.6 million and resulted in an economic gain of \$8.2 million. 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, 2022, was \$21,550,000 and unamortized bond premium is \$4,523,889. The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ -	\$ 1,030,452	\$ 1,030,452
2024	280,000	831,787	1,111,787
2025	295,000	824,344	1,119,344
2026	295,000	820,656	1,115,656
2027	305,000	816,906	1,121,906
2028-2032	5,520,000	3,540,400	9,060,400
2033-2037	6,700,000	2,321,600	9,021,600
2038-2042	8,155,000	841,100	8,996,100
Total	<u>\$ 21,550,000</u>	<u>\$ 11,027,245</u>	<u>\$ 32,577,245</u>



**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**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, 2022, the outstanding balance of the Bonds was \$7,100,000 and unamortized bond premium was \$889,983.

The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,280,000	\$ 323,000	\$ 1,603,000
2024	1,350,000	257,250	1,607,250
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>\$ 7,100,000</u>	<u>\$ 923,000</u>	<u>\$ 8,023,000</u>

**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, 2022, the outstanding balance of the Bonds was \$1,980,000 and unamortized bond discount was \$20,275. The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 475,000	\$ 52,969	\$ 527,969
2024	485,000	39,162	524,162
2025	505,000	24,313	529,313
2026	515,000	8,368	523,368
Total	<u>\$ 1,980,000</u>	<u>\$ 124,812</u>	<u>\$ 2,104,812</u>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**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 Pledged Revenue	Annual Amount of Pledged Revenue (net of expenses, where required)	Annual Debt Service Payments (of all debt secured by this revenue)	Debt Service as a Percentage of Pledged Revenue
Charges for services	\$ 26,164,069	\$ 10,185,797	38.93%
Loan repayment revenue	365,620	365,620	100.00%

**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, 2022, the City met this requirement, as follows:

	Water	Wastewater
Gross revenues, excluding intergovernmental revenue and developer contributions	\$ 74,725,288	\$ 42,923,368
Operating and maintenance expenses, excluding depreciation, interest and transfers	63,466,618	28,017,969
<b>Net revenues</b>	<b>11,258,670</b>	<b>14,905,399</b>
<b>Amount required:</b>		
Debt service payments	4,512,451	5,673,346
Coverage required	1.20	1.15
<b>Amount required</b>	<b>5,414,941</b>	<b>6,524,348</b>
<b>Excess of net revenues</b>	<b>\$ 5,843,729</b>	<b>\$ 8,381,051</b>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 9 – Long-Term Debt (Continued)**

**C. Fiduciary Funds**

Summary of changes in long-term liabilities for Fiduciary Funds as of June 30, 2022, are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Advances from the City of Escondido - General Fund	\$ 2,742,953	\$ -	\$ (2,742,953)	\$ -	\$ -	\$ -
Advances from the City of Escondido - Street Fund	990,638	118,877	(150,000)	959,515	150,000	809,515
<b>Total</b>	<u>\$ 3,733,591</u>	<u>\$ 118,877</u>	<u>\$ (2,892,953)</u>	<u>\$ 959,515</u>	<u>\$ 150,000</u>	<u>\$ 809,515</u>

**Advances from the City of Escondido**

In accordance with AB X1 26 which dissolves redevelopment agencies, the California State Department of Finance determined that Advances made between the General Fund and the former Community Development Commission were disallowed and not an enforceable obligation. On April 26, 2017, the Department of Finance approved the City of Escondido Successor Agency Oversight Board Resolution making a finding that city loans were for legitimate redevelopment purposes and eligible for reinstatement. As a result, \$9,832,652 of principal and accumulated interest are recorded as a Loan to the Successor Agency from the General Fund. Repayments began in the fiscal year ending June 30, 2019. At June 30, 2022, the balance of the loan has been paid in full.

The Community Development Commission Debt Service Fund had received monies from the General Fund and 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, 2022, the outstanding balance of the advance from the Street Special Revenue Fund totaled \$959,515.

**D. Component Unit**

Summary of changes in long-term liabilities for Component Unit as of June 30, 2022, are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Note Payable to the City of Escondido	\$ 195,072	\$ -	\$ (72,933)	\$ 122,139	\$ 74,931	\$ 47,208
<b>Total</b>	<u>\$ 386,380</u>	<u>\$ -</u>	<u>\$ (72,933)</u>	<u>\$ 122,139</u>	<u>\$ 74,931</u>	<u>\$ 47,208</u>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 9 – Long-Term Debt (Continued)**

**D. Component Unit (Continued)**

**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 balance of the note is \$68,571 at June 30, 2022. The note is not secured by any collateral. The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 54,693	\$ 1,134	\$ 55,827
2024	13,878	60	13,938
Total	<u>\$ 68,571</u>	<u>\$ 1,194</u>	<u>\$ 69,765</u>

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 \$53,568 at June 30, 2022. The note is not secured by any collateral. The annual debt service requirements are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 20,238	\$ 1,362	\$ 21,600
2024	20,869	731	21,600
2025	12,461	127	12,588
Total	<u>\$ 53,568</u>	<u>\$ 2,220</u>	<u>\$ 55,788</u>

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 10 – Debt without City’s Commitment**

**A. Mortgage Revenue Bonds**

The City has outstanding multifamily mortgage housing revenue bonds totaling \$11,150,000. The bonds were issued to provide funds for the purchase and/or construction of multifamily housing facilities to provide low-income housing to residents. These bonds are not included in the accompanying financial statements, as these bonds are payable solely from the related mortgage loans in which the bond proceeds were invested, the City is not liable for repayment of the bonds.

**B. 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, 2022, the 98-1 Limited Obligation Refunding Bonds outstanding were \$1,430,000.

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, 2022, the 2006-01 Special Tax Bonds outstanding were \$11,095,000.

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, 2022, the outstanding principal of Community Facilities District No. 2000-01 (Hidden Trails) Special Tax Refunding bonds, Series 2013 was \$1,500,000.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**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, 2022, the City has recorded general self-insurance and workers' compensation liabilities of \$3,293,850 and \$14,457,000 respectively, for a total of \$17,750,850. 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
2019-20	\$ 17,613,800	\$ 3,332,401	\$ (3,070,601)	\$ 17,875,600
2020-21	17,875,600	2,345,605	(2,692,405)	17,528,800
2021-22	17,528,800	2,912,401	(2,690,351)	17,750,850

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.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 12 – Fund Balance**

**A. Fund Balance Classification**

At June 30, 2022, fund balances are classified as follows:

	General	Special Revenue		Nonmajor Governmental Funds	Total Governmental Funds
		Successor Agency Housing	American Rescue Plan Act		
<b>Fund Balances:</b>					
<b>Nonspendable</b>					
Inventory and prepaid items	\$ -	\$ -	\$ -	\$ 30,733	\$ 30,733
Daley Ranch Permanent Fund	-	-	-	250,334	250,334
<b>Total nonspendable</b>	-	-	-	281,067	281,067
<b>Restricted for</b>					
Housing & community development	-	48,718,253	-	19,059,680	67,777,933
Investment in Section 115 Trust	23,667,372	-	-	-	23,667,372
Debt service	-	-	-	4,458,614	4,458,614
Capital projects	3,017,800	-	-	10,659,593	13,677,393
Citywide services	-	-	-	132,929	132,929
Community services	132,502	-	-	-	132,502
Street maintenance	-	-	-	20,998,927	20,998,927
Landscape and assessment districts	-	-	-	1,589,712	1,589,712
SB1186 - CASPs	171,980	-	-	-	171,980
PEG Fees	1,886,432	-	-	-	1,886,432
Vehicle Parking District	-	-	-	20,448	20,448
Daley Ranch	-	-	-	587,813	587,813
Park development	-	-	-	4,859,470	4,859,470
Public art	-	-	-	1,053,102	1,053,102
<b>Total restricted</b>	28,876,086	48,718,253	-	63,420,288	141,014,627
<b>Committed to</b>					
Reserves	17,392,319	-	-	-	17,392,319
Capital projects	-	-	-	5,396,260	5,396,260
Community services	108,417	-	-	-	108,417
Reidy Creek Golf Course	-	-	-	190,531	190,531
<b>Total committed</b>	17,500,736	-	-	5,586,791	23,087,527
<b>Assigned to</b>					
Carryovers	1,172,200	-	-	-	1,172,200
Underground waivers	1,936,290	-	-	-	1,936,290
Library Trust	455,950	-	-	-	455,950
Capital Projects	3,611,003	-	-	-	3,611,003
Investment in Section 115 Trust	6,851,220	-	-	-	6,851,220
<b>Total assigned</b>	14,026,663	-	-	-	14,026,663
<b>Unassigned (deficit)</b>	665,517	-	-	(4,707,430)	(4,041,913)
<b>Total Fund Balances</b>	\$ 61,069,002	\$ 48,718,253	\$ -	\$ 64,580,716	\$ 174,367,971

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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, 2019 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, 2022, are summarized as follows:

	<b>Miscellaneous Plan</b>		
	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	11.040%	11.040%	11.040%

\* Plan is closed to new entrants



**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 13 – City Employees Retirement Plan (Continued)**

**A. CalPERS (Continued)**

*Benefits Provided (continued)*

	<b>Safety Plan</b>		
	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%	12.250%
Required employer contribution rates	18.230%	18.230%	21.230%

\* Plan is closed to new entrants

*Employees Covered by Benefit Terms*

At June 30, 201, the following employees were covered by the benefit terms of the plan:

<b>Description</b>	<b>Number of members</b>	
	<b>Miscellaneous</b>	<b>Safety</b>
Active members	569	237
Transferred members	351	59
Terminated members	446	59
Retired members and beneficiaries	774	359
Total Members	2,140	714

*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, 2022, was \$17,350,538 and \$15,013,579, respectively.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 13 – City Employees Retirement Plan (Continued)**

**A. CalPERS (Continued)**

**Net Pension Liability**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal
<b>Actuarial Assumptions</b>		
Discount Rate	7.15%	7.15%
Inflation	2.500%	2.500%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.25% Net of Pension Plan Investment and Administrative Expenses; includes Inflation	7.25% 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 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Postretirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

***Long-term Expected Rate of Return***

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. 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. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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, staff considered both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Assets Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(1) An expected inflation of 2.00% used for this period

(2) An expected inflation of 2.92% used for this period

***Subsequent Events***

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability/(Assets)
<b>Miscellaneous Plan</b>	(a)	(b)	(c)=(a)-(b)
Balance at: 6/30/2020 (Valuation Date)	\$ 459,862,821	\$ 318,091,829	\$ 141,770,992
Changes Recognized for the Measurement Period:			
Service Cost	6,730,454	-	6,730,454
Interest on the Total Pension Liability	32,355,527	-	32,355,527
Difference between Expected and Actual Experience	1,676,037	-	1,676,037
Contribution from the Employer	-	15,884,869	(15,884,869)
Contributions from Employees	-	3,108,863	(3,108,863)
Net Investment Income <sup>(1)</sup>	-	72,179,923	(72,179,923)
Benefit Payments including Refunds of Employee Contributions	(24,758,487)	(24,758,487)	-
Administrative Expense	-	(317,754)	317,754
Net Changes During 2020-21	<u>16,003,531</u>	<u>66,097,414</u>	<u>(50,093,883)</u>
Balance at: 6/30/2021 (Measurement Date)	<u>\$ 475,866,352</u>	<u>\$ 384,189,243</u>	<u>\$ 91,677,109</u>
	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability/(Assets)
<b>Safety Plan</b>	(a)	(b)	(c)=(a)-(b)
Balance at: 6/30/2020 (Valuation Date)	\$ 434,370,502	\$ 309,037,732	\$ 125,332,770
Changes Recognized for the Measurement Period:			
Service Cost	8,040,737	-	8,040,737
Interest on the Total Pension Liability	30,745,736	-	30,745,736
Difference between Expected and Actual Experience	2,563,889	-	2,563,889
Contribution from the Employer	-	13,974,176	(13,974,176)
Contributions from Employees	-	3,278,329	(3,278,329)
Net Investment Income <sup>(1)</sup>	-	70,063,163	(70,063,163)
Benefit Payments including Refunds of Employee Contributions	(21,888,917)	(21,888,917)	-
Administrative Expense	-	(308,710)	308,710
Net Changes During 2020-21	<u>19,461,445</u>	<u>65,118,041</u>	<u>(45,656,596)</u>
Balance at: 6/30/2021 (Measurement Date)	<u>\$ 453,831,947</u>	<u>\$ 374,155,773</u>	<u>\$ 79,676,174</u>

<sup>(1)</sup> Net of administrative expenses.

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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

	<b>Discount Rate - 1%</b> <b>(6.15%)</b>	<b>Current Discount Rate</b> <b>(7.15%)</b>	<b>Discount Rate +1%</b> <b>(8.15%)</b>
Miscellaneous Plan	\$ 150,483,652	\$ 91,677,109	\$ 42,697,618
Safety Plan	141,550,700	79,676,174	28,895,033
Total Plans	\$ 292,034,352	\$ 171,353,283	\$ 71,592,651

***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 measurement period ending June 30, 2021, the City incurred a pension expense of \$5,024,057 and \$ 5,477,859 for Miscellaneous and Safety plans, respectively. As of measurement date of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Miscellaneous Plan</b>		<b>Safety Plan</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after measurement date	\$ 17,350,538	\$ -	\$ 15,013,579	\$ -
Changes of Assumptions	-	-	-	(235,270)
Differences between Expected and Actual Experiences	1,579,686	-	2,558,060	(800,490)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(35,962,888)	-	(34,843,980)
	\$ 18,930,224	\$ (35,962,888)	\$ 17,571,639	\$ (35,879,740)

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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 \$17,350,538 and \$15,013,579 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, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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
2022	\$ (7,953,114)	\$ (8,471,542)
2023	\$ (7,837,899)	\$ (7,544,383)
2024	(8,656,883)	(7,853,293)
2025	(9,935,306)	(9,452,462)
2026	-	-
Thereafter	-	-
Total	<u>\$ (34,383,202)</u>	<u>\$ (33,321,680)</u>

**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, 2022, the City's total covered payroll was \$1,644,233. The City made employer contributions of \$0, and employees contributed \$123,319 (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, 2022**

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**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, 2022, the balance is \$6,544,669.

**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, 2022, the City’s outstanding commitments are as follows:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2022</u>	<u>Remaining Commitments</u>
Membrane Filtration Reverse Osmosis	\$ 65,168,161	\$ 9,814,010	\$ 55,354,151
Lindley Reservoir Replacement Project	12,351,595	6,281,216	6,070,379
2021 Street Rehabilitation Project	6,491,568	5,955,476	536,093
San Pasqual Undergrouding Project	31,854,171	8,327,149	23,527,022

**CITY OF ESCONDIDO**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 16 – Restatement of Beginning Net Position and Fund Balance**

During the year ended June 30, 2022, beginning net position and fund balance was restated to recognize payments received in prior years as revenue. The City erroneously recorded these payments as deposit payables.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>
Net Position, as Previously Reported at June 30, 2021	\$ 231,497,933	\$ 241,921,569	\$ 81,124,415	\$ 162,026,606
To recognize deposit payables as revenue	<u>7,570,834</u>	<u>151,728</u>	<u>7,658</u>	<u>144,071</u>
Net Position, as Restated, at July 1, 2021	<u>\$ 239,068,767</u>	<u>\$ 242,073,297</u>	<u>\$ 81,132,073</u>	<u>\$ 162,170,677</u>
		Nonmajor Governmental		
	<u>General Fund</u>	<u>Funds</u>		
Fund Balance, as Previously Reported at June 30, 2021	\$ 48,720,396	\$ 63,074,158		
To recognize deposit payables as revenue	<u>4,973,122</u>	<u>2,597,712</u>		
Fund Balance, as Restated, at July 1, 2021	<u>\$ 53,693,518</u>	<u>\$ 65,671,870</u>		





# **Required Supplementary Information**

**CITY OF ESCONDIDO**  
**Required Supplementary Information**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2022**

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Sales tax	\$ 42,147,300	\$ 46,347,300	\$ 49,857,192	\$ 3,509,892
Property taxes	30,925,000	30,925,000	32,753,742	1,828,742
Other taxes	13,680,000	13,680,000	17,008,372	3,328,372
Licenses and permits	1,412,500	1,412,500	2,157,445	744,945
Fines and forfeits	908,000	908,000	880,874	(27,126)
Intergovernmental	3,341,000	4,397,680	4,907,744	510,064
Charges for services	10,169,710	10,469,710	11,865,686	1,395,976
Lease income	3,738,000	3,738,000	3,911,532	173,532
Investment income	581,150	581,150	(1,324,265)	(1,905,415)
Miscellaneous	323,000	323,000	174,630	(148,370)
<b>Total revenues</b>	<b>107,225,660</b>	<b>112,782,340</b>	<b>122,192,952</b>	<b>9,410,612</b>
<b>EXPENDITURES:</b>				
General Government				
City council	329,330	329,330	322,101	7,229
City manager	1,192,340	1,482,780	1,214,175	268,605
City attorney	202,980	230,180	181,740	48,440
City clerk	601,630	610,800	581,991	28,809
City treasurer	284,210	293,320	222,365	70,955
Finance	1,449,340	1,496,410	1,157,584	338,826
Human resources	685,740	708,180	676,816	31,364
Information systems	1,687,230	1,740,580	1,509,578	231,002
Other general government	1,748,650	1,673,620	1,238,889	434,731
Public Safety				
Police	48,637,420	48,955,500	48,530,183	425,317
Fire	27,880,870	29,019,910	29,566,118	(546,208)
Public Works				
Public works	11,271,130	11,486,930	10,575,486	911,444
Community Services				
Community services	5,468,280	5,531,440	4,702,582	828,858
Library	3,550,250	3,550,250	3,583,639	(33,389)
California Center for the Arts	2,412,680	2,412,680	2,747,677	(334,997)
Development Services				
Planning	2,532,690	2,735,910	1,747,539	988,371
Building	1,419,170	1,441,930	1,282,143	159,787
Engineering	3,027,830	2,901,540	2,670,137	231,403
Code enforcement	1,081,980	1,106,180	875,252	230,928
Capital Outlay	979,020	979,020	979,017	3
Debt Service:				
Principal retirements	557,620	557,620	557,553	67
Lease principal retirements	-	-	340,435	(340,435)
Interest and fiscal charges	63,370	63,370	235,758	(172,388)
<b>Total expenditures</b>	<b>117,063,760</b>	<b>119,307,480</b>	<b>115,498,758</b>	<b>3,808,722</b>

**CITY OF ESCONDIDO**  
**Required Supplementary Information**  
**General Fund**  
**Budgetary Comparison Schedule (Continued)**  
**For the Year Ended June 30, 2022**

	Original Budget Amounts	Final Budget Amounts	Actual	Variance Over (Under)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(9,838,100)	(6,525,140)	6,694,194	13,219,334
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,691,890	19,691,890	2,055,000	(17,636,890)
Transfers (out)	(491,160)	(825,120)	(1,373,710)	548,590
<b>Total other financial sources (uses)</b>	19,200,730	18,866,770	681,290	(17,088,300)
<b>NET CHANGE IN FUND BALANCE</b>	9,362,630	12,341,630	7,375,484	(3,868,966)
<b>FUND BALANCE:</b>				
Beginning of Year, as Restated	53,693,518	53,693,518	53,693,518	-
End of Year	\$ 63,056,148	\$ 66,035,148	\$ 61,069,002	\$ (3,868,966)

**CITY OF ESCONDIDO**  
**Required Supplementary Information**  
**Successor Agency Housing Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2022**

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Lease income	\$ -	\$ 159,610	\$ 164,781	\$ 5,171
Investment income	159,610	-	215,480	215,480
Miscellaneous	1,000,000	1,000,000	613,895	(386,105)
<b>Total revenues</b>	<u>1,159,610</u>	<u>1,159,610</u>	<u>1,048,257</u>	<u>(111,353)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	531,070	537,390	458,314	79,076
<b>Total expenditures</b>	<u>531,070</u>	<u>537,390</u>	<u>458,314</u>	<u>79,076</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>628,540</u>	<u>622,220</u>	<u>589,943</u>	<u>(32,277)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,000	25,000	573,590	548,590
<b>Total other financing sources (uses)</b>	<u>25,000</u>	<u>25,000</u>	<u>573,590</u>	<u>548,590</u>
<b>NET CHANGE IN FUND BALANCE</b>	653,540	647,220	1,163,533	516,313
<b>FUND BALANCE:</b>				
Beginning of Year	<u>47,554,720</u>	<u>47,554,720</u>	<u>47,554,720</u>	<u>-</u>
End of Year	<u>\$ 48,208,260</u>	<u>\$ 48,201,940</u>	<u>\$ 48,718,253</u>	<u>\$ 516,313</u>

**CITY OF ESCONDIDO**  
**Required Supplementary Information**  
**American Rescue Plan Act Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2022**

	Original Budget Amounts	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 38,808,509	\$ 38,808,509	\$ 2,156,775	\$ (36,651,734)
<b>Total revenues</b>	<b>38,808,509</b>	<b>38,808,509</b>	<b>2,156,775</b>	<b>(36,651,734)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	5,009,689	5,009,689	1,562,550	3,447,139
Public safety	601,086	601,086	-	601,086
Public works	1,000,000	1,000,000	-	1,000,000
Community services	2,753,509	2,753,509	-	2,753,509
Development services	12,850,000	12,850,000	-	12,850,000
Capital outlay	594,225	594,225	594,225	-
<b>Total expenditures</b>	<b>22,808,509</b>	<b>22,808,509</b>	<b>2,156,775</b>	<b>20,651,734</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>16,000,000</b>	<b>16,000,000</b>	<b>-</b>	<b>(16,000,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>16,000,000</b>	<b>16,000,000</b>	<b>-</b>	<b>(16,000,000)</b>
<b>FUND BALANCE:</b>				
Beginning of Year	-	-	-	-
End of Year	<b>\$ 16,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ -</b>	<b>\$ (16,000,000)</b>

**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	2020-21	2019-20	2018-19	2017-18	2016-17
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 6,730,454	\$ 6,596,060	\$ 6,589,855	\$ 7,086,737	\$ 7,098,079
Interest	32,355,527	31,234,511	30,075,271	28,726,687	27,888,570
Changes of Benefits Terms	-	-	-	-	-
Changes in Assumptions	-	-	-	(2,390,700)	22,286,442
Difference Between expected and Actual Experience	1,676,037	1,757,818	3,980,050	(1,867,216)	(1,062,074)
Benefit Payments, Including Refunds of Employee Contributions	(24,758,487)	(23,032,041)	(21,393,785)	(19,973,641)	(18,028,629)
<b>Net Change in Total Pension Liability</b>	<b>\$ 16,003,531</b>	<b>\$ 16,556,348</b>	<b>\$ 19,251,391</b>	<b>\$ 11,581,867</b>	<b>\$ 38,182,388</b>
Total Pension Liability - Beginning	459,862,821	443,306,473	424,055,082	412,473,215	374,290,827
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 475,866,352</b>	<b>\$ 459,862,821</b>	<b>\$ 443,306,473</b>	<b>\$ 424,055,082</b>	<b>\$ 412,473,215</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contribution - Employer	\$ 15,884,869	\$ 14,696,078	\$ 13,300,378	\$ 11,929,230	\$ 11,179,205
Contribution - Employee	3,108,863	3,151,859	2,790,203	2,810,647	2,789,527
Net Investment Income <sup>(2)</sup>	72,179,923	15,427,822	19,150,898	23,296,317	28,354,307
Benefit Payments, Including Refunds of Employee Contributions	(24,758,487)	(23,032,041)	(21,393,785)	(19,973,641)	(18,028,629)
Plan to Plan Resource Movement	-	-	-	(684)	-
Administrative Expense	(317,754)	(434,603)	(210,265)	(432,948)	(374,893)
Other Miscellaneous Income/(Expense) <sup>(3)</sup>	-	-	684	(822,175)	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 66,097,414</b>	<b>\$ 9,809,115</b>	<b>\$ 13,638,113</b>	<b>\$ 16,806,746</b>	<b>\$ 23,919,517</b>
Plan Fiduciary Net Position - Beginning	318,091,829	308,282,714	294,644,601	277,837,855	253,918,338
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 384,189,243</b>	<b>\$ 318,091,829</b>	<b>\$ 308,282,714</b>	<b>\$ 294,644,601</b>	<b>\$ 277,837,855</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 91,677,109</b>	<b>\$ 141,770,992</b>	<b>\$ 135,023,759</b>	<b>\$ 129,410,481</b>	<b>\$ 134,635,360</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>80.73%</b>	<b>69.17%</b>	<b>69.54%</b>	<b>69.48%</b>	<b>67.36%</b>
<b>Covered Payroll</b>	<b>\$ 37,685,287</b>	<b>\$ 37,403,038</b>	<b>\$ 35,526,739</b>	<b>\$ 37,294,690</b>	<b>\$ 37,199,720</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>243.27%</b>	<b>379.04%</b>	<b>380.06%</b>	<b>346.99%</b>	<b>361.93%</b>

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable.

<sup>(2)</sup> Net of administrative expenses for fiscal year 2013-14.

<sup>(3)</sup> 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, 2017 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: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 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	2015-16	2014-15	2013-14 <sup>(1)</sup>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 6,041,393	\$ 6,086,726	\$ 6,187,698
Interest	26,975,771	25,822,523	24,823,748
Changes of Benefits Terms	-	-	-
Changes in Assumptions	-	(6,078,768)	-
Difference Between expected and Actual Experience	(607,786)	(3,440,683)	-
Benefit Payments, Including Refunds of Employee Contributions	(16,660,225)	(15,747,072)	(14,003,896)
<b>Net Change in Total Pension Liability</b>	<b>\$ 15,749,153</b>	<b>\$ 6,642,726</b>	<b>\$ 17,007,550</b>
Total Pension Liability - Beginning	358,541,674	351,898,948	334,891,398
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 374,290,827</b>	<b>\$ 358,541,674</b>	<b>\$ 351,898,948</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contribution - Employer	\$ 10,112,332	\$ 8,956,819	\$ 8,191,219
Contribution - Employee	2,818,117	2,702,365	2,751,097
Net Investment Income <sup>(2)</sup>	1,306,944	5,794,332	38,132,668
Benefit Payments, Including Refunds of Employee Contributions	(16,660,225)	(15,747,072)	(14,003,896)
Plan to Plan Resource Movement	-	(741)	-
Administrative Expense	(156,322)	(288,739)	-
Other Miscellaneous Income/(Expense) <sup>(3)</sup>	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ (2,579,154)</b>	<b>\$ 1,416,964</b>	<b>\$ 35,071,088</b>
Plan Fiduciary Net Position - Beginning	256,497,492	255,080,528	220,009,440
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 253,918,338</b>	<b>\$ 256,497,492</b>	<b>\$ 255,080,528</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 120,372,489</b>	<b>\$ 102,044,182</b>	<b>\$ 96,818,420</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>67.84%</b>	<b>71.54%</b>	<b>72.49%</b>
<b>Covered Payroll</b>	<b>\$ 34,850,841</b>	<b>\$ 34,030,669</b>	<b>\$ 32,920,288</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>345.39%</b>	<b>299.86%</b>	<b>294.10%</b>

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable.

<sup>(2)</sup> Net of administrative expenses for fiscal year 2013-14.

<sup>(3)</sup> 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, 2017 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: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 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	2020-21	2019-20	2018-19	2017-18	2016-17
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 8,040,737	\$ 8,034,036	\$ 7,977,162	\$ 7,860,653	\$ 7,712,365
Interest	30,745,736	29,392,100	28,267,807	26,945,680	26,029,723
Changes of Benefits Terms	-	-	-	-	-
Changes in Assumptions	-	-	-	(1,803,722)	22,546,727
Difference Between expected and Actual Experience	2,563,889	(1,009,543)	1,855,614	(1,997,161)	(1,522,544)
Benefit Payments, Including Refunds of Employee Contributions	(21,888,917)	(20,233,865)	(18,845,100)	(17,612,750)	(16,796,782)
<b>Net Change in Total Pension Liability</b>	<b>\$ 19,461,445</b>	<b>\$ 16,182,728</b>	<b>\$ 19,255,483</b>	<b>\$ 13,392,700</b>	<b>\$ 37,969,489</b>
Total Pension Liability - Beginning	434,370,502	418,187,774	398,932,291	385,539,591	347,570,102
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 453,831,947</b>	<b>\$ 434,370,502</b>	<b>\$ 418,187,774</b>	<b>\$ 398,932,291</b>	<b>\$ 385,539,591</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contribution - Employer	\$ 13,974,176	\$ 12,682,525	\$ 11,295,735	\$ 10,527,707	\$ 9,490,834
Contribution - Employee	3,278,329	3,156,851	2,743,929	2,757,287	2,397,909
Net Investment Income <sup>(2)</sup>	70,063,163	14,925,922	18,673,377	22,392,729	27,240,685
Benefit Payments, Including Refunds of Employee Contributions	(21,888,917)	(20,233,865)	(18,845,100)	(17,612,750)	(16,796,782)
Plan to Plan Resource Movement	-	-	160,070	(661)	-
Administrative Expense	(308,710)	(421,525)	(203,455)	(418,008)	(363,617)
Other Miscellaneous Income/(Expense) <sup>(3)</sup>	-	-	661	(793,803)	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 65,118,041</b>	<b>\$ 10,109,908</b>	<b>\$ 13,825,217</b>	<b>\$ 16,852,501</b>	<b>\$ 21,969,029</b>
Plan Fiduciary Net Position - Beginning	309,037,732	298,927,824	285,102,607	268,250,106	246,281,077
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 374,155,773</b>	<b>\$ 309,037,732</b>	<b>\$ 298,927,824</b>	<b>\$ 285,102,607</b>	<b>\$ 268,250,106</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 79,676,174</b>	<b>\$ 125,332,770</b>	<b>\$ 119,259,950</b>	<b>\$ 113,829,684</b>	<b>\$ 117,289,485</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>82.44%</b>	<b>71.15%</b>	<b>71.48%</b>	<b>71.47%</b>	<b>69.58%</b>
<b>Covered Payroll</b>	<b>\$ 27,866,912</b>	<b>\$ 27,406,087</b>	<b>\$ 26,395,214</b>	<b>\$ 25,864,216</b>	<b>\$ 25,070,264</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>285.92%</b>	<b>457.32%</b>	<b>451.82%</b>	<b>440.10%</b>	<b>467.84%</b>

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable.

<sup>(2)</sup> Net of administrative expenses for fiscal year 2013-14.

<sup>(3)</sup> 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, 2017 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: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 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	2015-16	2014-15	2013-14 <sup>(1)</sup>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 6,945,677	\$ 6,321,850	\$ 5,878,133
Interest	25,001,133	23,398,715	22,099,344
Changes of Benefits Terms	-	-	-
Changes in Assumptions	-	(5,933,256)	-
Difference Between expected and Actual Experience	5,753,055	2,817,273	-
Benefit Payments, Including Refunds of Employee Contributions	(15,432,111)	(14,245,717)	(13,505,688)
<b>Net Change in Total Pension Liability</b>	<b>\$ 22,267,754</b>	<b>\$ 12,358,865</b>	<b>\$ 14,471,789</b>
Total Pension Liability - Beginning	325,302,348	312,943,483	298,471,694
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 347,570,102</b>	<b>\$ 325,302,348</b>	<b>\$ 312,943,483</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contribution - Employer	\$ 9,136,622	\$ 9,066,062	\$ 7,687,967
Contribution - Employee	2,460,227	2,322,205	2,079,491
Net Investment Income <sup>(2)</sup>	1,283,251	5,455,063	36,944,486
Benefit Payments, Including Refunds of Employee Contributions	(15,432,111)	(14,245,717)	(13,505,688)
Plan to Plan Resource Movement	-	-	-
Administrative Expense	(151,743)	(280,190)	-
Other Miscellaneous Income/(Expense) <sup>(3)</sup>	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ (2,703,754)</b>	<b>\$ 2,317,423</b>	<b>\$ 33,206,256</b>
Plan Fiduciary Net Position - Beginning	248,984,831	246,667,408	213,461,153
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 246,281,077</b>	<b>\$ 248,984,831</b>	<b>\$ 246,667,409</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 101,289,025</b>	<b>\$ 76,317,517</b>	<b>\$ 66,276,074</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.86%</b>	<b>76.54%</b>	<b>78.82%</b>
<b>Covered Payroll</b>	<b>\$ 25,315,004</b>	<b>\$ 23,096,046</b>	<b>\$ 20,583,139</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>400.11%</b>	<b>330.44%</b>	<b>321.99%</b>

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable.

<sup>(2)</sup> Net of administrative expenses for fiscal year 2013-14.

<sup>(3)</sup> 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, 2017 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: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 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>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Actuarially Determined Contribution	\$ 17,350,538	\$ 15,884,869	\$ 14,696,078	\$ 13,300,378	\$ 11,929,230
Contribution in Relation to the Actuarially Determined Contribution	<u>(17,350,538)</u>	<u>(15,884,869)</u>	<u>(14,696,078)</u>	<u>(13,300,378)</u>	<u>(11,929,230)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 40,724,910	\$ 37,685,287	\$ 37,403,038	\$ 35,526,739	\$ 37,294,690
Contributions as a Percentage of Covered Payroll	42.60%	42.15%	39.29%	37.44%	31.99%

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable.

**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>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u> <sup>(1)</sup>
Actuarially Determined Contribution	\$ 11,179,205	\$ 10,112,303	\$ 8,956,958	\$ 8,191,219
Contribution in Relation to the Actuarially Determined Contribution	<u>(11,179,205)</u>	<u>(10,112,303)</u>	<u>(8,956,958)</u>	<u>(8,191,219)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 37,199,720	\$ 34,850,841	\$ 34,030,669	\$ 32,920,288
Contributions as a Percentage of Covered Payroll	30.05%	29.02%	26.32%	24.88%

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable.

**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>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Actuarially Determined Contribution	\$ 15,013,579	\$ 13,974,176	\$ 12,682,525	\$ 11,295,735	\$ 10,527,707
Contribution in Relation to the Actuarially Determined Contribution	<u>(15,013,579)</u>	<u>(13,974,176)</u>	<u>(12,682,525)</u>	<u>(11,295,735)</u>	<u>(10,527,707)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$27,580,822	\$27,866,912	\$ 27,406,087	\$ 26,395,214	\$ 25,864,216
Contributions as a Percentage of Covered Payroll	54.43%	50.15%	46.28%	42.79%	40.70%

<sup>(4)</sup> Historical information is required only for measurement for which GASB 68 is applicable.

**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**

	2016-17	2015-16	2014-15	2013-14 <sup>(1)</sup>
Actuarially Determined Contribution	\$ 9,490,834	\$ 9,136,624	\$ 9,066,062	\$ 7,687,967
Contribution in Relation to the Actuarially Determined Contribution	(9,490,834)	(9,136,624)	(9,066,062)	(7,687,967)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 25,070,264	\$ 25,315,004	\$ 23,096,046	\$ 20,583,139
Contributions as a Percentage of Covered Payroll	37.86%	36.09%	39.25%	37.35%

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable.

**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, 2022**

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**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 special revenue, certain debt service, capital projects, or proprietary funds as the City is not legally required to adopt an annual budget for those funds. The special revenue funds with legally adopted budgets include the: Successor Agency Housing, Street, Community Services, Community Development Block Grant, Landscape and Assessment District, Law Enforcement, HOME, Miscellaneous Funds and the Vehicle Parking District Fund.

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**

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**SPECIAL REVENUE FUNDS**

**STREET FUND**

This 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.

**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**

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**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.

**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.

**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**

**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.

**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.

**CITY OF ESCONDIDO**  
**Non-Major Governmental Funds**

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**CAPITAL PROJECT FUNDS (continued)**

**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.

**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, 2022**

	Special Revenue			
	Street	Community Services and Development	Community Development Block Grant	Landscape and Assessment District
<b>ASSETS</b>				
Cash and investments	\$ 15,973,371	\$ 6,346,170	\$ -	\$ 1,601,462
Cash and investments with fiscal agent	-	-	-	-
Receivable:				
Accounts	-	143	-	-
Interest	37,968	15,210	-	3,908
Taxes	-	-	-	4,403
Loans	-	-	231,659	-
Due from other governments	812,824	-	479,451	-
Due from Successor Agency	959,515	-	-	-
Inventory	-	16,348	-	-
Prepaid items	-	14,385	-	-
Deposits	-	348,792	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 17,783,678</b>	<b>\$ 6,741,048</b>	<b>\$ 711,110</b>	<b>\$ 1,609,773</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 187,396	\$ 32,326	\$ 56,151	\$ 20,061
Deposits payable	-	-	-	-
Retention payable	227,928	1,554	-	-
Accrued expenditures	-	68,558	13,228	-
Due to other funds	-	-	345,477	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>415,324</b>	<b>102,438</b>	<b>414,856</b>	<b>20,061</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	811,283	-	432,667	-
<b>Total deferred inflows of resources</b>	<b>811,283</b>	<b>-</b>	<b>432,667</b>	<b>-</b>
<b>Fund balances:</b>				
Nonspendable	-	30,733	-	-
Restricted	16,557,071	6,417,346	-	1,589,712
Committed	-	190,531	-	-
Unassigned (deficit)	-	-	(136,413)	-
<b>Total fund balances</b>	<b>16,557,071</b>	<b>6,638,610</b>	<b>(136,413)</b>	<b>1,589,712</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 17,783,678</b>	<b>\$ 6,741,048</b>	<b>\$ 711,110</b>	<b>\$ 1,609,773</b>

**CITY OF ESCONDIDO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	Special Revenue			
	Law Enforcement	HOME	Miscellaneous Grants	CFD 2020-01 Services
<b>ASSETS</b>				
Cash and investments	\$ 54,172	\$ 2,042,239	\$ 1,064,110	\$ 132,929
Cash and investments with fiscal agent	-	-	-	-
Receivable:				
Accounts	-	-	-	-
Interest	1,702	6,706,313	-	-
Taxes	-	-	-	-
Loans	-	17,015,254	-	-
Due from other governments	699,914	57,030	1,535,329	-
Due from Successor Agency	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 755,788</b>	<b>\$ 25,820,836</b>	<b>\$ 2,599,439</b>	<b>\$ 132,929</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 122,600	\$ 2,186	\$ 487,769	-
Deposits payable	-	-	-	-
Retention payable	-	-	-	-
Accrued expenditures	20,650	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	677,338	-	2,035,954	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>820,588</b>	<b>2,186</b>	<b>2,523,723</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	559,458	6,758,970	1,554,341	-
<b>Total deferred inflows of resources</b>	<b>559,458</b>	<b>6,758,970</b>	<b>1,554,341</b>	<b>-</b>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	19,059,680	-	132,929
Committed	-	-	-	-
Unassigned (deficit)	(624,258)	-	(1,478,625)	-
<b>Total fund balances</b>	<b>(624,258)</b>	<b>19,059,680</b>	<b>(1,478,625)</b>	<b>132,929</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 755,788</b>	<b>\$ 25,820,836</b>	<b>\$ 2,599,439</b>	<b>\$ 132,929</b>

**CITY OF ESCONDIDO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	Special Revenue	Debt Service		Capital Projects
	Vehicle Parking District	General Obligation	Golf Course	Street Improvement
<b>ASSETS</b>				
Cash and investments	\$ 20,475	\$ 4,413,609	\$ 971	\$ 4,234,238
Cash and investments with fiscal agent	-	-	1	-
Receivable:				
Accounts	-	-	-	-
Interest	96	8,736	44	8,724
Taxes	-	35,252	-	-
Loans	-	-	-	-
Due from other governments	-	-	-	328,917
Due from Successor Agency	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Advances to other funds	-	-	-	200,000
<b>Total assets</b>	<b>\$ 20,571</b>	<b>\$ 4,457,597</b>	<b>\$ 1,016</b>	<b>\$ 4,771,879</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 123	\$ -	\$ -	\$ 2,547
Deposits payable	-	-	-	-
Retention payable	-	-	-	-
Accrued expenditures	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>123</b>	<b>-</b>	<b>-</b>	<b>2,547</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	327,477
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>327,477</b>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Restricted	20,448	4,457,597	1,016	4,441,855
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>20,448</b>	<b>4,457,597</b>	<b>1,016</b>	<b>4,441,855</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 20,571</b>	<b>\$ 4,457,597</b>	<b>\$ 1,016</b>	<b>\$ 4,771,879</b>

**CITY OF ESCONDIDO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	Capital Projects			
	Storm Drain	General Capital Projects	County Transportation Street Projects	Public Facilities
<b>ASSETS</b>				
Cash and investments	\$ 1,376,158	\$ 6,219,166	\$ -	\$ 8,476,710
Cash and investments with fiscal agent	-	-	-	-
Receivable:				
Accounts	-	-	-	-
Interest	3,396	15,663	-	20,466
Taxes	-	-	-	-
Loans	-	-	-	122,165
Due from other governments	-	-	2,757,016	-
Due from Successor Agency	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Advances to other funds	-	-	-	378,840
<b>Total assets</b>	<b>\$ 1,379,554</b>	<b>\$ 6,234,829</b>	<b>\$ 2,757,016</b>	<b>\$ 8,998,181</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 91,068	\$ 946,338	\$ 56,155
Deposits payable	-	30,646	-	-
Retention payable	-	-	143,616	-
Accrued expenditures	-	-	-	-
Due to other funds	-	-	1,914,165	-
Unearned revenues	-	-	-	-
Advances from other funds	378,840	-	-	-
<b>Total liabilities</b>	<b>378,840</b>	<b>121,714</b>	<b>3,004,119</b>	<b>56,155</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	2,221,031	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>2,221,031</b>	<b>-</b>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Restricted	1,000,714	716,855	-	8,942,026
Committed	-	5,396,260	-	-
Unassigned (deficit)	-	-	(2,468,134)	-
<b>Total fund balances</b>	<b>1,000,714</b>	<b>6,113,115</b>	<b>(2,468,134)</b>	<b>8,942,026</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,379,554</b>	<b>\$ 6,234,829</b>	<b>\$ 2,757,016</b>	<b>\$ 8,998,181</b>

**CITY OF ESCONDIDO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	Permanent	Total Nonmajor Governmental Funds
	Daley Ranch	
<b>ASSETS</b>		
Cash and investments	\$ 332,583	\$ 52,288,363
Cash and investments with fiscal agent	-	1
Receivable:		
Accounts	-	143
Interest	790	6,823,016
Taxes	-	39,655
Loans	-	17,369,078
Due from other governments	-	6,670,481
Due from Successor Agency	-	959,515
Inventory	-	16,348
Prepaid items	-	14,385
Deposits	-	348,792
Advances to other funds	-	578,840
<b>Total assets</b>	<b>\$ 333,373</b>	<b>\$ 85,108,617</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 2,004,720
Deposits payable	-	30,646
Retention payable	-	373,098
Accrued expenditures	-	102,436
Due to other funds	-	2,259,642
Unearned revenues	-	2,713,292
Advances from other funds	-	378,840
<b>Total liabilities</b>	<b>-</b>	<b>7,862,674</b>
<b>Deferred inflows of resources:</b>		
Unavailable revenue	-	12,665,227
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>12,665,227</b>
<b>Fund balances:</b>		
Nonspendable	250,334	281,067
Restricted	83,039	63,420,288
Committed	-	5,586,791
Unassigned (deficit)	-	(4,707,430)
<b>Total fund balances</b>	<b>333,373</b>	<b>64,580,716</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 333,373</b>	<b>\$ 85,108,617</b>

**CITY OF ESCONDIDO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2022**

	Special Revenue			
	Street	Community Services and Development	Community Development Block Grant	Landscape and Assessment District
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	6,654,053	-	2,010,220	-
Charges for services	1,813,646	2,563,169	-	-
Special assessments	-	-	-	852,884
Investment income	(137,424)	(147,640)	2,061	10,541
Miscellaneous	-	130	-	8,715
<b>Total revenues</b>	<u>8,330,275</u>	<u>2,415,659</u>	<u>2,012,281</u>	<u>872,140</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	917,419
Community services	-	1,071,534	1,009,748	-
Development services	4,839,538	93,980	-	-
Capital outlay	34,129	1,086,743	365,205	-
Debt services:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>4,873,667</u>	<u>2,252,257</u>	<u>1,374,953</u>	<u>917,419</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>3,456,608</u>	<u>163,402</u>	<u>637,328</u>	<u>(45,279)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(2,055,000)	-	-	-
<b>Total other financing sources (uses)</b>	<u>(2,055,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,401,608	163,402	637,328	(45,279)
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 16)	15,155,463	6,475,208	(773,741)	1,634,991
End of year	<u>\$ 16,557,071</u>	<u>\$ 6,638,610</u>	<u>\$ (136,413)</u>	<u>\$ 1,589,712</u>



# CITY OF ESCONDIDO

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

### Nonmajor Governmental Funds

For the Year Ended June 30, 2022

	Special Revenue			
	Law Enforcement	HOME	Miscellaneous Grants	CFD 2020-01 Services
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	1,571,935	-	3,216,270	-
Charges for services	-	-	-	-
Special assessments	-	-	-	134,967
Investment income	7,468	290,244	-	-
Miscellaneous	2,554	-	-	-
<b>Total revenues</b>	1,581,957	290,244	3,216,270	134,967
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	2,038
Public safety	1,498,713	-	-	-
Public works	-	-	-	-
Community services	-	-	127,041	-
Development services	-	57,030	3,022,171	-
Capital outlay	550,552	-	384,853	-
Debt services:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	2,049,265	57,030	3,534,065	2,038
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(467,308)	233,214	(317,795)	132,929
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(467,308)	233,214	(317,795)	132,929
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 16)	(156,950)	18,826,466	(1,160,830)	-
End of year	\$ (624,258)	\$ 19,059,680	\$ (1,478,625)	\$ 132,929

# CITY OF ESCONDIDO

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

### Nonmajor Governmental Funds

For the Year Ended June 30, 2022

	Special Revenue	Debt Service		Capital Projects
	Vehicle Parking District	General Obligation	Golf Course	Street Improvement
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	-	-	2,885,236
Charges for services	-	-	-	-
Special assessments	-	4,731,589	-	-
Investment income	158	(153,184)	28	(144,087)
Miscellaneous	-	-	-	9,032
<b>Total revenues</b>	<u>158</u>	<u>4,578,405</u>	<u>28</u>	<u>2,750,181</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	96,864	-	-	-
Community services	-	-	-	-
Development services	-	-	-	8,338
Capital outlay	-	-	-	2,631,497
Debt services:				
Principal retirements	-	2,165,000	260,000	-
Interest and fiscal charges	-	2,586,795	105,477	-
<b>Total expenditures</b>	<u>96,864</u>	<u>4,751,795</u>	<u>365,477</u>	<u>2,639,835</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(96,706)</u>	<u>(173,390)</u>	<u>(365,449)</u>	<u>110,346</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,540	-	365,620	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>100,540</u>	<u>-</u>	<u>365,620</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,834	(173,390)	171	110,346
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 16)	16,614	4,630,987	845	4,331,509
End of year	<u>\$ 20,448</u>	<u>\$ 4,457,597</u>	<u>\$ 1,016</u>	<u>\$ 4,441,855</u>

**CITY OF ESCONDIDO**

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

**Nonmajor Governmental Funds  
For the Year Ended June 30, 2022**

	Capital Projects			
	Storm Drain	General Capital Projects	County Transportation Street Projects	Public Facilities
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	2,782,400	-
Intergovernmental	-	-	748,311	-
Charges for services	316,918	-	-	1,744,430
Special assessments	-	-	-	-
Investment income	9,353	(156,081)	843	(269,660)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>326,271</u>	<u>(156,081)</u>	<u>3,531,554</u>	<u>1,474,770</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	32,446	-	-
Public safety	-	1,240	-	-
Public works	-	-	-	2,606
Community services	-	84,483	-	261,864
Development services	379,762	1,353	3,946,648	7,702
Capital outlay	149,169	377,940	2,462,897	124,750
Debt services:				
Principal retirements	-	-	-	75,090
Interest and fiscal charges	-	-	-	11,076
<b>Total expenditures</b>	<u>528,931</u>	<u>497,462</u>	<u>6,409,545</u>	<u>483,088</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(202,660)</u>	<u>(653,543)</u>	<u>(2,877,991)</u>	<u>991,682</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(202,660)</u>	<u>(653,543)</u>	<u>(2,877,991)</u>	<u>991,682</u>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 16)	<u>1,203,374</u>	<u>6,766,658</u>	<u>409,857</u>	<u>7,950,344</u>
End of year	<u>\$ 1,000,714</u>	<u>\$ 6,113,115</u>	<u>\$ (2,468,134)</u>	<u>\$ 8,942,026</u>

# CITY OF ESCONDIDO

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

### Nonmajor Governmental Funds For the Year Ended June 30, 2022

	Permanent	Total
	Daley Ranch	Nonmajor Governmental Funds
<b>REVENUES:</b>		
Property taxes	\$ -	\$ -
Other taxes	-	2,782,400
Intergovernmental	-	17,086,025
Charges for services	-	6,438,163
Special assessments	-	5,719,440
Investment income	2,298	(685,082)
Miscellaneous	-	20,431
<b>Total revenues</b>	2,298	31,361,377
<b>EXPENDITURES:</b>		
Current:		
General government	-	34,484
Public safety	-	1,499,953
Public works	-	1,016,889
Community services	-	2,554,670
Development services	-	12,356,522
Capital outlay	-	8,167,735
Debt services:		
Principal retirements	-	2,500,090
Interest and fiscal charges	-	2,703,348
<b>Total expenditures</b>	-	30,833,691
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,298	527,686
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	466,160
Transfers out	(30,000)	(2,085,000)
<b>Total other financing sources (uses)</b>	(30,000)	(1,618,840)
<b>NET CHANGE IN FUND BALANCES</b>	(27,702)	(1,091,154)
<b>FUND BALANCES:</b>		
Beginning of year, as restated (Note 16)	361,075	65,671,870
End of year	\$ 333,373	\$ 64,580,716

**CITY OF ESCONDIDO**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Street Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 6,812,000	\$ 6,654,053	\$ (157,947)
Charges for services	2,086,400	1,813,646	(272,754)
Investment income	135,900	(137,424)	(273,324)
<b>Total revenues</b>	<u>9,034,300</u>	<u>8,330,275</u>	<u>(704,025)</u>
<b>EXPENDITURES:</b>			
Current:			
Development services	13,164,230	4,839,538	8,324,692
Capital outlay	34,130	34,129	1
<b>Total expenditures</b>	<u>13,198,360</u>	<u>4,873,667</u>	<u>8,324,693</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(4,164,060)</u>	<u>3,456,608</u>	<u>7,620,668</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(2,055,000)	(2,055,000)	-
<b>Total other financing sources (uses)</b>	<u>(2,055,000)</u>	<u>(2,055,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(6,219,060)	1,401,608	7,620,668
<b>FUND BALANCE:</b>			
Beginning of year	15,155,463	15,155,463	-
End of year	<u>\$ 8,936,403</u>	<u>\$ 16,557,071</u>	<u>\$ 7,620,668</u>

**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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Charges for services	\$ 2,914,760	\$ 2,563,169	\$ (351,591)
Investment income	70,200	(147,640)	(217,840)
Miscellaneous	-	130	130
<b>Total revenues</b>	<u>2,984,960</u>	<u>2,415,659</u>	<u>(569,301)</u>
<b>EXPENDITURES:</b>			
Current:			
Community services	7,986,610	1,071,534	6,915,076
Community development	-	93,980	(93,980)
Capital outlay	1,086,745	1,086,743	2
<b>Total expenditures</b>	<u>9,073,355</u>	<u>2,252,257</u>	<u>6,821,098</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(6,088,395)</u>	<u>163,402</u>	<u>6,251,797</u>
<b>NET CHANGE IN FUND BALANCE</b>	(6,088,395)	163,402	6,251,797
<b>FUND BALANCE:</b>			
Beginning of year	6,475,208	6,475,208	-
End of year	<u>\$ 386,813</u>	<u>\$ 6,638,610</u>	<u>\$ 6,251,797</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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 1,716,510	\$ 2,010,220	\$ 293,710
Investment income	-	2,061	2,061
<b>Total revenues</b>	<u>1,716,510</u>	<u>2,012,281</u>	<u>295,771</u>
<b>EXPENDITURES:</b>			
Current:			
Community services	6,202,840	1,009,748	5,193,092
Capital outlay	365,205	365,205	-
<b>Total expenditures</b>	<u>6,568,045</u>	<u>1,374,953</u>	<u>5,193,092</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(4,851,535)</u>	<u>637,328</u>	<u>5,488,863</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,851,535)	637,328	5,488,863
<b>FUND BALANCE:</b>			
Beginning of year	(773,741)	(773,741)	-
End of year	<u>\$ (5,625,276)</u>	<u>\$ (136,413)</u>	<u>\$ 5,488,863</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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Special assessments	\$ 860,660	\$ 852,884	\$ (7,776)
Investment income	-	10,541	10,541
Miscellaneous	8,720	8,715	(5)
<b>Total revenues</b>	<u>869,380</u>	<u>872,140</u>	<u>2,760</u>
<b>EXPENDITURES:</b>			
Current:			
Public works	1,289,910	917,419	372,491
<b>Total expenditures</b>	<u>1,289,910</u>	<u>917,419</u>	<u>372,491</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(420,530)</u>	<u>(45,279)</u>	<u>375,251</u>
<b>NET CHANGE IN FUND BALANCE</b>	(420,530)	(45,279)	375,251
<b>FUND BALANCE:</b>			
Beginning of year	1,634,991	1,634,991	-
End of year	<u>\$ 1,214,461</u>	<u>\$ 1,589,712</u>	<u>\$ 375,251</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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 1,449,601	\$ 1,571,935	\$ 122,334
Investment income	-	7,468	7,468
Miscellaneous	-	2,554	2,554
<b>Total revenues</b>	<u>1,449,601</u>	<u>1,581,957</u>	<u>132,356</u>
<b>EXPENDITURES:</b>			
Current:			
Public safety	4,089,508	1,498,713	2,590,795
Capital outlay	-	550,552	(550,552)
<b>Total expenditures</b>	<u>4,089,508</u>	<u>2,049,265</u>	<u>2,040,243</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,639,907)</u>	<u>(467,308)</u>	<u>2,172,599</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,639,907)	(467,308)	2,172,599
<b>FUND BALANCE:</b>			
Beginning of year	(156,950)	(156,950)	-
End of year	<u>\$ (2,796,857)</u>	<u>\$ (624,258)</u>	<u>\$ 2,172,599</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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 624,350	\$ -	\$ (624,350)
Investment income	-	290,244	290,244
<b>Total revenues</b>	<u>624,350</u>	<u>290,244</u>	<u>(334,106)</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	62,190	57,030	5,160
<b>Total expenditures</b>	<u>62,190</u>	<u>57,030</u>	<u>5,160</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>562,160</u>	<u>233,214</u>	<u>(328,946)</u>
<b>NET CHANGE IN FUND BALANCE</b>	562,160	233,214	(328,946)
<b>FUND BALANCE:</b>			
Beginning of year	18,826,466	18,826,466	-
End of year	<u>\$ 19,388,626</u>	<u>\$ 19,059,680</u>	<u>\$ (328,946)</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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 2,338,118	\$ 3,216,270	\$ 878,152
<b>Total revenues</b>	<u>2,338,118</u>	<u>3,216,270</u>	<u>878,152</u>
<b>EXPENDITURES:</b>			
Current:			
Community services	2,584,105	127,041	2,457,064
Community development	13,458,493	3,022,171	10,436,322
Capital outlay	384,853	384,853	-
<b>Total expenditures</b>	<u>16,427,451</u>	<u>3,534,065</u>	<u>12,893,386</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(14,089,333)</u>	<u>(317,795)</u>	<u>13,771,538</u>
<b>NET CHANGE IN FUND BALANCE</b>	(14,089,333)	(317,795)	13,771,538
<b>FUND BALANCE:</b>			
Beginning of year	(1,160,830)	(1,160,830)	-
End of year	<u>\$ (15,250,163)</u>	<u>\$ (1,478,625)</u>	<u>\$ 13,771,538</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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Special assessments	\$ -	\$ 134,967	\$ 134,967
<b>Total revenues</b>	<b>-</b>	<b>134,967</b>	<b>134,967</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	2,038	(2,038)
<b>Total expenditures</b>	<b>-</b>	<b>2,038</b>	<b>(2,038)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>132,929</b>	<b>132,929</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>132,929</b>	<b>132,929</b>
<b>FUND BALANCE:</b>			
Beginning of year	-	-	-
End of year	\$ -	\$ 132,929	\$ 132,929

**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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Investment income	\$ -	\$ 158	\$ 158
<b>Total revenues</b>	<u>-</u>	<u>158</u>	<u>158</u>
<b>EXPENDITURES:</b>			
Current:			
Public works	100,540	96,864	3,676
<b>Total expenditures</b>	<u>100,540</u>	<u>96,864</u>	<u>3,676</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(100,540)</u>	<u>(96,706)</u>	<u>3,834</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	100,540	100,540	-
<b>Total other financing sources (uses)</b>	<u>100,540</u>	<u>100,540</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	3,834	3,834
<b>FUND BALANCE:</b>			
Beginning of year	16,614	16,614	-
End of year	<u>\$ 16,614</u>	<u>\$ 20,448</u>	<u>\$ 3,834</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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Special assessments	\$ 4,727,930	\$ 4,731,589	\$ 3,659
Investment income	26,000	(153,184)	(179,184)
<b>Total revenues</b>	<u>4,753,930</u>	<u>4,578,405</u>	<u>(175,525)</u>
<b>EXPENDITURES:</b>			
Debt services:			
Principal retirements	2,165,000	2,165,000	-
Interest and fiscal charges	2,588,930	2,586,795	2,135
<b>Total expenditures</b>	<u>4,753,930</u>	<u>4,751,795</u>	<u>2,135</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>(173,390)</u>	<u>(173,390)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(173,390)	(173,390)
<b>FUND BALANCE:</b>			
Beginning of year	4,630,987	4,630,987	-
End of year	<u>\$ 4,630,987</u>	<u>\$ 4,457,597</u>	<u>\$ (173,390)</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, 2022**

	Final Budget Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Investment income	\$ -	\$ 28	\$ 28
<b>Total revenues</b>	<b>-</b>	<b>28</b>	<b>28</b>
<b>EXPENDITURES:</b>			
Debt services:			
Principal retirements	260,000	260,000	-
Interest and fiscal charges	105,620	105,477	143
<b>Total expenditures</b>	<b>365,620</b>	<b>365,477</b>	<b>143</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(365,620)</b>	<b>(365,449)</b>	<b>171</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	365,620	365,620	-
<b>Total other financing sources (uses)</b>	<b>365,620</b>	<b>365,620</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>171</b>	<b>171</b>
<b>FUND BALANCE:</b>			
Beginning of year	845	845	-
End of year	\$ 845	\$ 1,016	\$ 171

## **CITY OF ESCONDIDO INTERNAL SERVICE FUNDS**

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### **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, 2022**

	<u>Building Maintenance</u>	<u>Vehicle and Equipment Maintenance</u>	<u>Central Services</u>	<u>Network and Systems Administration</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 725,104	\$ 7,992,101	\$ 748,982	\$ 586,837
Receivables (Net):				
Accounts	13,183	-	10,846	-
Interest	1,690	18,733	1,715	1,020
Inventory	78,678	107,458	492,828	-
Deposits	-	-	-	-
<b>Total Current Assets</b>	<u>818,655</u>	<u>8,118,292</u>	<u>1,254,371</u>	<u>587,857</u>
<b>Noncurrent Assets:</b>				
Capital assets:				
Being depreciated, net	1,309,170	4,137,790	2,380	244,542
<b>Total Noncurrent Assets</b>	<u>1,309,170</u>	<u>4,137,790</u>	<u>2,380</u>	<u>244,542</u>
<b>Total Assets</b>	<u>2,127,825</u>	<u>12,256,082</u>	<u>1,256,751</u>	<u>832,399</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	561,676	342,541	120,426	353,829
<b>Total Deferred Outflows of Resources</b>	<u>561,676</u>	<u>342,541</u>	<u>120,426</u>	<u>353,829</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	417,884	272,520	93,597	5,149
Accrued expenses	72,328	45,742	9,303	45,259
Long-term debt, due within one year	14,510	8,591	700	-
<b>Total Current Liabilities</b>	<u>504,722</u>	<u>326,853</u>	<u>103,600</u>	<u>50,408</u>
<b>Noncurrent Liabilities:</b>				
Aggregate net pension liabilities	2,637,447	1,701,055	517,803	1,778,086
Long-term debt, due in more than one year	130,590	77,321	6,296	-
<b>Total Noncurrent Liabilities</b>	<u>2,768,037</u>	<u>1,778,376</u>	<u>524,099</u>	<u>1,778,086</u>
<b>Total Liabilities</b>	<u>3,272,759</u>	<u>2,105,229</u>	<u>627,699</u>	<u>1,828,494</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	1,124,677	706,378	203,226	711,768
<b>Total Deferred Inflows of Resources</b>	<u>1,124,677</u>	<u>706,378</u>	<u>203,226</u>	<u>711,768</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,309,170	4,137,790	2,380	244,542
Unrestricted (deficit)	(3,017,105)	5,649,226	543,872	(1,598,576)
<b>Total Net Position</b>	<u>\$ (1,707,935)</u>	<u>\$ 9,787,016</u>	<u>\$ 546,252</u>	<u>\$ (1,354,034)</u>

**CITY OF ESCONDIDO**  
**Combining Statement of Net Position (Continued)**  
**Internal Service Funds**  
**June 30, 2022**

	Workers' Compensation	General Liability Self-Insurance	Insurance	Total
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 14,422,576	\$ 3,922,683	\$ 2,257,598	\$ 30,655,881
Receivables (Net):				
Accounts	-	-	43,312	67,341
Interest	33,695	9,259	3,816	69,928
Inventory	-	-	-	678,964
Deposits	250,000	-	62,600	312,600
<b>Total Current Assets</b>	<b>14,706,271</b>	<b>3,931,942</b>	<b>2,367,326</b>	<b>31,784,714</b>
<b>Noncurrent Assets:</b>				
Capital assets:				
Being depreciated, net	-	-	-	5,693,882
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,693,882</b>
<b>Total Assets</b>	<b>14,706,271</b>	<b>3,931,942</b>	<b>2,367,326</b>	<b>37,478,596</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	33,640	-	81,971	1,494,083
<b>Total Deferred Outflows of Resources</b>	<b>33,640</b>	<b>-</b>	<b>81,971</b>	<b>1,494,083</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	187,819	30,416	68,009	1,075,394
Accrued expenses	4,479	-	51,997	229,108
Long-term debt, due within one year	2,891,749	658,770	2,259	3,576,579
<b>Total Current Liabilities</b>	<b>3,084,047</b>	<b>689,186</b>	<b>122,265</b>	<b>4,881,081</b>
<b>Noncurrent Liabilities:</b>				
Aggregate net pension liabilities	167,014	-	255,725	7,057,130
Long-term debt, due in more than one year	11,568,736	2,635,080	20,331	14,438,354
<b>Total Noncurrent Liabilities</b>	<b>11,735,750</b>	<b>2,635,080</b>	<b>276,056</b>	<b>21,495,484</b>
<b>Total Liabilities</b>	<b>14,819,797</b>	<b>3,324,266</b>	<b>398,321</b>	<b>26,376,565</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	64,670	-	212,967	3,023,686
<b>Total Deferred Inflows of Resources</b>	<b>64,670</b>	<b>-</b>	<b>212,967</b>	<b>3,023,686</b>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	-	5,693,882
Unrestricted (deficit)	(144,556)	607,676	1,838,009	3,878,546
<b>Total Net Position</b>	<b>\$ (144,556)</b>	<b>\$ 607,676</b>	<b>\$ 1,838,009</b>	<b>\$ 9,572,428</b>

**CITY OF ESCONDIDO**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

	Building Maintenance	Vehicle and Equipment Maintenance	Central Services	Network and Systems Administration
<b>Operating Revenues:</b>				
Charges for services	\$ 5,492,030	\$ 6,117,280	\$ 1,190,110	\$ 2,079,560
<b>Total Operating Revenues</b>	<u>5,492,030</u>	<u>6,117,280</u>	<u>1,190,110</u>	<u>2,079,560</u>
<b>Operating Expenses:</b>				
Personnel services	2,107,075	1,263,507	312,845	1,155,058
Administrative expenses	11,393	23,830	87,110	31,480
Benefit claims	-	-	-	-
Supplies	82,654	54,243	83,442	19,486
Repairs and maintenance	908,179	1,294,839	21,386	2,587
Depreciation	73,055	2,635,695	4,312	49,119
Utilities	1,325,703	5,438	214,541	11,023
Fuel	-	1,628,202	-	-
Professional services	1,495,071	84,957	150,983	36,275
Insurance premiums	66,250	47,090	16,690	18,730
Other	82,440	412,875	41,945	483,966
<b>Total Operating Expenses</b>	<u>6,151,820</u>	<u>7,450,676</u>	<u>933,254</u>	<u>1,807,724</u>
<b>Operating Income (Loss)</b>	<u>(659,790)</u>	<u>(1,333,396)</u>	<u>256,856</u>	<u>271,836</u>
<b>Nonoperating Revenues (Expenses):</b>				
Investment income	15,469	(244,475)	6,598	11,833
Interest and fiscal charges	(3,089)	-	-	-
Miscellaneous	274,161	400,797	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>286,541</u>	<u>156,322</u>	<u>6,598</u>	<u>11,833</u>
<b>Income Before Transfers and Capital Contributions</b>	<u>(373,249)</u>	<u>(1,177,074)</u>	<u>263,454</u>	<u>283,669</u>
Transfers in	-	415,000	-	-
Capital Contributions:				
Developer contributions	-	381,472	-	-
<b>Total Transfers and Capital Contributions</b>	<u>-</u>	<u>796,472</u>	<u>-</u>	<u>-</u>
<b>Changes in Net Position</b>	<u>(373,249)</u>	<u>(380,602)</u>	<u>263,454</u>	<u>283,669</u>
<b>Net Position at Beginning of Year</b>	<u>(1,334,686)</u>	<u>10,167,618</u>	<u>282,798</u>	<u>(1,637,703)</u>
<b>Net Position at End of Year</b>	<u>\$ (1,707,935)</u>	<u>\$ 9,787,016</u>	<u>\$ 546,252</u>	<u>\$ (1,354,034)</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, 2022**

	Workers' Compensation	General Liability Self-Insurance	Insurance	Total
<b>Operating Revenues:</b>				
Charges for services	\$ 5,295,236	\$ 2,449,262	\$ 12,339,269	\$ 34,962,747
<b>Total Operating Revenues</b>	<u>5,295,236</u>	<u>2,449,262</u>	<u>12,339,269</u>	<u>34,962,747</u>
<b>Operating Expenses:</b>				
Personnel services	104,148	-	334,760	5,277,393
Administrative expenses	343,960	1,604,320	145,780	2,247,873
Benefit claims	-	466,680	540,217	1,006,897
Supplies	452	-	1,120	241,397
Repairs and maintenance	-	-	-	2,226,991
Depreciation	-	-	-	2,762,181
Utilities	731	-	8,110	1,565,546
Fuel	-	-	-	1,628,202
Professional services	2,143,045	439,335	189,228	4,538,894
Insurance premiums	840,196	1,820,957	11,159,896	13,969,809
Other	2,945	10,058	43,331	1,077,560
<b>Total Operating Expenses</b>	<u>3,435,477</u>	<u>4,341,350</u>	<u>12,422,442</u>	<u>36,542,743</u>
<b>Operating Income (Loss)</b>	<u>1,859,759</u>	<u>(1,892,088)</u>	<u>(83,173)</u>	<u>(1,579,996)</u>
<b>Nonoperating Revenues (Expenses):</b>				
Investment income	(460,078)	(10,318)	11,594	(669,377)
Interest and fiscal charges	-	-	-	(3,089)
Miscellaneous	-	3,416	45,681	724,055
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(460,078)</u>	<u>(6,902)</u>	<u>57,275</u>	<u>51,589</u>
<b>Income Before Transfers and Capital Contributions</b>	<u>1,399,681</u>	<u>(1,898,990)</u>	<u>(25,898)</u>	<u>(1,528,407)</u>
Transfers in	-	-	-	415,000
Capital Contributions:				
Developer contributions	-	-	-	381,472
<b>Total Transfers and Capital Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>796,472</u>
<b>Changes in Net Position</b>	<u>1,399,681</u>	<u>(1,898,990)</u>	<u>(25,898)</u>	<u>(731,935)</u>
<b>Net Position at Beginning of Year</b>	<u>(1,544,237)</u>	<u>2,506,666</u>	<u>1,863,907</u>	<u>10,304,363</u>
<b>Net Position at End of Year</b>	<u>\$ (144,556)</u>	<u>\$ 607,676</u>	<u>\$ 1,838,009</u>	<u>\$ 9,572,428</u>

**CITY OF ESCONDIDO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

	Building Maintenance	Vehicle and Equipment Maintenance	Central Services	Network and Systems Administration
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 5,479,618	\$ 6,117,280	\$ 1,179,264	\$ 2,079,560
Cash paid to employees for services	(2,489,816)	(1,509,276)	(486,051)	(700,111)
Cash paid to other suppliers of goods and services	(3,809,164)	(3,503,273)	(479,822)	(1,339,737)
Cash from other sources	274,161	133,715	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(545,201)</u>	<u>1,238,446</u>	<u>213,391</u>	<u>39,712</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Cash received from (paid to) other funds	-	415,000	-	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>-</u>	<u>415,000</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase and construction of capital assets	-	(591,951)	-	-
Construction in progress reimbursement	938,000	-	-	-
Sale of capital assets	-	267,082	-	-
Principal payments on loans	(104,400)	-	-	-
Interest payments on loans	(3,089)	-	-	-
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<u>830,511</u>	<u>(324,869)</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>				
Investment income	13,779	(247,397)	6,529	11,950
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>13,779</u>	<u>(247,397)</u>	<u>6,529</u>	<u>11,950</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	299,089	1,081,180	219,920	51,662
<b>Cash and cash equivalents:</b>				
Beginning of year	426,015	6,910,921	529,062	535,175
End of year	<u>\$ 725,104</u>	<u>\$ 7,992,101</u>	<u>\$ 748,982</u>	<u>\$ 586,837</u>

**CITY OF ESCONDIDO**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

	Workers' Compensation	General Liability Self-Insurance	Insurance	Total
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 5,295,236	\$ 2,449,262	\$ 12,355,176	\$ 34,955,396
Cash paid to employees for services	(467,228)	(1,604,320)	(549,060)	(7,805,862)
Cash paid to other suppliers of goods and services	(3,048,589)	(2,454,888)	(11,084,251)	(25,719,724)
Cash from other sources	-	3,416	45,682	456,974
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>1,779,419</u>	<u>(1,606,530)</u>	<u>767,547</u>	<u>1,886,784</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Cash received from other funds	-	-	-	415,000
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,000</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase and construction of capital assets	-	-	-	(591,951)
Construction in progress reimbursement	-	-	-	938,000
Sale of capital assets	-	-	-	267,082
Principal payments on loans	-	-	-	(104,400)
Interest payments on loans	-	-	-	(3,089)
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,642</u>
<b>Cash Flows from Investing Activities:</b>				
Investment income	(465,266)	(7,052)	11,482	(675,975)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(465,266)</u>	<u>(7,052)</u>	<u>11,482</u>	<u>(675,975)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,314,153	(1,613,582)	779,029	2,131,451
<b>Cash and cash equivalents:</b>				
Beginning of year	13,108,423	5,536,265	1,478,569	28,524,430
End of year	<u>\$ 14,422,576</u>	<u>\$ 3,922,683</u>	<u>\$ 2,257,598</u>	<u>\$ 30,655,881</u>

**CITY OF ESCONDIDO**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

	Building Maintenance	Vehicle and Equipment Maintenance	Central Services	Network and Systems Administration
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ (659,790)	\$ (1,333,396)	\$ 256,856	\$ 271,836
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	73,055	2,635,695	4,312	49,119
Cash from other sources	274,161	133,715	-	-
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
Accounts receivable	(12,412)	-	(10,846)	-
Inventories	(29,853)	(20,218)	15,361	-
Deferred outflows of resources related to pensions	59,743	29,674	8,263	38,314
Accounts payable	180,987	44,589	33,804	(46,670)
Accrued expenses	7,882	13,440	(202)	6,790
Compensated absences	2,948	12,506	(14,303)	-
Pension liability	(1,566,599)	(983,937)	(283,080)	(991,445)
Deferred inflows of resources related to pensions	1,124,677	706,378	203,226	711,768
Estimated claims payable	-	-	-	-
Total adjustments	114,589	2,571,842	(43,465)	(232,124)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (545,201)</b>	<b>\$ 1,238,446</b>	<b>\$ 213,391</b>	<b>\$ 39,712</b>
<b>Noncash Investing, Capital and Financing Activities:</b>				
Contributed property, plant and equipment	\$ -	\$ 381,472	\$ -	\$ -
<b>Total noncash investing, capital and financing activities</b>	<b>\$ -</b>	<b>\$ 381,472</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF ESCONDIDO**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

	Workers' Compensation	General Liability Self-Insurance	Insurance	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 1,859,759	\$ (1,892,088)	\$ (83,173)	\$ (1,579,996)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	-	2,762,181
Cash from other sources	-	3,416	45,682	456,974
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
Accounts receivable	-	-	15,907	(7,351)
Inventories	-	-	-	(34,710)
Deferred outflows of resources related to pensions	2,284	-	11,395	149,673
Accounts payable	32,780	(33,908)	850,109	1,061,691
Accrued expenses	974	-	8,479	37,363
Compensated absences	3,033	-	2,830	7,014
Pension liability	(90,081)	-	(296,649)	(4,211,791)
Deferred inflows of resources related to pensions	64,670	-	212,967	3,023,686
Estimated claims payable	(94,000)	316,050	-	222,050
Total adjustments	(80,340)	285,558	850,720	3,466,780
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,779,419</b>	<b>\$ (1,606,530)</b>	<b>\$ 767,547</b>	<b>\$ 1,886,784</b>
<b>Noncash Investing, Capital and Financing Activities:</b>				
Contributed property, plant and equipment	\$ -	\$ -	\$ -	\$ 381,472
<b>Total noncash investing, capital and financing activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 381,472</b>



## **CITY OF ESCONDIDO CUSTODIAL FUNDS**

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### **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.

**CITY OF ESCONDIDO**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2022**

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	Hidden Trails Community Facilities District	Eureka Ranch Community Facilities District	Rancho San Pasqual	The Villages
<b>ASSETS</b>				
Cash and investments	\$ 176,027	\$ 826,401	\$ 308,604	\$ 569,895
Cash and investments with fiscal agent	-	114	353,831	
Receivables:				
Interest	350	1,568	582	619
Taxes	832	1,780	1,183	-
<b>Total assets</b>	<u>177,209</u>	<u>829,863</u>	<u>664,200</u>	<u>570,514</u>
<b>NET POSITION</b>				
Net position restricted for individuals, organizations, and other governments	<u>177,209</u>	<u>829,863</u>	<u>664,200</u>	<u>570,514</u>
<b>Total Net Position</b>	<u><u>\$ 177,209</u></u>	<u><u>\$ 829,863</u></u>	<u><u>\$ 664,200</u></u>	<u><u>\$ 570,514</u></u>

**CITY OF ESCONDIDO**  
**Combining Statement of Fiduciary Net Position (Continued)**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2022**

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	Total
<b>ASSETS</b>	
Cash and investments	\$ 1,880,927
Cash and investments with fiscal agent	353,945
Receivables:	
Interest	3,119
Taxes	3,795
<b>Total assets</b>	<b>2,241,786</b>

**NET POSITION**

Net position restricted for individuals, organizations, and other governments	2,241,786
<b>Total Net Position</b>	<b>\$ 2,241,786</b>

**CITY OF ESCONDIDO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended June 30, 2022**

	Hidden Trails Community Facilities District	Eureka Ranch Community Facilities District	Rancho San Pasqual	The Villages
<b>ADDITIONS:</b>				
Special assessments	\$ 206,304	\$ 1,057,859	\$ 364,050	\$ 568,990
Interest and change in fair value of investments	709	3,151	1,372	1,524
<b>Total Additions</b>	<b>207,013</b>	<b>1,061,010</b>	<b>365,422</b>	<b>570,514</b>
<b>DEDUCTIONS:</b>				
Administrative expenses	17,500	44,468	13,990	-
Payments on conduit bonds - principal	115,000	500,000	245,000	-
Payments on conduit bonds - interest	70,954	526,000	88,492	-
<b>Total Deductions</b>	<b>203,454</b>	<b>1,070,468</b>	<b>347,482</b>	<b>-</b>
<b>Changes in Net Position</b>	<b>3,559</b>	<b>(9,458)</b>	<b>17,940</b>	<b>570,514</b>
<b>NET POSITION:</b>				
Beginning of year	173,650	839,321	646,260	-
End of year	<u>\$ 177,209</u>	<u>\$ 829,863</u>	<u>\$ 664,200</u>	<u>\$ 570,514</u>

**CITY OF ESCONDIDO**  
**Combining Statement of Changes in Fiduciary Net Position (Continued)**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended June 30, 2022**

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	Total
<b>ADDITIONS:</b>	
Special assessments	\$ 2,197,203
Interest and change in fair value of investments	6,756
<b>Total Additions</b>	<b>2,203,959</b>
 <b>DEDUCTIONS:</b>	
Administrative expenses	75,958
Payments on conduit bonds - principal	860,000
Payments on conduit bonds - interest	685,446
<b>Total Deductions</b>	<b>1,621,404</b>
 <b>Changes in Net Position</b>	 <b>582,555</b>
 <b>NET POSITION:</b>	
Beginning of year	1,659,231
End of year	\$ 2,241,786





# **Statistical Section**

# **CITY OF ESCONDIDO STATISTICAL SECTION**

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This section of the City of Escondido's comprehensive annual financial report provides detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

## **FINANCIAL TRENDS INFORMATION**

These schedules are intended to assist users in understanding and assessing how a government's financial position has changed over time.

## **REVENUE CAPACITY INFORMATION**

These schedules are intended to assist users in understanding and assessing factors affecting a government's ability to generate its own revenue.

## **DEBT CAPACITY INFORMATION**

These schedules are intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

These schedules are intended to assist users in understanding the socioeconomic environment within which a government operates and provide information that facilitates comparison of financial statement information over time and among governments.

## **OPERATING INFORMATION**

These schedules are intended to provide information about operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.



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

	2013	2014	2015	2016	2017
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 211,228,317	\$ 207,003,751	\$ 201,314,048	\$ 223,906,554	\$ 218,477,270
Restricted	90,152,311	92,356,580	90,509,538	96,530,455	100,550,008
Unrestricted	27,922,604	24,555,904	(124,495,479)	(121,164,871)	(99,262,303)
<b>Total Governmental Activities Net Position</b>	<b>\$ 329,303,232</b>	<b>\$ 323,916,235</b>	<b>\$ 167,328,107</b>	<b>\$ 199,272,138</b>	<b>\$ 219,764,975</b>
<b>Business-type Activities:</b>					
Net investment in capital assets	\$ 141,057,087	\$ 151,539,613	\$ 158,231,376	\$ 172,888,190	\$ 188,875,729
Restricted	-	-	-	-	-
Unrestricted	61,147,031	57,540,105	28,819,831	22,072,596	9,234,771
<b>Total Business-type Activities Net Position</b>	<b>\$ 202,204,118</b>	<b>\$ 209,079,718</b>	<b>\$ 187,051,207</b>	<b>\$ 194,960,786</b>	<b>\$ 198,110,500</b>
<b>Primary Government:</b>					
Net investment in capital assets	\$ 352,285,404	\$ 358,543,364	\$ 359,545,424	\$ 396,794,744	\$ 407,352,999
Restricted	90,152,311	92,356,580	90,509,538	96,530,455	100,550,008
Unrestricted	89,069,635	82,096,009	(95,675,648)	(99,092,275)	(90,027,532)
<b>Total Primary Government Activities Net Position</b>	<b>\$ 531,507,350</b>	<b>\$ 532,995,953</b>	<b>\$ 354,379,314</b>	<b>\$ 394,232,924</b>	<b>\$ 417,875,475</b>

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)**

	2018	2019	2020	2021	2022
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 218,992,174	\$ 218,870,698	\$ 221,761,230	\$ 221,473,365	\$ 219,632,631
Restricted	104,851,906	115,547,295	124,688,550	151,769,546	162,675,947
Unrestricted	(112,191,974)	(124,447,522)	(133,063,895)	(141,744,978)	(118,853,522)
<b>Total Governmental Activities Net Position</b>	<b>\$ 211,652,106</b>	<b>\$ 209,970,471</b>	<b>\$ 213,385,885</b>	<b>\$ 231,497,933</b>	<b>\$ 263,455,056</b>
<b>Business-type Activities:</b>					
Net investment in capital assets	\$ 183,764,968	\$ 195,706,168	\$ 184,746,125	\$ 199,326,286	\$ 223,858,484
Restricted	3,642,092	1,095,891	15,665,650	10,655,617	28,963,855
Unrestricted	21,293,844	20,679,543	25,669,085	31,939,666	10,870,402
<b>Total Business-type Activities Net Position</b>	<b>\$ 208,700,904</b>	<b>\$ 217,481,602</b>	<b>\$ 226,080,860</b>	<b>\$ 241,921,569</b>	<b>\$ 263,692,741</b>
<b>Primary Government:</b>					
Net investment in capital assets	\$ 402,757,142	\$ 414,576,866	\$ 406,507,355	\$ 420,799,651	\$ 443,491,115
Restricted	108,493,998	116,643,186	140,354,200	162,425,163	191,639,802
Unrestricted	(90,898,130)	(103,767,979)	(107,394,810)	(109,805,312)	(107,983,120)
<b>Total Primary Government Activities Net Position</b>	<b>\$ 420,353,010</b>	<b>\$ 427,452,073</b>	<b>\$ 439,466,745</b>	<b>\$ 473,419,502</b>	<b>\$ 527,147,797</b>

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)**

	2013	2014	2015	2016	2017
<u>Expenses</u>					
Governmental Activities:					
General government	\$ 6,931,282	\$ 6,817,120	\$ 6,412,164	\$ 8,852,170	\$ 9,357,787
Public safety	58,937,215	64,735,010	62,464,110	65,521,010	71,876,096
Community services	13,492,016	13,824,749	12,485,541	12,559,645	12,571,637
Public works	28,719,020	22,830,644	24,390,896	20,066,941	22,107,665
Community development	6,095,723	4,442,510	4,652,366	4,643,576	5,077,618
Interest and fiscal charges	4,038,630	3,709,135	4,655,972	2,952,792	2,646,232
Total Governmental Activities Expenses	122,533,177	116,359,168	115,061,049	114,596,134	123,637,035
Business-type Activities:					
Water	48,899,219	51,937,493	51,558,727	49,844,796	57,314,740
Wastewater	25,847,825	28,748,596	29,740,987	30,565,986	32,361,361
Total Business-type Activities Expenses	74,747,044	80,686,089	81,299,714	80,410,782	89,676,101
Total Primary Government Expenses	<u>\$ 197,280,221</u>	<u>\$ 197,045,257</u>	<u>\$ 196,360,763</u>	<u>\$ 195,006,916</u>	<u>\$ 213,313,136</u>
<u>Program Revenues</u>					
Governmental activities:					
Charges for services:					
General government	\$ 481,812	\$ 1,049,402	\$ 261,135	\$ 479,655	\$ 300,203
Public safety	8,322,729	8,217,629	9,450,880	9,292,514	10,251,178
Community services	4,118,332	4,104,210	4,042,601	3,807,474	3,739,242
Public works	1,261,705	1,554,453	1,292,959	2,280,973	2,424,590
Community development	914,370	1,351,882	1,615,495	1,811,997	1,973,600
Operating grants and contributions	12,507,289	13,031,177	9,216,428	10,604,522	9,441,222
Capital grants and contributions	8,528,675	3,331,901	2,855,849	4,787,949	6,622,075
Total Governmental Activities Program Revenues	36,134,912	32,640,654	28,735,347	33,065,084	34,752,110
Business-type Activities:					
Charges for services:					
Water	48,857,327	54,411,250	54,323,287	51,055,900	55,442,545
Wastewater	28,482,081	29,413,549	32,014,382	33,594,079	34,166,698
Operating grants and contributions	6,559	243,302	533,816	70,130	30,832
Capital grants and contributions	3,858,657	1,879,809	2,972,993	1,355,692	1,766,559
Total Business-type Activities Program Revenues	81,204,624	85,947,910	89,844,478	86,075,801	91,406,634
Total Primary Government Program Revenues	<u>\$ 117,339,536</u>	<u>\$ 118,588,564</u>	<u>\$ 118,579,825</u>	<u>\$ 119,140,885</u>	<u>\$ 126,158,744</u>

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

	2018	2019	2020	2021	2022
<u>Expenses</u>					
Governmental Activities:					
General government	\$ 11,319,840	\$ 11,594,163	\$ 14,133,562	\$ 14,943,541	\$ 10,258,342
Public safety	80,848,786	80,834,482	87,387,146	84,691,286	73,817,032
Community services	13,453,775	14,394,666	14,854,363	14,044,934	14,906,208
Public works	25,876,603	27,320,553	25,322,314	20,683,917	13,815,377
Community development	5,516,258	5,388,553	6,217,692	5,113,312	18,924,626
Interest and fiscal charges	2,849,950	2,695,321	2,552,817	2,414,298	2,444,385
Total Governmental Activities Expenses	139,865,212	142,227,738	150,467,894	141,891,288	134,165,970
Business-type Activities:					
Water	62,431,613	60,286,760	62,805,742	69,582,076	69,297,563
Wastewater	32,843,118	33,669,077	36,482,537	38,337,115	35,770,779
Total Business-type Activities Expenses	95,274,731	93,955,837	99,288,279	107,919,191	105,068,342
Total Primary Government Expenses	<u>\$ 235,139,943</u>	<u>\$ 236,183,575</u>	<u>\$ 249,756,173</u>	<u>\$ 249,810,479</u>	<u>\$ 239,234,312</u>
<u>Program Revenues</u>					
Governmental activities:					
Charges for services:					
General government	\$ 681,369	\$ 700,526	\$ 829,648	\$ 688,165	\$ 2,459,670
Public safety	11,190,662	11,701,922	11,433,902	11,542,555	11,865,776
Community services	3,634,653	3,668,178	2,522,517	3,001,163	3,874,868
Public works	1,738,505	2,276,458	2,466,849	2,532,205	2,406,021
Community development	1,763,863	1,501,441	3,387,612	3,619,039	3,183,155
Operating grants and contributions	9,980,538	15,008,732	12,072,370	19,055,188	15,519,185
Capital grants and contributions	9,564,799	7,654,270	6,812,806	15,330,083	12,015,086
Total Governmental Activities Program Revenues	38,554,389	42,511,527	39,525,704	55,768,398	51,323,761
Business-type Activities:					
Charges for services:					
Water	61,551,122	57,495,553	60,636,276	73,069,548	71,138,194
Wastewater	34,464,076	35,780,554	36,064,926	37,147,393	41,370,100
Operating grants and contributions	143,298	152,007	75,098	16,916	272,843
Capital grants and contributions	7,846,908	4,859,530	6,374,790	12,849,613	13,697,769
Total Business-type Activities Program Revenues	104,005,404	98,287,644	103,151,090	123,083,470	126,478,906
Total Primary Government Program Revenues	<u>\$ 142,559,793</u>	<u>\$ 140,799,171</u>	<u>\$ 142,676,794</u>	<u>\$ 178,851,868</u>	<u>\$ 177,802,667</u>

(Continued)

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

	2013	2014	2015	2016	2017
<u>Net (Expense)/Revenue</u>					
Governmental activities	\$ (86,398,265)	\$ (83,718,514)	\$ (86,325,702)	\$ (81,531,050)	\$ (88,884,925)
Business-type activities	6,457,580	5,261,821	8,544,764	5,665,019	1,730,533
Total Primary Government Net Expense	<u>\$ (79,940,685)</u>	<u>\$ (78,456,693)</u>	<u>\$ (77,780,938)</u>	<u>\$ (75,866,031)</u>	<u>\$ (87,154,392)</u>
<u>General Revenues and Other</u> <u>Changes in Net Position</u>					
Governmental activities:					
Taxes:					
Sales taxes	\$ 24,202,373	\$ 27,366,084	\$ 29,447,205	\$ 32,080,999	\$ 37,905,908
Property taxes	16,738,501	16,805,289	16,953,228	17,039,019	17,779,603
Franchise tax	4,516,247	4,694,252	5,147,696	6,110,634	4,997,491
Payments in lieu of taxes	19,041,332	20,075,228	20,531,727	18,648,743	13,680,629
Other taxes	3,971,585	4,218,914	4,411,676	4,616,524	5,026,190
Investment earnings	3,290,477	4,153,899	4,309,471	4,445,175	4,353,656
Sale of capital assets	-	-	138,304	173,750	-
Miscellaneous	1,070,052	892,851	362,066	564,129	3,249,318
Transfers	25,000	125,000	(54,620)	25,000	25,000
Extraordinary item: Gain/(loss)	(34,948,363)	-	-	30,722,560	22,359,967
Total Governmental Activities	<u>37,907,204</u>	<u>78,331,517</u>	<u>81,246,753</u>	<u>114,426,533</u>	<u>109,377,762</u>
Business-type activities:					
Investment earnings	1,522,495	1,577,693	1,699,516	2,043,040	1,338,109
Miscellaneous	447,638	161,086	176,720	226,520	106,072
Transfers	(25,000)	(125,000)	54,620	(25,000)	(25,000)
Extraordinary item: Loss on chemical tank spill	-	-	-	-	-
Total Business-type Activities	<u>1,945,133</u>	<u>1,613,779</u>	<u>1,930,856</u>	<u>2,244,560</u>	<u>1,419,181</u>
Total Primary Government	<u>\$ 39,852,337</u>	<u>\$ 79,945,296</u>	<u>\$ 83,177,609</u>	<u>\$ 116,671,093</u>	<u>\$ 110,796,943</u>
<u>Change in Net Position</u>					
Governmental activities	\$ (48,491,061)	\$ (5,386,997)	\$ (5,078,949)	\$ 31,944,031	\$ 20,492,837
Business-type activities	8,402,713	6,875,600	10,475,620	7,909,579	3,149,714
Total primary government	<u>\$ (40,088,348)</u>	<u>\$ 1,488,603</u>	<u>\$ 5,396,671</u>	<u>\$ 39,853,610</u>	<u>\$ 23,642,551</u>

Source:

City of Escondido Finance Department.

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

	2018	2019	2020	2021	2022
<u>Net (Expense)/Revenue</u>					
Governmental activities	\$(101,310,823)	\$ (99,716,211)	\$ (110,939,190)	\$ (86,122,890)	\$ (82,842,209)
Business-type activities	9,112,999	4,331,807	3,862,811	15,164,279	21,410,564
<b>Total Primary Government</b>					
Net Expense	<u>\$ (92,197,824)</u>	<u>\$ (95,384,404)</u>	<u>\$ (107,076,379)</u>	<u>\$ (70,958,611)</u>	<u>\$ (61,431,645)</u>
<u>General Revenues and Other</u>					
<u>Changes in Net Position</u>					
Governmental activities:					
Taxes:					
Sales taxes	\$ 42,100,337	\$ 44,601,539	\$ 42,665,081	\$ 46,937,129	\$ 52,639,592
Property taxes	19,968,848	20,665,489	21,704,880	23,164,029	24,239,543
Franchise tax	6,673,212	6,083,566	6,093,168	6,886,816	5,953,212
Payments in lieu of taxes	13,140,350	13,906,639	14,631,684	15,465,008	18,169,990
Other taxes	4,352,631	4,454,434	4,626,355	4,889,389	6,130,957
Investment earnings	4,903,198	7,221,048	7,414,032	6,007,169	(668,283)
Sale of capital assets	1,449,580	465,008	14,935,539	261,625	-
Miscellaneous	559,798	581,853	2,118,865	623,773	793,487
Transfers	50,000	25,000	195,000	-	(30,000)
Extraordinary item:					
Gain/(loss)	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>93,197,954</u>	<u>98,004,576</u>	<u>114,384,604</u>	<u>104,234,938</u>	<u>107,228,498</u>
Business-type activities:					
Investment earnings	1,350,539	4,078,342	4,210,650	513,100	(1,830,352)
Miscellaneous	176,866	395,549	720,797	163,330	2,009,232
Transfers	(50,000)	(25,000)	(195,000)	-	30,000
Extraordinary item:					
Loss on chemical tank spill	-	-	-	-	-
<b>Total Business-type Activities</b>	<u>1,477,405</u>	<u>4,448,891</u>	<u>4,736,447</u>	<u>676,430</u>	<u>208,880</u>
<b>Total Primary Government</b>	<u>\$ 94,675,359</u>	<u>\$ 102,453,467</u>	<u>\$ 119,121,051</u>	<u>\$ 104,911,368</u>	<u>\$ 107,437,378</u>
<u>Change in Net Position</u>					
Governmental activities	\$ (8,112,869)	\$ (1,711,635)	\$ 3,445,414	\$ 18,112,048	\$ 24,386,289
Business-type activities	10,590,404	8,780,698	8,599,258	15,840,709	21,619,444
<b>Total primary government</b>	<u>\$ 2,477,535</u>	<u>\$ 7,069,063</u>	<u>\$ 12,044,672</u>	<u>\$ 33,952,757</u>	<u>\$ 46,005,733</u>

Source:

City of Escondido Finance Department.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund</b>					
Nonspendable	\$ 2,503,401	\$ 217,690	\$ 183,403	\$ 179,185	\$ 9,991,902
Restricted	-	-	-	-	-
Committed to	17,210,596	17,319,659	17,281,659	16,892,319	17,921,319
Assigned to	980,678	897,465	681,822	941,262	1,541,101
Unassigned	247,130	1,753,519	-	1,961,211	1,712,930
<b>Total General Fund</b>	<u><u>\$ 20,941,805</u></u>	<u><u>\$20,188,333</u></u>	<u><u>\$18,146,884</u></u>	<u><u>\$19,973,977</u></u>	<u><u>\$31,167,252</u></u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 60,199,844	\$ -	\$ -	\$ -	\$ 333,590
Restricted for	20,785,893	81,559,045	78,261,012	84,682,384	86,075,428
Committed to	2,466,775	2,008,525	1,860,686	984,157	1,656,212
Assigned to	159,405	139,653	488	-	-
Unassigned	(1,248,533)	(1,149,954)	(1,184,683)	(846,790)	(1,354,541)
<b>Total All Other Governmental Funds</b>	<u><u>\$ 82,363,384</u></u>	<u><u>\$82,557,269</u></u>	<u><u>\$78,937,503</u></u>	<u><u>\$84,819,751</u></u>	<u><u>\$86,710,689</u></u>

Source:  
City of Escondido Finance Department.

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

	2018	2019	2020	2021	2022
<b>General Fund</b>					
Nonspendable	\$ 9,991,902	\$ 5,187,424	\$ 1,865,098	\$ -	\$ -
Restricted	1,997,186	7,013,035	13,572,027	15,301,704	28,876,086
Committed to	17,392,319	17,392,319	17,392,319	17,392,319	17,500,736
Assigned to	1,762,773	2,297,428	2,364,520	14,423,119	14,026,663
Unassigned	2,839,620	1,888,896	1,894,735	1,603,254	665,517
<b>Total General Fund</b>	<b><u>\$33,983,800</u></b>	<b><u>\$33,779,102</u></b>	<b><u>\$37,088,699</u></b>	<b><u>\$ 48,720,396</u></b>	<b><u>\$ 61,069,002</u></b>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 373,620	\$ 282,173	\$ 294,171	\$ 282,413	\$ 281,067
Restricted for	87,811,164	90,532,465	93,753,131	107,266,960	112,138,541
Committed to	698,161	796,697	764,863	5,171,026	5,586,791
Assigned to	-	-	-	-	-
Unassigned	(1,347,939)	(50,146)	(1,516,035)	(2,091,521)	(4,707,430)
<b>Total All Other Governmental Funds</b>	<b><u>\$87,535,006</u></b>	<b><u>\$91,561,189</u></b>	<b><u>\$93,296,130</u></b>	<b><u>\$110,628,878</u></b>	<b><u>\$ 113,298,969</u></b>

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)**

	2013	2014	2015	2016	2017
<b><u>Revenues</u></b>					
Taxes	\$ 53,387,010	\$ 57,289,455	\$ 59,989,511	\$ 64,220,119	\$ 62,296,112
Licenses and permits	887,383	991,164	862,280	934,455	1,222,686
Fines and forfeits	1,468,309	1,184,292	1,151,366	1,344,221	1,186,276
Intergovernmental	25,945,352	23,708,589	22,900,854	24,648,821	23,485,944
Charges for services	11,335,203	12,513,585	13,670,047	13,509,208	16,154,072
Special assessments	5,958,662	5,796,337	5,970,331	5,567,955	5,589,696
Lease income	221,513	205,259	203,599	3,502,021	3,632,770
Investment income	856,466	895,826	941,778	1,245,689	540,184
Miscellaneous	4,645,031	4,265,979	4,544,360	1,574,553	2,298,139
<b>Total Revenues</b>	<b>104,704,929</b>	<b>106,850,486</b>	<b>110,234,126</b>	<b>116,547,042</b>	<b>116,405,879</b>
<b><u>Expenditures</u></b>					
General government	5,834,828	5,811,016	6,086,111	6,447,372	6,251,493
Public safety	55,246,097	57,874,021	61,843,630	64,266,503	65,038,985
Public works	17,392,655	15,189,340	17,407,197	14,442,206	16,592,694
Community services	11,815,547	12,128,504	11,744,673	12,080,978	11,825,028
Community development	5,331,818	4,238,194	4,585,497	4,985,006	5,078,286
Contributions to other governments	4,319,291	-	-	-	-
Capital outlay	7,794,450	5,550,440	2,966,301	3,919,203	6,084,281
Debt service:					
Principal retirements	7,528,360	2,528,361	74,848,007	243,360	1,592,870
Interest and fiscal charges	3,983,078	3,737,237	5,637,963	2,351,824	3,235,906
Agency tax sharing agreement	-	-	-	-	-
<b>Total Expenditures</b>	<b>119,246,124</b>	<b>107,057,113</b>	<b>185,119,379</b>	<b>108,736,452</b>	<b>115,699,543</b>
Excess (Deficiency) of Revenues Over Expenditures	(14,541,195)	(206,627)	(74,885,253)	7,810,590	706,336
<b><u>Other Financing Sources (Uses)</u></b>					
Issuance of debt	4,830,000	-	70,660,479	-	3,230,225
Bond issue costs	(122,073)	-	-	-	-
Sale of capital assets	111,234	1,346,540	138,304	173,751	-
Transfers in	6,522,962	5,035,243	3,173,695	2,968,322	3,765,952
Transfers out	(6,673,765)	(6,734,743)	(4,748,440)	(3,243,322)	(4,450,952)
<b>Total Other Financing Sources (Uses)</b>	<b>4,668,358</b>	<b>(352,960)</b>	<b>69,224,038</b>	<b>(101,249)</b>	<b>2,545,225</b>
Special item:					
Extraordinary item: Gain/(loss)	(9,832,652)	-	-	-	9,832,652
<b>Net Change in Fund Balance</b>	<b>\$ (19,705,489)</b>	<b>\$ (559,587)</b>	<b>\$ (5,661,215)</b>	<b>\$ 7,709,341</b>	<b>\$ 13,084,213</b>
Debt service as a percentage of noncapital expenditures	10.3%	6.2%	5.4%	2.5%	4.4%

**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)**

	2018	2019	2020	2021	2022
<b><u>Revenues</u></b>					
Taxes	\$86,246,378	\$89,722,666	\$ 89,863,291	\$ 97,342,370	\$ 102,401,706
Licenses and permits	1,183,587	888,019	923,125	2,433,872	2,157,445
Fines and forfeits	1,076,387	1,257,729	1,122,485	864,799	880,874
Intergovernmental	17,091,365	18,031,912	16,966,436	20,976,786	24,204,645
Charges for services	16,305,361	15,438,111	14,314,208	19,272,322	18,303,849
Special assessments	797,529	831,574	852,395	844,356	5,719,440
Lease income	3,951,092	3,998,929	3,828,840	4,292,952	4,076,313
Investment income	481,733	3,130,835	3,585,146	9,476,604	(1,793,867)
Miscellaneous	467,910	824,270	2,109,526	828,754	808,956
<b>Total Revenues</b>	<b>127,601,342</b>	<b>134,124,045</b>	<b>133,565,452</b>	<b>156,332,815</b>	<b>156,759,361</b>
<b><u>Expenditures</u></b>					
General government	6,212,196	6,404,132	7,953,939	10,194,155	8,702,273
Public safety	67,917,569	70,183,327	73,271,168	73,537,275	79,596,254
Public works	20,020,822	20,583,634	19,157,773	14,862,569	11,592,375
Community services	12,096,472	12,982,171	12,278,475	12,964,749	13,588,568
Community development	4,944,488	4,777,498	5,386,850	4,842,967	19,389,907
Contributions to other governments	-	-	-	-	-
Capital outlay	10,522,490	7,606,834	8,155,234	4,912,206	9,740,977
Debt service:					
Principal retirements	2,616,218	2,702,509	2,817,359	2,936,927	3,398,078
Interest and fiscal charges	3,216,739	3,133,810	3,024,656	2,897,077	2,939,106
Agency tax sharing agreement	-	-	-	-	-
<b>Total Expenditures</b>	<b>127,546,994</b>	<b>128,373,915</b>	<b>132,045,454</b>	<b>127,147,925</b>	<b>148,947,538</b>
Excess (Deficiency) of Revenues Over Expenditures	54,348	5,750,130	1,519,998	29,184,890	7,811,823
<b><u>Other Financing Sources (Uses)</u></b>					
Issuance of debt	2,095,893	-	-	-	-
Bond issue costs	-	-	-	-	-
Sale of capital assets	1,724,580	-	4,135,540	261,625	-
Transfers in	5,615,293	4,056,429	4,440,745	10,144,702	3,094,750
Transfers out	(5,849,248)	(5,985,074)	(5,051,745)	(10,626,772)	(3,458,710)
<b>Total Other Financing Sources (Uses)</b>	<b>3,586,518</b>	<b>(1,928,645)</b>	<b>3,524,540</b>	<b>(220,445)</b>	<b>(363,960)</b>
Special item:					
Extraordinary item: Gain/(loss)	-	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>\$ 3,640,866</b>	<b>\$ 3,821,485</b>	<b>\$ 5,044,538</b>	<b>\$ 28,964,445</b>	<b>\$ 7,447,863</b>
Debt service as a percentage of noncapital expenditures	5.0%	4.8%	4.7%	4.8%	4.6%

**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 <sup>(1)</sup>				
	Residential	Commercial	Industrial	Other	Total
2013	8,311,628,639	883,780,782	690,353,003	1,902,605,041	11,788,367,465
2014	8,565,684,527	874,571,529	684,905,167	1,989,341,749	12,114,502,972
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

Fiscal Year Ended June 30	Unsecured	Less: Exemptions	Taxable	Total
			Assessed Value	Direct Tax Rate <sup>(2)</sup>
2013	462,158,958	(612,709,744)	11,637,816,679	0.103
2014	465,412,975	(622,608,050)	11,957,307,897	0.103
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

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, Avenu Insights & Analytics

**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			Voter Approved Debt	Total Tax Rate	
			School District	San Diego County	All Other			
2013	0.103	0.103	0.710	0.157	0.030	1.000	0.141	1.141
2014	0.103	0.103	0.710	0.157	0.030	1.000	0.132	1.132
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

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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>(1)</sup>	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>(2)</sup>
North County Fair LLC	\$240,525,000	1	1.38 %	\$179,307,426	1	1.54 %
Eagle Rose Owner LLC	93,119,585	2	0.54			
Casa Vallecitos Ltd	72,489,214	3	0.42			
Latitude Del LLC	64,953,916	4	0.37			
Lennar Homes Of California Inc	56,367,154	5	0.32			
Morningview Terrace Apartments Ca LLC	52,452,117	6	0.30	47,699,408	3	
Frit Escondido Promenade L L C	52,105,581	7	0.30	43,991,480	4	0.38
Luna Properties L L C	45,406,242	8	0.26	41,295,463	6	0.36
Brixmor Felicita Town Center LLC	42,995,275	9	0.25			
S I V Escondido North Sd LLC	41,027,447	10	0.24			
Prebys Conrad Trust				75,062,598	2	0.65
Cox Communications California				44,000,409	3	0.38
Vons				42,193,128	5	0.36
Garrick Motors				38,023,980	7	0.33
O C S D Holdings				34,814,252	8	0.30
Felicita Holdings L L C				30,737,700	9	0.26
Goal Line				28,459,926	10	0.24
<b>TOTAL</b>	<b>\$761,441,531</b>		<b>4.38 %</b>	<b>\$605,585,770</b>		<b>4.80 %</b>

Notes:

(1) Net assessed valuation for 2021-22 is \$18,005,280,914

(2) Net assessed valuation for 2012-13 is \$11,637,816,679

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
2013	9,720,947	9,489,467	97.62	155,805	9,645,271	99.22
2014	10,099,951	9,834,962	97.38	126,961	9,961,923	98.63
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

Source:

County of San Diego Auditor and Controller's Office.

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

2022		2013	
Business Name	Business Category	Business Name	Business Category
7-Eleven Food Stores	Food Markets	Apple Stores	Furniture/Appliance
Arco AM/PM Mini Marts	Service Stations	Apro	Energy Sales
BMW Discount Parts	Auto Parts/Repair	Brecht BMW Service Center	Auto Parts/Repair
Carmax Auto Superstores	Auto Sales - Used	Carmax Auto Superstores	Auto Sales - Used
CM Distributors	Bldg.Matls-Whsle	Truck	Auto Sales - New
Ford of Escondido	Auto Sales - New	General Electric Co.	Electronic Equipment
Genesis of Escondido	Auto Sales - New	Heller Ford Suzuki	Auto Sales - New
Home Depot	Bldg.Matls-Retail	Home Depot	Bldg.Matls-Retail
Honda of Escondido	Auto Sales - New	Honda	Auto Sales - New
Jack Powell Chrysler Jeep Dodge	Auto Sales - New	J C Penney Company	Department Stores
Lexus Escondido	Auto Sales - New	Jack Powell Chrysler Plymouth	Auto Sales - New
Lowe's Home Centers	Bldg.Matls-Retail	Lexus Escondido	Auto Sales - New
Mercedes-Benz of Escondido	Auto Sales - New	Lowe's Home Improvement	Bldg.Matls-Retail
Volkswagen	Auto Sales - New	Macy's Department Store	Department Stores
Mossy Nissan Escondido	Auto Sales - New	Mercedes-Benz	Auto Sales - New
North County Buick Cadillac Gmc	Auto Sales - New	Mossy Nissan	Auto Sales - New
North County Kia	Auto Sales - New	Mossy Volkswagen	Auto Sales - New
Quality Chevrolet	Auto Sales - New	Gm	Auto Sales - New
Ross Stores	Apparel Stores	Nordstrom Department Store	Department Stores
Shell Service Stations	Service Stations	Palomar Medical Center	Health & Government
Superior Ready Mix Concrete	Bldg.Matls-Whsle	Quality Chevrolet	Auto Sales - New
Target Stores	Department Stores	Shell Service Stations	Service Stations
Toyota of Escondido	Auto Sales - New	Target Stores	Department Stores
United Oil Service Stations	Service Stations	Toyota Recondition Center	Auto Sales - New
Wal Mart Stores	Department Stores	Vons Grocery Company	Food Markets

Notes:

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

Firms Listed Alphabetically

Source:

Avenu Insights & Analytics

**CITY OF ESCONDIDO**  
**Taxable Sales by Category**  
**Last Ten Calendar Years (First Quarter)**

Category Name	2013Q1	2014Q1	2015Q1	2016Q1	2017Q1
Accommodation and Food Services	\$ 1,924,337	\$ 2,087,299	\$ 2,292,004	\$ 2,435,056	\$ 2,584,463
Agriculture, Forestry, Fishing and Hunting	244,891	240,739	210,200	267,553	225,947
Arts, Entertainment, and Recreation	12,717	8,242	8,529	8,839	8,704
Educational Services	21,194	20,477	26,579	25,383	27,853
Information	83,537	97,442	115,502	101,649	130,276
Manufacturing	570,578	564,174	537,669	610,741	703,184
Mining, Quarrying, and Oil and Gas Extraction	622,035	735,239	848,373	839,797	925,079
Other Services (except Public Administration)	338,277	361,661	377,567	412,205	429,879
Professional, Scientific, and Technical Services	221,079	106,241	100,298	108,201	104,556
Real Estate and Rental and Leasing	98,090	51,462	68,532	60,852	60,820
Retail Trade	20,669,825	21,442,911	22,207,634	23,037,254	23,103,774
Utilities	1,353,804	1,502,636	1,829,374	2,270,644	2,419,692
All Other NAICS Sectors	641,968	672,949	681,413	544,482	507,472
<b>Total</b>	<b>\$ 26,802,332</b>	<b>\$ 27,891,474</b>	<b>\$ 29,303,675</b>	<b>\$ 30,722,656</b>	<b>\$ 31,231,700</b>

Notes:

The data contained in this report is economic and therefore constantly changing as adjustments, fund transfers, late filings and audits are recorded.

The categories listed in previous reports were based on SBOE NAICS codes and have been updated to reflect current updated CDTFA standards.

Source:

Avenu Insights & Analytics



**CITY OF ESCONDIDO**  
**Taxable Sales by Category (Continued)**  
**Last Ten Calendar Years (First Quarter)**

Category Name	2018Q1	2019Q1	2020Q1	2021Q1	2022Q1
Accommodation and Food Services	\$ 2,727,812	\$ 2,774,470	\$ 2,810,274	\$ 2,459,533	\$ 3,296,240
Agriculture, Forestry, Fishing and Hunting	170,963	251,539	271,382	203,773	270,327
Arts, Entertainment, and Recreation	8,573	8,728	8,807	2,924	9,537
Educational Services	25,986	27,563	20,310	72,507	11,266
Information	102,630	98,728	93,997	56,685	67,381
Manufacturing	749,756	752,335	800,599	749,440	922,439
Mining, Quarrying, and Oil and Gas Extraction	1,044,356	977,365	979,607	841,215	945,508
Other Services (except Public Administration)	439,191	467,567	482,540	431,505	507,752
Professional, Scientific, and Technical Services	107,443	94,907	92,085	58,793	86,170
Real Estate and Rental and Leasing	74,335	129,677	139,655	128,705	127,839
Retail Trade	23,368,651	23,269,993	23,451,424	22,858,305	28,621,505
Utilities	2,735,848	2,609,945	2,721,665	2,879,412	3,034,338
All Other NAICS Sectors	570,789	576,018	585,446	549,971	632,076
<b>Total</b>	<b>\$ 32,126,332</b>	<b>\$ 32,038,835</b>	<b>\$ 32,457,791</b>	<b>\$ 31,292,767</b>	<b>\$ 38,532,379</b>

Notes:

The data contained in this report is economic and therefore constantly changing as adjustments, fund transfers, late filings and audits are recorded.

The categories listed in previous reports were based on SBOE NAICS codes and have been updated to reflect current updated CDTFAs standards.

Source:

Avenu Insights & Analytics

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

Fiscal Year Ended June 30	Governmental Activities (1)						
	General Obligation Bonds	Lease Revenue Bonds (2)	Certificates of Participation	Tax Allocation Bonds (2)	Loans Payable	Capital Leases Payable	Total Governmental Activities
2013	76,368,935	4,839,703	1,240,000	-	994,926	-	83,443,564
2014	74,638,440	4,634,156	645,000	-	888,366	-	80,805,962
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	56,715,830	2,755,217	-	-	1,399,572	636,393	61,507,012

Notes:

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

(2) Debt issued by the Escondido Community Development Commission is no longer reported as a result of the dissolution of the Community Development Commission on February 1, 2012

Sources:

City of Escondido Finance Department, Avenu Insights & Analytics, U.S. Census Bureau, 2010 American Community Survey.

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

Fiscal Year Ended June 30	Business-type Activities (1)			Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Revenue COP & Lease Revenue Bonds	Loans Payable	Total Business Activities			
2013	119,584,319	22,585,446	142,169,765	225,613,329	7.28	1,546
2014	116,557,874	20,448,701	137,006,575	217,812,537	6.65	1,481
2015	108,643,605	18,304,767	126,948,372	203,832,536	5.82	1,384
2016	105,583,563	16,153,467	121,737,030	197,691,115	5.95	1,311
2017	102,608,520	13,994,615	116,603,135	193,510,551	5.53	1,277
2018	99,543,476	11,839,768	111,383,244	187,078,149	5.03	1,235
2019	98,723,724	11,305,828	110,029,552	182,321,321	4.61	1,194
2020	95,525,438	30,391,080	125,916,518	194,681,613	4.72	1,272
2021	91,867,310	29,451,614	121,318,924	186,418,080	4.22	1,229
2022	87,006,577	53,033,190	140,039,767	201,546,779	4.57	1,338

Notes:

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

(2) Debt issued by the Escondido Community Development Commission is no longer reported as a result of the dissolution of the Community Development Commission on February 1, 2012

Sources:

City of Escondido Finance Department, Avenu Insights & Analytics, U.S. Census Bureau, 2010 American Community Survey.

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

Fiscal Year Ended June 30	Outstanding General Obligation Bonded Debt			Total	Percent of Assessed Value <sup>(1)</sup>	Per Capita
	General Obligation Bonds	Certificates of Participation	Tax Allocation Bonds <sup>(2)</sup>			
2013	76,368,935	1,240,000	-	77,608,935	0.67	532
2014	74,638,440	645,000	-	75,283,440	0.63	512
2015	70,635,357	-	-	70,635,357	0.56	480
2016	70,204,710	-	-	70,204,710	0.53	466
2017	68,714,064	-	-	68,714,064	0.50	454
2018	66,503,417	-	-	66,503,417	0.45	439
2019	64,202,770	-	-	64,202,770	0.41	420
2020	61,807,123	-	-	61,807,123	0.37	404
2021	59,311,477	-	-	59,311,477	0.34	391
2022	56,715,830	-	-	56,715,830	0.33	376

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, 2022**

2021-22 Assessed Valuation		\$ 18,398,307,494	
Redevelopment Agency Incremental Valuation		3,856,464,311	
Adjusted Assessed Valuation		\$ 14,541,843,183	
	Percentage Applicable <sup>(1)</sup>	Outstanding Debt 06/30/22	Estimated Share of Overlapping Debt
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Metropolitan Water District	0.540 %	\$ 20,175,000	\$ 108,945
Palomar Community College District	13.151	655,840,155	86,249,539
San Marcos Unified School District School	3.527	273,680,421	9,652,708
Escondido Union High School District	76.190	79,639,809	60,677,570
Escondido Union School District	76.866	170,289,622	130,894,821
San Pasqual Union School District	55.735	72,350	40,324
Palomar Pomerado Hospital District	19.225	408,228,082	78,481,849
<b>City of Escondido</b>	<b>100.000</b>	<b>50,615,000</b>	<b>50,615,000</b>
City of Escondido Community Facilities District No. 2006-01	100.000	11,095,000	11,095,000
City of Escondido Hidden Trails Community Facilities District	100.000	1,500,000	1,500,000
City of Escondido 1915 Act Bonds	100.000	1,430,000	1,430,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>1,672,565,439</b>	<b>430,745,756</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
San Diego County General Fund Obligations	3.035	245,340,000	7,446,069
San Diego County Pension Obligation Bonds	3.035	340,825,000	10,344,039
San Diego County Superintendent of School Obligations	3.035	7,780,000	236,123
Palomar Community College District Certificates of Participation	13.151	1,440,000	189,374
San Marcos Unified School General Fund Obligations	3.527	70,463,687	2,485,254
Escondido Union High School District Certificates of Participation	76.190	49,800,000	37,942,620
Escondido Union School District Certificates of Participation	76.866	12,255,000	9,419,928
<b>City of Escondido General Fund Obligations</b>	<b>100.000</b>	<b>2,760,000</b>	<b>2,760,000</b>
<b>City of Escondido Lease Obligations</b>	<b>100.000</b>	<b>636,393</b>	<b>636,393</b>
<b>City of Escondido Loans Obligations</b>	<b>100.000</b>	<b>1,399,572</b>	<b>1,399,572</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>732,699,652</b>	<b>72,859,372</b>
<b>TOTAL CITY DIRECT DEBT</b>			<b>\$ 4,795,965</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 498,809,163</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$ 503,605,128 <sup>(2)</sup></b>

(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 capital lease obligations.

**RATIOS TO 2021-22 ASSESSED VALUATION:**

Total Overlapping Tax and Assessment Debt	2.34 %
<b>Combined Direct Debt (\$55,410,965)</b>	<b>0.03</b>
Combined Total Debt	3.46

**RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY INCREMENTAL VALUATION:**

Total Overlapping Tax Increment Debt	0.23 %
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Source:

Avenu Insights & Analytics.

**CITY OF ESCONDIDO**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	2013	2014	2015	2016	2017
Assessed valuation	\$9,674,335,352	\$9,841,518,516	\$10,389,492,632	\$10,901,050,697	\$11,397,164,781
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	2,418,583,838	2,460,379,629	2,597,373,158	2,725,262,674	2,849,291,195
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	362,787,576	369,056,944	389,605,974	408,789,401	427,393,679
Total Debt Applicable to Limit:					
General Obligation Bonds	75,665,000	73,965,000	61,520,000	61,520,000	60,460,000
Legal Debt Margin	<u>\$ 287,122,576</u>	<u>\$ 295,091,944</u>	<u>\$ 328,085,974</u>	<u>\$ 347,269,401</u>	<u>\$ 366,933,679</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	21%	20%	16%	15%	14%

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**

	2018	2019	2020	2021	2022
Assessed valuation	\$12,065,097,152	\$12,707,545,218	\$13,330,606,284	\$14,101,521,001	\$14,541,843,183
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	3,016,274,288	3,176,886,305	3,332,651,571	3,525,380,250	3,635,460,796
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	452,441,143	476,532,945.68	499,897,735.65	528,807,037.54	545,319,119.36
Total Debt Applicable to Limit:					
General Obligation Bonds	58,680,000	56,810,000	61,807,123	59,311,477	56,715,830
Legal Debt Margin	<u>\$ 393,761,143</u>	<u>\$ 419,722,946</u>	<u>\$ 438,090,613</u>	<u>\$ 469,495,561</u>	<u>\$ 488,603,289</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	13%	12%	12%	11%	10%

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**

**2001 Lease Revenue Bonds**

Fiscal Year Ended	Loan Payment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
June 30							
2013	404,925	-	404,925	115,000	289,925	404,925	1.00
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-

**2013A Lease Revenue Refunding Bonds**

Fiscal Year Ended	Loan Payment Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
June 30							
2013	404,925	-	404,925	-	-	-	n/a
2014	359,714	-	359,714	205,000	154,714	359,714	1.00
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

**1993 Certificates of Participation**

Fiscal Year Ended	Loan Payment Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
June 30							
2013	677,260	-	677,260	550,000	127,260	677,260	1.00
2014	674,170	-	674,170	595,000	79,170	674,170	1.00
2015	672,090	-	672,090	645,000	27,090	672,090	1.00
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-

**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**

**Water and Wastewater Revenue and Revenue Certificates of Participation**

Fiscal Year Ended June 30	Charges for Services and Other Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2013	79,799,930	60,004,862	19,795,068	2,445,000	5,169,939	7,614,939	2.60
2014	86,667,661	65,419,946	21,247,715	2,900,000	5,331,367	8,231,367	2.58
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

**Special Assessment Debt - Hidden Trails**

Fiscal Year Ended June 30	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2013	229,435	-	229,435	70,000	155,610	225,610	1.02
2014	227,470	-	227,470	75,000	130,338	205,338	1.11
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

**Special Assessment Debt - Eureka Ranch**

Fiscal Year Ended June 30	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2013	1,252,550	-	1,252,550	360,000	849,600	1,209,600	1.04
2014	1,231,047	-	1,231,047	375,000	833,058	1,208,058	1.02
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

**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 - Auto Parkway**

Fiscal Year Ended	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
June 30							
2013	343,514	-	343,514	225,000	99,984	324,984	1.06
2014	347,171	-	347,171	240,000	86,906	326,906	1.06
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	-	-	-	-	-	-	-

**Special Assessment Debt - Rancho San Pasqual**

Fiscal Year Ended	Special Assessment Collections	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
June 30							
2013	350,697	-	350,697	145,000	185,793	330,793	1.06
2014	355,975	-	355,975	155,000	177,543	332,543	1.07
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

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**

Calendar Year	Population <sup>(1)</sup>	Personal Income (in millions) <sup>(2)</sup>	Per Capita Income <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
2012	145,908	3,040	20,836	9.3
2013	147,102	3,214	21,851	7.9
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

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 EDD's Bureau of Labor Statistics Department.

Sources:

Avenu Insights & Analytics, U.S. Census Bureau

**CITY OF ESCONDIDO**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2022		2013	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Palomar Medical Center	2,367	3.48 %	3,045	4.47 %
Escondido Union School District	1,979	2.91	1,900	2.79
City of Escondido <sup>(1)</sup>	949	1.39	1,101	1.62
Escondido Union High School District	840	1.23	851	1.25
Bergelectric	607	0.89		
Toyota of Escondido	376	0.55		
Home Depot	375	0.55	310	0.46
Vons Grocery Stores (3 locations)	290	0.43	364	0.53
Ne-Mo's Bakery	240	0.35		
The Classical Academies (Escondido locations)	225	0.33	340	0.50
Welk Group Inc			1,000	
San Diego Wild Animal Park			967	1.42
Palomar Community College District			322	0.47
Nordstrom Inc <sup>(2)</sup>			300	0.44

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 2021-22 is 68,100

(1) Includes FT and PT employees

(2) Nordstrom has closed this location

Sources:

Avenu Insights & Analytics.

2012-13 previously published CAFR

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	108	111	107	113	120	123	115	114	111	117
Public Safety	374	383	365	383	398	397	397	394	384	388
Public Works	154	148	140	118	111	107	105	111	112	124
Community Development	35	36	37	38	37	37	36	33	32	31
Community Services	225	206	174	168	167	94	105	71	83	98
Housing & Neighborhood Services	10	10	9	10	9	10	9	8	8	7
Water	114	114	118	115	117	115	121	121	123	122
Wastewater	71	82	78	73	73	71	72	75	75	71
Total	<u>1,091</u>	<u>1,090</u>	<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>

Source:

City of Escondido Finance Department.

**CITY OF ESCONDIDO**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	2013	2014	2015	2016	2017
<b>Police:</b>					
Physical Arrests	5,988	5,740	4,923	5,114	5,533
Traffic Violations	9,782	8,454	8,528	7,038	6,912
Parking Violations	4,022	4,328	5,571	6,052	6,218
<b>Fire:</b>					
Number of Calls Answered	13,065	13,139	13,450	14,553	15,369
Number of Inspections Conducted	1,741	1,496	2,590	2,086	1,826
<b>Public Works<sup>(1)</sup>:</b>					
Street Resurfacing (miles)	19.3	18.6	44.0	63.5	67.0
<b>Parks and Recreation<sup>(2)</sup>:</b>					
Number of Recreation Classes	1,275	2,410	1,070	808	577
Number of Facility Rentals	2,541	1,975	1,770	1,857	3,056
Golf Rounds Played	95,528	97,094	94,917	99,130	97,394
<b>Water:</b>					
Number of Service Connections	26,508	26,536	26,567	26,617	26,694
Average Daily Consumption (gallons)	23,370,000	22,579,315	19,500,000	16,680,000	17,206,595
<b>Sewer:</b>					
Number of Service Connections	27,072	27,102	27,139	27,048	27,070
Average Daily Treatment (gallons)	12,630,000	12,100,000	11,900,000	11,700,000	12,600,000

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	2018	2019	2020	2021	2022
<b>Police:</b>					
Physical Arrests	5,763	5,491	5,074	4,616	5,039
Traffic Violations	5,779	7,221	5,300	4,561	3,993
Parking Violations	6,752	7,509	5,305	5,757	7,101
<b>Fire:</b>					
Number of Calls Answered	16,710	16,154	15,962	16,119	17,261
Number of Inspections Conducted	3,624	4,082	2,734	3,772	3,224
<b>Public Works<sup>(1)</sup>:</b>					
Street Resurfacing (miles)	94.0	98.0	71.0	77.0	50.0
<b>Parks and Recreation<sup>(2)</sup>:</b>					
Number of Recreation Classes	640	728	523	464	760
Number of Facility Rentals	3,482	3,000	2,860	1,678	3,698
Golf Rounds Played	99,817	96,709	90,173	123,786	117,337
<b>Water:</b>					
Number of Service Connections	26,884	27,052	27,078	27,286	27,340
Average Daily Consumption (gallons)	19,431,105	17,120,000	18,413,863	18,640,684	19,930,000
<b>Sewer:</b>					
Number of Service Connections	48,092	48,161	48,425	48,823	49,018
Average Daily Treatment (gallons)	12,300,000	13,400,000	13,876,317	12,628,496	12,600,000

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	2013	2014	2015	2016	2017
<b>Police:</b>					
Stations	1	1	1	1	1
<b>Fire:</b>					
Stations	7	7	7	7	7
<b>Public Works:</b>					
Streets (miles)	305.0	305.0	306.2	307.4	323.0
Streetlights	6,479	6,487	6,488	6,489	6,489
Traffic Signals	151	152	153	155	155
<b>Parks and Recreation:</b>					
Parks	14	14	14	14	14
Community Centers	3	3	3	3	3
Golf Courses	2	2	2	2	2
<b>Water:</b>					
Water Mains (miles)	431	431	423	423	430
Maximum Daily Plant Capacity (gallons)	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
<b>Sewer:</b>					
Sanitary Sewers (miles)	363	379	374	380	380
Storm Drains (miles)	382	377	411	411	221
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	2018	2019	2020	2021	2022
<b>Police:</b>					
Stations	1	1	1	1	1
<b>Fire:</b>					
Stations	7	7	7	7	7
<b>Public Works:</b>					
Streets (miles)	363.8	331.0	298.0	291.0	293.0
Streetlights	6,489	6,635	6,635	6,790	6,796
Traffic Signals	155	165	165	170	170
<b>Parks and Recreation:</b>					
Parks	14	14	14	14	14
Community Centers	3	3	3	3	3
Golf Courses	2	2	2	2	2
<b>Water:</b>					
Water Mains (miles)	436	436	436	440	440
Maximum Daily Plant Capacity (gallons)	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
<b>Sewer:</b>					
Sanitary Sewers (miles)	389	389	367	367	380
Storm Drains (miles)	200	200	171	192	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.





# City of Escondido

*California*

