



# CITY OF DEL MAR™

*Celebrating 60 Years as a City*

1959-2019

CALIFORNIA

## Comprehensive Annual Financial Report Fiscal Year ended June 30, 2019



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**CITY OF DEL MAR, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**WITH REPORT ON AUDIT**  
**BY INDEPENDENT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**YEAR ENDED JUNE 30, 2019**

**Prepared by**  
**Finance Department**  
**Monica Molina**  
**Finance Manager/Treasurer**

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**CITY OF DEL MAR**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
June 30, 2019

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting (GFOA)	viii
Directory of Officials	ix
Organizational Chart	x
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis (Required Supplementary Information)</b>	5
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Governmental Funds	
Balance Sheet	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	26
Proprietary Funds	
Statement of Net Position	27
Statement of Revenues, Expenses, and Changes in Net Position	28
Statement of Cash Flows	

**CITY OF DEL MAR**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

June 30, 2019

**TABLE OF CONTENTS**

**FINANCIAL SECTION, (Continued)**

**Basic Financial Statements, (Continued)**

Agency Funds	
Statement of Fiduciary Assets and Liabilities	30

Notes to Basic Financial Statements	31
-------------------------------------	----

**Required Supplementary Information**

Budgetary Comparison Schedule – General Fund	69
--	----

Notes to Budgetary Comparison Schedule	70
--	----

Miscellaneous Pension Plan:

Schedule of Proportionate Share of Net Pension Liability	71
--	----

Schedule of Contributions - Defined Benefit Pension Plan	72
--	----

Safety Pension Plan:

Schedule of Proportionate Share of Net Pension Liability	73
--	----

Schedule of Contributions - Defined Benefit Pension Plan	74
--	----

**Supplementary Information**

Non-Major Governmental Funds

Combining Balance Sheet	76
-------------------------	----

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	78
--	----

Budgetary Comparison Schedules

Gasoline Tax Special Revenue Fund	80
-----------------------------------	----

Open Space Special Revenue Fund	81
---------------------------------	----

Supplemental Law Enforcement Special Revenue Fund	82
---	----

Regional Communications System Special Revenue Fund	83
---	----

Grants Special Revenue Fund	84
-----------------------------	----

Housing Special Revenue Fund	85
------------------------------	----

AB 939 Special Revenue Fund	86
-----------------------------	----

RMRA Special Revenue Fund	87
---------------------------	----

Transnet II Capital Improvement Capital Projects Fund	88
---	----

Major Governmental Fund Budgetary Comparison Schedule

Capital Improvement Capital Projects Fund - Major Fund	89
--	----

Agency Funds

Combining Statement of Fiduciary Assets and Liabilities	92
---	----

Statement of Changes in Fiduciary Assets and Liabilities	94
--	----

**CITY OF DEL MAR**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

June 30, 2019

**TABLE OF CONTENTS**

**STATISTICAL SECTION (UNAUDITED)**

Description of Statistical Contents

Financial Trends

Net Position by Component - Last Ten Fiscal Years	98
Changes in Net Position - Last Ten Fiscal Years	100
Fund Balances of Governmental Funds - Last Ten Fiscal Years	102
Changes in Fund Balances – Governmental Funds - Last Ten Fiscal Years	104
Governmental Activities Tax Revenues by Sources - Last Ten Fiscal Years	106
General Governmental Expenditures by Function - Last Ten Fiscal Years	108

Revenue Capacity

Assessed Valuation and Actual Value of Taxable Property - Last Ten Fiscal Years	110
Assessed Value of Property by User Code - Last Ten Fiscal Years	114
Estimated Value of Taxable Property - Last Ten Fiscal Years	116
Construction Permits - Last Ten Fiscal Years	118
Property Tax Rates - All Overlapping Governments - Last Ten Fiscal Years	120
Ten Largest Property Taxpayers - Current Fiscal Year and Ten Years Ago	121
Top 25 Sales Tax Producers - Current Fiscal Year and Ten Years Ago	122
Property Tax Levies, Tax Collections, and Delinquencies - Last Ten Fiscal Years	123

Debt Capacity

Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	124
Pledged-Revenue Coverage - Last Ten Fiscal Years	125

**CITY OF DEL MAR**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

June 30, 2019

**TABLE OF CONTENTS**

**STATISTICAL SECTION (UNAUDITED), (Continued)**

Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years	126
Direct and Overlapping Bonded Debt	127
Schedule of Legal Debt Margin - Last Ten Fiscal Years	128
Demographic and Economic Information	
Demographic and Economic Statistics - Last Ten Calendar Years	130
Top Ten Principal Employers - Current Year and Prior Year	132
Operating Information	
Full-time Employees by Function - Last Ten Fiscal Years	133
Operating Indicators by Function - Last Ten Fiscal Years	134
Capital Asset Statistics by Function - Last Ten Fiscal Years	135
Miscellaneous Statistics	136





December 27, 2019

Honorable Mayor, Councilmembers, and the Citizens of the City of Del Mar, California

**LETTER OF TRANSMITTAL  
FISCAL YEAR 2018-2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

It is a pleasure to present the Fiscal Year 2018-2019 Comprehensive Annual Financial Report (CAFR) for the City of Del Mar. These financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards. Responsibility for the accuracy of the data, the completeness and reliability of the presentation, including all disclosures, rests with City management.

To provide a reasonable basis for making the representations shown in this report and to compile sufficient reliable information for the preparation of the City's financial statements, the management of the City has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse. Because the costs of internal controls should not exceed their benefits, the City's internal controls have been designed to provide a reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

The City's financial statements have been audited by White Nelson Diehl Evans LLP, certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2019.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

**Profile of the City of Del Mar**

Del Mar is a coastal charter City incorporated in 1959. Its charter permits it to collect admission taxes on events but it is a general law city in every other respect. It borders the City of San Diego on the south and the City of Solana Beach on the north. The City is governed by a five-member City Council under the Council/Manager form of government. The City Council is elected at large with staggered four-year terms and the position of Mayor is rotated amongst Council members annually.

Del Mar is a small city of 4,451 residents and is primarily a residential community with substantial tourist appeal covering approximately two square miles and noted for its beautiful beaches. The City is predominantly built-out; however, redevelopment and revitalization opportunities exist in its commercial areas, and replacement of existing houses with larger and more elaborate dwellings is commonplace in its residential areas. The 22<sup>nd</sup> District Agricultural Association (DAA), which manages and operates the Del Mar Fairgrounds and is home to the Del Mar Thoroughbred Club, has a significant presence in the City, encompassing approximately one-fifth of the City's area. The 22<sup>nd</sup> DAA is a State of California agency and is managed by a board of directors appointed by the Governor.

This report includes financial statements for the City and the financial activity related to the Del Mar Public Facilities Corporation. As a full service City, Del Mar provides its citizens and customers with fire; marine safety; parks; planning; public works; water, wastewater, and clean water services; and contracts for waste collection with Coast Waste Management, fire management services with the cities of Encinitas and Solana Beach, and for law enforcement with the San Diego County Sheriff.

### **Budgetary Process**

The City adopted and implemented the City's two-year Operating and Capital Budget for Fiscal Years 2017-2018 and 2018-2019. The budget process began with the City Council developing priorities and initiatives which provided the framework around which staff resourced and proposed a budget for Council consideration. The proposed budget was presented to the Council and discussed at public workshops. The final budget was adopted by the City Council in June 2017. An update of the Fiscal Year 2018-2019 was reviewed and approved by the City Council in June 2018. The budget is monitored monthly by the City's Finance Division and department directors using financial reports which compare actual revenues and expenditures to date with budgeted amounts. Quarterly financial reports are presented and reviewed by the City's Finance Committee before being presented to the Council at regularly-scheduled meetings. Other financial management tools used in conjunction with the budget process are the City's reserve policies, the ten-year Capital Improvement Program (CIP), and the 10-year financial forecast.

Throughout each fiscal year, the Council may increase or decrease the budget, as needed, through a resolution. The City Manager has the authority to move appropriations within a fund between programs; however, any adjustments between funds must be approved by the City Council.

### **Factors Affecting the City's Financial Condition**

Del Mar relies heavily on the local real estate market, specifically property tax revenues, and tourism, as major revenue sources. Over the last decade, Del Mar has continued to see increases in assessed valuations even during the last recessionary period. Property taxes increased approximately three percent (3%) in Fiscal Year 2018-2019 compared to the previous year. The annual increase in assessed value is primarily attributable to home sales at a higher than previously assessed value; increases in value due to new construction; and the two-percent (2%) annual increases permitted under Proposition 13. Assessed valuation is projected to continue to increase as demand for coastal property remains quite strong. In addition, since Del Mar has been largely built-out for many years, with properties occupied by long-time residents, many of Del Mar's residential properties carry very low assessed values compared to current market value; and as these properties turn over, they are reassessed at higher values.

Tourism is a significant industry and a major source of revenue for the City. With its beautiful beaches and moderate climate, Del Mar is usually a popular destination for both local visitors and vacationing travelers. Starting in Fiscal Year 2016-2017, the City started contributing one-percent (1%) of Transient Occupancy Tax (TOT) to the Del Mar Village Association (DMVA) for destination marketing efforts. This was an outgrowth of the City Council's discontinuation of the Tourism Business Improvement District (TBID) in FY 2015-2016, and increasing the TOT on overnight hotel stays by one-percent (1%). This amounted to \$238,147 in Fiscal Year 2018-2019. This allows the City to foster and encourage broader efforts to market the Del Mar village, including hotels, as well as restaurants and retailers. An annual report is provided to the City Council on the status of these efforts. Transient Occupancy Tax (TOT) collections, decreased by less than one percent during Fiscal Year 2018-2019 when compared to the previous fiscal year. This was largely due to Del Mar hosting the Breeders' Cup in November 2017, which resulted in a higher than normal increase in Fiscal Year 2017-2018. Sales tax receipts increased approximately three percent (3%) compared to the prior fiscal year.

In November 2016, Del Mar voters approved Measure Q, a one-percent (1%) sales tax measure, which was recommended by the City's Finance Committee as an alternative additional revenue source. Measure Q was originally projected to generate approximately \$2 million annually in revenue. The new sales tax was implemented in April 2017 and amounted to \$2,835,331 in Fiscal Year 2018-2019. To date the Measure Q has generated approximately \$6,287,600 in district tax revenues. Though no specific projects or uses were officially designated as part of the voter-approved Measure, one of the benefits discussed was that the Measure would provide an additional revenue source for community reinvestment/infrastructure types of projects, such as the Downtown Streetscape project, implementation of the Shores Park Master Plan, and/or utility pole undergrounding. During Fiscal Year 2018-2019 the Downtown Streetscape project began and is was completed the first half of Fiscal Year 2019-2020. Once that project is completed, the focus for use of these funds will be for utility pole undergrounding and implementation of the Shores Park Master Plan.

Del Mar has positioned itself well to weather periods of economic instability. The City's strategic approach has been to continue fiscal conservatism by identifying new revenue sources while examining ways to reduce expenditures through alternative approaches. The City has always maintained a low level of fixed obligations and has maintained prudent reserve policies. In Fiscal Year 2014-15, the Pension Reserve Fund was established as a way to set-aside monies for future anticipated employee pension obligation costs. At the conclusion of Fiscal Year 2018-2019, that Fund has a balance of approximately \$1,950,000. The City continues to pursue grant opportunities and low-cost financing for its projects. Additionally, the City has been able to fund certain projects through the generosity of its residents and community. We believe that the projects undertaken this fiscal year and the accomplishments highlighted as follows not only help us better serve our residents and businesses but assist in building a solid foundation towards keeping the City fiscally sound and well positioned to sustain its financial health.

In April 2019, a significant bluff failure occurred on Jimmy Durante Boulevard resulting in debris covering the eastern sidewalk, bike lane, and roadway lane. Jimmy Durante Boulevard is the most direct emergency response route between Del Mar's Fire Department and the majority of residential and commercial properties. The City worked expeditiously to stabilize the slope and remove debris and dirt. This emergency repair was unanticipated and not budgeted and had a \$660,000 impact to Fiscal Year 2018-2019 financials. Although the cost of these expenditures was paid with General Funds, the situation has resulted in delay of other much needed capital projects. The City continues

to pursue funding sources, such as state or federal funding, to help with the continuing expenditures to complete this unexpected project.

### **Accomplishments**

Based on direction by the City Council, highlighted below are the City's accomplishments this fiscal year.

#### *Capital Improvement Projects*

Several milestones were reached for several capital improvement projects during Fiscal Year 2018-2019. For example:

- Construction completion of the Solar Project on the new City Hall project.
- Final design work completed, and construction began for the Downtown Streetscape project, which is Segment 1 of the Citywide Streetscape Plan, along Camino del Mar between 9<sup>th</sup> Street and Plaza Drive.
- Preliminary engineering and environmental review phase of Camino del Mar Bridge over San Dieguito River continued towards completion.
- The City continued design and construction work on the City's multi-year effort to systematically identify, prioritize, and implement water and wastewater and roadway pavement rehabilitation projects. The City completed \$630,000 worth of roadway paving during FY 2018-2019 and \$1,316,000 of utility improvements.
- Completed emergency repair on a failed major stormwater pipeline under Carmel Valley Rd.

#### *Planning and Community Development*

The Planning and Community Development Department is responsible for four functional areas within the City which include Long Range Planning, Current Planning, Building & Safety, and Code Enforcement. Within these four areas throughout Fiscal Year 2018-2019, the City processed over 400 permits, successfully attained grant funding for Bike Lockers, selected a consultant for the Shoreline Management Program and began preparation of the SCOUP environmental document, gained concurrence from FEMA on new Federal Insurance Rate Maps, prepared and processed various Community Plan Amendments including the 941 Camino del Mar Specific Plan and SB379 [Community Plan - Safety Element], improved the permit application process to require digital plan submissions, and resolved over 300 Code Enforcement cases.

#### *Technological Enhancements*

Major technology projects completed in Fiscal Year 2018-2019 include a refresh to the city website to improve usability and incorporate the new brand logo guidelines; implementation of a mobile app for water meter reading to replace aging handheld devices and increase efficiency for field staff; implementation of public records act request software (Next Request); implementation of digital plan review software (BlueBeam) to streamline the review process for the planning department and reduce the use of paper.

## Looking Forward -- Citywide Planning Efforts

### *Upcoming Capital Improvement Projects*

As part of the City's 10-year Capital Improvement Program (CIP), there will be continued reinvestment in Del Mar infrastructure. Several planned projects for Fiscal Year 2019-2020 include:

- Completion of the Downtown Streetscape project improvements.
- Roadway repairs along Camino del Mar from 9<sup>th</sup> Street to 4<sup>th</sup> Street.
- The Annual Citywide Pavement Rehabilitation Program will continue through which City streets in some neighborhoods will be repaved based on a system-wide condition assessment and prioritization effort.
- Completion of Phase 3 Riverpath Extension Project, which includes topographic/biological surveys and constraint analysis.
- Environmental studies, and preliminary engineering/design for the Camino del Mar over San Dieguito Lagoon bridge replacement project.
- Powerhouse Deck expansion, which will add a deck to the second story of the building and will be partially funded by the Friends of the Powerhouse local non-profit organization.
- Design phase of replacing the existing light poles at Seagrove Park with new concrete light bollards.
- Design phase of the Court Street Park.
- Design phase of replacing the existing light poles at Powerhouse Park.
- New Sea Wall and beach access improvement at the west end of 29<sup>th</sup> Street.

### *Utility Undergrounding Project*

Extensive work is underway to plan for the citywide utility undergrounding conversion program. A consultant was hired in October 2018 to complete an assessment of existing overhead infrastructure and to prepare a project delivery plan and preliminary cost estimate. The focus in 2020 will be to approve Undergrounding Project Advisory Committee policy recommendations, the preliminary utility undergrounding districts layout and prioritization and begin the process for approval of the design of two identified areas.

### *Del Mar Shores Park Master Plan*

In 2014, the City initiated the master planning process for the Del Mar Shores Park, located on 5.3 acres immediately south of downtown property, to help envision future activities for the site. The site currently is home to Winston School (occupying buildings leased from the City), community offices used by two Del Mar nonprofit groups, and park land. The master plan process will determine a long-term vision for this prominent open space and develop a strategy to implement the community's desires. During 2018-19, staff worked on developing parking standards for Council consideration which will be used as part of the master planning effort for Shores Park and continued to work with Winston School representatives and the City Council to consider requested changes to the Winston School lease.

### *Housing Element*

The City's current Housing Element (5th Cycle) was adopted by the City Council in 2013 and certified by the State Department of Housing and Community Development (HCD). The adopted Housing Element covers the planning period from April 2013 through April 2021. Staff is currently implementing the respective actions and programs for the current planning cycle. The next housing cycle (6th Cycle) will cover the planning period from April 2021 to 2029. To comply with State law, the City's Housing Element must be updated by April 15, 2021. The City has brought on a consultant

to aid in the processing of the Housing Element Update and this City Council priority project is anticipated to span both Fiscal Year 2019-2020 and 2020-2021.

#### *Sea Level Rise*

The City of Del Mar has demonstrated great leadership and commitment to actively plan for sea-level rise to protect local beaches, coastal bluffs, and environmental resources and minimize impacts to residents, businesses, and visitors. After years of public outreach, discussion, and over 25 public meetings the City Council adopted the package of Local Coastal Program Amendments and technical documents relating to Del Mar's Coastal Resiliency/Sea Level Rise Planning Work Program. In addition to meeting various state and federal obligations, this scientifically-grounded planning process helped the City to reduce risk and plan ahead to protect the future of Del Mar. As a part of this overall effort, over the next 3-5 Fiscal Years, the City will work to implement the associated Shoreline Management Plan.

#### *Current Planning Efforts*

The City is currently processing five (5) major planning efforts which include: 1) the associated Environmental Impact Report and Economic Impact Report for the Marisol Specific Plan Initiative proposed for the March 3, 2020 ballot; 2) the Hillstone Del Mar project (formerly Bully's); 3) the associated construction and development agreement for 941 Camino del Mar; 4) amendments to both the Hotel Specific Plan and the Plaza Specific Plan; and 5) the Watermark Specific Plan and associated Local Coastal Program Amendment. In addition to these major projects, the City's Planning Department is on pace to process over 400 permits in Fiscal Year 2019-2020.

#### *Building & Safety and Code Enforcement*

In Fiscal Year 2019-2020, the City's Building Division, contracted through EsGil Corporation, is on pace to issue over 250 Building Permits in Fiscal Year 2019-2020, and City Code Enforcement is on pace to resolve over 315 cases.

#### *Technological & Administrative Enhancements*

Looking ahead, for Fiscal Year 2019-2020, other initiatives underway related to technological enhancements include launching an online financial reporting dashboard for the City (OpenGov); implementation of new Geographic Information Systems (GIS) based work order and asset management system; implementing new pension modeling software (GovInvest) and developing a city-wide Technology Strategic Plan.

### **Financial Policies**

#### *General Fund Contingency Reserve*

It is the City's policy and practice to establish a budget that is balanced and has a minimum contingency reserve of 10% of annual operating expenditures in the General Fund in order to ensure the City's continuing financial health. Since 2000, the City Council has abided by an expanded reserve policy providing for a mandatory review of reserves, followed by the transfer of reserve funds in excess of the 20% level to the Capital Improvement Program (CIP) reserve.

During the preparation of the Fiscal Years 2019-2020 and 2020-2021 Operating and Capital Budget, the City Council implemented a new change to the General Fund Contingency Reserve to increase it by one percent (1%) each year until it reaches a 25 percent reserve, or 90 days of operations.

*Finnell Plan*

In 2007, the City Council adopted a financial objective, referred to as the Finnell Plan, to provide funding for future capital projects. The Finnell plan was created in order to provide an automatic funding mechanism for capital projects, by constraining the growth in operating expenditures to be below the growth in revenues. The difference is then transferred to the CIP Reserve to assist in cash funding the City's capital projects.


**Awards**

The Government Finance Officers' Association (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Del Mar for its Comprehensive Annual Financial Report (CAFR) for 22 consecutive years. In order to receive an award, the City must publish an easily readable and comprehensive report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

**Acknowledgments**

We would like to thank the City Council of the City of Del Mar and the Executive Team for their continued leadership in the pursuit of excellence in financial reporting and for maintaining the highest level of professional standards in the management of Del Mar's finances. We would also like to thank the City's Finance Committee for their oversight and contributions. This report could not have been accomplished without the professionalism and dedicated services of the entire staff.

Respectfully submitted,



Scott W. Huth  
City Manager



Monica Molina  
Finance Manager/Treasurer



Government Finance Officers Association

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

Presented to

**City of Del Mar  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

**CITY COUNCIL**

*Dave Druker*  
**Mayor**

*Ellie Haviland*  
**Deputy Mayor**

*Terry Gaasterland*  
**Councilmember**

*Sherryl Parks*  
**Councilmember**

*Dwight Worden*  
**Councilmember**

**CITY MANAGER**

*Scott W. Huth*

**ASSISTANT CITY MANAGER**  
*Kristen M. Crane*

**CITY ATTORNEY**  
*Leslie Devaney*

**DIRECTOR OF PLANNING AND  
COMMUNITY DEVELOPMENT**  
*Kathy Garcia*

**ADMINISTRATIVE  
SERVICES DIRECTOR**  
*Ashley Jones*

**PUBLIC WORKS DIRECTOR**  
*Joe Bride*

**DIRECTOR OF COMMUNITY SERVICES  
AND LIFEGUARD CHIEF**  
*Jon Edelbrock*

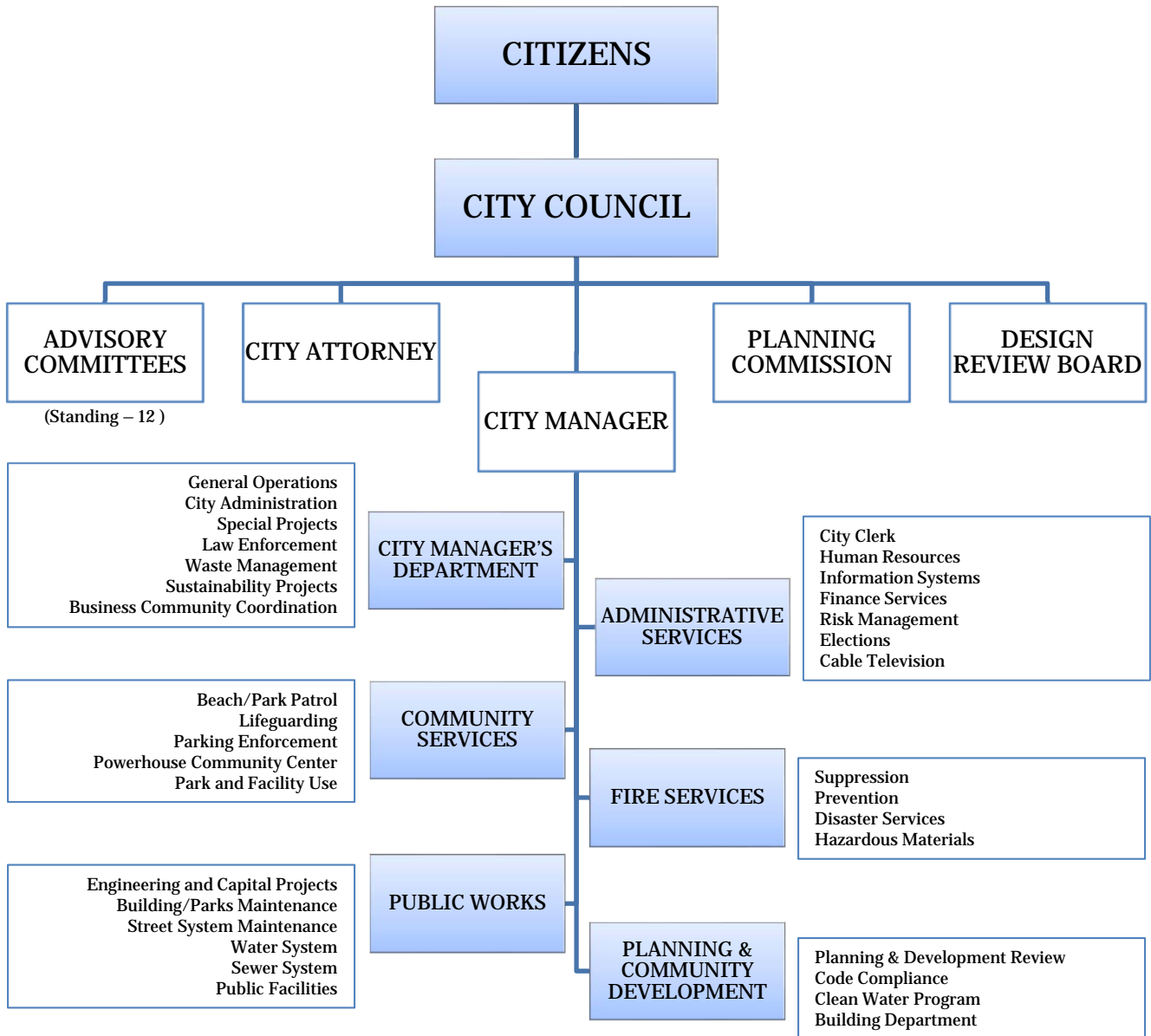
**SHERIFF CAPTAIN**  
*Herbert Taft*

**FIRE CHIEF**  
*Mike Stein*



DEL MAR™

# City of Del Mar Organizational Chart







## INDEPENDENT AUDITORS' REPORT

City Council  
City of Del Mar  
Del Mar, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Del Mar, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – general fund and related notes, and the miscellaneous and safety pension plans schedules of proportionate share of the net pension liability and schedules of contributions, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules (supplementary information), and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Matters (Continued)**

*Other Information (Continued)*

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*White Nelson Dick Evans LLP*

Irvine, California  
December 27, 2019

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Del Mar (the City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2019. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the City. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standard Board (GASB). Readers are encouraged to consider the information presented here in conjunction with additional information, which can be found in the Introductory Section of this report, and with the City's financial statements, which follow this discussion.

### FINANCIAL HIGHLIGHTS

#### Economic Background

The City of Del Mar continues to be in a strong financial position with the stable activity in the housing market and in the overall economy. The City's largest revenue source is its very stable property tax base, which has increased each year since 1995. Due to the City's excellent location on the coast, immediately north of the City of San Diego, its real estate market does not experience the downturns that the inland areas experience in periods of economic decline. As the San Diego regional develops, Del Mar has become increasingly desirable, and this is reflected in its property values. The two next largest revenues, transient occupancy tax (TOT), and sales and use tax, are heavily tourist based, and reflect the increased economic activity experienced by the nation. Due to the Breeder's Cup in November 2017, TOT had a large increase in 2017-2018. Due to this large increase there was no growth in this revenue category in the current year. A slight increase in sales tax is reflected on the report, in comparison to prior year taxable sales by approximately three percent. In November 2016, Del Mar voters approved a one-percent (1%) sales tax measure. This revenue source is also reflected on the report and in comparison to prior year is about four percent higher. This year these funds were largely used for the construction of the Downtown Streetscape Project. The City continues to embark on an aggressive CIP program and has done extremely well taking advantage of loans, grants, and contributions. Some of these projects for Fiscal Year 2018-2019 include, the California Energy Commission grant for the inclusion of solar panels and battery storage as part of the new City Hall project, and the Federal Highway Bridge Replacement and Rehabilitation Program for the Camino del Mar Bridge rehabilitation project.

This year Governmental Accounting Standards Board (GASB) implemented various Statements, which did not significantly impact the City. All Statements will be discussed in detail in Note 1 in the Notes to Basic Financial Statements section of this report.

The discussion and analysis below compares Fiscal Year 2018-2019 to Fiscal Year 2017-2018. All variances are expressed relative to Fiscal Year 2017-2018 results. Fiscal Year 2018-2019 financial highlights include the following:

### **Financial Highlights**

- The City's total assets in excess of its liabilities as of June 30, 2019 was \$95.92 million.
- Citywide total net position decreased by \$0.47 million, or 0.49 percent, during the current fiscal year, indicating a consistent stable financial condition. The change in net position is largely due to the net effect of deferred inflow/outflows of resources from pension plans.
- A net increase in total assets of \$1.83 million, or 1.34 percent, is primarily due to a decrease of \$0.44 million, or 2.12 percent in current assets, offset by an increase in capital assets of \$2.27 million, or 1.97 percent. Increase in capital assets of \$1.80 million, or 2.05 percent, in Governmental Activities are largely due to the Downtown Streetscape Project and other citywide roadway and sidewalk improvements. Capital asset increase in the Business-type Activities of \$0.47 million, or 1.73 percent, are largely due to pipeline repairs and replacement on Jimmy Durante Boulevard and San Dieguito Bridge.
- A net increase of \$1.83 million, or 4.28 percent, is primarily due to reporting the final IBank loan reimbursements for the Wastewater Infrastructure project and City Hall/Town Hall project.
- As of June 30, 2019, the City's governmental funds reported combined fund balances of \$9.64 million, a decrease of \$0.86 million, or 8.17 percent, from June 30, 2018. The decrease in fund balance is mainly attributable to the use of capital improvement reserve funds for current year capital expenditures and an unexpected emergency bluff repair on Jimmy Durante Boulevard. Of the \$9.64 million in fund balance, \$0.003 million is non-spendable for prepaid items, \$0.69 million is restricted, \$0.40 million is committed to the parks and community center, \$2.95 million is assigned for specific activities, and \$5.60 million, is unassigned.
- At the end of the current fiscal year, the fund balance for the General Fund is \$8.23 million. This balance is available for spending at City management's discretion, and is equal to 46.78 percent of the total fiscal year expenditures of \$17.60 million, and 40.37 percent of total revenues of \$20.39 million, before other financing sources (uses). The Capital Projects Fund has a fund balance of \$0.32 million, and other non-major governmental funds have fund balances of \$1.09 million, at June 30, 2019.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**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 and deferred outflows of resources and total liabilities, and deferred inflows of resources, with the difference between the two reported as *total net position*. 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., earned but unused vacation and compensated time leaves).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and parks and recreation. The business-type activities (proprietary fund type) of the City include the Water, Wastewater, and Clean Water Funds.

**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 City's funds 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. 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. Such information may be useful in evaluating a government's near-term financing requirements. However, this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship or differences between governmental funds and governmental activities following each of the governmental funds statements.

The City maintains twelve 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 two funds that are considered to be major funds. These two funds consist of the General Fund, and the Capital Improvement Program Fund. Data from the other ten governmental funds are combined into a single, aggregated presentation and are considered non-major funds.

A budgetary comparison statement has been provided for the funds that have an adopted budget to demonstrate compliance with this budget.

**Proprietary Funds.** The City of Del Mar maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Enterprise funds are used to account for the City's Water, Wastewater, and Clean Water activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-insured Workers' Compensation activities. Because 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 separate information for Water and Wastewater, which are considered to be major funds, and Clean Water, which is considered a non-major enterprise fund. Conversely, the Internal Service Fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

**Fiduciary Funds.** The City maintains one type of fiduciary fund, the *Agency Funds*. The fiduciary fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governments. The *Agency Funds* account for five Assessment District (A.D.) bond issues, Stratford and Luneta Undergrounding A.D. 1989-01, Seawall Refinance A.D. 1999-01, Ocean View/Pines A.D. 2005-01, North Hills Undergrounding A.D. 2007-01, and Sunset Undergrounding A.D. 2007-02.

Since the resources of the fiduciary fund are not available to support the City's own programs, they are not reflected in the government-wide and primary governmental fund financial statements but are reported in the financial section.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in this report.

**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 as compared to the budget. The *Required Supplementary Information* section can be found in this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### *Net Position*

The analysis that follows focuses on total net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

The City's net position are made up of three components: net investment in capital assets, restricted net position, and unrestricted net position.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Del Mar, combined net position (governmental and business-type activities) totaled \$95.92 million as of June 30, 2019. This is a slight decrease of \$0.47 million, or 0.49 percent, compared to June 30, 2018.

TABLE 1  
CITY OF DEL MAR  
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	\$14,707,325	\$15,559,549	\$5,879,007	\$5,471,857	\$20,586,332	\$21,031,406
Capital assets	89,753,226	87,954,344	27,897,257	27,423,286	117,650,483	115,377,630
Total assets	104,460,551	103,513,893	33,776,264	32,895,143	138,236,815	136,409,036
Deferred outflows of resources	2,242,328	2,675,629	689,477	790,431	2,931,805	3,466,060
Current liabilities	4,476,940	4,494,477	1,823,229	2,099,746	6,300,169	6,594,223
Non-current liabilities	28,609,467	27,419,791	9,731,675	8,795,587	38,341,142	36,215,378
Total liabilities	33,086,407	31,914,268	11,554,904	10,895,333	44,641,311	42,809,601
Deferred inflows of resources	436,691	491,182	173,023	182,381	609,714	673,563
Net investment in capital assets	71,168,471	70,478,246	20,887,789	21,388,165	92,056,260	91,866,411
Restricted	690,821	755,945	561,807	-	1,252,628	755,945
Unrestricted	1,320,489	2,549,881	1,288,218	1,219,695	2,608,707	3,769,576
Total net position	<b>\$73,179,781</b>	<b>\$73,784,072</b>	<b>\$22,737,814</b>	<b>\$22,607,860</b>	<b>\$95,917,595</b>	<b>\$96,391,932</b>

The largest component of the City's net position, \$92.06 million, is net investment in capital assets (e.g., land, buildings, improvements, equipment, construction in progress, and infrastructure), and is less any related debt, used to acquire those assets, that is outstanding. This increased \$0.19 million, or 0.21 percent, from the prior fiscal year. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The restricted portion of the City's total net position, which represents resources subject to external restrictions on how they may be used by the City, is \$1.25 million. This is an increase of \$0.50 million, or 65.70 percent, from the prior fiscal year's amount of \$0.76 million. The remaining unrestricted net position of \$2.61 million, decreased by \$1.16 million, or 30.80 percent, from last year and is used to meet the City's ongoing obligations for the following fiscal year.

As of June 30, 2019, the City has positive balances in both categories of governmental and business-type net position. The total net position in the governmental activities decreased by \$0.60 million, or 0.82 percent. A total net position in business-type activities increased by \$0.13 million, or 0.57 percent.

### Changes in Net Position

The analysis that follows focuses on the changes in net position (Table 2) of the City's governmental and business-type activities.

TABLE 2  
CITY OF DEL MAR'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<i>Program Revenues:</i>						
Charges for services	\$4,074,272	\$4,094,468	\$7,158,048	\$7,084,160	\$11,232,320	\$11,178,628
Operating grants and contributions	329,537	481,814	-	5,000	329,537	486,814
Capital grants and contributions	915,994	585,058	-	-	915,994	585,058
<i>General Revenues:</i>						
Property taxes	6,679,052	6,491,063	-	-	6,679,052	6,491,063
Sales and other taxes	8,694,385	8,484,288	-	-	8,694,385	8,484,288
Intergovernmental/unrestricted	162,280	212,514	-	-	162,280	212,514
Investment Income	519,309	386,787	124,228	-	643,537	386,787
Other	913,350	211,161	-	34,566	913,350	245,727
Total revenues	22,288,179	20,947,153	7,282,276	7,123,726	29,570,455	28,070,879
<b>Expenses:</b>						
General government	8,461,528	6,360,890	-	-	8,461,528	6,360,890
Public safety	7,104,779	6,861,913	-	-	7,104,779	6,861,913
Public works	5,895,910	1,889,260	-	-	5,895,910	1,889,260
Parks and recreation	776,548	894,067	-	-	776,548	894,067
Interest and fiscal charges	653,705	668,368	-	-	653,705	668,368
Enterprise operations	-	-	7,152,322	6,818,187	7,152,322	6,818,187
Total expenses	22,892,470	16,674,498	7,152,322	6,818,187	30,044,792	23,492,685
Change in net position	(604,291)	4,272,655	129,954	305,539	(474,337)	4,578,194
Net position - beginning of year, as restated*	73,784,072	69,511,417	22,607,860	22,302,321	96,391,932	91,813,738
Net position - end of year	<b>\$73,179,781</b>	<b>\$73,784,072</b>	<b>\$22,737,814</b>	<b>\$22,607,860</b>	<b>\$95,917,595</b>	<b>\$96,391,932</b>

## **Governmental Activities:**

The City's net position from governmental activities, decreased by \$0.60 million, or 0.82 percent, in the current fiscal year, accounting for 127.40 percent of the total \$0.47 million decline, in the City's total net position. Total revenues from governmental activities of \$22.29 million increased by \$1.34 million, or 6.40 percent, compared to the prior fiscal year. The cost of all governmental activities in Fiscal Year 2018-2019 was \$22.89 million, an increase of \$6.22 million, or 37.29 percent, over the prior fiscal year. As shown in the Statement of Activities, governmental activities were financed in part by taxpayers at \$4.07 million, which were generated by service revenues received from the performance of these activities, and had a slight decrease of \$0.02 million, or 0.49 percent, compared to Fiscal Year 2017-2018. Another \$0.15 million was received from other government agencies and other organizations that subsidized certain programs with operating grants and contributions. In addition, another \$0.92 million in revenues came from capital grants and contributions, which increased by \$0.33 million, or 56.56 percent, compared to the prior fiscal year. Overall, the City's governmental program revenues amounted to \$5.32 million, an increase of \$0.16 million, or 3.07 percent, compared to the prior fiscal year. General revenues of \$16.97 million increased by \$1.18 million, or 7.49 percent, in comparison to the prior fiscal year. The City had an increase in property taxes of \$0.19 million, or 2.90 percent, an increase of sales and other taxes of \$0.07 million, or 3.36 percent, an increase in Measure Q revenues of \$0.12 million, or 4.32 percent, and an increase in investment income revenue of \$0.13 million, or 34.26 percent compared to the prior fiscal year. In total, City Governmental Activities reported a decrease of \$0.60 million in net position. The decrease in net position this year was largely due to an unanticipated emergency bluff repairs on Jimmy Durante Boulevard of \$0.66 million. The City continues to pursue reimbursement funds from State and Federal agencies, as well as insurance claim. In comparison to the prior fiscal year, the key elements contributing to the \$6.22 million increase in expenditures from governmental activities are as follows:

- A total increase of \$2.10 million in general government largely due to increase required pension obligation contributions, increase cost in special project and liability claim legal fees, and unexpected emergency bluff repairs on Jimmy Durante.
- An increase of \$4.01 million in public works is largely due to the roadway and sidewalk improvements on segment #1, otherwise known as Downtown Streetscape project of \$3.82 million, and \$0.28 million for the beginning of citywide utility undergrounding costs. These projects are utilizing the additional sales tax measure funds that began in April 2017.

## **Business-type Activities:**

The City's business-type activities increased in net position by \$0.13 million, or 0.58 percent, for the fiscal year ended June 30, 2019, offsetting the total loss of \$0.47 million in the City's net position. Business-type activities' total revenue increased by \$0.16 million, or 2.22 percent, during the current fiscal year to a total of \$7.28 million in revenues. In comparison to the prior fiscal year, charges for services increased by \$0.07 million, or 1.04 percent. Business-type activity costs also increased during the fiscal year by \$0.33 million, or 4.90 percent, compared to the prior fiscal year. The increase in revenues, expenses, and transfers resulted in a change in net position of \$0.13 million, from the prior fiscal year.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Del Mar 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 *spending* resources. Such information is useful in assessing the City of Del Mar's financing requirements. In particular, the *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 June 30, 2019, the City's governmental funds reported a combined ending fund balance of \$9.64 million, which is a \$0.86 million, or 8.17 percent decrease, in comparison to the prior fiscal year of \$10.50 million. The \$9.64 million governmental fund balance is composed of \$0.003 million in non-spendable; \$0.69 million in *restricted*; \$0.40 million in *committed*; \$2.95 million in *assigned* which indicate that it is not available for new spending; and \$5.60 million in *unassigned* funds.

Table 3 shows the governmental fund balances for the two fiscal years ended June 30, 2019 and June 30, 2018.

**TABLE 3**  
**CITY OF DEL MAR**  
**SUMMARY STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

<b>FISCAL YEAR 2018-2019</b>	<b>General</b>	<b>Capital Improvement</b>	<b>Non-Major Governmental Funds</b>	<b>Totals</b>
Total revenues	\$20,389,126	\$730,394	\$1,168,659	\$22,288,179
Total expenditures	17,595,053	4,973,762	2,164,661	24,733,476
Excess (deficiency) of revenues over expenditures	2,794,073	(4,243,368)	(996,002)	(2,445,297)
Total other financing sources (uses)	(3,303,690)	3,758,226	1,132,999	1,587,535
Net change in fund balance	(509,617)	(485,142)	136,997	(857,762)
Fund balance - beginning	8,740,306	805,635	949,340	10,495,281
Fund balance - ended	<b>\$8,230,689</b>	<b>\$320,493</b>	<b>\$1,086,337</b>	<b>\$9,637,519</b>
<b>FISCAL YEAR 2017-2018</b>				
Total revenues	\$19,092,457	\$445,997	\$1,408,699	\$20,947,153
Total expenditures	11,947,707	13,061,418	2,268,201	27,277,326
Excess (deficiency) of revenues over expenditures	7,144,750	(12,615,421)	(859,502)	(6,330,173)
Total other financing sources (uses)	(6,309,259)	16,992,319	730,119	11,413,179
Net change in fund balance	835,491	4,376,898	(129,383)	5,083,006
Fund balance - beginning	7,904,815	(3,571,263)	1,078,723	5,412,275
Fund balance - ended	<b>\$8,740,306</b>	<b>\$805,635</b>	<b>\$949,340</b>	<b>\$10,495,281</b>

**General Fund:**

Total governmental funds include the General Fund, the chief operating fund of the City, which has a fund balance of \$8.23 million as of June 30, 2019. This is a decrease of \$0.51 million, or 5.83 percent, in comparison to the prior fiscal year. This decrease is due to the net of an increase in total revenues of \$1.30 million, or 6.79 percent, and an increase in operating costs of \$5.65 million, or 47.27 percent, and a decrease in other financing uses of \$3.01 million, or 47.64 percent. Revenues increased primarily due to increases in Measure Q revenues, property taxes, charges for services, fines and forfeitures, use of money and

property, and other revenue, offset by decreases in licenses, fees and permits, and intergovernmental.

Total expenditures increased by \$5.65 million, or 47.27 percent, as compared to the prior fiscal year, in which the increase was largely due to the increase in capital outlay of \$4.10 million, due to the utilization of Measure Q sales tax funds to cover the cost of the Downtown Streetscape Project and Citywide Utility Undergrounding Project. Additional increases included: an increase in general government expenditures of \$1.08 million, or 19.42 percent, an increase in public safety of \$0.40 million, or 6.56 percent, and an increase in public works of \$0.07 million, or 42.44 percent. The ending fund balance is composed of \$0.003 million non-spendable for prepaid items, \$2.63 million assigned for specific expenditures, and the unassigned amount of \$5.60 million, which is available for spending at the City's discretion.

Additional detailed information regarding combined fund balance reserves is presented in Note 7 to the Basic Financial Statements.

***Major Funds:***

As of June 30, 2019, the Capital Improvement Program's fund balance of \$0.32 million, decreased by \$0.49 million, or 60.22 percent from the prior fiscal year. Total revenues increased by \$0.28 million, or 63.77 percent largely due to federal grant reimbursements on the Camino del Mar Bridge project. Total expenditures decreased by \$8.09 million due to the completion of the City Hall project in the prior year.

***Non-major Funds:***

The fund balances for other governmental funds or non-major governmental funds increased \$0.14 million, or 14.43 percent, from the Fiscal Year 2017-2018 balance of \$0.95 million to \$1.09 million at the end of the current fiscal year. The other non-major funds are composed of the special revenue funds including Road Maintenance and Rehabilitation Account (RMRA), Gas Tax, Open Space, Supplemental Law Enforcement, Regional Communications System, Grants, Housing, AB 939, Regional Transportation, and Transnet II. The fund balance of \$1.09 million is restricted or committed for specific purposes.

***Proprietary Funds:***

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

*Enterprise Funds:* The total net position in the enterprise funds, increased over the prior fiscal year by \$0.13 million, or 0.57 percent. The City's Water Fund increased by \$0.01 million, or 0.14 percent, and the Wastewater Fund increased by \$0.12 million, or 1.21 percent.

At the end of Fiscal Year 2018-2019, the Internal Service fund reported a net position of \$0.52 million, which is a \$0.01 million, or 2.47 percent decrease from last fiscal year, due to lower charges for services, offset by higher claims activity.

## **General Fund Budgetary Highlights**

The City adopts annual appropriated operating budgets for its governmental funds and reports the results of operations on a budget comparison basis.

In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of revenues to allow for expansion of existing programs.

The General Fund reflected a net total favorable budget variance of \$3.73 million when comparing actual excess revenues over expenditures amounts of \$2.79 million to the final budget of (\$0.94) million for the current fiscal year. This positive budget variance primarily reflects revenue realization greater than estimates of \$0.33 million due to higher tax revenues of \$0.27 million, higher intergovernmental of \$0.02 million, higher fines and forfeitures of \$0.07 million, and higher use of money and property of \$0.20 million, offset by lower licenses, fees and permits of \$0.12 million, lower charges for services of \$0.02 million, and lower other revenue of \$0.09 million. The actual expenditures were less than the fiscal year's final appropriation by \$3.41 million primarily due to less than anticipated expenditures in general government of \$0.70 million, lower expenditures in public safety of \$0.04 million, lower expenditures in public works of \$0.01 million, and lower capital outlay of \$2.69 million, offset by an increase in debt payment of \$0.03 million. Lower capital outlay than projected was due to the delay in completing the Downtown Streetscape Project.

## **CAPITAL ASSET and DEBT ADMINISTRATION**

### *Capital Assets:*

The City of Del Mar's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$117.65 million, net of accumulated depreciation. Amounts invested in capital assets includes land, buildings and improvements, machinery and equipment, bridges, roadway networks, water lines, and sewer and storm drainage systems. The total increase in the City's capital assets, net of depreciation, for the current fiscal year was \$2.27 million, or 1.97 percent, compared to the prior fiscal year, in which \$1.80 million, 79.15 percent, of the increase is related to governmental activities and a \$0.47 million, or 20.85 percent, increase in business-type activities. For capital assets by category, refer to Table 4.

- For governmental activities, the increase in capital assets during the fiscal year is primarily due to the Roadway and Sidewalks Improvements on Segment #1, otherwise known as Downtown Streetscape of \$2.15 million; other citywide roadway and sidewalk improvements of \$0.63 million; completion of Riverpath Del Mar Phase 1 and 2 of \$0.55 million; and final construction cost related to the new City Hall, including the Solar project of \$0.79 million net of depreciation expense of \$2.35 million. Overall, total capital assets increased \$1.80 million in governmental activities, compared to the prior fiscal year.

- For business-type activities, total capital assets increased by \$0.47 million, or 1.73 percent, during the fiscal year. This was primarily attributable to the replacement of Jimmy Durante Pipeline in the Water Fund of \$0.62 million; repair of San Dieguito Bridge water pipe of \$0.18 million; annual water, and wastewater water infrastructure improvements of \$0.64 million; net of depreciation of \$0.99 million.

Additional information on the City of Del Mar's capital assets can be located in Note 3 of the financial statements in this report.

**TABLE 4**  
**CITY OF DEL MAR'S CAPITAL ASSETS**  
**(Net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	\$18,289,250	\$18,289,250	\$1,365,688	\$1,365,688	\$19,654,938	\$19,654,938
Construction in progress	4,298,589	4,664,626	-	2,720,098	4,298,589	7,384,724
Total non-depreciable assets	<u>22,587,839</u>	<u>22,953,876</u>	<u>1,365,688</u>	<u>4,085,786</u>	<u>23,953,527</u>	<u>27,039,662</u>
Capital assets, being depreciated:						
Buildings/structures and improvement	24,103,784	24,133,238	5,812,195	6,025,922	29,915,979	30,159,160
Machinery and equipment	1,028,588	1,090,001	662,743	765,980	1,691,331	1,855,981
Streets	12,944,081	10,539,270	-	-	12,944,081	10,539,270
Traffic signals	38,133	39,736	-	-	38,133	39,736
Roadway network	3,124,760	2,664,784	-	-	3,124,760	2,664,784
Bridge	24,205,388	24,940,822	-	-	24,205,388	24,940,822
Storm drainage system	1,720,653	1,592,617	-	-	1,720,653	1,592,617
Water line system	-	-	8,406,797	7,677,665	8,406,797	7,677,665
Sewer line system	-	-	11,649,834	8,867,933	11,649,834	8,867,933
Total depreciable assets, net of accumulated depreciation	<u>67,165,387</u>	<u>65,000,468</u>	<u>26,531,569</u>	<u>23,337,500</u>	<u>93,696,956</u>	<u>88,337,968</u>
Total capital assets	<u><b>\$89,753,226</b></u>	<u><b>\$87,954,344</b></u>	<u><b>\$27,897,257</b></u>	<u><b>\$27,423,286</b></u>	<u><b>\$117,650,483</b></u>	<u><b>\$115,377,630</b></u>

***Debt Service Administration:***

A complete detail of outstanding debt is shown in Note 6 of the financial statements in this report. As of June 30, 2019, the City had total long-term debt outstanding of \$26.47 million in bonds, loan payable, note payable, compensated absences, and claims payable as shown in Table 5.

For governmental activities, long-term debt accounts for \$19.33 million, or 73.03 percent, of the City's total long-term debt, as of June 30, 2019. Total long-term debt is comprised of the loan through IBank, for City Hall/Town Hall project of \$15.46 million, a loan through SANDAG of \$2.78 million, a loan with the County of San Diego of \$0.32 million, compensated absences of \$0.46 million, claims payable of \$0.28 million, and capital leases of \$0.03 million. All long-term debt in governmental activities is secured solely by specified revenue sources.

**TABLE 5**  
**CITY OF DEL MAR'S OUTSTANDING DEBT**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Note payable	\$ 18,556,021	\$ 17,419,394	\$ 7,009,468	\$ 6,037,965	\$ 25,565,489	\$ 23,457,359
Compensated absences	462,436	416,190	128,987	117,438	591,423	533,628
Claims payable	279,767	247,704	-	-	279,767	247,704
Capital leases	28,734	56,704	-	-	28,734	56,704
	<b>\$ 19,326,958</b>	<b>\$ 18,139,992</b>	<b>\$ 7,138,455</b>	<b>\$ 6,155,403</b>	<b>\$ 26,465,413</b>	<b>\$ 24,295,395</b>

For business-type activities, long-term debt accounts for \$7.14 million, or 26.97 percent, of the City's total long-term debt, as of June 30, 2019. The Wastewater fund has a note payable outstanding with the State of California for the replacement of the 21st Street Pump Station with an outstanding balance of \$3.91 million, and a note with IBank with an outstanding balance of \$3.10 million. Compensated absences in business-type activities accounts for \$0.13 million of the total business-type long-term debt. All long-term debt in business-type activities is pledged solely by operating revenues.

The City's long-term debt increased by \$2.17 million, or 8.93%, compared to the prior fiscal year, largely due to final loan advancements from IBank for the Wastewater Infrastructure Project of \$1.34 million, and the construction of the City Hall/Town Hall of \$1.59 million, an increase of \$0.06 million in compensated absences, an increase in claims payable of \$0.03 million, and offset by notes payable payment of \$0.82 million in claims payable, and decrease in capital lease of \$0.03 million.

### **Economic Factors and Next Year's Budget**

Local governments throughout the State of California must continuously find new ways to survive economically in order to meet their obligation of serving their communities. The City maintains a conservative approach to budgeting revenues and expenditures. Management takes an active role in monitoring the application of the budget during the fiscal year to apply any necessary changes to projected revenues as well as appropriated expenditures.

Facing increasing costs in pension, as well as the need for infrastructure rehabilitation, management looked at the following key economic factors while preparing the two-year budget for Fiscal Years 2019-2020 and 2020-2021. The explanations that follow relate to Fiscal Year 2019-2020:

#### ***Revenues:***

The City's projected revenues for Fiscal Year 2019-2020 is \$30.31 million, which is \$0.93 million, or 17.07 percent, higher than Fiscal Year 2018-2019 original projected revenues of \$25.89 million. During the course of Fiscal Year 2018-2019, however, revenues were adjusted to \$29.05 million, an increase of \$3.16 million, or 12.19 percent. The majority of the increase in revenues in Fiscal Year 2018-2019 is largely due to the reporting of the of new Measure Q funds of \$2.79 million,

that were not projected at the time when the Fiscal Years 2017-2018 and 2018-2019 Operating and Capital Budget was created.

The Fiscal Year 2019-2020 revenue projections focus on the following factors:

- The three primary supporting revenues in the General Fund are property taxes, sales tax, and transient occupancy taxes, which make-up 68.45 percent of the overall General Fund revenue. This does not include the additional Measure Q transaction tax of \$2.85 million expected to be received in Fiscal Year 2019-2020.
- Revenues in the business-type funds are projected to see an increase of \$0.49 million, or 6.59 percent, largely due to rate increases and a slight increase in water consumption.

### ***Expenditures:***

The City's Fiscal Years 2019-2020 and 2020-2021 Operating and Capital Budget has expenditures of \$29.90 million for Fiscal Year 2019-2020, which is an increase of \$6.04 million, or 25.30 percent, higher than the prior fiscal year's original adopted budget of \$23.86 million. This increase are largely due to reporting of the new Measure Q capital expenditures, contractual services increases for law enforcement, fire management, street, facility and tree maintenance, and expected increases on pension obligations in Fiscal Year 2019-2020.

The budget is composed of the General Fund for \$13.10 million, or 43.81 percent, Measure Q funds of \$1.71 million, or 5.71 percent, other governmental funds of \$2.34 million, or 7.82 percent, Capital Projects Fund of \$2.38 million, or 7.97 percent, special projects of \$0.79 million, or 2.64 percent, and the Workers' Compensation Fund of \$0.29 million, or 0.98 percent. The business-type funds account for \$9.29 million, or 31.07 percent.

The budget for Fiscal Year 2019-2020 is focused on the following objectives:

- Maintaining our services to our residents, businesses, and visitors without increasing expenditures.
- Continuing to complete the ambitious list of goals and priorities.

The City's Adopted Fiscal Years 2019-2020 and 2020-2021 Operating and Capital Budget is a reflection of the City's commitment to the residents of Del Mar. A copy of the budget can be obtained by contacting the City's Finance Department.

### **Request for Information**

This financial report is designed to provide a general overview of the City of Del Mar's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Del Mar, Finance Department, 1050 Camino Del Mar, Del Mar, California 92014, (858) 755-9354, or by visiting the City website at [www.delmar.ca.us](http://www.delmar.ca.us).



CITY OF DEL MAR

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 12,362,980	\$ 3,940,349	\$ 16,303,329
Receivables:			
Accounts, net	482,388	1,271,590	1,753,978
Taxes	1,399,801	-	1,399,801
Accrued interest	58,739	21,461	80,200
Inventory	-	79,629	79,629
Internal balances	35,230	(35,230)	-
Due from other agencies	365,310	39,401	404,711
Prepaid expenses	2,877	-	2,877
Total current assets	<u>14,707,325</u>	<u>5,879,007</u>	<u>20,586,332</u>
Non-current assets:			
Capital assets:			
Not being depreciated	22,587,839	1,365,688	23,953,527
Being depreciated (net of accumulated depreciation)	67,165,387	26,531,569	93,696,956
Total capital assets	<u>89,753,226</u>	<u>27,897,257</u>	<u>117,650,483</u>
Total non-current assets	<u>89,753,226</u>	<u>27,897,257</u>	<u>117,650,483</u>
Total assets	<u>104,460,551</u>	<u>33,776,264</u>	<u>138,236,815</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts from pension plans	<u>2,242,328</u>	<u>689,477</u>	<u>2,931,805</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	3,324,612	1,675,083	4,999,695
Deposits payable	621,104	50,795	671,899
Due to other agencies	6,236	-	6,236
Unearned revenue	5,000	-	5,000
Retention payable	313,243	-	313,243
Accrued interest payable	206,745	97,351	304,096
Total current liabilities	<u>4,476,940</u>	<u>1,823,229</u>	<u>6,300,169</u>
Non-current liabilities:			
Due within one year	836,711	415,370	1,252,081
Due in more than one year	18,490,247	6,723,088	25,213,335
Net pension liability - due in more than one year	9,282,509	2,593,217	11,875,726
Total non-current liabilities	<u>28,609,467</u>	<u>9,731,675</u>	<u>38,341,142</u>
Total liabilities	<u>33,086,407</u>	<u>11,554,904</u>	<u>44,641,311</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts from pension plans	<u>436,691</u>	<u>173,023</u>	<u>609,714</u>
<b>NET POSITION</b>			
Net investment in capital assets	71,168,471	20,887,789	92,056,260
Restricted for			
Debt service	-	561,807	561,807
Public works	267,072	-	267,072
Public safety	67,088	-	67,088
Community development	356,661	-	356,661
Unrestricted	<u>1,320,489</u>	<u>1,288,218</u>	<u>2,608,707</u>
Total net position	<u>\$ 73,179,781</u>	<u>\$ 22,737,814</u>	<u>\$ 95,917,595</u>

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 8,461,528	\$ 1,789,928	\$ 31,008	\$ -
Public safety	7,104,779	1,868,370	124,766	-
Public works	5,895,910	2,483	173,763	915,994
Parks and recreation	776,548	413,491	-	-
Interest on long-term debt	653,705	-	-	-
Total governmental activities	22,892,470	4,074,272	329,537	915,994
Business-type activities:				
Water	3,375,306	3,348,654	-	-
Wastewater	3,217,465	3,261,067	-	-
Cleanwater	559,551	548,327	-	-
Total business-type activities	7,152,322	7,158,048	-	-
Total	\$ 30,044,792	\$ 11,232,320	\$ 329,537	\$ 915,994

General revenues:

Taxes:

Property tax

Transient occupancy tax

Franchise tax

Business license tax

Intergovernmental - Unrestricted shared sales and use tax

Intergovernmental - Unrestricted other

Investment income

Other

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

Net Revenue (Expense) and Change in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (6,640,592)	\$ -	\$ (6,640,592)
(5,111,643)	-	(5,111,643)
(4,803,670)	-	(4,803,670)
(363,057)	-	(363,057)
(653,705)	-	(653,705)
<u>(17,572,667)</u>	<u>-</u>	<u>(17,572,667)</u>
-	(26,652)	(26,652)
-	43,602	43,602
-	<u>(11,224)</u>	<u>(11,224)</u>
-	5,726	5,726
<u>(17,572,667)</u>	<u>5,726</u>	<u>(17,566,941)</u>
6,679,052	-	6,679,052
2,982,510	-	2,982,510
424,930	-	424,930
243,198	-	243,198
5,043,747	-	5,043,747
162,280	-	162,280
519,309	124,228	643,537
913,350	-	913,350
<u>16,968,376</u>	<u>124,228</u>	<u>17,092,604</u>
(604,291)	129,954	(474,337)
<u>73,784,072</u>	<u>22,607,860</u>	<u>96,391,932</u>
<u>\$ 73,179,781</u>	<u>\$ 22,737,814</u>	<u>\$ 95,917,595</u>

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CITY OF DEL MAR

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2019

	General Fund	Capital Projects Fund Capital Improvement	Non-Major Governmental Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 8,323,600	\$ 2,104,185	\$ 1,139,364	\$ 11,567,149
Receivables:				
Taxes	1,399,801	-	-	1,399,801
Accrued interest	51,317	-	3,642	54,959
Accounts, net	375,708	-	106,680	482,388
Due from other agencies	21,900	282,799	60,611	365,310
Due from other funds	93,897	-	-	93,897
Prepaid items	2,877	-	-	2,877
Total assets	\$ 10,269,100	\$ 2,386,984	\$ 1,310,297	\$ 13,966,381
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	1,451,641	1,753,248	\$ 119,723	\$ 3,324,612
Deposits payable	580,534	-	40,570	621,104
Due to other agencies	6,236	-	-	6,236
Due to other funds	-	-	58,667	58,667
Unearned revenue	-	-	5,000	5,000
Retention payable	-	313,243	-	313,243
Total liabilities	2,038,411	2,066,491	223,960	4,328,862
Fund Balances:				
Nonspendable	2,877	-	-	2,877
Restricted	-	-	690,821	690,821
Committed	-	-	395,516	395,516
Assigned	2,628,468	320,493	-	2,948,961
Unassigned	5,599,344	-	-	5,599,344
Total fund balances	8,230,689	320,493	1,086,337	9,637,519
	\$ 10,269,100	\$ 2,386,984	\$ 1,310,297	\$ 13,966,381

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2019

Fund balances of governmental funds	\$ 9,637,519
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of \$13,421,665 of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not included in the funds.	89,753,226
Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(206,745)
Long-term liabilities applicable to governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities.	
Note payable	(18,556,021)
Capital lease	(28,734)
Compensated absences	(462,437)
An internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund is included in the governmental activities in the Statement of Net Position.	519,845
Pension related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to these amounts effects only the government-wide statements for governmental activities:	
Deferred outflows of resources	2,242,328
Deferred inflows of resources	(436,691)
Pension liability	(9,282,509)
Net position of governmental activities	\$ <u>73,179,781</u>

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Capital Projects Fund Capital Improvement	Non-Major Governmental Funds	Total
<b>REVENUES</b>				
Taxes	\$ 15,331,270	\$ -	\$ 230,641	\$ 15,561,911
Licenses, fees and permits	976,323	-	448,139	1,424,462
Intergovernmental	92,568	705,517	346,032	1,144,117
Charges for services	1,969,158	-	-	1,969,158
Fines and forfeitures	740,862	-	-	740,862
Use of money and property	490,992	8,683	19,634	519,309
Contributions	-	2,500	23,230	25,730
Other	787,953	13,694	100,983	902,630
Total revenues	20,389,126	730,394	1,168,659	22,288,179
<b>EXPENDITURES</b>				
Current:				
General government	6,661,483	672,451	125,802	7,459,736
Public safety	6,554,499	-	268,782	6,823,281
Public works	247,554	-	506,440	753,994
Parks and recreation	-	-	916,556	916,556
Capital outlay	4,102,363	3,439,219	101,558	7,643,140
Debt service:				
Principal	27,970	355,386	95,522	478,878
Interest	1,184	506,706	150,001	657,891
Total expenditures	17,595,053	4,973,762	2,164,661	24,733,476
Excess (deficiency) of revenues over (under) expenditures	2,794,073	(4,243,368)	(996,002)	(2,445,297)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	1,587,535	-	1,587,535
Transfers in	-	2,170,691	1,282,218	3,452,909
Transfers out	(3,303,690)	-	(149,219)	(3,452,909)
Total other financing sources (uses)	(3,303,690)	3,758,226	1,132,999	1,587,535
Net change in fund balances	(509,617)	(485,142)	136,997	(857,762)
Fund balances, beginning of year	8,740,306	805,635	949,340	10,495,281
Fund balances, end of year	\$ 8,230,689	\$ 320,493	\$ 1,086,337	\$ 9,637,519

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Net change in fund balances of governmental funds	\$ (857,762)
Amount reported for governmental activities in the Statement of Activities that are different because:	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over its estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>	
Capital outlay expense	3,811,357
Depreciation expense	(2,012,475)
Repayment of debt service principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	450,908
<p>Some expenses reported in the Statement of Activities do not require the use of current available resources and, therefore, are not reported as expenditures in the governmental funds:</p>	
Change in capital lease	27,970
Change in compensated absences	(46,247)
<p>Accrued interest on debt service is recorded as expense in the government-wide statements. Interest expense is not accrued in the fund statements but recorded when paid. This is the net change in accrued interest for the current period.</p>	
	4,186
<p>The issuance of long-term debt provides current financial resources to governmental funds, but is reported as long-term debt in the statement of Net Position.</p>	
Note payable	(1,587,535)
<p>Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.</p>	
	(381,520)
<p>An internal service fund is used by management to charge the cost of workers' compensation activities to individual funds. The net revenues (expenses) of the internal service fund are reported with governmental activities.</p>	
	<u>(13,173)</u>
Change in net position of governmental activities	<u>\$ (604,291)</u>

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

PROPRIETARY FUNDS  
STATEMENT OF NET POSITION

JUNE 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Wastewater	Non-Major: Clean Water	Total	
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 1,325,936	\$ 2,614,413	\$ -	\$ 3,940,349	\$ 795,831
Receivables:					
Accounts	615,229	561,241	95,120	1,271,590	-
Interest	6,329	15,132	-	21,461	3,780
Due from other agencies	39,401	-	-	39,401	-
Inventory	73,108	6,521	-	79,629	-
Restricted cash and investments	-	561,807	-	561,807	-
Total current assets	2,060,003	3,759,114	95,120	5,914,237	799,611
Non-current assets:					
Capital assets:					
Land	782,025	583,663	-	1,365,688	-
Water and wastewater system	14,866,613	18,854,091	-	33,720,704	-
Buildings and improvements	4,039,761	4,293,450	-	8,333,211	-
Machinery and equipment	304,173	1,616,115	39,609	1,959,897	-
Less: Accumulated depreciation	(8,226,066)	(9,236,030)	(20,147)	(17,482,243)	-
Total capital assets (net of accumulated depreciation)	11,766,506	16,111,289	19,462	27,897,257	-
Total non-current assets	11,766,506	16,111,289	19,462	27,897,257	-
Total assets	13,826,509	19,870,403	114,582	33,811,494	799,611
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts from pension plans	343,829	345,648	-	689,477	-
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	373,332	1,281,996	19,755	1,675,083	-
Due to other funds	-	-	35,230	35,230	-
Customer deposits	50,795	-	-	50,795	-
Claims payable	-	-	-	-	223,813
Accrued interest payable	934	96,417	-	97,351	-
Current portion of long-term liabilities	13,950	398,217	3,203	415,370	-
Total current liabilities	439,011	1,776,630	58,188	2,273,829	223,813
Long-term liabilities:					
Claims payable	-	-	-	-	55,953
Compensated absences	41,849	45,286	9,608	96,743	-
Notes payable	-	6,626,345	-	6,626,345	-
Net pension liability	1,293,186	1,300,031	-	2,593,217	-
Total non-current liabilities	1,335,035	7,971,662	9,608	9,316,305	55,953
Total liabilities	1,774,046	9,748,292	67,796	11,590,134	279,766
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred amounts from pension plans	86,283	86,740	-	173,023	-
<b>NET POSITION</b>					
Net investment in capital assets	11,766,506	9,101,821	19,462	20,887,789	-
Restricted for debt service	-	561,807	-	561,807	-
Unrestricted	543,503	717,391	27,324	1,288,218	519,845
Total net position	\$ 12,310,009	\$ 10,381,019	\$ 46,786	\$ 22,737,814	\$ 519,845

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Wastewater	Non-Major: Clean Water	Total	
<b>OPERATING REVENUES</b>					
Water sales	\$ 3,315,472	\$ -	\$ -	\$ 3,315,472	\$ -
Clean water services	-	-	545,045	545,045	-
Sewer service	-	3,247,648	-	3,247,648	-
Charges for services	-	-	-	-	243,624
Customer penalties	9,846	9,281	3,282	22,409	-
Other	23,336	4,138	-	27,474	-
Total operating revenues	3,348,654	3,261,067	548,327	7,158,048	243,624
<b>OPERATING EXPENSES</b>					
Source of supply	1,398,377	-	-	1,398,377	-
Water treatment	277,414	-	-	277,414	-
Sewer collection	-	135,706	-	135,706	-
Maintenance and operation	-	112,554	-	112,554	-
General and administrative	1,327,513	2,313,946	557,337	4,198,796	275,226
Depreciation	371,068	617,335	2,214	990,617	-
Total operating expenses	3,374,372	3,179,541	559,551	7,113,464	275,226
Operating income (loss)	(25,718)	81,526	(11,224)	44,584	(31,602)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	43,365	80,017	846	124,228	18,429
Interest expense	(934)	(37,924)	-	(38,858)	-
Total non-operating revenues (expenses)	42,431	42,093	846	85,370	18,429
Changes in net position	16,713	123,619	(10,378)	129,954	(13,173)
Net position, beginning of year	12,293,296	10,257,400	57,164	22,607,860	533,018
Net position, end of year	\$ 12,310,009	\$ 10,381,019	\$ 46,786	\$ 22,737,814	\$ 519,845

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Wastewater	Non-Major: Clean Water	Total	
Cash flows from operating activities:					
Cash received from water, sewer and clean water customers	\$ 3,302,763	\$ 3,189,097	\$ 548,025	\$ 7,039,885	\$ -
Cash received from other operating receipts	23,336	4,138	-	27,474	243,624
Cash payments for water purchases, distribution and treatment	(1,675,791)	-	-	(1,675,791)	-
Cash payments for sewer collection and maintenance	-	(248,260)	-	(248,260)	-
Cash payments for services and supplies	(654,226)	(1,731,732)	(549,277)	(2,935,235)	(152,129)
Cash payment to employees for services	(697,736)	(752,938)	(720)	(1,451,394)	(91,035)
Net cash provided by (used for) operating activities	298,346	460,305	(1,972)	756,679	460
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(824,410)	(620,235)	(1,924)	(1,446,569)	-
Proceeds from long-term debt	-	1,344,888	-	1,344,888	-
Interest payments on long-term debt	-	(54,296)	-	(54,296)	-
Principal payments on long-term debt	-	(373,385)	-	(373,385)	-
Net cash provided by (used for) capital and related financing activities	(824,410)	296,972	(1,924)	(529,362)	-
Cash flows from investing activities:					
Interest received	44,080	81,316	903	126,299	16,891
Net cash provided by (used for) investing activities	44,080	81,316	903	126,299	16,891
Net increase (decrease) in cash and cash equivalents	(481,984)	838,593	(2,993)	353,616	17,351
Cash and cash equivalents, beginning of year	1,807,920	2,337,624	2,993	4,148,537	778,480
Cash and cash equivalents, end of year	\$ 1,325,936	\$ 3,176,217	\$ -	\$ 4,502,153	\$ 795,831
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (25,718)	\$ 81,526	\$ (11,224)	\$ 44,584	\$ (31,602)
Adjustments to reconcile operating income (loss) to net income provided by (used for) operating activities:					
Depreciation	371,068	617,335	2,214	990,617	-
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in accounts receivable	(17,468)	(67,832)	(302)	(85,602)	-
(Increase) decrease in inventory	406	(48)	-	358	-
(Increase) decrease in deferred outflows of resources	50,344	50,610	-	100,954	-
Increase (decrease) in claims payable	-	-	-	-	32,062
Increase (decrease) in accounts payable	(52,004)	(186,955)	1,010	(237,949)	-
Increase (decrease) in due to other funds	-	-	7,050	7,050	-
Increase (decrease) in retentions payable	-	(10,001)	-	(10,001)	-
Increase (decrease) in customer deposits	(5,493)	-	-	(5,493)	-
Increase (decrease) in net pension liability	(23,422)	(23,545)	-	(46,967)	-
Increase (decrease) in compensated absences	5,300	3,906	(720)	8,486	-
Increase (decrease) in deferred inflows of resources	(4,667)	(4,691)	-	(9,358)	-
Total adjustments	324,064	378,779	9,252	712,095	32,062
Net cash provided by (used for) operating activities	\$ 298,346	\$ 460,305	\$ (1,972)	\$ 756,679	\$ 460
Non-cash investing, capital and financing related activity:					
Non-cash changes in fair value of investments	\$ 2,083	\$ 3,310	\$ -	\$ 5,393	\$ 752

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

AGENCY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2019

	Agency Fund
<b>ASSETS</b>	
Account receivable	\$ 38,692
Restricted assets:	
Cash and investments	<u>328,716</u>
Total assets	<u>\$ 367,408</u>
<b>LIABILITIES</b>	
Due to bond holders	<u>\$ 367,408</u>
Total liabilities	<u>\$ 367,408</u>

See accompanying notes to the basic financial statements.



***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The financial statements of the City of Del Mar, California (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant City accounting policies are described below.

**A. Reporting Entity**

The City of Del Mar, California was incorporated in 1959 under the general laws of the State of California and enjoys all the rights and privileges pertaining to “Chartered” cities. The City operates under an elected Council/City Manager form of government. The City provides basic government services to its citizens including: general government, public safety, public works, and parks and recreation.

As required by GAAP, these financial statements present the City of Del Mar and its component unit, an entity for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization’s governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e. it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationships with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete. A brief description of the City’s component unit is as follows:

The Del Mar Public Facilities Corporation (the Corporation) was formed on August 16, 1993, under the Nonprofit Public Benefit Corporation Law of the State of California to provide financial assistance to the City of Del Mar by acquiring, leasing, constructing or financing public sewer and/or water facilities and improvements. The financial activities of the Corporation have been aggregated and merged (termed “blending”) with those of the City in the accompanying financial statements, since the City Council serves as the governing board for the Corporation. The City does not produce separate financial statements for the Corporation.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

**B. Government-Wide and Fund Financial Statements (Continued)**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses for a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included as program revenues are reported as general revenues.

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with 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. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The City's fiduciary fund financial statements report agency funds. Agency funds are used to account for situations where the government's role is purely custodial. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held. Agency funds are reported on the accrual basis of accounting and have no measurement focus.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Under the modified accrual basis of accounting, 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 or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 180 days of the end of the current fiscal period with the exception of property taxes which are considered available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service payments (principal and interest), compensatory time and claims and judgments are recorded only when payment is due.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement Focus and Basis of Accounting (Continued)

Property taxes, sales and use tax, transient occupancy tax (TOT), franchise taxes, vehicle license fees, highway user's tax, interest associated with the current period, and some grants are all susceptible to accrual and have been recognized as revenue in the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

- The **General Fund** is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Capital Improvement Capital Projects Fund** is used to account for the financial resources used for the acquisition or construction of major property, equipment, or facilities (other than those financed by the proprietary funds).

The City reports the following major proprietary funds:

- The **Water Fund** is used to account for the operation, maintenance, and capital facility financing of the City's water system.
- The **Wastewater Fund** is used to account for the operation, maintenance, and capital facility financing of the City's wastewater system.

Additionally, the City reports the following fund types:

- Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.
- Capital Project Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.
- The non-major Enterprise Fund accounts for the mandated costs of the City's National Pollution Discharge Eliminations System (NPDES) permit.
- The Internal Service Fund is used to account for the workers' compensation services provided to other departments of the City.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement Focus and Basis of Accounting (Continued)

- Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governments. The current City's Fiduciary Funds include: Stratford and Luneta Undergrounding Assessment District 1989-01; Seawall Refinance Assessment District 1999-01; Ocean View/Pines Assessment District 2005-01; North Hills Undergrounding Assessment District 2007-01, and the Sunset Undergrounding Assessment District 2007-02.

In general, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this rule is the charges between the Del Mar Public Facilities Corporation (Enterprise Funds) and the other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the funds principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service fund are charges for sales and services. Operating expenses for enterprise funds include the cost of sales and services, general and administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of revenues and expenses.

D. New Accounting Pronouncements

Current Year Standards

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018, and did not impact the City.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018, and did not significantly impact the City.

Pending Accounting Standards

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future:

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. New Accounting Pronouncements (Continued)

Pending Accounting Standards (Continued)

- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.

E. Investments

Investments are reported in the accompanying financial statements at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for the fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments. The City pools investments of all funds, except assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds on a quarterly basis, based on each fund's average cash and investment balance.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents have been defined as demand deposits and highly liquid investments purchased with an original maturity of 90 days or less.

G. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (short-term interfund loans) or "advances to/from other funds" (long-term interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The portion of fund balance associated with amounts that have been disbursed to other funds in the form of long-term interfund advances have been classified as non-spendable unless the funds associated with repayment of the advances are otherwise restricted for specific purposes.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

G. Receivables and Payables (Continued)

All accounts, taxes, and service receivables are shown net of an allowance for uncollectible accounts. The City's fiscal year end falls in the middle of a billing cycle for water, sewer, trash, and recycling revenue. In order to accrue the amount of the year end receivables the City estimates the amount of unbilled receivables based on that portion of the billing cycle that has elapsed as of the fiscal year end.

H. Capital Assets

Capital assets, which include land, buildings, buildings and improvements, machinery, equipment and infrastructure are depreciated (except for land) and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life greater than one year. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Construction in progress costs are capitalized and transferred to their respective capital asset category upon completion of the project.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of an asset. Land and construction in progress are not depreciated.

Water system	40-50 years
Wastewater system	40 years
Structures	33 years
Meters and hydrants	25 years
Machinery and equipment	5-15 years
Infrastructure	33 years

I. Compensated Absences

Vacation pay is payable to employees at the time used or upon termination of employment. In the Statement of Net Position, compensated absences are recorded as a liability. On the Statement of Activities, the cost of vacation is recorded when earned for both governmental and business-type activities. The City expects 25 percent of the compensated absence balance to be paid within the next 12 months and has accordingly recorded this portion as a current liability. The remaining portion is recorded as a noncurrent liability. For the enterprise funds, compensated absences, once exercised, are paid out of the same fund as they were originally accrued. For governmental activities, the General Fund is used primarily to pay the liability.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

J. Inventory and Prepays

The enterprise fund inventories are valued at average cost. The inventory consists of meters, pipes and other parts required providing water and wastewater services to customers. The City uses the consumption method which means that the inventory is expensed as the item is used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. Restricted Assets

Restricted assets consist of cash and investments, and accounts receivable held in a fiduciary capacity for several assessment districts.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions resulting from the net difference in projected and actual earnings on investments of the pension plans' fiduciary net position. These amounts are amortized over five years.
- Deferred outflow from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflow related to pensions for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflow related to pensions for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflow from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflow related to pension plans for the changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.

L. Property Taxes

Under California law, property taxes are assessed and collected by the County of San Diego up to one percent of assessed value, plus other increases approved by the voters. The County bills and collects the taxes and remits them to the City in installments. The City of Del Mar accrues these taxes as a receivable and revenue as of the levy date.

Lien date	January 1
Levy date	June 30
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

N. Long-term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

N. Long-term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issues 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Claims and Judgments

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage. Small dollar claims and judgments are recorded as expenditures when paid. Depending on the nature of the claims, they may be paid out of a number of funds. General claims are paid from the General Fund, workers' compensation claims are paid from the internal service fund, and claims specific to an enterprise fund are paid out of the respective enterprise fund (Water, Wastewater, or Clean Water).

P. Net Position and Fund Equity

The governmental and business-type activities in the government-wide financial statements and proprietary funds financial statements utilize a net position presentation. Net position is classified in the following categories:

Net investment in capital assets - this amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position - this amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position - this amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

P. Net Position and Fund Equity (Continued)

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance - this includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact.

Restricted Fund Balance - this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Council action limiting the use of funds is included in the same action that created the funding source, then it is restricted.

Committed Fund Balance - this includes amounts that can be used only for the specific purposes determined by a formal action of the Council. It includes Council action that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Council action limiting the use of the funds is separate from the action that created the funding source, then it is committed, not restricted. The City considers a resolution to constitute a formal action of City Council for the purposes of establishing committed fund balance.

Assigned Fund Balance - this includes amounts that are designated or expressed by the Council, but does not require a formal action like a resolution or ordinance. The Council may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes. Such delegation of authority has been granted to the City Manager by resolution of the City Council.

Unassigned Fund Balance - this classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Council.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund, water enterprise fund and wastewater enterprise funds typically have been used in prior years to liquidate pension liabilities.

**R. Use of Estimates**

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

**NOTE 2 - CASH AND INVESTMENTS**

Cash and Investments

Cash and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 16,865,136
Statement of Fiduciary Assets and Liabilities:	
Restricted cash and investments	328,716
Total cash and investments	<u>\$ 17,193,852</u>

Cash and investments as of June 30, 2019, consist of the following:

Cash and deposits:	
Petty cash on hand	\$ 900
Demand deposits	1,048,915
Total cash and deposits	<u>1,049,815</u>
Investments:	
Federal agency securities	446,539
State investment pool	9,357,609
Investment in County pool	2,676,103
Negotiable certificates of deposit	3,663,786
Total investments	<u>16,144,037</u>
Total cash and investments	<u>\$ 17,193,852</u>

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

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, credit risk, and concentration of credit risk. The limits expressed below apply at the time of purchase of the investment (rather than at year end). This table does not address investments of debt proceeds held by bond trustee 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.

Authorized Investment Type	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years	None	\$250,000
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	None
Supranationals	5 years	15%	5%
County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	\$50 million	None

\*Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

Disclosures Relating to Interest Rate Risk

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

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity.

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 to 24 Months	25 to 60 Months	
Federal agency securities	\$ -	\$ 198,750	\$ 247,789	\$ 446,539
State investment pool	9,357,609	-	-	9,357,609
Investment in County pool	2,676,103	-	-	2,676,103
Negotiable certificates of deposit	595,432	943,354	2,125,000	3,663,786
Total	<u>\$ 12,629,144</u>	<u>\$ 1,142,104</u>	<u>\$ 2,372,789</u>	<u>\$ 16,144,037</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City held no investments, which were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

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 Standard and Poor's actual rating as of year end for each investment type.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Year-End		
			AAA	AA+	Not Rated
Federal agency securities	\$ 446,539	A	\$ -	\$ 446,539	\$ -
State investment pool	9,357,609	N/A	-	-	9,357,609
Investment in County pool	2,676,103	AA	2,676,103	-	-
Negotiable certificates of deposit	3,663,786	N/A	-	-	3,663,786
	<u>\$ 16,144,037</u>		<u>\$ 2,676,103</u>	<u>\$ 446,539</u>	<u>\$ 13,021,395</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer other than external investment pools that represent five percent or more of the City's investments.

***NOTE 2 - CASH AND INVESTMENTS (CONTINUED)***

Custodial Credit Risk

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

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: The California Government Code requires that a financial institution secure deposits made by the state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. At June 30, 2019, the City deposits (bank balances) were either insured by the Federal Deposit Insurance Corporation or collateralized as described above.

Investment in State Investment Pool

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

Investment in County Pool

The City is a voluntary participant in the San Diego County Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company and does not have any binding guarantees for share values. An oversight committee monitors the management of the Pool.

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Fair Value Measurement

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Federal agency securities	\$ -	\$ 446,539	\$ -	\$ 446,539
Negotiable certificates of deposit	-	3,663,786	-	3,663,786
Total Leveled Investments	<u>\$ -</u>	<u>\$ 4,110,325</u>	<u>\$ -</u>	4,110,325
State investment pool*				9,357,609
Investment in County pool*				<u>2,676,103</u>
Total Investment Portfolio				<u>\$ 16,144,037</u>

\* Not subject to fair value measurement hierarchy.

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**NOTE 3 - CAPITAL ASSETS**

A summary of changes in the governmental activities capital assets for the year ended June 30, 2019, was as follows:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 18,289,250	\$ -	\$ -	\$ 18,289,250
Construction in progress	4,664,626	3,160,078	(3,526,115)	4,298,589
Total capital assets, not being depreciated	<u>22,953,876</u>	<u>3,160,078</u>	<u>(3,526,115)</u>	<u>22,587,839</u>
Capital assets, being depreciated:				
Buildings and improvements	27,736,510	789,926	-	28,526,436
Machinery and equipment	2,452,118	127,809	(384,146)	2,195,781
Infrastructure	46,221,030	3,643,805	-	49,864,835
Total capital assets, being depreciated	<u>76,409,658</u>	<u>4,561,540</u>	<u>(384,146)</u>	<u>80,587,052</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,603,272)	(819,379)	-	(4,422,651)
Machinery and equipment	(1,362,117)	(146,919)	341,842	(1,167,194)
Infrastructure	(6,443,801)	(1,388,019)	-	(7,831,820)
Total accumulated depreciation	<u>(11,409,190)</u>	<u>(2,354,317)</u>	<u>341,842</u>	<u>(13,421,665)</u>
Total capital assets, being depreciated, net	<u>65,000,468</u>	<u>2,207,223</u>	<u>(42,304)</u>	<u>67,165,387</u>
Total governmental activities capital assets, net	<u>\$ 87,954,344</u>	<u>\$ 5,367,301</u>	<u>\$ (3,568,419)</u>	<u>\$ 89,753,226</u>

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in the business-type activities capital assets for the year ended June 30, 2019, was as follows:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,365,688	\$ -	\$ -	\$ 1,365,688
Water rights	2,720,098	586,923	(3,307,021)	-
Total capital assets, not being depreciated	<u>4,085,786</u>	<u>586,923</u>	<u>(3,307,021)</u>	<u>1,365,688</u>
Capital assets, being depreciated:				
Buildings	4,080,948	-	-	4,080,948
Improvements	4,252,263	-	-	4,252,263
Machinery and equipment	1,953,539	24,376	(18,018)	1,959,897
Water system	13,868,352	998,260	-	14,866,612
Wastewater system	15,692,042	3,162,050	-	18,854,092
Total capital assets, being depreciated	<u>39,847,144</u>	<u>4,184,686</u>	<u>(18,018)</u>	<u>44,013,812</u>
Less accumulated depreciation for:				
Buildings	(762,611)	(121,967)	-	(884,578)
Improvements	(1,544,678)	(91,760)	-	(1,636,438)
Machinery and equipment	(1,187,559)	(127,613)	18,018	(1,297,154)
Water system	(6,190,687)	(269,128)	-	(6,459,815)
Wastewater system	(6,824,109)	(380,149)	-	(7,204,258)
Total accumulated depreciation	<u>(16,509,644)</u>	<u>(990,617)</u>	<u>18,018</u>	<u>(17,482,243)</u>
Total capital assets, being depreciated, net	<u>23,337,500</u>	<u>3,194,069</u>	<u>-</u>	<u>26,531,569</u>
Total business-type activities capital assets, net	<u>\$ 27,423,286</u>	<u>\$ 3,780,992</u>	<u>\$ (3,307,021)</u>	<u>\$ 27,897,257</u>

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**NOTE 3 - CAPITAL ASSETS**

Depreciation expense was charged to functions for the fiscal year ended June 30, 2019 as follows:

Governmental activities:	
General government	\$ 838,745
Public safety	46,784
Public works	1,426,020
Parks and recreation	42,768
Total depreciation expense - governmental activities	<u>\$ 2,354,317</u>
Business-type activities:	
Water	\$ 371,068
Wastewater	617,335
Clean Water	2,214
Total depreciation expense - business-type activities	<u>\$ 990,617</u>

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2019, interfund receivables and payables are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 93,897	\$ -
Non-Major Governmental Funds	-	58,667
Non-Major Enterprise Fund Clean Water Fund	-	35,230
	<u>\$ 93,897</u>	<u>\$ 93,897</u>

The above balance are primarily due to the reclassification of negative cash balances in the city-wide cash pool.

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2019 are as follows:

Transfers In	Transfers Out		Total
	General Fund	Non-Major Governmental Funds	
Capital Improvement Capital Projects Fund (A)	\$ 2,170,691	\$ -	\$ 2,170,691
Non-Major Governmental Funds (B)	1,132,999	149,219	1,282,218
	<u>\$ 3,303,690</u>	<u>\$ 149,219</u>	<u>\$ 3,452,909</u>

Purpose of Interfund Transfers

Transfers were needed:

- A) To fund current and future capital improvement projects.
- B) For the costs of street and road maintenance that exceeded the gas tax revenues received from the State; revenues collected from facility use permits from Seagrove Park and the Powerhouse Community Center that do not cover the costs of maintaining open space; and revenues from the State for Supplemental Law Enforcement that do not cover the costs for the park ranger and part-time support.

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**NOTE 6 - CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
<b>Governmental Activities:</b>					
Direct Borrowings:					
Note payable	\$ 2,832,500	\$ -	\$ (55,000)	\$ 2,777,500	\$ 60,000
Note payable - City Hall	14,229,232	1,587,535	(355,386)	15,461,381	366,901
Note payable -					
Regional Communications	357,662	-	(40,522)	317,140	41,654
Capital lease	56,704	-	(27,970)	28,734	28,734
Other Long-term Liabilities:					
Compensated absences	416,190	393,017	(346,771)	462,436	115,609
Claims payable (Note 13)	247,704	32,063	-	279,767	223,813
<b>Total governmental activities</b>	<u>\$ 18,139,992</u>	<u>\$ 2,012,615</u>	<u>\$ (825,649)</u>	<u>\$ 19,326,958</u>	<u>\$ 836,711</u>
<b>Business-type Activities:</b>					
Direct Borrowings:					
Notes payable	\$ 6,037,965	\$ 1,344,888	\$ (373,385)	\$ 7,009,468	\$ 383,123
Other Long-term Liabilities:					
Compensated absences	117,438	96,954	(85,405)	128,987	32,247
<b>Total business-type activities</b>	<u>\$ 6,155,403</u>	<u>\$ 1,441,842</u>	<u>\$ (458,790)</u>	<u>\$ 7,138,455</u>	<u>\$ 415,370</u>

**Governmental Long-Term Debt**

Note Payable

Del Mar borrowed \$3,000,000 for its Sidewalk, Street, and Drainage Project. Part of the proceeds were used to refinance a previous loan from San Diego Association of Governments (SANDAG) through SANDAG's debt financing program. Future principal and interest will be paid annually using the City's annual TransNet revenue allocations received from SANDAG. The interest rate will be 3.85 percent per year. \$ 2,777,500

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**NOTE 6 - CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Long-Term Debt (Continued)**

The future debt service requirements for this note:

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 60,000	\$ 139,500	\$ 199,500
2021	60,000	136,500	196,500
2022	65,000	133,500	198,500
2023	70,000	130,250	200,250
2024	70,000	126,750	196,750
2025 - 2029	410,000	577,000	987,000
2030 - 2034	525,000	463,750	988,750
2035 - 2039	675,000	318,500	993,500
2040 - 2044	842,500	132,750	975,250
Totals	<u>\$ 2,777,500</u>	<u>\$ 2,158,500</u>	<u>\$ 4,936,000</u>

Note Payable - City Hall

Del Mar borrowed \$16,161,000 for its City Hall Project. Loan proceeds are requested as funds are expensed. For the current year, the City requested drawdowns of \$1,587,535. Annual payments began on February 1, 2017, are to be paid through August 2045 at an interest rate of 3.24 percent per annum

\$ 15,461,381

The future debt service requirements for this note:

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 366,901	\$ 495,005	\$ 861,906
2021	378,788	482,925	861,713
2022	391,061	470,453	861,514
2023	403,731	457,578	861,309
2024	416,812	444,284	861,096
2025 - 2029	2,295,598	2,006,460	4,302,058
2030 - 2034	2,692,377	1,603,253	4,295,630
2035 - 2039	3,157,736	1,130,355	4,288,091
2040 - 2044	3,703,531	575,120	4,278,651
2045 - 2046	1,654,846	54,044	1,708,890
Totals	<u>\$ 15,461,381</u>	<u>\$ 7,719,477</u>	<u>\$ 23,180,858</u>

Note Payable - Regional Communication System

The City entered into a finance agreement in August 2016 with the County of San Diego for \$435,436 plus accrued interest for its portion of the regional communication system upgrade. Annual payments began on June 30, 2017, are to be paid through June 2026 at an interest rate of 2.79 percent per annum

\$ 317,140

**NOTE 6 - CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Long-Term Debt (Continued)**

The future debt service requirements for this note:

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 41,654	\$ 8,848	\$ 50,502
2021	42,815	7,686	50,501
2022	44,009	6,492	50,501
2023	45,237	5,264	50,501
2024	46,499	4,002	50,501
2025 - 2026	96,926	8,077	105,003
Totals	<u>\$ 317,140</u>	<u>\$ 40,369</u>	<u>\$ 357,509</u>

Capital Lease

In August 2015, the City entered into a capital lease agreement for equipment. The lease term commenced in September 2015 for a term of five years. Lease payments in the amount of \$2,429 are payable monthly. This equipment is included as governmental machinery and equipment in the statement of net position with a net book value of \$110,202 at June 30, 2019. Depreciation expense for the year ended June 30, 2019 was \$15,743.

Minimum annual lease payments under capital leases are as follows:

2020	<u>\$ 28,734</u>
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**Business-Type Long-Term Debt**

Note Payable 21st Street Sewer Pump Station

The City entered into a finance agreement in February 2010 with the State Water Resources Control Board and was approved for financial assistance in the amount of \$5,000,000 plus accrued interest provided through the Clean Water State Revolving Fund. These funds were used for the replacement of the 21st Street Sewer Pump Station. This note is secured by net revenues and is secured on parity with existing 1993 Sewer System Improvements Certificates of Participation. Annual payments of \$344,017, which began on August 1, 2013, are to be paid through August 2032 at an interest rate of 2.9 percent per annum.

\$ 3,912,664

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**NOTE 6 - CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Long-Term Debt (Continued)**

Future debt service requirements are as follows:

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 230,550	\$ 113,467	344,017
2021	237,236	106,781	344,017
2022	244,116	99,901	344,017
2023	251,195	92,822	344,017
2024	258,480	85,537	344,017
2025 - 2029	1,409,280	310,805	1,720,085
2030 - 2033	1,281,807	94,259	1,376,066
Totals	<u>\$ 3,912,664</u>	<u>\$ 903,572</u>	<u>\$ 4,816,236</u>

This note payable is secured by the net revenues generated by the Wastewater Enterprise Fund. Net revenue is defined as all revenues received less operations and maintenance costs (excluding depreciation) for the fiscal year. Net revenues for the fiscal year ended June 30, 2019 totaled \$698,864 and total debt service (principal and interest) paid during the year was \$344,017 for the note payable.

Note Payable San Elijo Joint Powers Authority (SEJPA) Pipeline

The City entered into a finance agreement in June 2015 with the California Infrastructure and Economic Development Bank (IBank) and was approved for financial assistance in the amount of \$3,535,354 plus accrued interest provided through the Infrastructure State Revolving Fund Program. These funds were used for the replacement of a sewage pipeline. This note is secured by net revenues which are required to be 1.2 times the maximum annual debt service payable which in fiscal year 2018-2019 is \$261,702. The City's net revenue in fiscal year 2018-2019 is \$698,861 which exceeds the requirement. Annual payments began on August 1, 2016, are to be paid through August 2035 at an interest rate of 2.17 percent per annum.

\$ 3,096,804

The future debt service requirements for this note:

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 152,573	\$ 65,545	\$ 218,118
2021	155,884	62,198	218,082
2022	159,267	58,779	218,046
2023	162,723	55,285	218,008
2024	166,254	51,716	217,970
2025 - 2029	886,977	202,269	1,089,246
2030 - 2034	987,482	100,673	1,088,155
2035 - 2036	425,644	9,286	434,930
Totals	<u>\$ 3,096,804</u>	<u>\$ 605,751</u>	<u>\$ 3,702,555</u>

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**NOTE 7 - FUND BALANCES**

	General Fund	Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 2,877	\$ -	\$ -	\$ 2,877
Total nonspendable	<u>2,877</u>	<u>-</u>	<u>-</u>	<u>2,877</u>
Restricted for:				
Public safety	-	-	67,088	67,088
Public works	-	-	232,113	232,113
Street projects	-	-	34,959	34,959
Low-income housing	-	-	356,661	356,661
Total restricted	<u>-</u>	<u>-</u>	<u>690,821</u>	<u>690,821</u>
Committed to:				
Parks and community center	-	-	395,516	395,516
Total committed	<u>-</u>	<u>-</u>	<u>395,516</u>	<u>395,516</u>
Assigned to:				
Compensated absences	100,000	-	-	100,000
Equipment replacement	750,000	-	-	750,000
Public television	14,060	-	-	14,060
Self-insurance	400,000	-	-	400,000
Pension reserve	1,220,200	-	-	1,220,200
Special Projects	144,208	-	-	144,208
Capital projects	-	320,493	-	320,493
Total assigned	<u>2,628,468</u>	<u>320,493</u>	<u>-</u>	<u>2,948,961</u>
Unassigned	<u>5,599,344</u>	<u>-</u>	<u>-</u>	<u>5,599,344</u>
Total Fund Balances	<u>\$ 8,230,689</u>	<u>\$ 320,493</u>	<u>\$ 1,086,337</u>	<u>\$ 9,637,519</u>

**NOTE 7 - FUND BALANCES (CONTINUED)**

**Nonspendable for Prepaid Items** represents amounts that cannot be spent because they are not spendable in form.

**Restricted for Public Safety** accounts for grant funds received for public safety programs, equipment, or supplies, and represents funds to maintain the City's portion of the San Diego County and Imperial County Regional Communications System.

**Restricted for Public Works** represents funds received through the City's solid waste franchise agreement to implement the countywide integrated waste management plan and program.

**Restricted for Street Projects** are designated for the specific purposes as restricted by law or administrative action.

**Restricted for Low-Income Housing** represents funds to provide for low and moderate income housing as required by the State Housing Law. These funds are collected as a fee from developers when building permits are issued.

**Committed to Parks and Community Center** represents funds received from facility use permits of the community center designated for park and beach maintenance, and Powerhouse Community Center maintenance and operations.

**Assigned to Compensated Absences** are funds set aside for unpaid vacation time due to employees. See note 1I for additional information.

**Assigned to Equipment Replacement** are funds set aside to provide for the replacement of capital equipment currently owned.

**Assigned to Public Television** represents funds received through the City's local cable company agreement to provide television production equipment, airtime on local cable system, and to televise public information and meetings.

**Assigned to Self-Insurance** are funds established for payment of the deductible portions of claims not covered by insurance policies.

**Assigned to Pension Reserve** are funds set aside to pay for unfunded accrued pension liability or current pension obligations.

**Assigned to Special Projects** are funds set aside from a voter's approved one-percent sales tax measure that are set aside for community reinvestment/infrastructure types of projects

**Assigned to Capital Projects** are funds used for the acquisition and construction of major capital facilities.

**NOTE 8 - RETIREMENT PLANS**

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (lifeguard and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of services. PEPPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the California Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2018, measurement date, are summarized as follows:

	Miscellaneous		
	Classic Members	Classic Members	New Members
	Prior to January 1, 2013	On or After January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula - Active	3%@60	2%@60	2%@62
Benefit formula - Inactive	2%@55	N/A	N/A
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.50%
Required employer contribution rates:			
Normal cost rate	12.376%	7.540%	6.625%
Payment of unfunded liability	\$ 288,334	\$ 189	\$ 38

**NOTE 8 - RETIREMENT PLANS (CONTINUED)**

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

	Safety	
	Fire	Lifeguard
	Prior to January 1, 2013	Prior to January 1, 2013
Hire date		
Benefit formula	3%@50	2%@50
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	3.00%	3.00%
Required employee contribution rates	9.00%	9.00%
Required employer contribution rates:		
Normal cost rate	18.615%	14.971%
Payment of unfunded liability	\$ 166,544	\$ 29,924

Contributions

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

**NOTE 8 - RETIREMENT PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 6,842,256</u>
Safety	<u>5,033,470</u>
Total Net Pension Liability	<u><u>\$ 11,875,726</u></u>

The City’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City’s proportionate share of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City’s proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2017 and 2018 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2017	0.17671%	0.08291%
Proportion - June 30, 2018	0.18155%	0.08578%
Change - Increase (Decrease)	0.00484%	0.00287%

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**NOTE 8 - RETIREMENT PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2019, the City recognized pension expense of \$1,645,468 (\$860,565 – Miscellaneous Plan and \$784,903 – Safety Plan). At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 742,811	\$ -	\$ 476,504	\$ -
Differences between expected and actual experience	262,525	(89,336)	108,152	(410)
Change in assumptions	780,038	(191,172)	493,871	(66,632)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(176,018)	-	(86,146)
Net differences between projected and actual earnings on plan investments	33,826	-	34,078	-
<b>Total</b>	<b>\$ 1,819,200</b>	<b>\$ (456,526)</b>	<b>\$ 1,112,605</b>	<b>\$ (153,188)</b>

\$1,219,315 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Miscellaneous	Safety
2020	\$ 588,507	\$ 413,968
2021	319,961	238,358
2022	(227,063)	(134,547)
2023	(61,542)	(34,866)
2024	-	-
Thereafter	-	-

**NOTE 8 - RETIREMENT PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Actuarial Assumptions

The total pension liability for the June 30, 2018 the measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increases	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

(1) Varies by entry age and service

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. 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.

**NOTE 8 - RETIREMENT PLANS (CONTINUED)**

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.0% used for this period

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

Discount Rate

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

**NOTE 8 - RETIREMENT PLANS (CONTINUED)**

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

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

The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 10,788,482	\$ 7,618,893
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 6,842,256	\$ 5,033,470
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 3,584,709	\$ 2,915,178
<u>Pension Plans Fiduciary Net Position</u>		

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

C. Payable to the Pension Plans

At June 30, 2019, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2019.

**NOTE 9 - DEFERRED COMPENSATION**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 whereby employees authorize the City to withhold funds from their salary to be invested in the plan’s investment options. The plan, organized as a trust for the exclusive benefit of the participants and available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of this plan are not the property of the City and are not subject to the claims of the City’s general creditors. As a result, the assets of this plan are not reported in the financial statements.

***NOTE 10 - GOVERNMENTAL MONEY PURCHASE PLAN***

On November 15, 1999, the City adopted a money purchase pension plan. The plan was created in accordance with Internal Revenue Code Section 401(a). The plan is organized as a trust for the exclusive benefit of the participants and is available to the City's management employees. The plan allows the participants to defer a portion of their salary to future years. The City does not require participants to contribute a minimum percentage of participant earnings. The participants have the option to determine a percentage of earnings to contribute into the plan.

Contributions are paid for by the employees. The plan allows the participants to become immediately fully vested in their accounts and has a normal retirement age of 60. The participants will not have access to funds until termination, retirement, or death. Plan assets are held by a trustee on behalf of City employees. The assets of this plan are not reported in the financial statements.

***NOTE 11 - LITIGATION AND COMMITMENTS***

Litigation

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to have a material adverse financial impact on the City. Additionally, City management believes that sufficient reserves are available to the City to cover any potential losses, should an unfavorable outcome materialize. See Note 13 for additional information regarding the City's risk management and Note 7 for the amount of fund balance assigned to self-insurance.

Construction Contracts and Commitments

As of June 30, 2019, construction contracts totaled \$6,143,977 of which \$4,217,439 has been expended. City commitments for outstanding encumbrances (purchase orders and contracts for goods and services not yet delivered) by major governmental funds is \$1,926,538 for paving and pathway improvements in the City and is shown as committed or restricted.

The City has a 25-year lease with the State of California's 22<sup>nd</sup> District Agricultural Association for use of the City's fire station that ends on June 30, 2025. The annual rent is payable every July 1<sup>st</sup> and is the greater of a) \$40,000 multiplied by the percentage which the Consumer's Price Index (CPI) for the preceding April increased compared to the base period in April 2000; or five percent annum. The annual rental increase may not exceed ten percent. For fiscal year 2018-2019, the fire lease payment was \$96,265.

***NOTE 12 - POST EMPLOYMENT HEALTH CARE BENEFITS***

The City has no obligation to provide post employment health care benefits for retirees. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), eligible employees may elect to pay for a continuation of insurance to provide healthcare benefits. Certain requirements are outlined by the federal government for this coverage. The premium plus a two percent administration fee is paid in full by the insured on or before the tenth day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the City under this program.

During fiscal year 2018-2019, the Del Mar Firefighters Association (DMFA) approved the creation of VantageCare Retirement Health Savings Program (RHS) through the International City/County Management Association Retirement Corporation (ICMA-RC). The RHS will provide tax-free assets to members of DMFA for a wide range of medical expenses. DMFA members will contribute 1% of earnings for firefighter and paramedic classifications and 3% of earnings for fire captain and engineer classifications. The City has no obligation to provide any assistance for costs associated with the plan.

***NOTE 13 - RISK MANAGEMENT***

The City is a member of the California State Association of Counties-Excess Insurance Authority (CSAC-EIA) beginning July 2015. CSAC-EIA is a consortium of other agencies in California who have joined together to achieve savings on insurance premiums through volume purchasing and risk management consulting. Each member pays for its proportionate share of its individually contracted insurance coverage. The City does not own an equity interest in CSAC-EIA and separate financial statements are prepared for CSAC-EIA. Copies of CSAC-EIA's annual financial report may be obtained by writing to 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

General Liability

As a member of CSAC Excess Insurance Authority (EIA), the City is self-insured for the first \$100,000 of each occurrence. The difference between the City's \$100,000 self-insurance retention and \$5,000,000 of pooled liability insurance for each occurrence is covered by CSAC EIA, with an additional \$45,000,000 of purchased liability for a total of \$50,000,000. Specific coverage includes bodily injury, property damage, municipal errors and omissions and personal injury.

The City accounts for general liability claims that are under their \$100,000 insurance threshold as accounts payable in the general fund.

Workers' Compensation

The City uses a risk management self-insurance workers' compensation fund (an internal service fund) to account for and finance its uninsured risk of loss. All funds of the City make payments based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish appropriate reserves. The City is self-insured for the first \$125,000 for each occurrence and has excess insurance up to \$50,000,000.

**CITY OF DEL MAR, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

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**NOTE 13 - RISK MANAGEMENT (CONTINUED)**

General liability and workers' compensation claims were as follows for June 30, 2019:

	General Liability	Workers' Compensation
	<u>                    </u>	<u>                    </u>
Unpaid claims, July 1, 2017	\$ -	\$ 148,859
Incurred claims (including IBNR)	2,019	226,187
Claims payments	<u>(2,019)</u>	<u>(127,342)</u>
Unpaid claims, June 30, 2018	-	247,704
Incurred claims (including IBNR)	71,790	123,097
Claims payments	<u>(71,790)</u>	<u>(91,034)</u>
Unpaid claims, June 30, 2019	<u><u>-</u></u>	<u><u>279,767</u></u>

The general liability claims are recorded in the general fund accounts payable and accrued liabilities. The workers' compensation claims are recorded in the internal service fund.

Settled claims have not exceeded any of the City's coverage amounts in any of the last three years and there were no reductions in the City's insurance coverage during the fiscal year ended June 30, 2019.

Other Insurance Policies

The City maintains insurance coverage in the following specific areas: real and personal property damage with loss of revenue and increased expenses, auto-physical damage, machinery damage, faithful performance bonds, cyber-attacks, and pollution.

**NOTE 14 - ASSESSMENT DISTRICT BOND ISSUES**

The City has issued Special Assessment Bonds as allowed under the State of California Special Improvement Act. The City has no obligation beyond the balances in the designated Agency fund for any delinquent assessment district bond payments. The City acts solely as an agent for those paying assessments and the bondholders of the obligations outstanding. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of any available funds of the City. Neither the faith, credit, nor taxing power of the City is pledged to the payment of the bonds. Therefore, such bonds are not an appropriate liability of the City and are not included in the accompanying financial statements.

***NOTE 14 - ASSESSMENT DISTRICT BOND ISSUES (CONTINUED)***

At June 30, 2019, the outstanding special assessment district bonds are as follows:

- The Seawall Refinance Assessment District No. 1999-01 Bonds of \$1,350,000 were issued June 17, 1999 to finance seawall improvements. These bonds outstanding at June 30, 2019 were \$110,000.
- The Ocean View/Pines Assessment District No. 2005-01 Bonds of \$932,201 were issued October 1, 2005, to finance the removal of overhead utilities in the Ocean View Pines neighborhood area. The bonds outstanding at June 30, 2019 were \$320,000.

***NOTE 15 - EXPENDITURES EXCEEDING APPROPRIATIONS***

The Capital Improvement Capital Projects Fund and nonmajor Grants Special Revenue Fund exceeded their budgets by \$154,496 and \$4,525, respectively. These funds have adequate resources to cover its budget overages.

***NOTE 16 - SUBSEQUENT EVENT***

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 27, 2019, the date the financial statements were available to be issued, and determined that there were no events requiring disclosure.

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CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 14,017,300	\$ 15,063,420	\$ 15,331,270	\$ 267,850
Licenses, fees and permits	1,098,250	1,098,250	976,323	(121,927)
Intergovernmental	66,600	74,018	92,568	18,550
Charges for services	1,768,930	1,991,650	1,969,158	(22,492)
Fines and forfeitures	605,600	670,600	740,862	70,262
Use of money and property	194,520	292,180	490,992	198,812
Other	54,500	871,930	787,953	(83,977)
Total revenues	17,805,700	20,062,048	20,389,126	327,078
<b>EXPENDITURES</b>				
Current:				
General government	5,716,520	7,354,060	6,661,483	692,577
Public safety	6,534,120	6,599,380	6,554,499	44,881
Public works	198,520	258,520	247,554	10,966
Capital outlay	-	6,790,529	4,102,363	2,688,166
Debt service:				
Principal	-	-	27,970	(27,970)
Interest	-	-	1,184	(1,184)
Total expenditures	12,449,160	21,002,489	17,595,053	3,407,436
Excess (deficiency) of revenues over (under) expenditures	5,356,540	(940,441)	2,794,073	3,734,514
<b>OTHER FINANCING USES</b>				
Transfers in	-	580,903	-	580,903
Transfers out	(2,527,260)	(4,313,438)	(3,303,690)	1,009,748
Total other financing uses	(2,527,260)	(3,732,535)	(3,303,690)	1,590,651
Net change in fund balance	2,829,280	(4,672,976)	(509,617)	5,325,165
Fund balance, beginning of year	8,740,306	8,740,306	8,740,306	-
Fund balance, end of year	\$ 11,569,586	\$ 4,067,330	\$ 8,230,689	\$ 5,325,165

***NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING***

The City follows these procedures in establishing the City’s budget:

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This “appropriated budget” covers City expenditures in the General, Special Revenue, and Capital Projects Funds. The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between individual accounts within a fund. Supplemental budgetary increases in appropriations for the General, Special Revenue, and Capital Project Funds in the amount of \$17,273,514 were made during the year ended June 30, 2019.
3. Formal budgetary integration is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Unencumbered appropriations at year end automatically lapse. Those appropriations may be re-encumbered in the following year only after reconsideration.
4. Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds (for which annual budgets were adopted) are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for the Regional Transportation Congestion Improvement Program (RTCIP) capital project fund and for proprietary funds as the City is not legally required to adopt a budget for these types of funds.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from certain proceeds of taxes. If proceeds of taxes exceed allowed appropriations, the excess must be either refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules, or other refund arrangements.

**CITY OF DEL MAR**

**MISCELLANEOUS PLAN**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**LAST TEN FISCAL YEARS\***

Fiscal year ended	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement period	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Plan's proportion of the net pension liability	0.06345%	0.16365%	0.06910%	0.07024%	0.07101%
Plan's proportionate share of the net pension liability	\$ 3,948,228	\$ 4,489,625	\$ 5,979,285	\$ 6,966,181	\$ 6,842,255
Plan's covered payroll	\$ 2,825,926	\$ 2,850,725	\$ 3,083,838	\$ 3,198,271	\$ 3,211,144
Plan's proportionate share of the net pension liability as a percentage of covered payroll	139.71%	157.49%	193.89%	217.81%	213.08%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	83.03%	81.70%	74.06%	73.31%	75.26%
Plan's proportionate share of aggregate employer contributions	\$ 522,334	\$ 693,302	\$ 746,689	\$ 814,756	\$ 850,591

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF DEL MAR

MISCELLANEOUS PLAN  
 SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLAN

LAST TEN FISCAL YEARS\*

Fiscal year ended	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Contractually required contribution (actuarially determined)	\$ 411,954	\$ 529,486	\$ 579,144	\$ 617,792	\$ 742,811
Contributions in relation to the actuarially determined contributions	(411,954)	(529,486)	(579,144)	(617,792)	(742,811)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,850,725	\$ 3,083,838	\$ 3,198,271	\$ 3,211,144	\$ 3,595,869
Contributions as a percentage of covered payroll	14.45%	17.17%	18.11%	19.24%	20.66%

Notes to Schedule:

Valuation Date	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	15 Year Smoothed Market Method	Market Value	Market Value	Market Value	Market Value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 years for 3.00%@60 and 2.0%@60, 52 years for 2.0%@62\*\*
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

**CITY OF DEL MAR**

**SAFETY PLAN**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**LAST TEN FISCAL YEARS\***

Fiscal year ended	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Measurement period	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Plan's proportion of the net pension liability	0.04522%	0.08038%	0.04959%	0.04995%	0.05223%
Plan's proportionate share of the net pension liability	\$ 2,814,100	\$ 3,311,865	\$ 4,291,288	\$ 4,953,802	\$ 5,033,469
Plan's covered payroll	\$ 1,271,501	\$ 1,305,573	\$ 1,336,570	\$ 1,289,037	\$ 1,225,539
Plan's proportionate share of the net pension liability as a percentage of covered payroll	221.32%	253.67%	321.07%	384.30%	410.71%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	81.74%	79.38%	74.06%	73.31%	72.26%
Plan's proportionate share of aggregate employer contributions	\$ 356,577	\$ 361,590	\$ 412,874	\$ 450,318	\$ 578,842

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

**CITY OF DEL MAR**

**SAFETY PLAN  
SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLAN**

**LAST TEN FISCAL YEARS\***

Fiscal year ended	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Contractually required contribution (actuarially determined)	\$ 303,598	\$ 336,247	\$ 370,167	\$ 399,196	\$ 476,504
Contributions in relation to the actuarially determined contributions	(303,598)	(336,247)	(370,167)	(399,196)	(476,504)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,305,573	\$ 1,336,570	\$ 1,289,037	\$ 1,225,539	\$ 2,123,434
Contributions as a percentage of covered payroll	23.25%	25.16%	28.72%	32.57%	22.44%

Notes to Schedule:

Valuation Date	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	15 Year	Market Value	Market Value	Market Value	Market Value
	Smoothed				
	Market Method				
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 years for 3.00%@50 and 2.0%@50
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.



**CITY OF DEL MAR, CALIFORNIA**  
**Non-Major Governmental Fund**  
**For Fiscal Year Ended June 30, 2019**

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Special Revenue Funds

The **Gasoline Tax Special Revenue Fund** is used to account for state gasoline taxes received by the City. These funds may be used for street maintenance, right-of-way acquisition, and street construction.

The **Open Space Special Revenue Fund** accounts for park and beach maintenance, and the Powerhouse Community Center maintenance and operations. It is partially funded by facility use permits for the community center.

The **Supplemental Law Enforcement Special Revenue Fund** is used to account for grant revenue received by the City from the State of California for supplemental law enforcement expenditures.

The **Regional Communications System Special Revenue Fund** is used to account for revenue received by the City to maintain its portion of the San Diego County and Imperial County Regional Communications System.

The **Grants Special Revenue Fund** accounts for federal, state and local grants received by the City and the expenditure of those funds.

The **Housing Special Revenue Fund** accounts for in-lieu payments from developers and expenditures in support of low-income housing.

The **AB 939 Special Revenue Fund** accounts for the costs of implementing the countywide integrated waste management plan and programs.

The **Road Maintenance and Rehabilitation Account (RMRA) Special Revenue Fund** accounts for the City's share of gas tax monies for the purpose of construction, reconstruction, maintenance, and right-of-way acquisition relating to streets and highways.

Capital Projects Funds

The **Transnet II Capital Improvement Capital Projects Fund** is used to account for the financial resources for the City's Sidewalk, Street and Drainage Project.

The **Regional Transportation Congestion Improvement Program (RTCIP) Capital Projects Fund** accounts for fees received on new development used to mitigate the impacts of residential development.

CITY OF DEL MAR

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Special Revenue Funds					
	Gasoline Tax	Open Space	Supplemental Law Enforcement	Regional Communi- cations System	Grants	Housing
<b>ASSETS</b>						
Cash and investments	\$ 28,594	435,325	-	8,971	39,025	411,025
Receivables:						
Accrued interest	-	-	-	-	228	1,952
Accounts, net	8,014	42,026	-	-	14,473	-
Due from other agencies	-	-	55,948	-	4,663	-
Total assets	<u>\$ 36,608</u>	<u>\$ 477,351</u>	<u>\$ 55,948</u>	<u>\$ 8,971</u>	<u>\$ 58,389</u>	<u>\$ 412,977</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	13,356	41,265	5,309	-	272	56,316
Deposits payable	-	40,570	-	-	-	-
Due to other funds	-	-	50,639	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>13,356</u>	<u>81,835</u>	<u>55,948</u>	<u>-</u>	<u>272</u>	<u>56,316</u>
Fund balances (deficit):						
Restricted for:						
Public safety	-	-	-	8,971	58,117	-
Low-income housing	-	-	-	-	-	356,661
Public works	-	-	-	-	-	-
Street projects	23,252	-	-	-	-	-
Committed to:						
Parks and recreation	-	395,516	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>23,252</u>	<u>395,516</u>	<u>-</u>	<u>8,971</u>	<u>58,117</u>	<u>356,661</u>
Total liabilities and fund balances	<u>\$ 36,608</u>	<u>\$ 477,351</u>	<u>\$ 55,948</u>	<u>\$ 8,971</u>	<u>\$ 58,389</u>	<u>\$ 412,977</u>

Special Revenue Funds		Capital Projects Funds			
AB 939	RMRA	Transnet II Capital Improvement	RTCIP	Total	
211,292	164	-	4,968	\$ 1,139,364	
1,004	434	-	24	3,642	
28,022	14,145	-	-	106,680	
-	-	-	-	60,611	
<u>\$ 240,318</u>	<u>\$ 14,743</u>	<u>\$ -</u>	<u>\$ 4,992</u>	<u>\$ 1,310,297</u>	
3,205	-	-	-	\$ 119,723	
-	-	-	-	40,570	
-	8,028	-	-	58,667	
5,000	-	-	-	5,000	
<u>8,205</u>	<u>8,028</u>	<u>-</u>	<u>-</u>	<u>223,960</u>	
-	-	-	-	67,088	
-	-	-	-	356,661	
232,113	-	-	-	232,113	
-	6,715	-	4,992	34,959	
-	-	-	-	395,516	
-	-	-	-	-	
<u>232,113</u>	<u>6,715</u>	<u>-</u>	<u>4,992</u>	<u>1,086,337</u>	
<u>\$ 240,318</u>	<u>\$ 14,743</u>	<u>\$ -</u>	<u>\$ 4,992</u>	<u>\$ 1,310,297</u>	

CITY OF DEL MAR

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	Gasoline Tax	Open Space	Supplemental Law Enforcement	Regional Communi- cations System	Grants	Housing
<b>REVENUES</b>						
Taxes	\$ 94,505	\$ 12,636	\$ -	\$ 44,242	\$ -	\$ -
Licenses, fees and permits	-	361,938	-	-	-	23,508
Intergovernmental	-	7,427	100,000	-	43,583	-
Use of money and property	-	392	-	475	1,332	9,959
Contributions	-	23,230	-	-	-	-
Other	192	44,843	55,948	-	-	-
Total revenues	<u>94,697</u>	<u>450,466</u>	<u>155,948</u>	<u>44,717</u>	<u>44,915</u>	<u>33,467</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	109,233
Public safety	-	-	223,155	21,732	23,895	-
Public works	506,440	-	-	-	-	-
Parks and recreation	-	916,556	-	-	-	-
Capital outlay	-	101,558	-	-	-	-
Debt service:						
Principal	-	-	-	40,522	-	-
Interest	-	-	-	9,979	-	-
Total expenditures	<u>506,440</u>	<u>1,018,114</u>	<u>223,155</u>	<u>72,233</u>	<u>23,895</u>	<u>109,233</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(411,743)</u>	<u>(567,648)</u>	<u>(67,207)</u>	<u>(27,516)</u>	<u>21,020</u>	<u>(75,766)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	432,335	769,769	67,207	12,907	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>432,335</u>	<u>769,769</u>	<u>67,207</u>	<u>12,907</u>	<u>-</u>	<u>-</u>
Net change in fund balances	20,592	202,121	-	(14,609)	21,020	(75,766)
Fund balances, beginning of year	2,660	193,395	-	23,580	37,097	432,427
Fund balances, end of year	<u>\$ 23,252</u>	<u>\$ 395,516</u>	<u>\$ -</u>	<u>\$ 8,971</u>	<u>\$ 58,117</u>	<u>\$ 356,661</u>

<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>			
<u>AB 939</u>	<u>RMRA</u>	<u>Transnet II Capital Improvement</u>	<u>RTCIP</u>	<u>Total</u>	
\$ -	\$ 79,258	\$ -	\$ -	\$ 230,641	
60,210	-	-	2,483	448,139	
-	-	195,022	-	346,032	
5,898	1,497	-	81	19,634	
-	-	-	-	23,230	
-	-	-	-	100,983	
<u>66,108</u>	<u>80,755</u>	<u>195,022</u>	<u>2,564</u>	<u>1,168,659</u>	
16,569	-	-	-	125,802	
-	-	-	-	268,782	
-	-	-	-	506,440	
-	-	-	-	916,556	
-	-	-	-	101,558	
-	-	55,000	-	95,522	
-	-	140,022	-	150,001	
<u>16,569</u>	<u>-</u>	<u>195,022</u>	<u>-</u>	<u>2,164,661</u>	
<u>49,539</u>	<u>80,755</u>	<u>-</u>	<u>2,564</u>	<u>(996,002)</u>	
-	-	-	-	1,282,218	
(50,000)	(99,219)	-	-	(149,219)	
<u>(50,000)</u>	<u>(99,219)</u>	<u>-</u>	<u>-</u>	<u>1,132,999</u>	
(461)	(18,464)	-	2,564	136,997	
232,574	25,179	-	2,428	949,340	
<u>\$ 232,113</u>	<u>\$ 6,715</u>	<u>\$ -</u>	<u>\$ 4,992</u>	<u>\$ 1,086,337</u>	

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
GASOLINE TAX SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 174,870	\$ 101,570	\$ 94,505	\$ (7,065)
Other	-	-	192	192
Total revenues	174,870	101,570	94,697	(6,873)
<b>EXPENDITURES</b>				
Current:				
Public works	493,650	665,190	506,440	158,750
Total expenditures	493,650	665,190	506,440	158,750
Excess (deficiency) of revenues over (under) expenditures	(318,780)	(563,620)	(411,743)	151,877
<b>OTHER FINANCING SOURCES</b>				
Transfers in	318,780	560,962	432,335	(128,627)
Total other financing sources	318,780	560,962	432,335	(128,627)
Net change in fund balance	-	(2,658)	20,592	23,250
Fund balance, beginning of year	2,660	2,660	2,660	-
Fund balance, end of year	\$ 2,660	\$ 2	\$ 23,252	\$ 23,250

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
OPEN SPACE SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 10,820	\$ 10,820	\$ 12,636	\$ 1,816
Licenses, fees and permits	315,000	415,000	361,938	(53,062)
Intergovernmental	15,700	15,700	7,427	(8,273)
Use of money and property	2,040	2,040	392	(1,648)
Contributions	-	25,000	23,230	(1,770)
Other	33,000	33,000	44,843	11,843
	<u>376,560</u>	<u>501,560</u>	<u>450,466</u>	<u>(51,094)</u>
<b>EXPENDITURES</b>				
Current:				
Parks and recreation	875,280	952,530	916,556	35,974
Capital outlay	-	334,502	101,558	232,944
	<u>875,280</u>	<u>1,287,032</u>	<u>1,018,114</u>	<u>268,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(498,720)</u>	<u>(785,472)</u>	<u>(567,648)</u>	<u>217,824</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>499,470</u>	<u>734,762</u>	<u>769,769</u>	<u>35,007</u>
	<u>499,470</u>	<u>734,762</u>	<u>769,769</u>	<u>35,007</u>
Net change in fund balance	750	(50,710)	202,121	252,831
Fund balance, beginning of year	<u>193,395</u>	<u>193,395</u>	<u>193,395</u>	<u>-</u>
Fund balance, end of year	<u>\$ 194,145</u>	<u>\$ 142,685</u>	<u>\$ 395,516</u>	<u>\$ 252,831</u>

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
 SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Other	-	-	55,948	55,948
Total revenues	100,000	100,000	155,948	55,948
<b>EXPENDITURES</b>				
Current:				
Public safety	197,120	245,870	223,155	22,715
Total expenditures	197,120	245,870	223,155	22,715
Excess (deficiency) of revenues over (under) expenditures	(97,120)	(145,870)	(67,207)	78,663
<b>OTHER FINANCING SOURCES</b>				
Transfers in	97,120	145,870	67,207	(78,663)
Total other financing sources	97,120	145,870	67,207	(78,663)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
REGIONAL COMMUNICATIONS SYSTEM SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 45,000	\$ 45,000	\$ 44,242	\$ (758)
Use of money and property	-	-	475	475
Total revenues	45,000	45,000	44,717	(283)
<b>EXPENDITURES</b>				
Current:				
Public safety	34,500	34,500	21,732	12,768
Debt service:				
Principal	-	40,530	40,522	8
Interest	-	9,980	9,979	1
Total expenditures	34,500	85,010	72,233	12,777
Excess (deficiency) of revenues over (under) expenditures	10,500	(40,010)	(27,516)	12,494
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	16,431	12,907	(3,524)
Total other financing sources	-	16,431	12,907	(3,524)
Net change in fund balance	10,500	(23,579)	(14,609)	8,970
Fund balance, beginning of year	23,580	23,580	23,580	-
Fund balance, end of year	\$ 34,080	\$ 1	\$ 8,971	\$ 8,970

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
GRANTS SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 19,370	\$ 19,370	\$ 43,583	\$ 24,213
Use of money and property	-	-	1,332	1,332
Total revenues	19,370	19,370	44,915	25,545
<b>EXPENDITURES</b>				
Current:				
Public safety	19,370	19,370	23,895	(4,525)
Total expenditures	19,370	19,370	23,895	(4,525)
Net change in fund balance	-	-	21,020	21,020
Fund balance, beginning of year	37,097	37,097	37,097	-
Fund balance, end of year	\$ 37,097	\$ 37,097	\$ 58,117	\$ 21,020

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
HOUSING SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Licenses, fees and permits	\$ 47,000	\$ 47,000	\$ 23,508	\$ (23,492)
Use of money and property	3,600	3,600	9,959	6,359
Total revenues	50,600	50,600	33,467	(17,133)
<b>EXPENDITURES</b>				
Current:				
General government	92,660	109,660	109,233	427
Total expenditures	92,660	109,660	109,233	427
Net change in fund balance	(42,060)	(59,060)	(75,766)	(16,706)
Fund balance, beginning of year	432,427	432,427	432,427	-
Fund balance, end of year	\$ 390,367	\$ 373,367	\$ 356,661	\$ (16,706)

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
 AB 939 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses, fees and permits	\$ 50,000	\$ 50,000	\$ 60,210	\$ 10,210
Use of money and property	2,000	2,000	5,898	3,898
Total revenues	52,000	52,000	66,108	14,108
<b>EXPENDITURES</b>				
Current:				
General government	71,510	75,510	16,569	58,941
Total expenditures	71,510	75,510	16,569	58,941
Excess (deficiency) of revenues over (under) expenditures	(19,510)	(23,510)	49,539	(44,833)
<b>OTHER FINANCING SOURCES</b>				
Transfers out	-	(50,000)	(50,000)	-
Total other financing sources	-	(50,000)	(50,000)	-
Net change in fund balance	(19,510)	(73,510)	(461)	(44,833)
Fund balance, beginning of year	232,574	232,574	232,574	-
Fund balance, end of year	\$ 213,064	\$ 159,064	\$ 232,113	\$ 73,049

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ -	\$ 73,300	\$ 79,258	\$ 5,958
Use of money and property	-	-	1,497	1,497
Total revenues	-	73,300	80,755	7,455
<b>OTHER FINANCING SOURCES</b>				
Transfers out	-	(98,479)	(99,219)	740
Total other financing sources	-	(98,479)	(99,219)	740
Net change in fund balance	-	(25,179)	(18,464)	6,715
Fund balance, beginning of year	25,179	25,179	25,179	-
Fund balance, end of year	\$ 25,179	\$ -	\$ 6,715	\$ 6,715

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
 TRANSNET II CAPITAL IMPROVEMENT  
 CAPITAL PROJECTS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 205,000	\$ 195,022	\$ (9,978)
Total revenues	-	205,000	195,022	(9,978)
<b>EXPENDITURES</b>				
Debt service:				
Principal	-	60,000	55,000	5,000
Interest	-	145,000	140,022	4,978
Total expenditures	-	205,000	195,022	9,978
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL IMPROVEMENT  
CAPITAL PROJECTS FUND - MAJOR FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 162,337	\$ 705,517	\$ 543,180
Use of money and property	-	-	8,683	8,683
Contributions	-	-	2,500	2,500
Other	-	-	13,694	13,694
Total revenues	15,000	162,337	730,394	568,057
<b>EXPENDITURES</b>				
General government	47,450	707,450	672,451	34,999
Capital outlay	560,000	3,249,716	3,439,219	(189,503)
Debt service:				
Principal	355,390	355,390	355,386	4
Interest	506,710	506,710	506,706	4
Total expenditures	1,469,550	4,819,266	4,973,762	(154,496)
Excess (deficiency) of revenues over (under) expenditures	(1,454,550)	(4,656,929)	(4,243,368)	413,561
<b>OTHER FINANCING SOURCES</b>				
Issuance of debt	-	-	1,587,535	(1,587,535)
Transfers in	1,489,550	2,412,810	2,170,691	(242,119)
Total other financing sources	1,489,550	2,412,810	3,758,226	1,345,416
Net change in fund balance	35,000	(2,244,119)	(485,142)	1,758,977
Fund balance, beginning of year	805,635	805,635	805,635	-
Fund balance (deficit), end of year	\$ 840,635	\$ (1,438,484)	\$ 320,493	\$ 1,758,977

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**CITY OF DEL MAR, CALIFORNIA**  
**Agency Funds**  
**For Fiscal Year Ended June 30, 2019**

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Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

The City of Del Mar has the following Agency Funds:

- Stratford and Luneta Undergrounding Assessment District 1989-01
- Seawall Refinance Assessment District 1999-01
- Ocean View/Pines Assessment District 2005-01
- North Hills Undergrounding Assessment District 2007-01
- Sunset Undergrounding Assessment District 2007-02

CITY OF DEL MAR

AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2019

	Stratford and Luneta Undergrounding Assessment District 1989-01	Seawall Refinance Assessment District 1999-01	Ocean View/Pines Assessment District 2005-01
<b>ASSETS</b>			
Accounts receivable	\$ 484	\$ 651	\$ 379
Restricted assets:			
Cash and investments	<u>101,915</u>	<u>137,101</u>	<u>79,688</u>
Total assets	<u>\$ 102,399</u>	<u>137,752</u>	<u>\$ 80,067</u>
<b>LIABILITIES</b>			
Due to bond holders	<u>\$ 102,399</u>	<u>137,752</u>	<u>\$ 80,067</u>
Total liabilities	<u>\$ 102,399</u>	<u>\$ 137,752</u>	<u>\$ 80,067</u>

North Hills Undergrounding Assessment District 2007-01	Sunset Undergrounding Assessment District 2007-02	Total
\$ 37,130	\$ 48	\$ 38,692
-	10,012	328,716
<u>\$ 37,130</u>	<u>\$ 10,060</u>	<u>\$ 367,408</u>
<u>\$ 37,130</u>	<u>\$ 10,060</u>	<u>\$ 367,408</u>
<u>\$ 37,130</u>	<u>\$ 10,060</u>	<u>\$ 367,408</u>

CITY OF DEL MAR

AGENCY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Stratford and Luneta Undergrounding</u>				
<u>Assessment District 1989-01</u>				
<b>ASSETS</b>				
Accounts receivable	\$ 287	\$ 483	\$ (286)	\$ 484
Restricted assets:				
Cash and investments	99,597	3,195	(877)	101,915
Total assets	<u>\$ 99,884</u>	<u>\$ 3,678</u>	<u>\$ (1,163)</u>	<u>\$ 102,399</u>
<b>LIABILITIES</b>				
Due to bond holders	\$ 99,884	\$ 3,678	\$ (1,163)	\$ 102,399
Total liabilities	<u>\$ 99,884</u>	<u>\$ 3,678</u>	<u>\$ (1,163)</u>	<u>\$ 102,399</u>
<u>Seawall Refinance Assessment District 1999-01</u>				
<b>ASSETS</b>				
Accounts receivable	\$ 469	\$ 651	\$ (469)	\$ 651
Restricted assets:				
Cash and investments	162,959	86,931	(112,789)	137,101
Total assets	<u>\$ 163,428</u>	<u>\$ 87,582</u>	<u>\$ (113,258)</u>	<u>\$ 137,752</u>
<b>LIABILITES</b>				
Due to bond holders	\$ 163,428	\$ 87,582	\$ (113,258)	\$ 137,752
Total liabilities	<u>\$ 163,428</u>	<u>\$ 87,582</u>	<u>\$ (113,258)</u>	<u>\$ 137,752</u>
<u>Ocean View/Pines Assessment District 2005-01</u>				
<b>ASSETS</b>				
Accounts receivable	\$ 247	\$ 379	\$ (247)	379
Restricted assets:				
Cash and investments	85,719	57,256	(63,287)	79,688
Total assets	<u>\$ 85,966</u>	<u>\$ 57,635</u>	<u>\$ (63,534)</u>	<u>\$ 80,067</u>
<b>LIABILITIES</b>				
Due to bond holders	\$ 85,966	\$ 57,635	\$ (63,534)	\$ 80,067
Total liabilities	<u>\$ 85,966</u>	<u>\$ 57,635</u>	<u>\$ (63,534)</u>	<u>\$ 80,067</u>

CITY OF DEL MAR

AGENCY FUNDS, (CONTINUED)  
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>North Hills Undergrounding</u>				
<u>Assessment District 2007-01</u>				
<b>ASSETS</b>				
Accounts receivable	\$ 37,130	\$ 37,130	\$ (37,130)	\$ 37,130
Restricted assets:				
Cash and investments	1	-	(1)	-
Total assets	<u>\$ 37,131</u>	<u>\$ 37,130</u>	<u>\$ (37,131)</u>	<u>\$ 37,130</u>
<b>LIABILITIES</b>				
Due to bond holders	<u>\$ 37,131</u>	<u>\$ 37,130</u>	<u>\$ (37,131)</u>	<u>\$ 37,130</u>
Total liabilities	<u>\$ 37,131</u>	<u>\$ 37,130</u>	<u>\$ (37,131)</u>	<u>\$ 37,130</u>
<u>Sunset Undergrounding Assessment District 2007-02</u>				
<b>ASSETS</b>				
Accounts receivable	\$ 28	\$ 38	\$ (18)	\$ 48
Restricted assets:				
Cash and investments	9,783	229	-	10,012
Total assets	<u>\$ 9,811</u>	<u>\$ 267</u>	<u>\$ (18)</u>	<u>\$ 10,060</u>
<b>LIABILITIES</b>				
Due to bond holders	<u>\$ 9,811</u>	<u>\$ 267</u>	<u>\$ (18)</u>	<u>\$ 10,060</u>
Total liabilities	<u>\$ 9,811</u>	<u>\$ 267</u>	<u>\$ (18)</u>	<u>\$ 10,060</u>
<u>Total Agency Funds</u>				
<b>ASSETS</b>				
Accounts receivable	\$ 38,161	\$ 38,681	\$ (38,150)	\$ 38,692
Restricted assets:				
Cash and investments	358,059	147,611	(176,954)	328,716
Total assets	<u>\$ 396,220</u>	<u>\$ 186,292</u>	<u>\$ (215,104)</u>	<u>\$ 367,408</u>
<b>LIABILITIES</b>				
Due to bond holders	<u>\$ 396,220</u>	<u>\$ 186,292</u>	<u>\$ (215,104)</u>	<u>\$ 367,408</u>
Total liabilities	<u>\$ 396,220</u>	<u>\$ 186,292</u>	<u>\$ (215,104)</u>	<u>\$ 367,408</u>

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# CITY OF DEL MAR STATISTICAL SECTION

Fiscal Year 2018-2019



This part of the City of Del Mar's (City) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, notes to the basic financial statements, and required supplementary information report about the City's overall financial health.

Contents	Page
<b>Financial Trends</b>	
These tables contain trend information that may assist the reader in the City's current financial performance by placing it in historical perspective.	98
<b>Revenue Capacity</b>	
These tables contain information that may help in assessing the viability of the City's most significant revenue sources - property taxes, transient occupancy tax (TOT), and sales and use tax.	110
<b>Debt Capacity</b>	
These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	124
<b>Demographic and Economic Information</b>	
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	130
<b>Operating Information</b>	
These tables contain service and infrastructure indicators that may inform one's understanding on how the information in the City's financial statements relate to the services that the City provides and the activities it performs.	133

**City of Del Mar**

**Net Position by Component <sup>(1)</sup>**

**Last Ten Fiscal Years Ended June 30, 2019**

**(Accrual basis of accounting)**

	Fiscal Year				
	2009-2010	2010-2011	2011-2012	2012-2013 <sup>(2)</sup>	2013-2014 <sup>(3)</sup>
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 30,313,422	\$ 37,944,461	\$ 47,943,072	\$ 55,606,641	\$ 59,605,566
Restricted	1,371,099	2,968,749	2,143,980	965,813	980,148
Unrestricted	3,997,451	4,573,211	5,025,740	4,743,258	217,804
Total governmental activities net position	<u>\$ 35,681,972</u>	<u>\$ 45,486,421</u>	<u>\$ 55,112,792</u>	<u>\$ 61,315,712</u>	<u>\$ 60,803,518</u>
<b>Business-type Activities</b>					
Net investment in capital assets	\$ 19,503,704	\$ 20,873,821	\$ 19,876,130	\$ 20,592,138	\$ 18,867,190
Restricted	-	-	-	-	-
Unrestricted	3,823,049	2,623,531	3,845,994	2,697,664	2,730,948
Total business-type activities net position	<u>\$ 23,326,753</u>	<u>\$ 23,497,352</u>	<u>\$ 23,722,124</u>	<u>\$ 23,289,802</u>	<u>\$ 21,598,138</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 49,817,126	\$ 58,818,282	\$ 67,819,202	\$ 76,198,779	\$ 78,472,756
Restricted	1,371,099	2,968,749	2,143,980	965,813	980,148
Unrestricted	7,820,500	7,196,742	8,871,734	7,440,922	2,948,752
Total primary government net position	<u>\$ 59,008,725</u>	<u>\$ 68,983,773</u>	<u>\$ 78,834,916</u>	<u>\$ 84,605,514</u>	<u>\$ 82,401,656</u>

Notes:

(1) Accounting standards require that the net position be reported in three components in the financial statements: investment in capital assets, net of related debt, restricted, and unrestricted.

The net position is considered restricted only when -

- (a) an external party, such as the State of California or the federal government, places a restriction on how the revenues may be used, or
- (b) enabling legislation is enacted by the City.

(2) Fiscal Year 2012-2013 amounts were restated to record expense related to the pension debt for CalPERS side fund, and to remove unamortized bond issuance costs for the implementation of GASB Statement 65.

(3) Fiscal Year 2013-2014 amounts were restated to measure and recognize pension liabilities for the implementation of GASB 68 and GASB 71.

Source: City of Del Mar, Finance Department

Fiscal Year				
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 59,266,263	\$ 63,917,170	\$ 70,677,865	\$ 70,478,246	\$ 71,168,471
795,930	706,189	779,035	755,945	690,821
3,680,641	3,657,031	(1,945,483)	2,549,881	1,320,489
<u>\$ 63,742,834</u>	<u>\$ 68,280,390</u>	<u>\$ 69,511,417</u>	<u>\$ 73,784,072</u>	<u>\$ 73,179,781</u>
\$ 19,468,010	\$ 21,145,247	\$ 21,782,050	\$ 21,388,165	\$ 20,887,789
-	-	-	-	-
2,532,915	1,565,516	1,425,671	1,219,695	1,850,025
<u>\$ 22,000,925</u>	<u>\$ 22,710,763</u>	<u>\$ 23,207,721</u>	<u>\$ 22,607,860</u>	<u>\$ 22,737,814</u>
\$ 78,734,273	\$ 85,062,417	\$ 92,459,915	\$ 91,866,411	\$ 92,056,260
795,930	706,189	779,035	755,945	690,821
6,213,556	5,222,547	(519,812)	3,769,576	3,170,514
<u>\$ 85,743,759</u>	<u>\$ 90,991,153</u>	<u>\$ 92,719,138</u>	<u>\$ 96,391,932</u>	<u>\$ 95,917,595</u>

**City of Del Mar**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year				
	2009-2010	2010-2011	2011-2012	2012-2013 <sup>(2)</sup>	2013-2014
<b>Expenses</b>					
Governmental Activities					
General government	\$ 4,313,697	\$ 4,124,385	\$ 4,817,999	\$ 4,577,084	\$ 4,328,963
Public safety	5,115,313	5,050,517	5,365,983	6,463,932	5,472,799
Public works	1,511,201	1,057,431	491,439	923,784	943,013
Parks and recreation	686,835	692,531	732,882	776,639	839,063
Community services	-	-	-	-	-
Interest on long-term debt	128,910	51,070	22,603	15,813	8,438
Total governmental activities expenses	<u>11,755,956</u>	<u>10,975,934</u>	<u>11,430,906</u>	<u>12,757,252</u>	<u>11,592,276</u>
Business-type Activities					
Water	2,323,776	2,396,157	2,544,512	2,759,682	2,964,821
Wastewater	2,299,233	2,453,005	2,608,785	2,786,105	2,759,107
Clean water	429,372	370,017	416,849	425,569	411,143
Total business-type activities expenses	<u>5,052,381</u>	<u>5,219,179</u>	<u>5,570,146</u>	<u>5,971,356</u>	<u>6,135,071</u>
Total primary government expenses	<u>\$ 16,808,337</u>	<u>\$ 16,195,113</u>	<u>\$ 17,001,052</u>	<u>\$ 18,728,608</u>	<u>\$ 17,727,347</u>
<b>Program Revenues</b>					
Governmental Activities					
Charges for services:					
General government	\$ 1,017,198	\$ 1,308,618	\$ 1,112,124	\$ 1,117,178	\$ 1,388,029
Public safety	1,268,801	1,466,187	1,382,429	1,312,948	1,318,815
Public works	-	-	-	2,165	2,209
Parks and recreation	404,801	392,672	466,632	414,556	443,169
Operating grants and contributions	343,777	454,648	282,071	277,781	311,393
Capital grants and contributions	703,612	4,194,853	8,474,616	7,358,463	3,874,226
Total governmental activities program revenues	<u>3,738,189</u>	<u>7,816,978</u>	<u>11,717,872</u>	<u>10,483,091</u>	<u>7,337,841</u>
Business-type Activities					
Charges for services:					
Water	2,234,510	2,277,701	2,477,171	2,711,877	2,861,908
Wastewater	2,584,404	2,622,453	2,874,751	2,998,521	3,048,006
Clean water	383,946	380,080	382,709	404,313	395,404
Capital grants and contributions	-	5,000	5,000	-	5,000
Total business-type activities program revenues	<u>5,202,860</u>	<u>5,285,234</u>	<u>5,739,631</u>	<u>6,114,711</u>	<u>6,310,318</u>
Total primary government revenues	<u>\$ 8,941,049</u>	<u>\$ 13,102,212</u>	<u>\$ 17,457,503</u>	<u>\$ 16,597,802</u>	<u>\$ 13,648,159</u>
<b>Net revenues/(expenses): <sup>(1)</sup></b>					
Governmental activities	\$ (8,017,767)	\$ (3,158,956)	\$ 286,966	\$ (2,274,161)	\$ (4,254,435)
Business-type activities	150,479	66,055	169,485	143,355	175,247
Total net revenues/(expenses)	<u>\$ (7,867,288)</u>	<u>\$ (3,092,901)</u>	<u>\$ 456,451</u>	<u>\$ (2,130,806)</u>	<u>\$ (4,079,188)</u>
<b>General Revenue and Other Changes in Net Position</b>					
Governmental activities					
Taxes:					
Property taxes	\$ 4,433,968	\$ 4,510,439	\$ 4,647,145	\$ 4,971,265	\$ 5,329,825
Sales and use tax	1,367,739	1,551,454	1,628,442	1,674,709	1,700,688
Transient occupancy tax	1,505,530	1,704,696	1,805,475	1,939,699	2,101,634
Franchise tax	342,989	402,677	421,518	384,220	373,589
Business license tax	188,535	197,639	210,243	191,786	191,734
Motor vehicle in-lieu tax	-	-	-	-	-
Intergovernmental, unrestricted	163,473	140,401	117,062	205,319	209,226
Use of money and property	199,148	123,733	83,424	161,140	190,457
Sale of capital assets	-	4,171,104	18,811	-	-
Other	271,953	171,791	424,070	412,954	228,085
Transfers	(49,063)	(10,530)	(16,785)	(108,563)	(19,615)
Total governmental activities	<u>8,424,272</u>	<u>12,963,404</u>	<u>9,339,405</u>	<u>9,832,529</u>	<u>10,305,623</u>
Business-type activities					
Unrestricted investment earnings	28,378	13,762	13,260	24,395	5,591
Other	197,522	80,252	25,242	26,060	-
Transfers	49,063	10,530	16,785	108,563	19,615
Total business-type activities	<u>274,963</u>	<u>104,544</u>	<u>55,287</u>	<u>159,017</u>	<u>25,206</u>
Total primary government	<u>\$ 8,699,235</u>	<u>\$ 13,067,948</u>	<u>\$ 9,394,692</u>	<u>\$ 9,991,546</u>	<u>\$ 10,330,829</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 406,510	\$ 9,804,449	\$ 9,626,371	\$ 7,558,368	\$ 6,051,188
Business-type activities	425,442	170,599	224,772	323,493	200,453
Total primary government	<u>\$ 831,952</u>	<u>\$ 9,975,048</u>	<u>\$ 9,851,143</u>	<u>\$ 7,881,861</u>	<u>\$ 6,251,641</u>

Note:

(1) Net revenues/(expenses) is the difference between program revenues and expenses of a function or program. It indicates the degree to which a function or program is supported with its own fees and program specific grants versus its reliance upon funding from taxes and other general revenues.

- Amounts in parentheses are net expenses, indicating that expenses were greater than program revenues, and therefore, general revenues were needed to finance that function or program.

- Amounts without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

Fiscal Year				
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 4,748,943	\$ 5,362,200	\$ 6,676,027	\$ 6,360,890	\$ 8,461,528
5,705,795	5,716,667	6,676,661	6,861,913	7,104,779
1,649,191	1,410,511	1,892,772	1,889,260	5,895,910
835,545	936,586	951,289	894,067	776,548
-	-	-	-	-
158,679	155,143	719,263	668,368	653,705
13,098,153	13,581,107	16,916,012	16,674,498	22,892,470
3,165,994	3,072,195	3,286,281	3,323,365	3,375,306
2,965,384	2,500,851	2,530,107	2,996,746	3,217,465
439,752	464,373	532,792	498,076	559,551
6,571,130	6,037,419	6,349,180	6,818,187	7,152,322
\$ 19,669,283	\$ 19,618,526	\$ 23,265,192	\$ 23,492,685	\$ 30,044,792
\$ 1,646,441	\$ 1,547,069	\$ 1,735,309	\$ 1,894,634	\$ 1,789,928
1,457,029	1,382,501	1,405,751	1,778,983	1,868,370
-	-	-	2,404	2,483
410,206	383,027	378,446	418,447	413,491
285,416	231,257	522,338	481,814	329,537
951,754	1,802,911	885,773	585,058	915,994
4,750,846	5,346,765	4,927,617	5,161,340	5,319,803
2,822,138	2,745,721	3,085,668	3,440,656	3,348,654
3,675,632	3,486,362	3,283,228	3,096,774	3,261,067
408,037	420,388	476,980	546,730	548,327
5,000	5,000	5,000	5,000	-
6,910,807	6,657,471	6,850,876	7,089,160	7,158,048
\$ 11,661,653	\$ 12,004,236	\$ 11,778,493	\$ 12,250,500	\$ 12,477,851
\$ (8,347,307)	\$ (8,234,342)	\$ (11,988,395)	\$ (11,513,158)	\$ (17,572,667)
339,677	620,052	501,696	270,973	5,726
\$ (8,007,630)	\$ (7,614,290)	\$ (11,486,699)	\$ (11,242,185)	\$ (17,566,941)
\$ 5,291,352	\$ 5,640,285	\$ 6,752,952	\$ 6,491,063	\$ 6,679,052
1,998,279	2,332,522	2,227,309	4,854,514	5,043,747
2,444,275	2,617,866	2,697,297	3,001,300	2,982,510
367,471	369,524	459,271	387,466	424,930
208,898	226,508	240,103	241,008	243,198
-	-	-	-	-
278,081	182,140	133,399	212,514	162,280
239,734	298,974	245,548	386,787	519,309
-	108,023	-	-	-
493,914	1,050,341	437,304	211,161	913,350
(35,381)	(54,285)	26,239	-	-
11,286,623	12,771,898	13,219,422	15,785,813	16,968,376
27,729	35,501	21,501	34,566	124,228
-	-	-	-	-
35,381	54,285	(26,239)	-	-
63,110	89,786	(4,738)	34,566	124,228
\$ 11,349,733	\$ 12,861,684	\$ 13,214,684	\$ 15,820,379	\$ 17,092,604
\$ 2,939,316	\$ 4,537,556	\$ 1,231,027	\$ 4,272,655	\$ (604,291)
402,787	709,838	496,958	305,539	129,954
\$ 3,342,103	\$ 5,247,394	\$ 1,727,985	\$ 4,578,194	\$ (474,337)

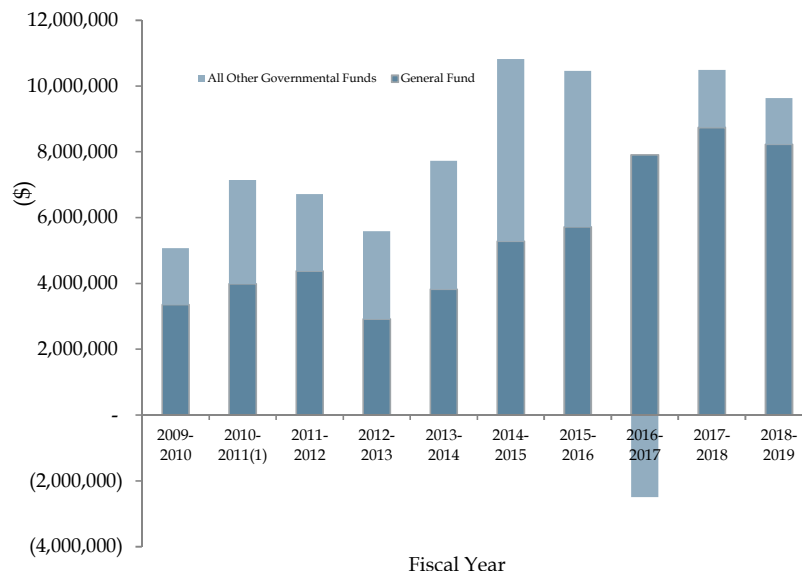
(2) Fiscal Year 2012-2013 amounts were restated to remove unamortized bond issuance costs for the implementation of GASB Statement 65.

**City of Del Mar**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year				
	2009-2010	2010-2011 <sup>(1)</sup>	2011-2012	2012-2013	2013-2014
<b>General Fund</b>					
Reserved	\$ 36,396	\$ -	\$ -	\$ -	\$ -
Unreserved	3,320,829	-	-	-	-
Nonspendable	-	-	525,151	-	-
Assigned	-	1,681,273	1,470,192	1,475,704	1,471,791
Unassigned	-	2,305,009	2,384,635	1,446,003	2,345,865
<b>Total general fund</b>	<b>\$ 3,357,225</b>	<b>\$ 3,986,282</b>	<b>\$ 4,379,978</b>	<b>\$ 2,921,707</b>	<b>\$ 3,817,656</b>
<b>All Other Governmental Funds</b>					
Reserved	\$ 963,355	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	342,232	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects fund	409,384	-	-	-	-
Restricted	-	976,173	976,276	965,812	980,148
Committed	-	190,215	181,806	167,503	207,819
Assigned	-	1,992,576	1,180,204	1,535,486	2,729,399
<b>Total all other governmental funds</b>	<b>\$ 1,714,971</b>	<b>\$ 3,158,964</b>	<b>\$ 2,338,286</b>	<b>\$ 2,668,801</b>	<b>\$ 3,917,366</b>

Source: City of Del Mar, Finance Department

**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**



(Concluded)

Fiscal Year				
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	23,338	6,579	2,877
1,471,791	1,530,159	2,233,502	5,100,305	2,669,278
3,806,755	4,192,011	5,647,975	3,633,422	5,558,534
<u>\$ 5,278,546</u>	<u>\$ 5,722,170</u>	<u>\$ 7,904,815</u>	<u>\$ 8,740,306</u>	<u>\$ 8,230,689</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
795,930	706,189	779,035	755,945	690,821
299,415	302,160	299,688	193,395	395,516
4,451,680	3,737,345	(3,571,263)	805,635	320,493
<u>\$ 5,547,025</u>	<u>\$ 4,745,694</u>	<u>\$ (2,492,540)</u>	<u>\$ 1,754,975</u>	<u>\$ 1,406,830</u>

Note:

(1) The City implemented GASB Number 54 in Fiscal Year 2010-2011. Information before implementation is not available.

**City of Del Mar**  
**Changes In Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year				
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
<b>Revenues:</b>					
Taxes	\$ 7,937,072	\$ 8,521,081	\$ 8,858,700	\$ 9,284,503	\$ 9,865,474
Licenses and permits	916,254	1,185,430	1,047,420	1,036,973	1,320,317
Intergovernmental	1,022,692	4,470,137	8,077,378	7,638,143	4,165,489
Charges for services	992,813	1,091,028	1,098,148	1,190,559	1,296,138
Fines and forfeitures	781,733	891,019	815,617	669,665	586,367
Use of money and property	188,513	117,942	79,311	154,539	190,457
Contributions	108,559	181,627	657,875	36,921	17,368
Other revenues	253,253	153,538	416,689	411,397	221,469
Total revenues	<u>12,200,889</u>	<u>16,611,802</u>	<u>21,051,138</u>	<u>20,422,700</u>	<u>17,663,079</u>
<b>Expenditures:</b>					
General government	4,158,473	4,134,195	4,848,423	5,903,824	4,326,650
Public safety	4,994,026	5,105,353	5,380,136	6,457,063	5,442,607
Public works	557,557	530,892	544,546	767,200	486,619
Parks and recreation	670,548	700,050	734,815	775,814	809,797
Capital outlays	1,039,393	4,526,067	9,796,937	7,664,337	4,960,745
Debt service:					
Principal	363,293	3,637,212	150,000	155,000	165,000
Interest and fiscal charges	132,569	67,774	25,290	18,655	11,532
Cost of issuance	-	-	-	-	-
Total expenditures	<u>11,915,859</u>	<u>18,701,543</u>	<u>21,480,147</u>	<u>21,741,893</u>	<u>16,202,950</u>
Excess of revenues over (under) expenditures	<u>285,030</u>	<u>(2,089,741)</u>	<u>(429,009)</u>	<u>(1,319,193)</u>	<u>1,460,129</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from capital lease	-	-	-	-	-
Issuance of debt	-	-	-	-	704,000
Sale of capital assets	-	4,171,104	18,811	-	-
Transfers-in	584,915	5,695,089	1,183,682	1,779,347	2,180,793
Transfers-out	(633,978)	(5,703,402)	(1,200,466)	(1,587,910)	(2,200,408)
Total other financing sources (uses)	<u>(49,063)</u>	<u>4,162,791</u>	<u>2,027</u>	<u>191,437</u>	<u>684,385</u>
Net change in fund balances	<u>\$ 235,967</u>	<u>\$ 2,073,050</u>	<u>\$ (426,982)</u>	<u>\$ (1,127,756)</u>	<u>\$ 2,144,514</u>
Debt service as a percentage of noncapital expenditures	4.56%	26.14% <sup>1</sup>	1.50%	1.27% <sup>(2)</sup>	1.58%

Note:

- (1) The increased debt service percentage is due to the payoff of the loan on the Shores Property which came from the sale of the Balboa lot.
- (2) The increase in expenditures is due to the payoff of the California Employees' Retirement System (CalPERS) Side Fund liability.

Source: City of Del Mar, Finance Department

(Concluded)

Fiscal Year				
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 10,469,129	\$ 11,291,573	\$ 12,483,838	\$ 15,119,862	\$ 15,561,911
1,432,809	1,313,261	1,473,672	1,560,470	1,424,462
1,167,061	2,049,910	640,435	940,761	1,144,117
1,447,608	1,471,767	1,537,125	1,760,952	1,969,158
633,259	579,364	561,080	716,505	740,862
239,733	298,973	245,548	496,853	519,309
26,100	13,612	77,464	161,500	25,730
657,152	1,046,464	1,101,638	190,250	902,630
16,072,851	18,064,924	18,120,800	20,947,153	22,288,179
4,465,857	5,055,390	6,212,785	5,921,425	7,459,736
5,707,066	5,769,859	6,411,309	6,405,468	6,823,281
565,436	589,870	646,739	613,939	753,994
796,933	907,484	910,515	834,530	916,556
2,652,017	6,620,181	11,952,324	12,347,347	7,643,140
886,500	50,000	88,352	481,658	478,878
158,718	155,143	506,960	672,959	657,891
-	-	161,610	-	-
15,232,527	19,147,927	26,890,594	27,277,326	24,733,476
840,324	(1,083,003)	(8,769,794)	(6,330,173)	(2,445,297)
-	157,431	-	-	-
2,285,606	622,150	3,687,966	11,413,179	1,587,535
-	-	-	-	-
2,739,389	3,642,313	2,156,104	6,491,721	3,452,909
(2,774,770)	(3,696,598)	(2,129,865)	(6,491,721)	(3,452,909)
2,250,225	725,296	3,714,205	11,413,179	1,587,535
\$ 3,090,549	\$ (357,707)	\$ (5,055,589)	\$ 5,083,006	\$ (857,762)
8.33%	1.65%	2.21%	7.80%	5.43%

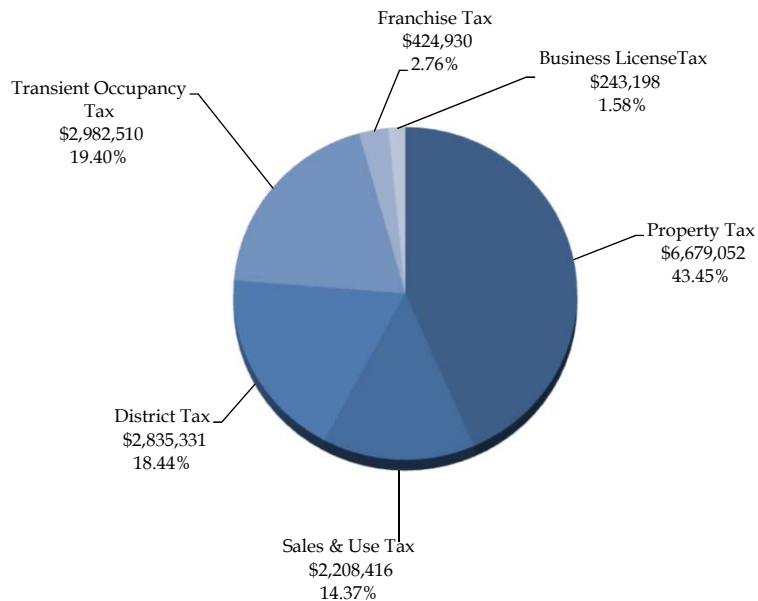
**City of Del Mar**  
**Governmental Activities Tax Revenues By Sources**  
**Last Ten Fiscal Years**

Fiscal Year	Property Taxes (1)	Sales & Use Tax (2)	District Tax (3)	Transient Occupancy Tax	Franchise Tax	Business License Tax	Total
2018-2019	\$ 6,679,052	\$ 2,208,416	\$ 2,835,331	\$ 2,982,510	\$ 424,930	\$ 243,198	\$ 15,373,438
2017-2018	6,491,063	2,136,523	2,717,991	3,001,300	387,466	241,008	14,975,351
2016-2017	6,752,952	1,492,965	734,344	2,697,297	459,271	240,103	12,376,932
2015-2016	5,640,285	2,332,522	-	2,617,866	369,524	226,508	11,186,705
2014-2015	5,291,352	1,998,279	-	2,444,275	367,471	208,898	10,310,275
2013-2014	5,329,825	1,700,688	-	2,101,634	373,589	191,734	9,697,470
2012-2013	4,971,265	1,674,709	-	1,939,699	384,220	191,786	9,161,679
2011-2012	4,647,145	1,628,442	-	1,805,475	421,518	210,243	8,712,823
2010-2011	4,510,439	1,551,454	-	1,704,696	402,677	197,639	8,366,905
2009-2010	4,433,968	1,367,739	-	1,505,530	342,989	188,535	7,838,761
Change from Base Year 2010	50.63%	61.46%	-100.00%	110.28%	13.30%	23.02%	97.28%

Notes:

- (1) Includes Property Tax In-lieu of Vehicle License Fee (VLF) as part of the State's VLF for Property Tax Swap Adjustment.
- (2) Includes Property Tax In-Lieu of Sales Tax as part of the State's Sales and Use Tax Triple Flip Adjustment. The triple flip sales tax adjustment ended in Fiscal year 2015-16.
- (3) Measure Q for 1% District tax was passed in Fiscal year 2016-17.

**GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE**  
**Fiscal Year Ended June 30, 2019**



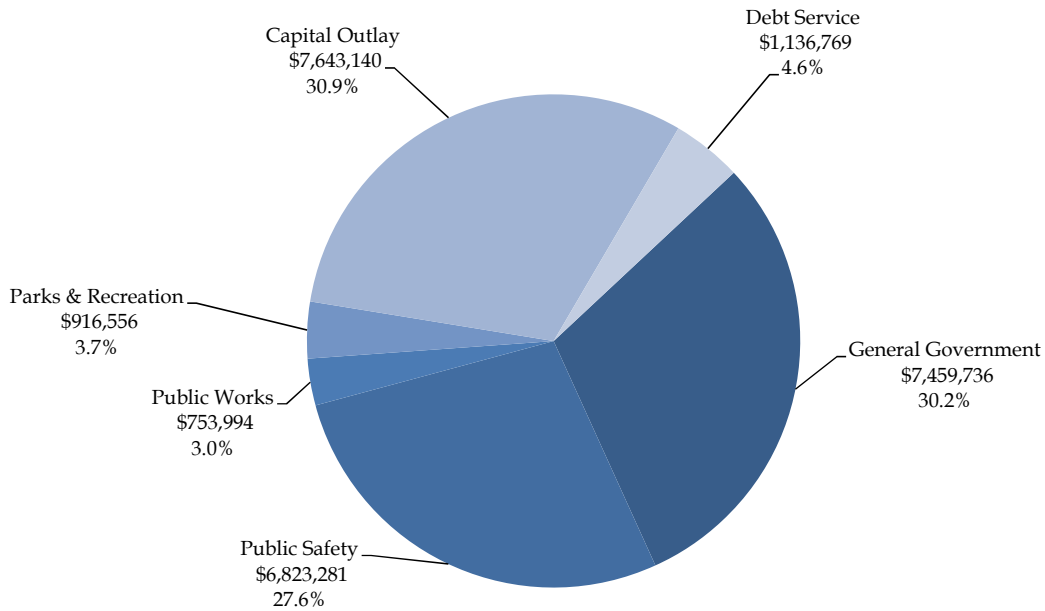
Source: City of Del Mar, Finance Department

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**City of Del Mar**  
**General Governmental Expenditures By Function <sup>(1)</sup>**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Public Works</b>
2018-2019	7,459,736	6,823,281	753,994
2017-2018	5,921,425	6,405,468	613,939
2016-2017	6,212,785	6,411,309	646,739
2015-2016	5,055,390	5,769,859	589,870
2014-2015	4,465,857	5,707,066	565,436
2013-2014	4,326,650	5,442,607	486,619
2012-2013	5,903,824	6,457,063	767,200
2011-2012	4,848,423	5,380,136	544,546
2010-2011	4,134,195	5,105,353	530,892
2009-2010	4,158,473	4,994,026	557,557

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**Fiscal Year Ended June 30, 2019**



**Notes:**

- (1) These amounts include all governmental fund types and exclude other financing sources (uses).
- (2) These amounts include lease and bond payments toward debt service.

Source: City of Del Mar, Finance Department

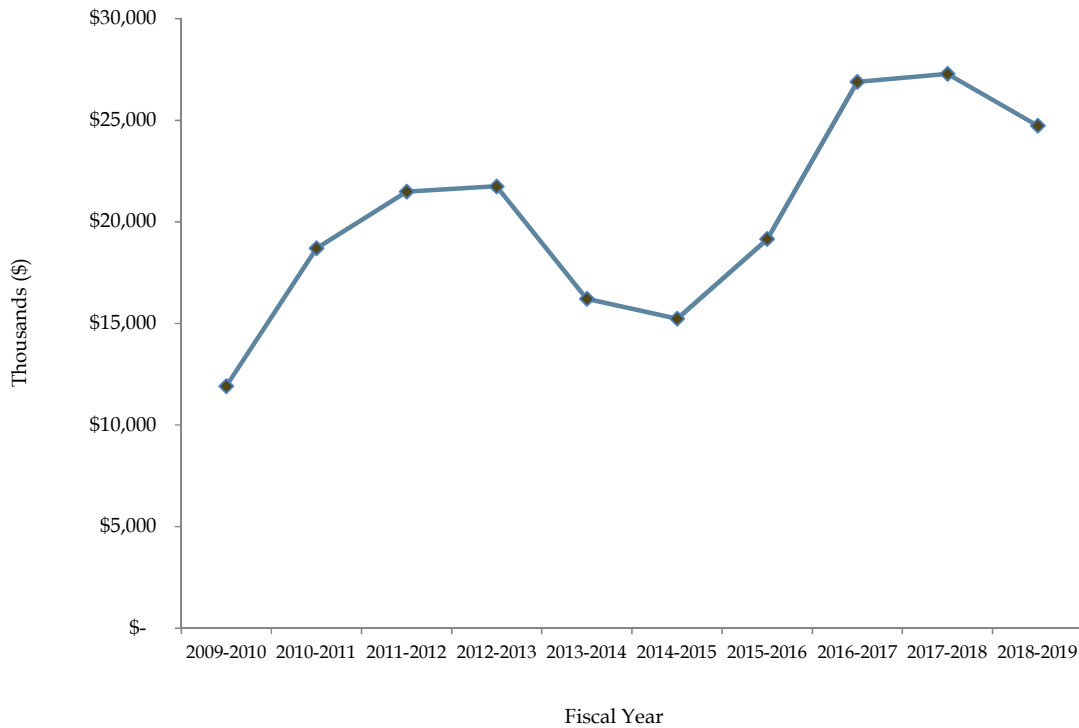
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<b>Parks and Recreation</b>	<b>Capital Outlay</b>	<b>Debt Service <sup>(2)</sup></b>	<b>Total</b>
916,556	7,643,140	1,136,769	\$ 24,733,476
834,530	12,347,347	1,154,617	\$ 27,277,326
910,515	11,952,324	756,922	26,890,594
907,484	6,620,181	205,143	19,147,927
796,933	2,652,017	1,045,218	15,232,527
809,797	4,960,745	176,532	16,202,950
775,814	7,664,337	173,655	21,741,893
734,815	9,796,937	175,290	21,480,147
700,050	4,526,067	3,704,986	18,701,543
670,548	1,039,393	495,862	11,915,859

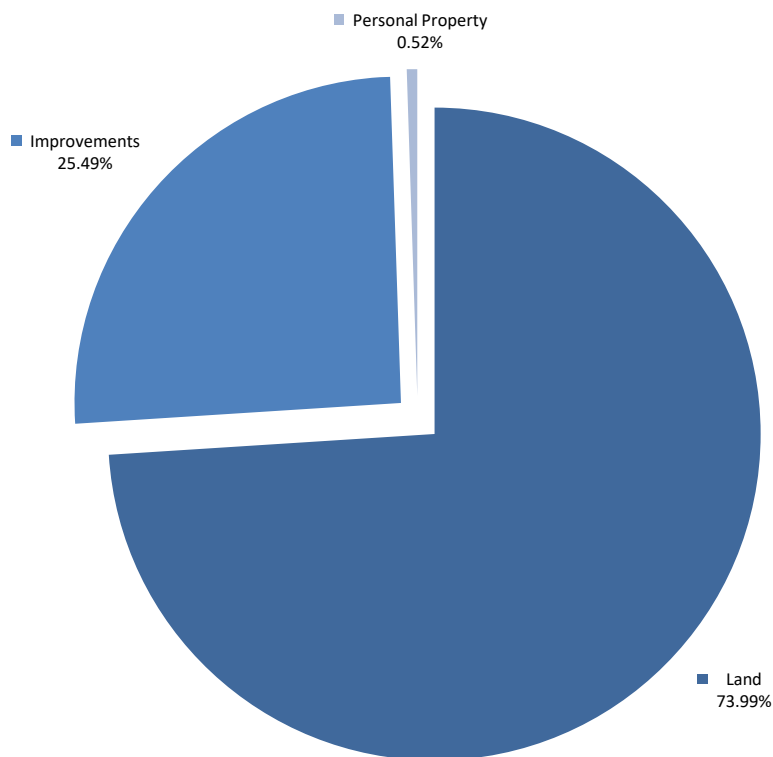
**TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
Last Ten Fiscal Years**



**City of Del Mar**  
**Assessed Valuation <sup>(1)</sup> and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	State Assessed				Locally Assessed			
	Secured - Utility				Secured			
	Land	Improvements	Personal Property	Total	Land	Improvements	Personal Property	Total Before Exemptions
2018-2019	\$ -	\$ -	\$ -	\$ -	\$ 2,784,788,946	\$ 952,475,503	\$ 2,134,395	\$ 3,739,398,844
2017-2018	-	-	-	-	2,635,240,948	916,630,647	2,276,279	3,554,147,874
2016-2017	-	-	-	-	2,491,586,010	882,844,518	2,419,711	3,376,850,239
2015-2016	-	-	-	-	2,311,411,842	845,516,967	2,516,792	3,159,445,601
2014-2015	-	-	-	-	2,156,012,588	811,418,979	-	2,967,431,567
2013-2014	-	-	-	-	2,070,200,773	783,962,779	-	2,854,163,552
2012-2013	-	-	-	-	1,954,149,908	714,731,656	5,494	2,668,887,058
2011-2012	-	-	-	-	1,918,194,704	683,506,497	169,279	2,601,870,480
2010-2011	-	-	-	-	1,880,114,480	655,122,496	206,702	2,535,443,678
2009-2010	-	-	-	-	1,806,702,397	642,006,171	237,875	2,448,946,443

**ASSESSED VALUATION BY CATEGORIES**  
**(TOTAL LOCALLY ASSESSED - BEFORE EXEMPTIONS)**  
**Fiscal Year Ended June 30, 2018**



In 1978, California voters passed Proposition 13 which set the property tax at a fixed amount of one percent. This amount is shared by all taxing agencies for which the subject property resides within. In addition to the one percent fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds. Assessed valuation is based on 100 percent full value in accordance with Section 135 of the California Revenue and Taxation Code.

(Continued)

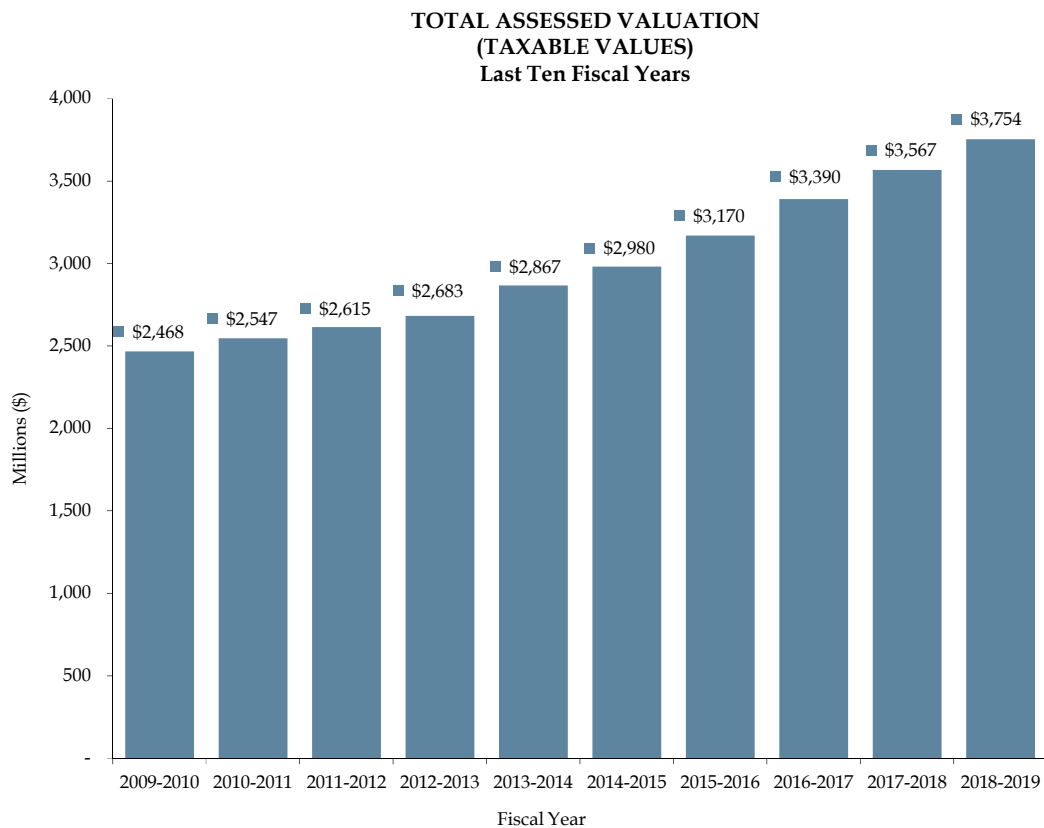
## Locally Assessed

Secured			Unsecured				
Exemptions		Total	Improvements	Personal Property	Total	Other Exemptions	Total
All Others	Home Owners	After Exemptions			Before Exemptions		After Exemptions
\$ (3,701,074)	\$ (6,004,600)	\$ 3,729,693,170	\$ 6,899,141	\$ 17,423,967	\$ 24,323,108	\$ 313,771	\$ 24,009,337
(3,493,995)	(6,144,600)	3,544,509,279	6,180,340	16,224,127	22,404,467	198,997	22,205,470
(3,423,957)	(6,227,200)	3,367,199,082	6,913,858	15,716,066	22,629,924	167,519	22,462,405
(3,374,099)	(6,332,200)	3,149,739,302	6,276,297	14,334,541	20,610,838	(247,256)	20,363,582
(3,310,064)	(6,375,600)	2,957,745,903	5,688,971	17,304,718	22,993,689	(289,114)	22,704,575
(3,312,066)	(6,386,800)	2,844,464,686	5,659,587	17,285,563	22,945,150	(340,680)	22,604,470
(3,246,230)	(6,612,200)	2,659,028,628	6,299,048	18,158,999	24,458,047	(341,553)	24,116,494
(3,182,380)	(6,713,000)	2,591,975,100	5,673,292	17,923,916	23,597,208	(301,587)	23,295,621
(3,386,894)	(6,797,000)	2,525,259,784	5,012,329	16,673,086	21,685,415	(48,405)	21,637,010
(3,392,145)	(6,893,600)	2,438,660,698	5,291,249	24,013,350	29,304,599	-	29,304,599

**City of Del Mar**  
**Assessed Valuation <sup>(1)</sup> and Actual Value of Taxable Property**  
**Last Ten Fiscal Years** **(Concluded)**

**Totals**

Fiscal Year	Totals Before Exemptions	Net Taxable Valuation	Percent Increase/ (Decrease)	Total Rate
2018-2019	3,763,721,952	3,753,702,507	5.24%	1.03942%
2017-2018	3,576,552,341	3,566,714,749	5.22%	1.04022%
2016-2017	3,399,480,163	3,389,661,487	6.93%	1.02625%
2015-2016	3,180,056,439	3,170,102,884	6.36%	1.02622%
2014-2015	2,990,425,256	2,980,450,478	3.95%	1.02497%
2013-2014	2,877,108,702	2,867,069,156	6.85%	1.03296%
2012-2013	2,693,345,105	2,683,145,122	2.60%	1.01055%
2011-2012	2,625,467,688	2,615,270,721	2.68%	1.00970%
2010-2011	2,557,129,093	2,546,896,794	3.20%	1.00925%
2009-2010	2,478,251,042	2,467,965,297	5.78%	1.01052%



Source: County of San Diego Auditor and Controller's office -Local and State Assessed Valuation Report

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**City of Del Mar**  
**Assessed Value of Property by User Code <sup>(1)</sup>**  
**Last Ten Fiscal Years**

Category	Fiscal Year				
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Residential	\$ 2,341,247,897	\$ 2,394,641,412	\$ 2,455,807,004	\$ 2,580,568,065	\$ 2,691,922,002
Commercial	180,733,181	193,402,493	199,024,611	258,451,071	260,013,522
Industrial	2,448,637	2,467,068	2,516,402	2,956,947	2,970,364
Irrigation farm	-	-	-	-	-
Rural land (Non-irrigated)	-	-	-	-	-
Institutional	2,693,294	2,713,573	2,767,844	2,823,200	2,836,017
Recreational	8,042,055	8,412,054	8,765,703	9,364,269	9,689,662
Miscellaneous	-	-	-	-	-
Total	<u>\$ 2,535,165,064</u>	<u>\$ 2,601,636,600</u>	<u>\$ 2,668,881,564</u>	<u>\$ 2,854,163,552</u>	<u>\$ 2,967,431,567</u>

Note:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of one percent 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 of two percent. With few exemptions, the property is reassessed as a result of new construction or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value 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 limitation just mentioned.

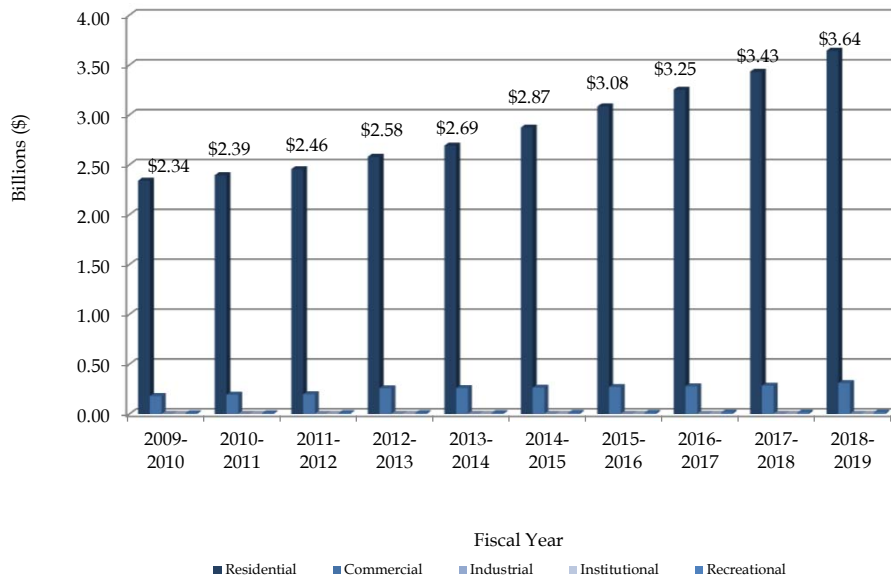
- The amounts represent total assessed value of real property, excluding personal property and fixtures, prior to exemptions.

Source: Office of the Auditor & Controller, County of San Diego

(Concluded)

Fiscal Year				
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 2,873,316,023	\$ 3,084,334,222	\$ 3,253,273,422	\$ 3,433,325,030	\$ 3,643,775,875
265,411,786	271,336,627	278,157,135	283,644,529	309,755,624
3,014,195	3,048,474	3,199,522	2,569,569	2,620,955
-	-	-	-	-
-	-	-	-	-
2,892,680	2,936,793	2,995,528	3,055,438	3,116,546
11,214,206	11,767,616	13,338,452	13,817,906	15,850,559
-	-	-	-	-
<u>\$ 3,155,848,890</u>	<u>\$ 3,373,423,732</u>	<u>\$ 3,550,964,059</u>	<u>\$ 3,736,412,472</u>	<u>\$ 3,975,119,559</u>

**ASSESSED VALUE - TAXABLE PROPERTY**  
Last Ten Fiscal Years



**City of Del Mar**  
**Estimated Value of Taxable Property <sup>(1)</sup>**  
**Last Ten Fiscal Years**

Fiscal Year	Residential		Commercial		Industrial	
	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels
2018-2019	3,643,775,875	4,203	309,755,624	101	2,620,955	7
2017-2018	3,433,325,030	4,202	283,644,529	102	2,569,569	7
2016-2017	3,253,273,422	4,200	278,157,135	101	3,199,522	8
2015-2016	3,084,334,222	4,199	271,336,627	102	3,048,474	8
2014-2015	2,873,316,023	4,198	265,411,786	102	3,014,195	9
2013-2014	2,691,922,002	4,199	260,013,522	102	2,970,364	9
2012-2013	2,580,568,065	4,199	258,451,071	102	2,956,947	9
2011-2012	2,455,807,004	4,197	199,024,611	101	2,516,402	9
2010-2011	2,394,641,412	4,195	193,402,493	101	2,467,068	9
2009-2010	2,341,247,897	4,193	180,733,181	101	2,448,637	9

Notes:

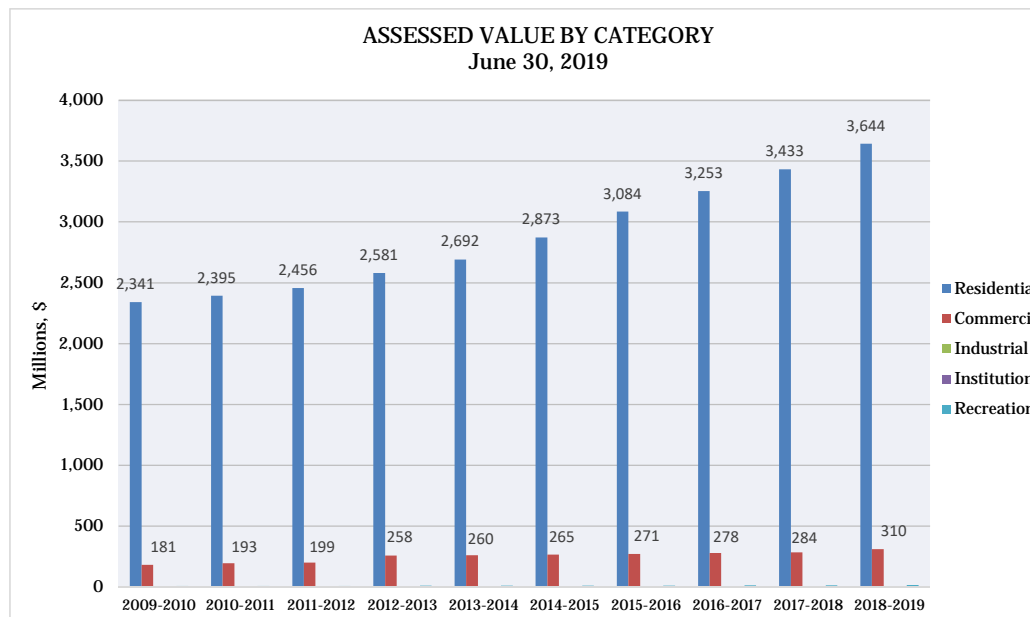
- (1) Report formatting changes have been made to comply with the GASB Number 44 standard reporting requirements. Public utility values are not included in this report.
- (2) The total direct tax rate is the weighted average of all individual direct rates applied by the government providing the statistical information.

Source:

City of Del Mar  
Office of the Auditor & Controller, County of San Diego

(Concluded)

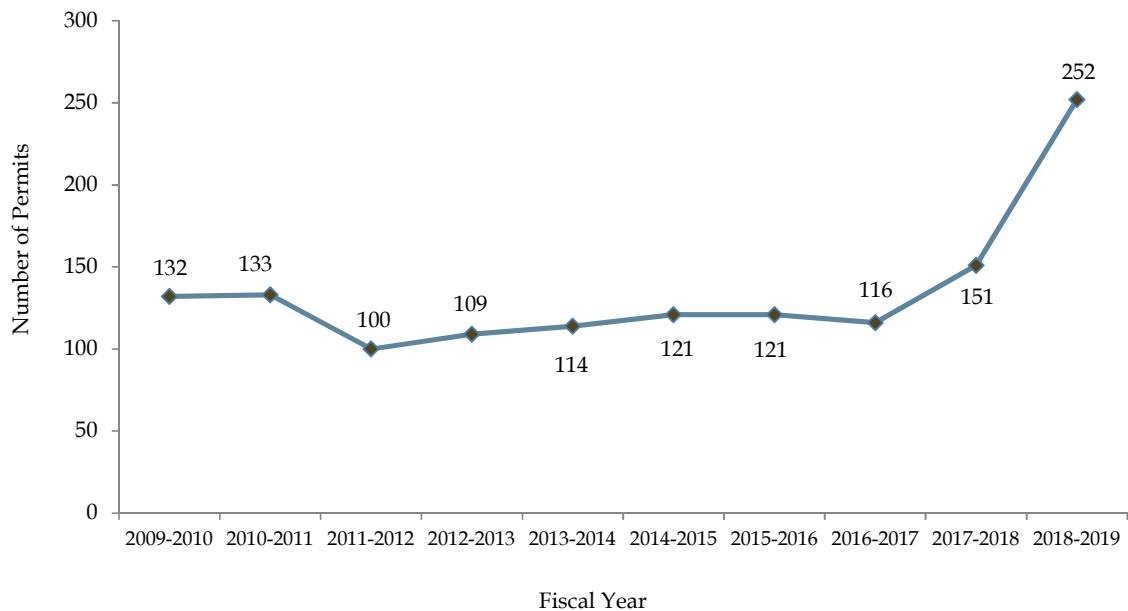
Institutional		Recreational		Total		Total Direct Tax Rate (%) (2)
Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	
3,116,546	1	15,850,559	342	3,975,119,559	4,654	0.14775
3,055,438	1	13,817,906	342	3,736,412,472	4,654	0.14775
2,995,528	1	13,338,452	346	3,550,964,059	4,656	0.14775
2,936,793	1	11,767,616	350	3,373,423,732	4,660	0.14775
2,892,680	1	11,214,206	337	3,155,848,890	4,647	0.14775
2,836,017	1	9,689,662	234	2,967,431,567	4,545	0.14775
2,823,200	1	9,364,269	231	2,854,163,552	4,542	0.14775
2,767,844	1	8,765,703	241	2,668,881,564	4,549	0.14775
2,713,573	1	8,412,054	241	2,601,636,600	4,547	0.14775
2,693,294	1	8,042,055	224	2,535,165,064	4,528	0.14775



**City of Del Mar  
Construction Permits  
(Miscellaneous Information)  
Last Ten Fiscal Years**

Fiscal Year	Construction <sup>(1)</sup>			
	Residential		Commercial	
	Number of Permits	Valuation	Number of Permits	Valuation
2018-2019	181	\$ 10,456,000	9	\$ 300,000
2017-2018	105	15,674,999	5	278,000
2016-2017	90	13,885,482	24	13,700,850
2015-2016	75	10,798,630	17	572,000
2014-2015	101	12,075,924	3	338,000
2013-2014	73	10,921,237	12	951,835
2012-2013	64	7,771,721	11	112,926
2011-2012	59	6,784,857	13	2,293,192
2010-2011	61	11,634,203	17	1,556,638
2009-2010	82	6,554,248	15	994,080

NUMBER OF PERMITS  
Last Ten Fiscal Years



Source:

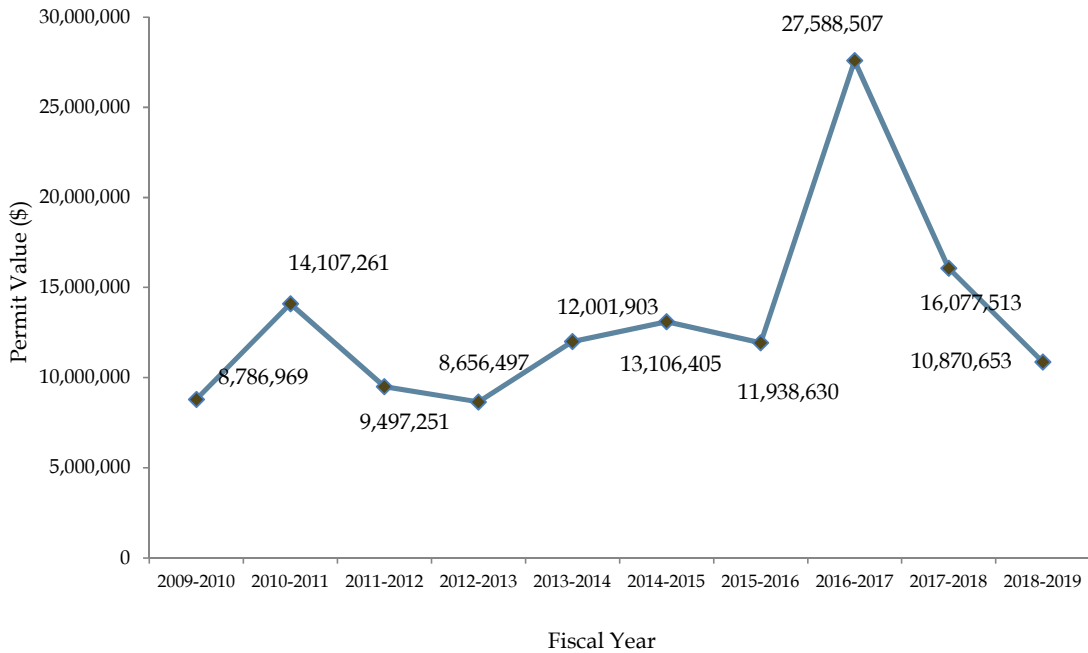
(1)

City of Del Mar, Planning and Community Development Department

(Concluded)

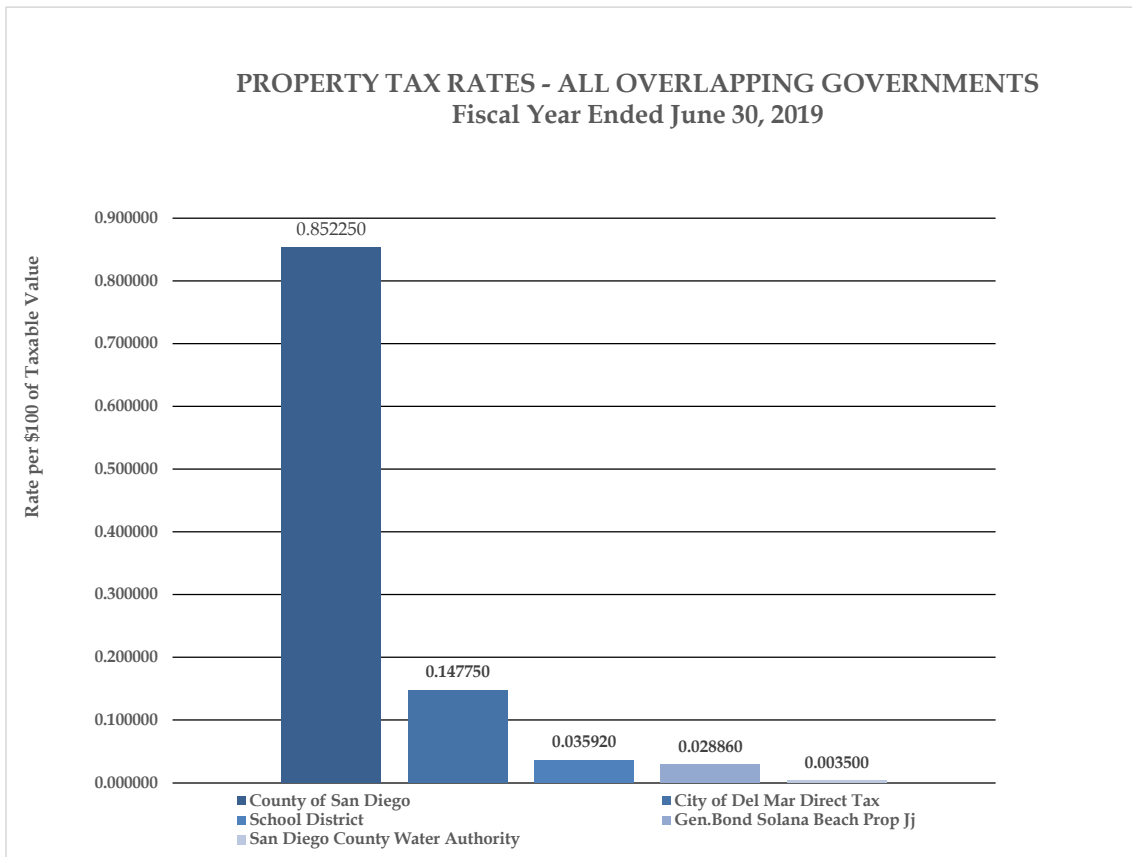
Construction <sup>(1)</sup>			Total		
Number of Permits	Valuation		Number of Permits	Valuation	
62	\$ 114,653		252	\$ 10,870,653	
41	124,514		151	16,077,513	
2	2,175		116	27,588,507	
29	568,000		121	11,938,630	
17	692,481		121	13,106,405	
29	128,831		114	12,001,903	
34	771,850		109	8,656,497	
28	419,202		100	9,497,251	
55	916,420		133	14,107,261	
35	1,238,641		132	8,786,969	

PERMIT VALUATION  
Last Ten Fiscal Years



**City of Del Mar**  
**Property Tax Rates <sup>(1)</sup> - All Overlapping Governments**  
**Last Ten Fiscal Years**  
**(Rate per \$100 of Taxable Value)**

Fiscal Year	County			Special Districts					Total
	Total Del Mar Debt Service	San Diego County	City of Del Mar Direct Tax	Total County Base	School District	Gen.Bond Solana Beach Prop Jj	San Diego County Water Authority (SDCWA)	Total Special Districts	
2018-2019	-	0.85225	0.14775	1.00000	0.03592	0.02886	0.00350	0.06828	1.06828
2017-2018	-	0.85225	0.14775	1.00000	0.03672	0.03093	0.00350	0.07115	1.07115
2016-2017	-	0.85225	0.14775	1.00000	0.02275	-	0.00350	0.02625	1.02625
2015-2016	-	0.85225	0.14775	1.00000	0.02272	-	0.00350	0.02622	1.02622
2014-2015	-	0.85225	0.14775	1.00000	0.02147	-	0.00350	0.02497	1.02497
2013-2014	0.00635	0.85225	0.14775	1.00000	0.03781	-	0.00350	0.04131	1.04766
2012-2013	0.00705	0.85225	0.14775	1.00000	-	-	0.00350	0.00350	1.01055
2011-2012	0.00600	0.85225	0.14775	1.00000	-	-	0.00370	0.00370	1.00970
2010-2011	0.00555	0.85225	0.14775	1.00000	-	-	0.00370	0.00370	1.00925
2009-2010	0.00622	0.85225	0.14775	1.00000	-	-	0.00430	0.00430	1.01052



Note:

(1)

Tax Rate Area: TRA 11-001

Source: Office of the Auditor & Controller, County of San Diego

**City of Del Mar**  
**Ten Largest Property Taxpayers**  
**Current Fiscal Year and Ten Years Ago**

Owner/Taxpayer	Primary Use	Fiscal Year 2018-2019		Fiscal Year 2009-2010	
		Assessed Valuation	Percent of Total City Assessed Valuation	Assessed Valuation	Percent of Total City Assessed Valuation
Lhoberge LP	Property management	\$ 77,123,013	2.05 %	\$ -	- %
Brixton Del Mar Plaza T IC LLC	Property management	46,410,000	1.23	-	-
Jacobs Family Trust	Trust	36,822,587	0.98	30,576,409	1.24
Allred Family Living Survvors Trust	Trust	32,323,481	0.86	46,083,473	1.86
Jennifer A Moores	Trust	28,754,045	0.76	-	-
Del Mar Thoroughbred Club	Horse racing club	27,589,903	0.73	29,280,592	1.18
Henrick Jorst 1997 Family Trust	Trust	25,180,257	0.67	-	-
McCarthy Revocable Survivors Trust	Trust	23,531,012	0.63	-	-
Madeleine A Pickens Trust	Trust	23,460,000	0.62	36,414,000	1.47
Lazier Stensrud Holding Trust	Trust	22,699,100	0.60	-	-
GLL BVK Properties 2007 LP	Property management	-	-	30,335,962	1.23
Stensrud Family Trust	Trust	-	-	28,368,796	1.15
L-O Delmar Holding Inc	Property management	-	-	23,235,225	0.94
La Atalaya LLC	Property management	-	-	19,289,664	0.78
Marsha J Naify Living Trust	Trust	-	-	19,101,743	0.77
John J and Rebeca A Moores Trust	Trust	-	-	17,012,530	0.69
Top Ten Totals (secured and unsecured)		343,893,398	9.15 %	279,698,394	11.30 %
All Others (secured)		3,415,556,146	90.85 %	2,194,872,905	88.70 %
Total Assessed Valuation		\$ 3,759,449,544	100.00 %	\$ 2,474,571,299	100.00 %

Source: Office of the Auditor & Controller, County of San Diego, Property Tax Services Division (via HDL, Coren & Cone)

**City of Del Mar**  
**Top 25 Sales Tax Producers**  
**(Miscellaneous Information)**  
**Current Fiscal Year and Ten Years Ago**

<b>Fiscal Year 2018-2019</b>		<b>Fiscal Year 2009-2010</b>	
<b>Taxpayers</b>	<b>Business Type</b>	<b>Taxpayers</b>	<b>Business Type</b>
1 Banana Republic	Retail clothing	Americana Restaurant	Restaurant
2 Barretts Sales	Retail	Banana Republic	Retail clothing
3 Bretts's Blue Ribbon Foods	Food service	Board and Brew Restaurant	Restaurant
4 Brigantine	Restaurant	Brigantine Restaurant	Restaurant
5 Chicken Charlie's Restaurant	Restaurant	Bully's Restaurant	Restaurant
6 Del Mar Blue Print	Printing	Chico's Fashions	Retail clothing
7 Del Mar Cucina Italiana	Restaurant	Del Mar Blue Print	Printing
8 Del Mar Pizza and Pasta	Restaurant	Del Mar Rendevous	Restaurant
9 Del Mar Rendezvouz	Restaurant	Del Mar Thoroughbred Club	Horse racing club
10 Del Mar Thoroughbred Club	Horse racing club	Dexter's Deli	Food service
11 Dexter's Deli	Food service	En Fuego Cantina & Grill	Restaurant
12 En Fuego Cantina & Grill	Restaurant	Epazote A Baja Bar & Grill	Restaurant
13 Jake's Del Mar	Restaurant	Gary's Studios	Retail clothing
14 Kaaboo	Retail	Il Fornaio	Restaurant
15 Kearny Mesa Acura	Retail	Jakes	Restaurant
16 L'auberge	Hotel	Jimmy O's	Restaurant
17 Mattress Firm	Retail	JR Resources	Marketing service
18 Pacifica del Mar Restaurant	Restaurant	L'Auberge Hotel	Hotel
19 Premier Food Services	Food service	Miwall Wholesale Ammo	Recreation Products
20 Sbicca an American Bistro	Restaurant	Pacifica Del Mar	Restaurant
21 Shinbashi Restaurant Group	Restaurant	Poseidon Restaurant	Restaurant
22 Spectrum at Kaaboo	Retail	Premier Food Services	Food service
23 The Poseidon on the beach	Restaurant	Rusty Surfboard	Retail
24 Viewpoint Brewing Co.	Food service	Sbicca An American Bistro	Restaurant
25 Zel's del Mar	Restaurant	State of California	Government
<b>Percentage of total sales tax collected</b>	<b>68.70%</b>		<b>68.49%</b>

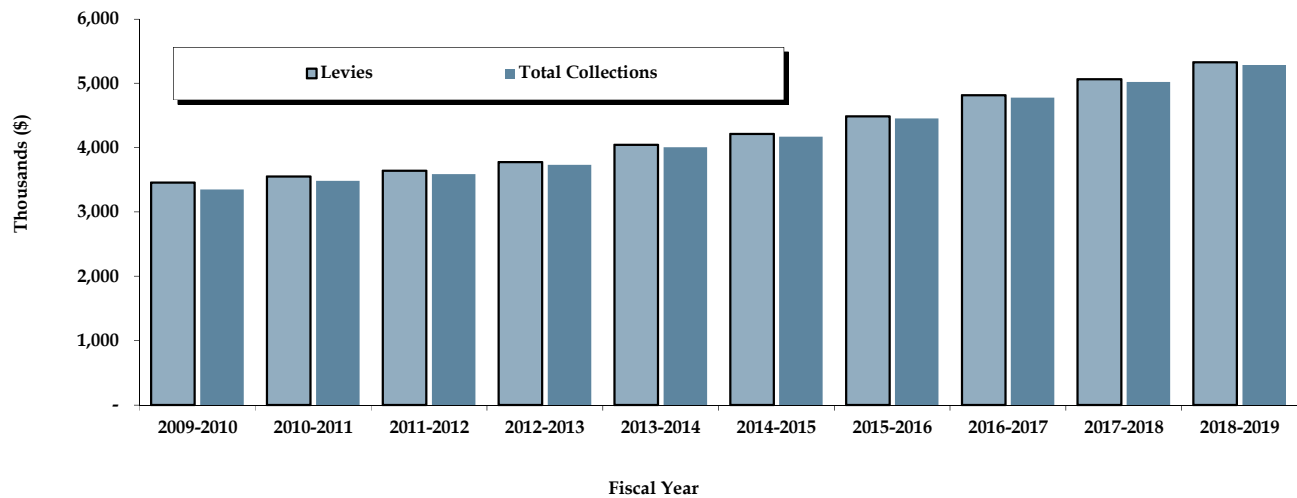
Note: The names are listed in alphabetical order and not by sales tax volume.

Source: Muniservices, LLC

**City of Del Mar**  
**Property Tax Levies, Tax Collections, and Delinquencies**  
**Last Ten Fiscal Years**

Fiscal Year	Secured Taxes Charge (1)	Collections at Year End	Percentage of Collections at Year End	Collections in Subsequent Years	Total Collections	Percentage of Levy
2018-2019	\$ 5,331,918	\$ 5,283,191	99.09%	\$ 3,785	\$ 5,286,976	99.16%
2017-2018	5,065,306	5,019,360	99.09%	5,290	5,024,650	99.20%
2016-2017	4,816,554	4,771,416	99.06%	5,426	4,776,842	99.18%
2015-2016	4,487,604	4,449,392	99.15%	4,285	4,453,677	99.24%
2014-2015	4,216,164	4,165,840	98.81%	4,230	4,170,070	98.91%
2013-2014	4,046,271	3,999,623	98.85%	7,804	4,007,427	99.04%
2012-2013	3,779,401	3,732,226	98.75%	1,785	3,734,011	98.80%
2011-2012	3,646,327	3,586,085	98.35%	1,267	3,587,352	98.38%
2010-2011	3,556,184	3,483,041	97.94%	1,558	3,484,599	97.99%
2009-2010	3,457,991	3,346,258	96.77%	2,822	3,349,080	96.85%

**TAX COLLECTIONS & DELINQUENCIES**  
**Last Ten Fiscal Years**



Note:

- (1) Article XIII-A of the Constitution of the State of California adopted by the electorate in June 1978, precludes the City from a local property tax levy. All general-purpose property taxes are levied by the County and allocated to other governmental entities on a predetermined formula.

Source: Auditor and Controller, County of San Diego

**City of Del Mar**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities				
	Certificates of Participation	Capital Leases	Loans	Notes	Total	Revenue Bonds	Certificates of Participation	Capital Leases	Notes	Total
2018-2019	\$ -	28,734	18,556,021	-	18,584,755	\$ -	\$ -	\$ -	7,009,468	\$ 7,009,468
2017-2018	-	56,704	17,419,394	-	17,476,098	-	-	-	6,037,965	6,037,965
2016-2017	-	99,707	6,444,870	-	6,544,577	-	-	-	4,667,547	4,667,547
2015-2016	-	-	2,845,256	-	2,845,256	-	-	-	4,566,055	4,566,055
2014-2015	-	-	2,273,106	-	2,273,106	-	440,000	-	4,771,694	5,211,694
2013-2014	170,000	-	704,000	-	874,000	-	855,000	-	4,971,536	5,826,536
2012-2013	335,000	-	-	-	335,000	-	1,250,000	-	5,168,672	6,418,672
2011-2012	490,000	-	-	-	490,000	-	1,625,000	-	4,577,583	6,202,583
2010-2011	640,000	-	-	-	640,000	-	1,980,000	-	2,691,115	4,671,115
2009-2010	785,000	-	3,480,772	11,441	4,277,213	-	2,320,000	-	795,578	3,115,578

Fiscal Year	Population (1)	Total Outstanding Debt	Taxable Assessed Value	Percent of Taxable Assessed Value	Debt Per Capita	Personal Income	Percent of Personal Income
2018-2019	4,451	\$ 25,594,223	3,759,707,107	0.68%	\$ 5,750	\$ 506,734 (2)	1.98%
2017-2018	4,297	23,514,063	3,572,859,349	0.66%	5,472	491,975	2.09%
2016-2017	4,297	11,212,124	3,395,888,687	0.33%	2,609	487,323	4.35%
2015-2016	4,274	7,411,311	3,176,435,084	0.23%	1,734	607,564	8.20%
2014-2015	4,238	7,484,800	2,986,826,078	0.25%	1,766	589,296	7.87%
2013-2014	4,234	6,700,536	2,873,455,956	0.23%	1,583	560,167	8.36%
2012-2013	4,205	6,753,672	2,689,757,322	0.25%	1,606	539,556	7.99%
2011-2012	4,194	6,692,583	2,621,983,721	0.26%	1,596	526,396	7.87%
2010-2011	4,187	5,311,115	2,553,693,794	0.21%	1,268	502,766	9.47%
2009-2010	4,660	7,392,791	2,474,858,897	0.30%	1,586	470,315	6.36%

Notes:

- (1) The Fiscal Year 2010-2011 amount was adjusted to the 2010 Census numbers.
- (2) This amount is an estimate based upon a three percent increase from the previous fiscal year.

Sources:

City of Del Mar, Finance Department  
U.S. Department of Commerce, Bureau of Economic Analysis  
Office of the Auditor & Controller, County of San Diego  
San Diego Association of Government (SANDAG)  
State of California, Finance Department

**City of Del Mar**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

**Business-type Activities**

Fiscal Year	Revenue (1)	Operating Expenses (1)	Net Available Revenue	Debt Service (2)				Total Debt Service	Percent Coverage
				Clean Water State Revolving		Certificates of Participation			
				Principal	Interest	Principal	Interest		
2018-2019	\$ 7,158,048	\$ 7,113,464	\$ 44,584	\$ 224,052	\$119,965	\$ -	\$ -	\$ 344,017	12.96%
2017-2018	7,089,160	6,818,187	270,973	217,738	126,279	-	-	344,017	78.77%
2016-2017	6,850,876	6,349,180	501,696	211,601	132,416	-	-	344,017	145.83%
2015-2016	6,657,471	5,875,267	782,204	205,638	138,379	-	-	344,017	227.37%
2014-2015	6,910,807	6,406,810	503,997	199,848	144,169	415,000	32,375	791,392	63.68%
2013-2014	6,310,318	5,943,962	366,356	197,136	146,881	395,000	191,109	930,126	39.39%
2012-2013	6,140,771	5,769,776	370,995	-	-	375,000	191,020	566,020	65.54%
2011-2012	5,764,873	5,365,943	398,930	-	-	355,000	204,203	559,203	71.34%
2010-2011	5,365,486	4,901,719	463,767	-	-	340,000	158,701	498,701	93.00%
2009-2010	5,400,384	4,808,621	591,763	-	-	320,000	121,712	441,712	133.97%

Notes:

(1) Revenue and expenses exclude financing sources/(uses).

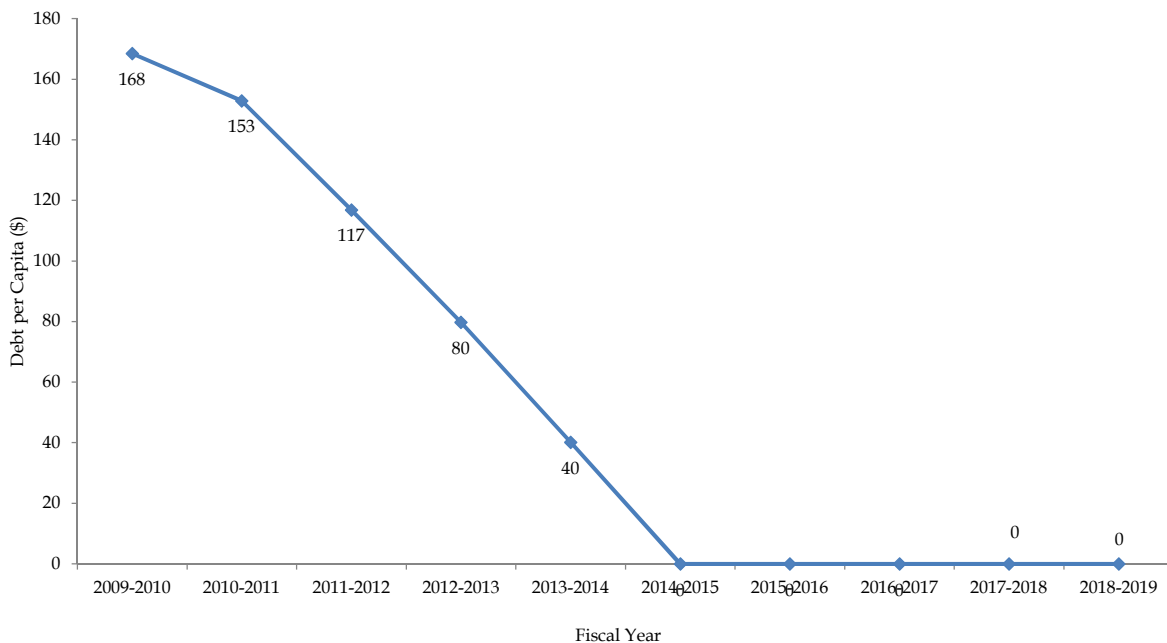
(2) Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

Source: City of Del Mar, Finance Department

**City of Del Mar**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Outstanding General Bonded Debt				Percent of	Debt	Personal	Percent of
Fiscal Year	Population <sup>(1)</sup>	Certificates of Participation	Taxable Assessed Value	Taxable Assessed Value	Per Capita	Income <sup>(2)</sup> (in Thousands)	Personal Income
2018-2019	4,451	\$ -	\$ 3,759,707,107	0.00%	\$ -	506,734 <sup>(3)</sup>	0.00%
2017-2018	4,322	-	3,572,859,349	0.00%	-	491,975	0.00%
2016-2017	4,297	-	3,395,888,687	0.00%	-	487,323	0.00%
2015-2016	4,274	-	3,176,435,084	0.00%	-	607,564	0.00%
2014-2015	4,238	-	2,986,826,078	0.00%	-	589,296	0.00%
2013-2014	4,234	170,000	2,873,455,956	0.01%	40	560,167	329.51%
2012-2013	4,199	335,000	2,689,757,322	0.01%	80	539,556	161.06%
2011-2012	4,194	490,000	2,621,983,721	0.02%	117	526,396	107.43%
2010-2011	4,187	640,000	2,553,693,794	0.03%	153	502,766	78.56%
2009-2010	4,660	785,000	2,474,858,897	0.03%	168	470,315	59.91%

**GENERAL BONDED DEBT OUTSTANDING PER CAPITA**  
**Last Ten Fiscal Years**



Source:

- (1) State of California, Finance Department
- (2) San Diego Association of Government (SANDAG); HDLCoren Demographic and Economic Statistical Table
- (3) This amount is an estimate based upon a three percent increase from the previous fiscal year.

**City of Del Mar**  
**Direct and Overlapping Bonded Debt**  
**June 30, 2018**

Fiscal Year 2018-2019 Assessed Valuation	\$3,759,707,107		
Fiscal Year 2018-2019 Population	4,451		
	Total Debt	Percent	City's Share
	June 30, 2019	Applicable	of Debt
		to City <sup>(1)</sup>	June 30, 2019
<b>Overlapping Tax and Assessment Debt:</b>			
San Diego County General Obligations	\$ 255,365,000	0.715 %	\$ 1,825,860
San Diego County Pension Obligations	508,765,000	0.715 %	3,637,670
San Diego County Superintendent of Schools			
- General Fund Obligations	10,085,000	0.715 %	72,108
Mira Costa Community College District			
- Certificates of Participation	150,000	3.476 %	5,214
San Dieguito Union High School District			
- General Fund Obligations	12,730,000	5.693 %	724,719
<b>Total Overlapping General Fund Debt</b>	<b>787,095,000</b>		<b>6,265,571</b>
<b>Direct Debt and Overlapping Tax and Assessment Debt:</b>			
Direct Debt:			
City of Del Mar	18,584,755	100.000 %	18,584,755
Subtotal Direct Debt	18,584,755		18,584,755
Overlapping Tax and Assessment Debt:			
City of Del Mar 1915 Act Bonds	430,000	100.000 %	430,000
San Dieguito Union High School District	333,920,000	5.693 %	19,010,066
Mira Costa Community College District	85,850,000	3.476 %	2,984,146
Solana Beach School District School Facilities Improvements District	100,450,000	0.469 %	471,111
Metropolitan Water District	48,050,000	0.129 %	61,985
Subtotal Overlapping Tax and Assessment Debt	568,700,000		22,957,308
<b>Total Direct and Overlapping Tax and Assessment Debt</b>	<b>587,284,755</b>		<b>41,542,063</b>
Subtotal Overlapping Tax	1,355,795,000		29,222,879
<b>Combined Total Debt</b>	<b>\$ 1,374,379,755</b>		<b>\$ 47,807,634</b>

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the City.

<u>Ratios to Fiscal Year 2018-2019 Assessed Valuation</u>		<u>Per Capita</u>
City Direct Debt .....	0.49%	\$4,175
Total Overlapping Tax and Assessment Debt.....	0.61%	\$9,333
Combined Total Debt.....	0.78%	\$10,741

State School Building Aid Repayable as of June 30, 2019 \$ -

Schedule of Legal Debt Margin<sup>(1)</sup>  
 Last Ten Fiscal Years

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Assessed valuation	\$ 2,474,858,897	\$ 2,553,693,794	\$ 2,621,983,721	\$ 2,689,757,322	\$ 2,873,455,956
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 618,714,724	\$ 638,423,449	\$ 655,495,930	\$ 672,439,331	\$ 718,363,989
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$ 92,807,209	\$ 95,763,517	\$ 98,324,390	\$ 100,865,900	\$ 107,754,598
Total net debt applicable to limit: General obligation bonds	785,000	640,000	490,000	335,000	170,000
Legal debt margin	\$ 92,022,209	\$ 95,123,517	\$ 97,834,390	\$ 100,530,900	\$ 107,584,598
Total debt applicable to the limit as a percentage of debt limit	0.85%	0.67%	0.50%	0.33%	0.16%

Note:

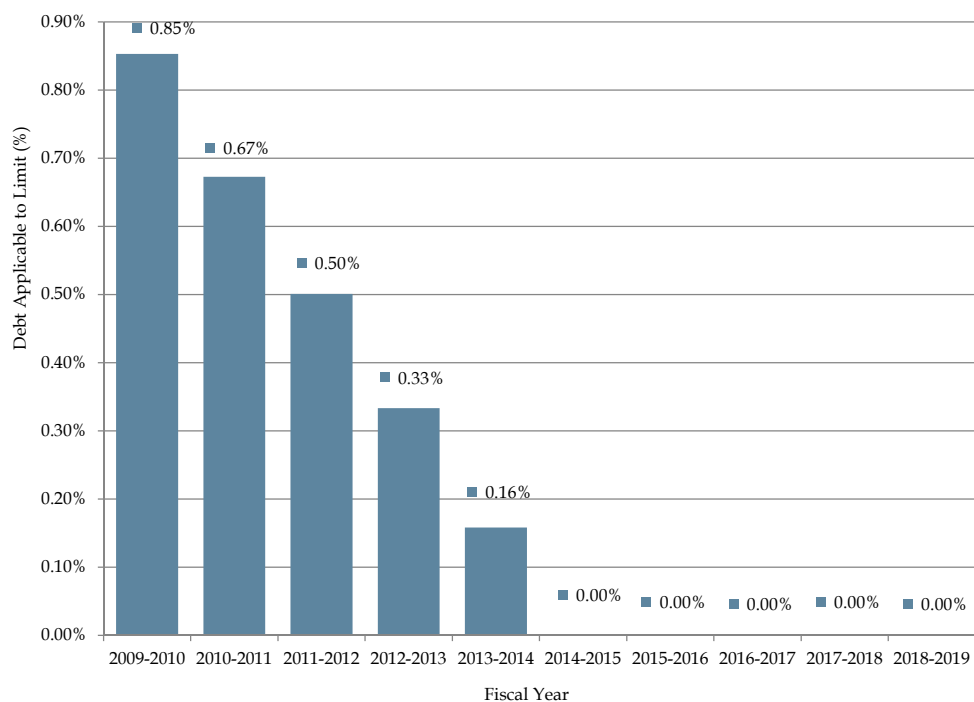
(1) Section 43605 of the Government Code of the State of California provides for a legal debt limit of 15 percent of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25 percent of market value. Effective with Fiscal Year 1981-1982, each parcel is now assessed at 100 percent 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 current full valuation perspective to the 25 percent level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the State.

Source: City of Del Mar

(Concluded)

Fiscal Year				
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 2,986,826,078	\$ 3,176,435,084	\$ 3,395,888,687	\$ 3,572,849,349	\$ 3,759,707,107
25%	25%	25%	25%	25%
\$ 746,706,520	\$ 794,108,771	\$ 848,972,172	\$ 893,212,337	\$ 939,926,777
15%	15%	15%	15%	15%
\$ 112,005,978	\$ 119,116,316	\$ 127,345,826	\$ 133,981,851	\$ 140,989,017
-	-	-	-	-
\$ 112,005,978	\$ 119,116,316	\$ 127,345,826	\$ 133,981,851	\$ 140,989,017
0.00%	0.00%	0.00%	0.00%	0.00%

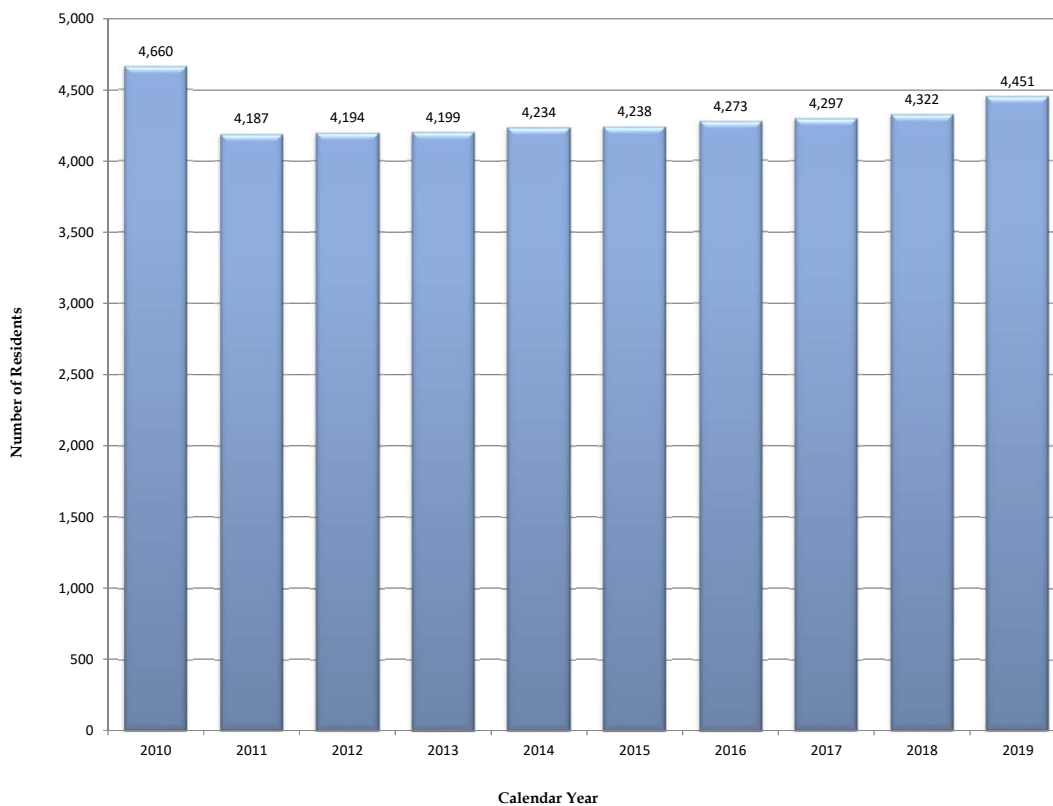
**DEBT APPLICABLE TO LIMIT  
Last Ten Fiscal Years**



City of Del Mar  
Demographic and Economic Statistics  
Last Ten Calendar Years

Year	City of Del Mar Housing Units (1)	Population (2)				Personal Income (3)			
		City of Del Mar	Average Annual Percent Change	County of San Diego	Average Annual Percent Change	City of Del Mar		County of San Diego	
						Personal Income (in Thousands)	Per Capita	Personal Income (in Thousands)	Per Capita
2019	2,615	4,451	2.98%	3,351,786	0.42%	- *	- *	- *	- *
2018	2,612	4,322	0.58%	3,337,685	0.65%	491,975	110,531	205,236,393	61,491
2017	2,611	4,297	0.56%	3,316,192	0.84%	487,323	113,410	193,296,405	58,289
2016	2,542	4,273	0.83%	3,288,612	1.89%	607,564	142,187	183,032,418	55,656
2015	2,605	4,238	0.09%	3,227,496	1.04%	589,296	139,050	170,114,527	52,708
2014	2,605	4,234	0.83%	3,194,362	1.40%	560,167	132,302	167,931,419	52,571
2013	2,637	4,199	0.12%	3,150,178	0.21%	539,556	128,496	165,008,428	52,381
2012	2,637	4,194	0.17%	3,143,429	0.79%	526,396	125,512	160,914,306	51,191
2011	2,542	4,187	-10.15%	3,118,876	-3.27%	502,766	120,078	151,466,837	48,565
2010	2,542	4,660	1.50%	3,224,432	1.61%	470,315	100,926	141,243,429	43,804

DEL MAR  
POPULATION  
Last Ten Calendar Years



Note:

\* This information is not available.

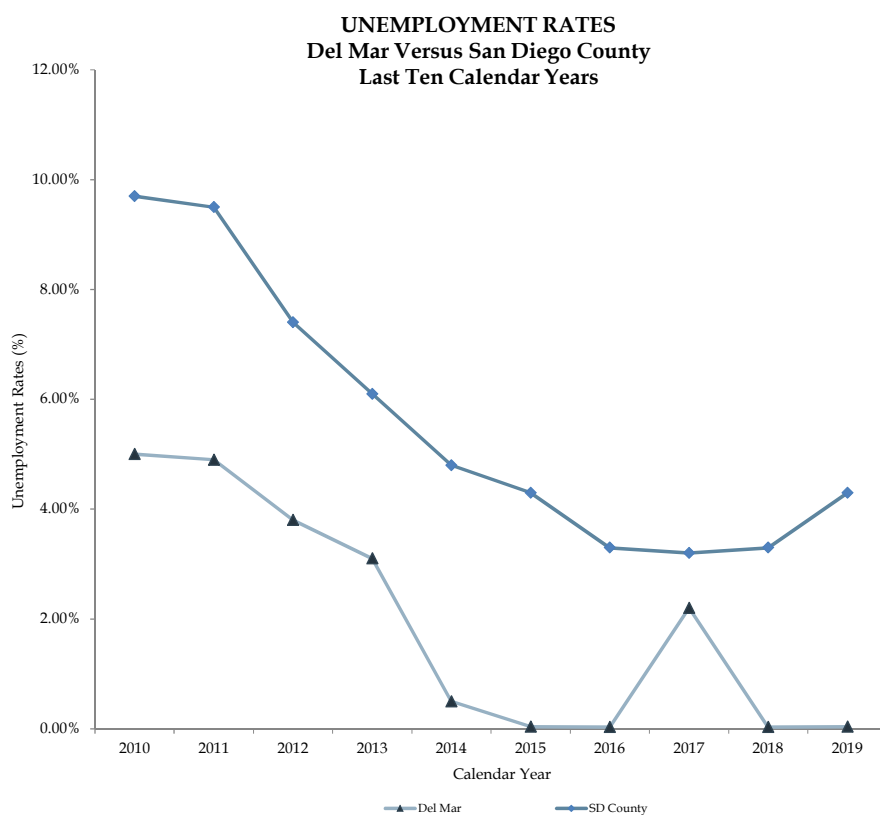
Source:

(1) SANDAG

(2) State of California, Finance Department

(3) United States Bureau of Economic Analysis; HDL, Coren & Cone

Employment <sup>(4)</sup>						Enrollment Del Mar Union Elementary (5)
City of Del Mar			County of San Diego			
Labor Force	Employed	Unemployment Rate	Labor Force	Employed	Unemployment Rate	
2,500	2,500	1.50%	1,609,400	1,563,600	2.80%	4,263
2,500	2,500	2.20%	1,620,100	1,568,300	3.20%	4,453
2,700	2,700	0.03%	1,584,700	1,533,200	3.30%	4,413
2,700	2,700	0.04%	1,597,600	1,528,200	4.30%	4,334
2,600	2,600	0.50%	1,572,600	1,496,700	4.80%	4,399
3,100	3,000	3.10%	1,588,500	1,491,600	6.10%	4,376
3,100	3,000	3.80%	1,611,200	1,492,300	7.40%	4,384
3,100	2,900	4.90%	1,593,800	1,441,700	9.50%	4,387
3,000	2,900	5.00%	1,579,500	1,427,000	9.70%	4,363
3,000	2,800	5.30%	1,566,700	1,406,200	10.50%	4,169



Source:

- (4) State of California, Employment Development Department (EDD)
- (5) State of California, Department of Education, Educational Demographics Unit

**City of Del Mar  
Top Ten Principal Employers  
Current Year and Prior Year**

Employer <sup>(1)</sup>	Business Type	2019		2018	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
L'Auberge Del Mar Resort Spa	Resorts	250	10.00%	250	10.00%
Del Mar Thoroughbred Club	Horse racing club	115	4.60%	115	4.60%
Jake's Del Mar	Restaurant	110	4.40%	110	4.40%
Brigantine Seafood Restaurant	Restaurant	100	4.00%	100	4.00%
Il Fornaio	Restaurant	100	4.00%	100	4.00%
Pacifica Del Mar	Restaurant	60	2.40%	65	2.60%
Epazote Oceanview Steakhouse	Restaurant	50	2.00%	50	2.00%
Flavor Restaurant & Lounge	Restaurant	50	2.00%	50	2.00%
Poseidon Restaurant	Restaurant	50	2.00%	50	2.00%
Sbica An American Bistro	Restaurant	50	2.00%	50	2.00%
Total Top Ten Employers		<u>935</u>		<u>940</u>	
Total City Employment <sup>(2)</sup>		<u>2,500</u>		<u>2,500</u>	

Notes:

(1) Represents non-governmental employers.

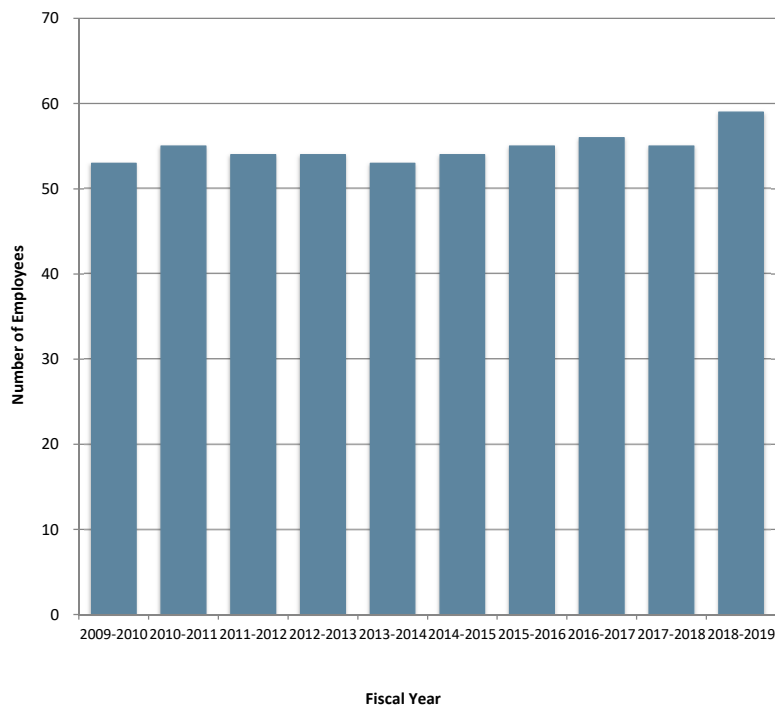
(2) Total City employment provided by EDD - Labor Market Information Division.

Source: infoUSA

**City of Del Mar  
Full-Time Employees  
by Function  
Last Ten Fiscal Years**

Function	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
General government	20.0	20.0	19.0	19.0	19.0	20.0	21.0	22.0	24.0	25.0
Public safety <sup>(1)</sup>	15.0	17.0	17.0	17.0	16.0	16.0	16.0	16.0	15.0	15.0
Public works	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0
Parks and recreation	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	53.0	55.0	54.0	54.0	53.0	54.0	55.0	56.0	58.0	59.0

**CITY OF DEL MAR  
EMPLOYMENT  
Last Ten Fiscal Years**



Note:

(1) Police services are provided by the County of San Diego, Sheriff's Department.

Source: City of Del Mar, Finance Department

**City of Del Mar**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Police:										
Arrests <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parking citations issued	20,000	27,068	21,547	19,060	18,000	15,694	11,818	13,074	19,672	18,777
Fire:										
Emergency calls	1,112	1,153	1,001	1,112	1,130	1,468	1,309	806	881	849
Inspections	307	240	425	473	598	459	394	93	62	285
Public works:										
Street resurfacing (miles)	0.50	-	0.50	0.50		1.00	1.00	1.00	1.50	2.00
Street slurry (miles)	0.50	-	0.50	0.50	-	-	-	-	-	-
Parks and recreation:										
Number of recreational classes	624	436	424	500	468	347	485	222	287	281
Number of facility rentals	130	93	85	115	185	175	143	93	186	216
Water:										
New construction	-	-	-	-	-	-	-	-	-	-
Average daily consumption (in thousands of gallons)	1,008	972	967	1,024	969	858	803	838	962	859
Sewer:										
New construction	-	-	-	-	-	-	-	-	-	-
Average daily sewage treatment (in thousands of gallons)	560	550	567	540	520	534	499	523	448	421

Notes:

(1) Police services are provided by the County of San Diego, Sheriff's Department.

Source: City of Del Mar

**City of Del Mar**  
**Capital Asset Statistics**  
**by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-18	2018-2019
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles)	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Street lights	87	87	74	74	74	74	74	74	81	81
Traffic signals	7	7	7	7	7	7	7	7	7	7
Parks and recreation:										
Parks	5	5	5	5	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	26.28	26.28	26.28	26.28	26.28	26.28	26.28	26.28	26.28	26.28
Maximum daily capacity (thousands of gallons)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Sewer/Storm Drains										
Sanitary sewers (miles)	28.85	28.85	28.85	28.85	28.85	28.85	29.85	29.85	29.85	29.85
Storm drainage (miles)	13.59	13.59	13.59	13.59	13.59	13.70	13.70	13.70	13.70	13.70
Maximum daily treatment capacity (thousands of gallons)	877	877	877	877	877	877	877	877	877	877

Source: City of Del Mar

**City of Del Mar**  
**Miscellaneous Statistics**  
**June 30, 2019**

Date of incorporation.....	July 15, 1959
Form of government.....	Council/Manager
Area.....	2 square miles
Climate:	
Average annual high temperature.....	72.9° F
Average annual low temperature.....	52.0° F
Annual precipitation.....	11.97 inches
Fire protection:	
Station.....	1
Firefighters and officers.....	9
Fire incident responses.....	44
Emergency medical incident responses.....	849
Public service calls.....	400
Fire inspections.....	285
Culture and leisure:	
Parks.....	5
Park areas.....	9.69 acres
Passive/Active recreation areas.....	300.38 acres
including Fairground/Racetrack.....	200 acres
Miles of beaches.....	2.2 miles
Number of beach attendances.....	2,532,033
Baseball field.....	1
Tennis courts.....	2
Library.....	1
Library inventory.....	21,024
Hotels:	
Major hotel rooms.....	355
Average percent occupancy.....	75%
Average room rate.....	\$262
Average group size per stay.....	2.5 persons*
Average length of stay.....	3.5 days*
(*information from San Diego County profile)	
Education:	
Private school.....	1
School district.....	1
Street miles.....	22.5 miles
Street lights.....	81
Water system:	
Service connection.....	1,904 meters
Fire hydrants.....	350
Sanitary sewer lines.....	29.85 miles