



CITY OF DEL MAR, CALIFORNIA



Annual Comprehensive Financial Report

Fiscal Year Ended

June 30, 2022

CITY OF DEL MAR, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH REPORT ON AUDIT BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
YEAR ENDED JUNE 30, 2022

PREPARED BY
ADMINISTRATIVE SERVICES DEPARTMENT
MONICA MOLINA
FINANCE MANAGER/TREASURER

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INTRODUCTORY SECTION

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March 27, 2023

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

**LETTER OF TRANSMITTAL
FISCAL YEAR 2021-2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

It is a pleasure to present the Fiscal Year 2021-2022 Annual Comprehensive Financial Report (ACFR) 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 certified public accountants, CliftonLarsonAllen (CLA) LLP. 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, 2022.

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. Del Mar borders the City of San Diego on the south and the City of Solana Beach on the north, and 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 positions of Mayor and Deputy Mayor rotate amongst Council members annually.

Del Mar is a small city of 3,929 residents, as reported on the Department of Finance population estimates as of January 1, 2022, and is primarily a residential community with substantial tourist appeal covering approximately 2.2 square miles and is known 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 updated and often larger and more elaborate dwellings is commonplace in its residential areas. The 22nd 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 22nd 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, cooperative fire management services with the cities of Encinitas and Solana Beach, and law enforcement services with the San Diego County Sheriff.

Budgetary Process

The Del Mar City Council (Council) adopted the City's two-year Operating and Capital Budget for Fiscal Years 2021-2022 and 2022-2023, on June 21, 2021. The budget process began with the City Council developing goals and priorities which provided the framework around which staff resourced and proposed a budget for Council consideration. It is the City's practice that a Budget Update is presented to the City Council for the second year of a two-year budget cycle as well. Due to the COVID-19 pandemic, the Fiscal Year 2021-2022 Operating Budget was developed with the goal of maintaining essential services to the community, and limiting operating, capital and special project expenditures, while increasing expenditures in a slow and gradual manner as additional revenues became available.

The budget is monitored monthly by the City's Finance Division staff and department directors using financial reports which compare actual revenues and expenditures to date with budgeted amounts. Semi-annual 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. This year, due to the significant financial effects of the COVID-19 pandemic, some financial management tools were deferred until resources were recovered and available.

Throughout each fiscal year, the Council may increase or decrease the budget, as needed, by 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 sudden recessionary period triggered by the pandemic. Property taxes increased by 3.7% in Fiscal Year 2021-2022 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 up to a 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 amounted to \$263,067 in Fiscal Year 2021-2022. 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 was one of the largest revenue sources that was impacted by the COVID-19 pandemic. This revenue source decreased by approximately 40% during Fiscal Year 2020-2021, when compared to the FY 2018-2019 which was the last full pre-pandemic year. Fortunately, in FY 2021-2022, TOT revenue recovered quicker than anticipated and exceeded pre-pandemic levels by 14.7% resulting in a total of \$3.4 million in TOT revenue for the year.

The pandemic also had a major impact on sales tax revenues. Receipts for FY 2021-22 indicate that although sales tax revenue has not reached pre-pandemic levels, downtown activity has thrived and exceeded pre-Covid levels, with a lag in recovery only being shown at the Fairgrounds. Although we are starting to see a recovery in sales tax, revenues came in approximately \$140,000 lower when compared to FY 2018-2019, the last full pre-pandemic year.

In November 2016, Del Mar voters approved Measure Q, a one-percent (1%) general sales tax measure. The new sales tax was implemented in April 2017, and amounted to \$3.4 million in Fiscal Year 2021-2022 revenues. To date, Measure Q has generated approximately \$14 million in district tax revenues. Though no specific projects or uses were officially designated as part of the voter-approved general tax measure, subsequent to its passage, the City Council identified by resolution use of the additional revenue for community reinvestment and infrastructure type projects such as the Downtown Streetscape Project, implementation of the Shores Park Master Plan, and the Utility Undergrounding Project. The Downtown Streetscape Project was finalized in Fiscal Year 2019-2020, and the Tewa Court Utility Undergrounding Project began its preliminary phase at the end of Fiscal Year 2020-2021, with construction being completed in FY 2022-2023. In Fiscal Year 2021-2022, the City Council established undergrounding districts 1A and X1A, which are currently under design and are anticipated to begin construction in early 2024.

In comparison to sales tax, due to the continuous practice of online shopping by Del Mar residents, Measure Q revenues recovered faster and exceeded pre-pandemic levels in FY 2021-2022. Receipts for the year indicate an increase of approximately \$552,090, or 19.5%, when compared to Fiscal Year 2018-2019, which was the last full pre-pandemic year.

The City's fiscally conservative strategic approach has been to identify new revenue sources while examining ways to reduce expenditures by considering alternatives to providing services and managing City operations. The City has always maintained a low level of fixed obligations and has adopted prudent reserve policies.

In Fiscal Year 2014-2015, the Pension Reserve Fund was established as a way to set-aside monies for future anticipated employee pension obligation costs. As a result of financial losses related to the pandemic, there was no budgeted transfer of funds to the Pension Reserve Fund in FY 2020-2021. Although sales tax revenues are not yet at pre-pandemic levels, revenues came in higher than

projected, and a total of \$1.36 million was authorized to transfer to the Pension Reserve Fund in Fiscal Year 2021-2022. It is anticipated that the Pension Reserve will reach its anticipated pre-pandemic level by FY 2022-23.

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 the City better serve Del Mar residents and businesses, but they assist in building a solid foundation towards keeping the City fiscally sound and well positioned to sustain its financial health into the future.

Final results for FY 2021-2022, indicate that revenues came in higher, and expenditures came in lower than final projections, which is discussed in detail in the Management's discussion and analysis section of this report.

Accomplishments

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

Capital Improvement Projects

Capital Improvement Project funding significantly recovered from the pandemic reductions required during Fiscal Year 2020-2021. The following Capital Improvement Program achievements occurred in Fiscal Year 2021-2022:

- Administered 10-year Capital Improvement Program for City's infrastructure needs, comprised of Open Space, Facilities, Storm Drain, Streets, Bridges, Wastewater, and Water Projects. Also includes significant equipment purchases, planning schedules, and options for financing.
- Completed the Preliminary Engineering Phase of the Camino del Mar Bridge Replacement Project.
- Continued design and construction work on the City's multi-year program to systematically identify, prioritize, and implement water, wastewater, and roadway pavement rehabilitation projects.
- Continued preliminary engineering and environmental permitting activities for Riverpath Del Mar Phase 3, connecting the Grand Avenue Bridge to Crest Canyon Trailhead.
- Completed the Powerhouse Park Walkway Lighting Project.
- Completed essential building repairs to 17th Street/20th Street/25th Street Lifeguard Buildings.
- Completed design of Tot Lot Replacement Project.
- Completed Penasquitos Lagoon Storm Drain Repair Project Habitat Restoration Phase.
- Continued design of priority storm drain repairs for future Capital Improvement Project.
- Continued facility maintenance program for City Hall, City buildings, various lifeguard towers, and public facilities throughout the City.
- Installed Storm Drain Capture Devices as required by the City's Municipal Stormwater Permit issued by the California Regional Water Quality Control Board.
- Completed comprehensive Risk Assessment of City sidewalks and removed all identified potential trip hazards.
- Completed annual major arterial bike lane repair program.
- Completed construction of annual Water, Wastewater, and Paving Capital Improvement Project.
- Continued the Citywide Pavement Rehabilitation Program based on a system-wide condition assessment and the prioritization program.

- Completed resurfacing, restriping, and fence repairs at the Court Street tennis courts.
- Completed restriping of Jimmy Durante Boulevard.
- Completed methacrylate treatment of Torrey Pines Bridge.

Planning and Community Development

The Planning and Community Development Department is responsible for five functional areas within the City, which include Long Range Planning, Current Planning, Building & Safety, Code Enforcement, and the Clean Water Program. In response to ongoing changes in regulations and service needs applicable since March 2020 in response to the COVID-19 pandemic, the department continued to provide Planning and Building Services with options for 100% electronic and virtual meeting access in addition to limited in-person counter service.

Affordable Housing

The 6th Cycle Housing Element (planning period 2021-2029) was initially adopted by the City Council on March 25, 2021, and re-adopted by the City Council on December 13, 2021. The City is continuing to work with the State Department of Housing and Community Development (HCD) to obtain certification of the 6th Cycle Housing Element. Significant milestones accomplished include:

- In March 2022, the City was awarded Housing Acceleration Program (HAP) grant funding to facilitate affordable housing and Housing Element program implementation. In April 2022, the City Council approved the 2021 Annual Housing Element Progress Report and subsequently submitted the report to HCD.
- In May 2022, the City Council approved an extension to the Accessory Dwelling Unit (ADU) Pilot Program (Incentive Program) (6th Cycle Program 2A).
- The City obtained Coastal Commission final certification of the Housing Element Implementation Overlay Zone (5th Cycle Program 2G), North Commercial Zone (6th Cycle Program 1A), and Professional Commercial Zone (6th Cycle Program 1B) Local Coastal Program Amendments.
- The City completed Phase I housing feasibility studies that demonstrated the feasibility of affordable housing on the State Fairgrounds property and on two vacant City-owned properties (10th Street and 28th Street) and identified financing strategies (6th Cycle Program 3B).
- The City Council adopted a new Council Policy to require Housing Impact Statements in Agenda Reports to help inform land use planning decisions (6th Cycle Program 5B).
- On April 19, 2022, the City approved an administrative Coastal Development Permit (CDP21-005) for affordable housing on two vacant sites owned by Watermark LP, including 40 above moderate units, 6 low-income units, 2 very low-income units, and 2 extremely low-income units.
- On August 10, 2022, the City Council adopted a Development Agreement (DA22-001) and associated Regulatory Agreement for a mixed-use commercial and residential development located at 941 Camino del Mar (APNs: 300-221-32 and -33) that includes two low-income units.

To facilitate economic recovery for local businesses, staff prepared and processed an ordinance with various parking-related changes and submitted the Parking LCPA application to the Coastal Commission for certification. Coastal Commission action is anticipated to occur by June 2023.

Technological & Administrative Enhancements

The City was able to continue to provide a very high level of service to the public while allowing remote teleworking, remote public meetings and transitioning to a hybrid work environment.

Looking Forward -- Citywide Planning Activities

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 2022-2023 include:

- Commence the Engineering Design Phase of the Camino del Mar Bridge Replacement Project.
- Complete Preliminary Engineering, Environmental Permitting, Engineering Design and Construction Contract Procurement activities for Riverpath Del Mar Phase 3, connecting the Grand Avenue Bridge to Crest Canyon Trailhead.
- Continue essential building repairs to 17th Street/20th Street/25th Street Lifeguard Buildings.
- Complete procurement and construction of Tot Lot Replacement Project.
- Complete design and begin construction procurement activities of Priority Storm Drain Capital Improvement Repairs.
- Continue comprehensive City sidewalk risk hazard removal program.
- Continue annual major arterial bike lane repair program.
- Continue facility maintenance program for City Hall, City buildings, various lifeguard towers, and public facilities throughout the City.
- Commence construction of annual Water, Wastewater, and Paving, Capital Improvement Projects.
- Continue the Citywide Pavement Rehabilitation Program based on a system-wide condition assessment and the prioritization program.
- Complete engineering assessment to develop private section of San Dieguito Drive.
- Complete engineering Assessment of Hoska Alley Development Project.
- Complete design and construction of Coast Boulevard Pedestrian Improvement Project.
- Commence geotechnical studies and engineering design of Jimmy Durante Boulevard Bluff Development Project.
- Complete design and environmental permitting of 20th Street Beach Access Project.

Utility Undergrounding Project

The City Council authorized the restart of the utility undergrounding project in March 2021. The Tewa Court/10th Street Utility Undergrounding District was formed in May 2021, and construction was completed in September 2022. The next two projects consist of: Area 1A (Stratford Court), which will most likely qualify for an environmental categorical exemption and begin construction in early 2024; and Area X1A (Crest Canyon), which most likely will not qualify for an environmental categorical exemption because work will occur in environmentally sensitive areas, and is also expected to begin construction in 2024.

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 The Winston School (occupying land leased from the City), community building 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. All work on the Shores Park Master Plan was put on hold by the City Council due to the financial impacts and uncertainty caused by the COVID-19 pandemic. Timing to restart the Shores Park Master Planning effort is undetermined at this time.

Affordable Housing and Housing Element Implementation

Staff will seek final City Council approval and HCD certification of the 6th Cycle Housing Element. Staff will also continue to implement its adopted housing action programs, including completion of feasibility studies and financing strategies to demonstrate the feasibility of housing at the Fairgrounds and continued efforts to secure a housing agreement with the State 22nd District Agricultural Association to provide affordable housing opportunities at the Fairgrounds. The City is preparing updates to the City's Community Plan (General Plan) including an update to the Safety Element and a new Environmental Justice Element to demonstrate the City's commitment to affirmatively further fair housing.

"Harmonizing" and Implementation of Accessory Dwelling Unit (ADU) Regulations and State Law

State laws applicable to ADUs continue to be amended and the interpretations of those laws at the State level has continued to evolve. The Planning and Community Development Department continues to coordinate with HCD and the Coastal Commission in an effort to "harmonize" State laws for implementation at the local level. A draft ordinance will be circulated for public review and comment prior to Planning Commission and City Council consideration. Submittal of the associated Local Coastal Program Amendment to the California Coastal Commission for certification will follow City Council action. Meanwhile, the Department continues to process submitted applications in accordance with State law.

California State Senate Bill 9 (SB 9) Implementation

A draft ordinance and objective design standards to locally implement and regulate development applications submitted in accordance with the provisions of SB-9 will be circulated for public review and comment prior to Planning Commission and City Council consideration in spring 2023. Submittal of the associated Local Coastal Program Amendment to the California Coastal Commission will follow City Council action. Coastal Commission certification is needed to facilitate processing of permit applications for proposed duplex development and urban lot splits in single dwelling unit zones in accordance with the provisions of SB 9. The Planning and Community Development Department will commence processing applications for projects consistent with SB 9 upon Coastal Commission certification of the new ordinance.

Hazard Mitigation and Adaptation Planning

The City is continuing to seek federal and state agency permit approvals to implement a Sand Compatibility Opportunistic Use Program (SCOUP) and associated beach nourishment in accordance with the City's priority adaptation strategy to minimize flood risk. The City submitted a grant application to the State Parks Division of Boating and Waterways in December 2021 requesting grant funds to facilitate a beach nourishment project in FY 2023-2024. The City is also continuing to coordinate with Southern California Edison on their required mitigation efforts to maintain the San Dieguito Lagoon and river inlet in accordance with the applicable performance standards and place beach quality sand on the Del Mar beach. In 2023, the City will initiate consultant work for development of a conceptual plan for a living levee along the San Dieguito riverbanks as an adaptation measure to reduce the risk of river flooding in adjacent neighborhoods.

Regulation of Short Term Rentals (STRs)

The City Council provided staff direction in May 2022 targeting mid-2023 to reengage on STRs including gathering data on the number of rentals and potential revenues from an STR Transient Occupancy Tax (TOT) or fee. Staff will process a two-year forbearance extension prior to the February 1, 2023, expiration of the existing forbearance period to extend the forbearance until new regulations are adopted and become effective. This will include allocation of budget for FY 2022-

2023 and FY 2023-2024 for data collection (number of existing STRs in Del Mar) to establish a baseline and a Request for Qualifications (RFQ) process prior to May 1, 2023, to identify a consultant for data collection. On a separate track, the City must also bring forward an item for the Council to consider whether to prohibit STRs in the North Commercial zone in order to satisfy an action needed per the Referendum Withdrawal Agreement. If applicable, staff would process an ordinance for implementation per City Council direction.

Technological & Administrative Enhancements

Looking ahead, for Fiscal Year 2022-2023, other initiatives underway related to technological enhancements include the upgrade of the City's Permitting software to allow for online permit applications, inspection scheduling, and payment of permit/project fees. The upgrade will also include enhancements to better integrate payments into the permitting software and financial system.

In addition, business license administration will be outsourced to a third party, which will improve customer service for businesses by providing an online portal for business license applications, renewals, and payments. Outsourcing business license administration will save a significant amount of staff resources and allow staff to redirect their efforts to higher priority projects.

Financial Policies

General Fund Contingency (GFC) Reserve

Historically, it has been 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. However, during the preparation of the Fiscal Years 2019-2020 and 2020-2021 Operating and Capital Budget, the City Council established a goal to increase the GFC Reserve by one percent (1%) each year until it reaches a 25% reserve, or 90 days of operations. As a result of the economic impacts to the City's related to the COVID-19 pandemic, the goal to reach a 25% General Fund Contingency was temporarily deferred until such time that the City has economically recovered. However, the FY 2022-23 Budget Update presented to the City Council in June 2022, reported a GFC of 24.04%.

In June 2021, based on financial projections and the uncertain economic impact the pandemic was going to continue to have on Del Mar's revenue, the City Council approved a Fiscal Year 2021-2022 budget with the goal of maintaining essential services to the community, and limiting operating, capital and special project expenditures, while increasing expenditures in a slow and gradual manner as additional revenues became available. Fiscal Year 2021-2022 revenues came in higher than projected and expenditures remained at or below projections. The final GFC for year ending June 30, 2022, is 37.08% or 135 days of operations, which is well above the required minimum contingency reserve. Positive results allowed the City Council to approve a transfer of \$1.1 million to other reserves in Fiscal Year 2022-2023, to begin replenishing reserves that are underfunded since a deferral of transfers was required to deal with the economic impact of the COVID-19 pandemic.

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 funding the City's capital projects. Due to the economic crisis caused by the pandemic, implementation of the Finnell Plan continued to be deferred in FY 2021-2022 and no transfer was

made to the CIP Reserve this year. However, based on positive results in FY 2021-2022, the creation of the Capital Improvement Reserve Fund with an initial transfer of \$200,000 was approved by the City Council in FY 2022-2023.

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 25 consecutive years. In order to be eligible to receive a GFOA 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 Del Mar City Council and Executive Management 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 contributions to the City's continued financial viability. This report could not have been accomplished without the professionalism and dedicated services of the entire Del Mar team.

Respectfully submitted,



Ashley Jones
City Manager



Monica Molina
Finance Manager/Treasurer

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Del Mar
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF DEL MAR, CALIFORNIA
DIRECTORY OF OFFICIALS
YEAR ENDED JUNE 30, 2022

CITY COUNCIL

Dwight Worden
Mayor

Tracy Martinez
Deputy Mayor

Dave Druker
Councilmember

Terry Gaasterland
Councilmember

Dan Quirk
Councilmember

CITY MANAGER

Ashley Jones

**INTERIM ASSISTANT
CITY MANAGER**

*Clement Brown**

**ADMINISTRATIVE SERVICES
MANAGER**

Sarah Krietor

**DIRECTOR OF PLANNING AND
COMMUNITY DEVELOPMENT**

Karen Brindley

**FINANCE MANAGER/
TREASURER**

Monica Molina

**PUBLIC WORKS
DIRECTOR**

Joe Bride

**DIRECTOR OF COMMUNITY SERVICES
AND LIFEGUARD CHIEF**

Jon Edelbrock

SHERIFF CAPTAIN

Herbert Taft

FIRE CHIEF

Mike Stein

CITY ATTORNEY

Leslie Devaney

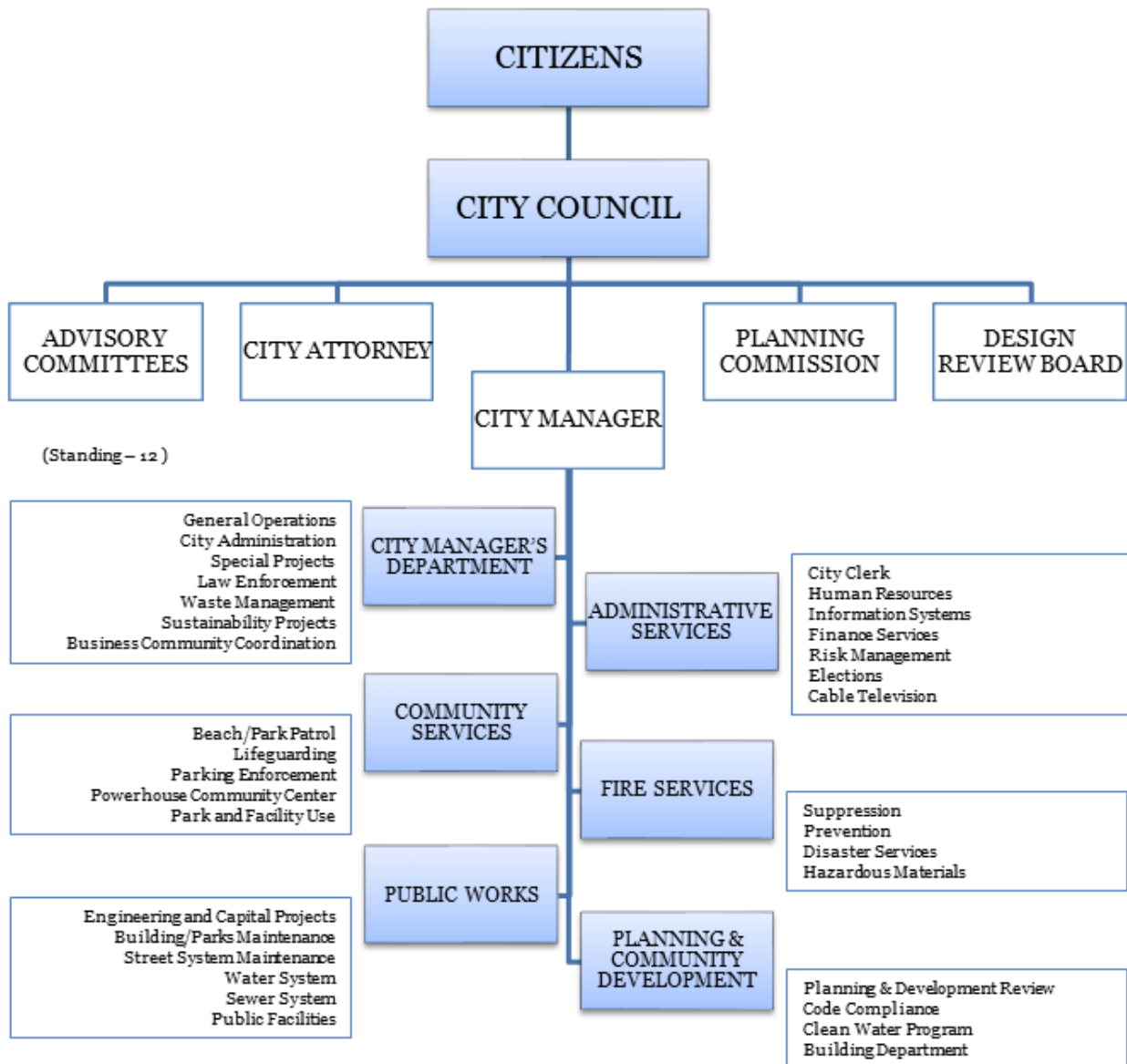
**Interim appointment effective July 1, 2022*

**CITY OF DEL MAR, CALIFORNIA
ORGANIZATIONAL CHART
YEAR ENDED JUNE 30, 2022**



DELMAR

City of Del Mar Organizational Chart



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

City Council
City of Del Mar, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Del Mar (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, GASB No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

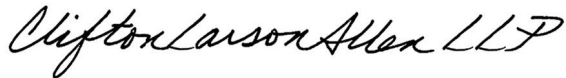
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

City Council
City of Del Mar, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report March 27, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
March 27, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Del Mar (City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2022. 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 the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

Economic Background

The City of Del Mar continues to be in a stable financial position. The City's largest revenue source is its property tax base, which continues to be very stable and has increased each year since 1995. Due to the City's highly desirable location on the coast, immediately north of the City of San Diego, its real estate market does not typically experience the downturns that the inland areas experience in periods of economic decline. As the San Diego region continues to develop, 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 (sales tax), are heavily tourist based. Although sales tax continues to reflect slightly lower than normal sales tax revenues due to the COVID-19 pandemic, TOT has recovered and exceeded pre-pandemic levels.

In Fiscal Year 2021-2022, the City received approximately \$0.27 million (3.66%) more in property tax; \$1.6 million more in TOT; \$0.92 million (80.21%) more in sales tax; and \$1.08 million (46.93%) more in Measure Q revenues in comparison to Fiscal Year 2020-21, which represents positive results as the City continues to recover from the economic downturn resulting from the COVID-19 pandemic. When compared to Fiscal Year 2018-2019, the last full pre-pandemic fiscal year, TOT revenue recovered during this year and exceeded pre-pandemic levels by \$0.44 million (14.66%). Although sales tax came in at \$0.92 million (80.21%) more than last year, revenues are still \$0.14 million (6.33%) lower than the pre-pandemic Fiscal Year 2018-19. Due to the increase in online purchases and vehicle purchases by Del Mar residents, the 1% District tax (Measure Q) revenues recovered quicker than sales tax and exceeded pre-pandemic Fiscal Year 2018-19 by \$0.55 million (19.47%).

This year, the Governmental Accounting Standards Board (GASB) implemented Statement No. 87, Leases. This standard requires the recognition of lease assets to be based on the payment provisions of the contract. It establishes a single model for lease accounting based on the

foundational principle that leases are financings of the right to use an underlying asset. The City has implemented this Statement and it is discussed in Note 1 D of the Notes to Basic Financial Statements section of this report.

The discussion and analysis below compares Fiscal Year 2021-2022 (FY 21-22) to Fiscal Year 2020-2021 (FY 20-21). All variances are relative to FY 20-21 results. FY 21-22 financial highlights include the following:

Financial Highlights

- The City's total assets in excess of its liabilities as of June 30, 2022, were \$103.01 million.
- Citywide total net position increased by \$5.44 million (5.58%) during the current fiscal year, indicating a consistent and stable financial condition. The change in net position is largely due to the increase in total cash and investments, which was a result of keeping expenses at or below projections and receiving more revenue than anticipated, as well as a decrease in total liabilities largely related to change in net pension liability.
- A net increase in total assets of \$11.33 million (8.20%) is primarily due to the net of an increase of \$11.84 million (53.47%) in current assets and a decrease in capital assets of \$0.51 million (0.44%). The Citywide non-current asset loss is largely related to how capital assets are reported. In FY 21-22, some capital projects continued to be deferred, therefore the City had lower than usual capital expenses.
- A net decrease in total liabilities of \$1.69 million (3.93%) is primarily due to the net of an increase in current liabilities related to accounts payable and accrued liabilities of \$4.67 million and a decrease in noncurrent liabilities related to long-term debt and net pension liability of \$6.36 million.
- The deferred outflows/inflows of resources resulted in a net change of \$7.7 million, largely related to the recognition of leases and increase in deferred inflows of resources from pension plans.
- As of June 30, 2022, the City's governmental funds reported combined fund balances of \$17.07 million, which is an increase of \$5.45 million (46.87%) from June 30, 2021. The increase in fund balance is mainly attributable to continuing to only provide essential services and the economy recovering at a faster pace than anticipated, which is reflected in the revenue received for the year. Of the \$17.07 million in fund balance, \$0.002 million is non-spendable for prepaid items; \$0.87 million is restricted; \$0.36 million is committed ; \$10.31 million is assigned for specific activities; and \$5.53 million is unassigned.
- At the end of the current fiscal year, the fund balance for the General Fund is \$15.49 million. This balance is available for spending at the City Council's discretion, and is equal to 106.69% of the total fiscal year expenditures of \$14.51 million, and 68.87% of total revenues of \$22.48 million, before other financing sources (uses). The Capital Projects Fund has a fund balance of \$0.36 million, and other non-major governmental funds have combined fund balances of \$1.23 million, at June 30, 2022.

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 made up 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 fund 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 *Custodial 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 *Custodial Funds* account for four 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; 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 is made up of three components: net investment in capital assets; restricted net position; and unrestricted net position.

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the City of Del Mar, combined net position (governmental and business-type activities) totaled \$103.01 million as of June 30, 2022. This is an increase of \$5.44 million (5.58%), compared to June 30, 2021.

TABLE 1
CITY OF DEL MAR
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$26,493,599	\$15,214,972	\$7,481,161	\$6,922,637	\$33,974,760	\$22,137,609
Capital assets	89,216,204	89,820,875	26,211,537	26,117,711	115,427,741	115,938,586
Total assets	115,709,803	105,035,847	33,692,698	33,040,348	149,402,501	138,076,195
Deferred outflows of resources	2,275,036	2,181,463	581,765	592,551	2,856,801	2,774,014
Current liabilities	8,243,512	3,629,514	1,746,320	1,688,930	9,989,832	5,318,444
Non-current liabilities	24,116,978	28,700,149	7,233,187	9,012,133	31,350,165	37,712,282
Total liabilities	32,360,490	32,329,663	8,979,507	10,701,063	41,339,997	43,030,726
Deferred inflows of resources	6,339,344	202,563	1,573,002	49,655	7,912,346	252,218
Net investment in capital assets	71,521,446	72,058,048	20,926,230	20,447,077	92,447,676	92,505,125
Restricted	1,123,980	934,485	-	-	1,123,980	934,485
Unrestricted	6,639,579	1,692,551	2,795,724	2,435,104	9,435,303	4,127,655
Total net position	\$79,285,005	\$74,685,084	\$23,721,954	\$22,882,181	\$103,006,959	\$97,567,265

The largest component of the City's net position, \$92.45 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 decreased by \$0.06 million (>0.01%) from the prior fiscal year. As mentioned above this is related to the reporting of depreciation in capital assets in which the depreciation for the year exceeded the value of capital expenditures. The City uses these capital assets to provide services to citizens and they 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 \$1.12 million. This had an increase of \$0.17 million (18.32%) from the prior fiscal year amount of \$0.95 million. The remaining unrestricted net position of \$9.44 million, which reflects an increase of \$5.32 million (129.45%) from the prior year, is largely due to recovery of some large revenues sources and exceeding expenditures for the current year.

As of June 30, 2022, the City has positive balances in both categories of governmental and business-type net position. The total net position in the governmental activities increased by \$4.60 million (6.15%) and the total net position in business-type activities increased by \$0.84 million (3.67%).

Changes in Net Position

The analysis that follows in Table 2 focuses on the changes in net position 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$5,188,162	\$5,015,265	\$8,824,290	\$8,512,229	\$14,012,452	\$13,527,494
Operating grants and contributions	426,084	553,325	57,316	29,148	483,400	582,473
Capital grants and contributions	484,867	707,085	-	-	484,867	707,085
<i>General Revenues:</i>						
Property taxes	7,771,396	7,496,882	-	-	7,771,396	7,496,882
Sales and other taxes	9,562,416	5,799,852	-	-	9,562,416	5,799,852
Intergovernmental/unrestricted	151,499	79,645	-	-	151,499	79,645
Investment Income	(139,964)	229,973	(112,089)	59,028	-252,053	289,001
Other	549,295	1,049,654	-	-	549,295	1,049,654
Total revenues	23,993,755	20,931,681	8,769,517	8,600,405	32,763,272	29,532,086
Expenses:						
General government	7,424,735	7,048,840	-	-	7,424,735	7,048,840
Public safety	7,626,541	7,699,253	-	-	7,626,541	7,699,253
Public works	2,644,194	2,514,209	-	-	2,644,194	2,514,209
Parks and recreation	1,059,781	773,562	-	-	1,059,781	773,562
Interest and long-term debt	550,712	485,322	-	-	550,712	485,322
Enterprise operations	-	-	8,017,615	7,932,882	8,017,615	7,932,882
Total expenses	19,305,963	18,521,186	8,017,615	7,932,882	27,323,578	26,454,068
Transfers	(87,871)	18,176	87,871	(18,176)	-	-
Change in net position	4,599,921	2,428,671	839,773	649,347	5,439,694	3,078,018
Net position - beginning of year	74,685,084	72,256,413	22,882,181	22,232,834	97,567,265	94,489,247
Net position - end of year	\$79,285,005	\$74,685,084	\$23,721,954	\$22,882,181	\$103,006,959	\$97,567,265

Governmental Activities:

The City's net position from governmental activities increased by \$4.60 million (6.15%) in the current fiscal year, accounting for 84.56% of the total \$5.44 million increase in the City's total net position. Total revenues from governmental activities of \$23.99 million increased by \$3.06 million (14.62%), compared to the prior fiscal year. The cost of all governmental activities in FY 21-22 was \$19.31 million, an increase of \$0.78 million (4.23%), over the prior fiscal year. Based on the quicker revenue recovery from the economic impact of the pandemic, the City was able to increase some services to pre-pandemic levels resulting in an increase in expenses in FY 21-22.

As shown in the Statement of Activities, governmental activities were financed in part by taxpayers at \$5.19 million, which was generated by service revenues received from the performance of these activities, and had an increase of \$0.17 million (3.44%) compared to FY 2020-21. Increase in this category was largely related to the Parks and Recreation program which included the first year of the in-house Jr. Lifeguard Program and an increase in permit fees due to the re-opening of private events at the Powerhouse Building. Another \$0.43 million was received from other government agencies and other organizations that subsidized certain programs with operating grants and contributions. In addition, another \$0.48 million in revenues came from capital grants and contributions, which decreased by \$0.22 million (31.42%), compared to the prior fiscal year.

Overall, the City's governmental program revenues amounted to \$6.10 million, a decrease of \$0.18 million (2.81%) compared to the prior fiscal year. General revenues of \$17.89 million increased by \$3.24 million (22.09%), in comparison to the prior fiscal year. The City had an increase in property taxes of \$0.27 million (3.66%); an increase of sales and other taxes of \$3.76 million (64.87%) largely related to recovery of sales tax, TOT, and district tax (Measure Q) revenue; and a decrease in other revenue of \$0.79 million (58.74%) compared to the prior fiscal year.

In comparison to the prior fiscal year, the key elements contributing to the \$0.78 million (4.24%) increase in expenditures from governmental activities are as follows:

- An increase of \$0.38 million (5.33%) in general government costs largely due to restoring employee salaries by eliminating mandatory furloughs that were implemented in FY 20-21.
- An increase of \$0.13 million (5.17%) in public works due to restoring a portion of city-wide landscaping and tree maintenance services that were reduced to essential only levels of service in the prior FY 20-21.
- An increase of \$0.27 million (37.00%) in parks and recreation due to restoring a portion of parks landscaping and tree maintenance services that were reduced to essential only levels of service in the prior year.

Business-type Activities:

The City's business-type activities increased in net position by \$0.84 million (3.67%), for the fiscal year ended June 30, 2022. Business-type activities' total revenue increased by \$0.17 million (1.97%), during the current fiscal year to a total of \$8.77 million in revenues. In

comparison to the prior fiscal year, charges for services increased by \$0.31 million (3.67%). Business-type activity costs also increased during the fiscal year by \$0.08 million (1.07%), compared to the prior fiscal year. The increase in revenues and expenses, resulted in a change in net position of \$0.84 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, 2022, the City's governmental funds reported a combined ending fund balance of \$17.07 million, which is a \$5.45 million (46.87%) increase, in comparison to the prior fiscal year of \$11.63 million. The \$17.07 million governmental fund balance is composed of \$0.002 million in non-spendable; \$0.87 million in *restricted*; \$0.36 million in *committed*; \$10.31 million in *assigned* (not available for new spending); and \$5.53 million in *unassigned* funds (available for new spending).

Table 3 below shows the governmental fund balances for the fiscal years ended June 30, 2022 and June 30, 2021.

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

FISCAL YEAR 2021-2022	General	Capital Improvement	Non-Major Governmental Funds	Totals
Total revenues	\$22,483,491	\$179,056	\$1,301,181	\$23,963,728
Total expenditures	14,514,881	1,668,692	2,243,642	18,427,215
Excess (deficiency) of revenues over expenditures	7,968,610	(1,489,636)	(942,461)	5,536,513
Total other financing sources (uses)	(2,954,583)	1,542,080	1,324,632	(87,871)
Net change in fund balance	5,014,027	52,444	382,171	5,448,642
Fund balance - beginning	10,471,415	308,370	845,507	11,625,292
Fund balance - ended	\$15,485,442	\$360,814	\$1,227,678	\$17,073,934
FISCAL YEAR 2020-21				
Total revenues	\$19,708,653	\$144,140	\$741,505	\$20,594,298
Total expenditures	13,621,075	1,205,816	1,644,033	16,470,924
Excess (deficiency) of revenues over expenditures	6,087,578	(1,061,676)	(902,528)	4,123,374
Total other financing sources (uses)	(1,874,123)	1,091,981	800,318	18,176
Net change in fund balance	4,213,455	30,305	(102,210)	4,141,550
Fund balance - beginning	6,257,960	278,065	947,717	7,483,742
Fund balance - ended	\$10,471,415	\$308,370	\$845,507	\$11,625,292

General Fund:

Total governmental funds includes the General Fund, the chief operating fund of the City, which has a fund balance of \$15.49 million as of June 30, 2022. This is an increase of \$5.01 million (47.88%), in comparison to the prior fiscal year. This increase is due to the net of an increase in total revenues of \$2.77 million (14.07%) in total revenues; an increase of operating costs of \$0.89 million (6.56%) and an increase in other financing uses of 1.08 million (57.65%).

Increased revenues of \$2.77 million (14.07%) were largely related to increases to property tax of \$0.27 million (3.66%), an increase to sales tax of \$0.92 million (80.21%), an increase of \$1.63 million (90.83%) in TOT, and an increase in district tax (Measure Q) of \$1.08 million (46.93%). Although most of these top revenue sources show a high percentage increase when compared to the prior year, TOT and district tax (Measure Q) fully recovered to pre-covid levels and sales tax did not reach pre-covid levels during FY 21-22.

Total expenditures increased by \$0.89 million (6.56%) when compared to FY 20-21. The increase was largely related to the partial recovery of City-wide tree and landscaping services and the restoration of employee salaries that were furloughed and laid off in FY 20-21. The ending fund balance is composed of less than \$0.001 million of non-spendable funds for prepaid items; \$9.95 million in assigned funds for specific expenditures; and \$5.53 million in unassigned funding, which is available for spending at the City's discretion.

Additional detailed information regarding combined fund balance reserves is included in Note 8 to the Basic Financial Statements.

Major Funds:

As of June 30, 2022, the Capital Improvement Program's fund balance of \$0.36 million, increased by \$0.05 million (17.01%) from the prior fiscal year. Total revenues increased by \$0.03 million (24.22%) largely due to receiving more local and federal grant funding for the Camino del Mar Bridge project. Total expenditures increased by \$0.46 million (38.39%) largely due to more project expenditures in compared to the prior year including the Camino del Mar Bridge project and Pavement Rehabilitation.

Non-major Funds:

The fund balances for other governmental funds or non-major governmental funds increased \$0.38 million (45.20%) from the FY 2020-21 balance of \$0.85 million to \$1.23 million at the end of the current fiscal year. The other non-major funds are composed of 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 \$1.23 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 \$0.84 million (3.67%). The City's Water Fund increased by \$0.26 million (2.03%), the Wastewater Fund increased by \$0.48 million (4.90%), and the Clean Water Fund increased by \$0.10 million (49.64%).

At the end of FY 21-22, the Internal Service fund reported a net position of \$0.40 million, which is less than \$0.01 million (1.70%) increase from last fiscal year, due to lower claims activity, offset by higher charges for services.

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. Due to the unknown impact the pandemic was going to continue to have in the upcoming year, the City updated the FY 21-22 budget in June 2021, based on the assumption that revenues would gradually continue to recover throughout the fiscal year. Projections were also based with the assumption that revenues would fully recover by FY 23-24.

The City experienced the largest revenue losses in TOT, sales tax, and district tax (Measure Q) during the COVID-19 pandemic. The second half of FY 20-21 resulted in stronger than anticipated recovery of TOT and district tax (Measure Q) revenues, which continued through FY 21-22. By the end of the current year, both revenue sources exceeded pre-pandemic levels leading to a favorable budget variance in total revenue of \$1.12 million. This positive budget variance primarily reflects revenue realization greater than estimates due to higher tax revenues of \$1.22 million; higher licenses, fees and permits of \$0.04 million; higher intergovernmental revenue of \$0.07 million; and higher fines and forfeitures of \$0.19 million; which was offset by lower charges for services of \$0.05 million and lower investment income of \$0.36 million.

The actual expenditures were less than the fiscal year's final appropriation by \$2.67 million primarily due to less than anticipated expenditures in general government of \$0.67 million; lower expenditures in public safety of \$0.27 million; lower expenditures in public works of \$0.31 million and lower capital outlay of \$1.53 million, which was offset by an increase in debt service expenditures of \$0.11 million. Lower capital outlay than projected was largely due to the appropriation for Undergrounding Districts 1A and X1A project which was approved in FY 21-22, but would be largely expensed in FY 22-23 and 23-24.

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, 2022, amounts to \$115.43 million, net of accumulated depreciation. Amounts invested in capital assets include land; buildings and improvements; machinery and equipment; bridges; roadway networks; water lines; and sewer and storm drainage systems. The total decrease in the City's capital assets, net of depreciation, for the current fiscal year was \$0.93 million (0.80%), compared to the prior fiscal year. Of the net decrease, \$1.06 million decrease is related to governmental activities and \$0.09 million increase in business-type activities. For capital assets by category, refer to Table 4.

In FY 20-21, due to the anticipated financial impact of the pandemic on the City's financials, the City Council deferred most capital projects that were not contractually obligated or required to be completed for public safety reasons. Based on recovery of some revenue sources, some deferred projects began in the current fiscal year resulting in some minor additions to capital assets. The largest capital asset additions for the year included costs related to the Utility Undergrounding projects of \$0.76 million; Camino del Mar Bridge project of \$0.38 million; Pavement Rehabilitation project of \$0.30 million; Riverpath Del Mar project of \$0.08 million; and Tot Lot project of \$0.03 million. However, the total depreciation on current assets for the year was \$2.81 million, which resulted in a net decrease of \$1.06 million in governmental activities capital assets.

The same practice of spending was implemented for business-type activities, which resulted in a minimal increase of \$0.09 million (0.35%) during the fiscal year. The largest capital asset expenditures for the year included water, storm drain and wastewater infrastructure improvements of \$0.63 million. The total depreciation of the year was \$0.54 million, resulting in a net increase of \$0.09 million in business-type activities capital assets.

Additional information on the City of Del Mar's capital assets is 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	
	2022	2021	2022	2021	2022	2021
	As restated				As restated	
Non-depreciable assets:						
Land	\$18,289,250	\$18,289,250	\$1,365,688	\$1,365,688	\$19,654,938	\$19,654,938
Water Rights	-	-	-	\$32,987		
Construction in progress	4,652,878	3,419,262	-	-	4,652,878	3,419,262
Total non-depreciable assets	22,942,128	21,708,512	1,365,688	1,398,675	24,307,816	23,074,200
Capital assets, being depreciated:						
Buildings/structures and improvement	21,926,539	22,727,884	5,174,572	5,387,113	27,101,111	28,114,997
Machinery and equipment	715,199	875,938	463,387	591,508	1,178,586	1,467,446
Right to Use Asset	339,710	452,946	-	-	339,710	452,946
Streets	16,690,021	16,898,060	-	-	16,690,021	16,898,060
Traffic signals	44,193	45,795	-	-	44,193	45,795
Roadway network	2,874,331	2,921,141	-	-	2,874,331	2,921,141
Bridge	21,613,794	22,476,728	-	-	21,613,794	22,476,728
Storm drainage system	2,070,289	2,166,817	48,394	20,000	2,118,683	2,186,817
Water line system	-	-	8,478,981	7,920,336	8,478,981	7,920,336
Sewer line system	-	-	10,680,515	10,800,079	10,680,515	10,800,079
Total depreciable assets, net of accumulated depreciation	66,274,076	68,565,309	24,845,849	24,719,036	91,119,925	93,284,345
Total capital assets	\$89,216,204	\$90,273,821	\$26,211,537	\$26,117,711	\$115,427,741	\$116,358,545

Debt Service Administration:

A complete detail of outstanding debt is shown in Note 7 of the financial statements in this report. As of June 30, 2022, the City had a total long-term outstanding debt of \$24.46 million made up of loan payable; note payable; compensated absences; and claims payable as shown in Table 5.

For governmental activities, long-term debt accounts for \$18.51 million (75.68%) of the City's total long-term debt, as of June 30, 2022. Total long-term debt is comprised of loans through IBank, for the City Hall/Town Hall project of \$14.32 million, San Diego Association of Governments (SANDAG) of \$2.59 million, and County of San Diego of \$0.19 million; compensated absences of \$0.54 million; leases payable of \$0.35 million; and claims payable of \$0.52 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	
	2022	2021	2022	2021	2022	2021
	As restated					As restated
Note payable	\$ 17,100,794	\$ 17,602,114	\$ 5,829,843	\$ 6,233,225	\$ 22,930,637	\$ 23,835,339
Compensated absences	544,852	574,433	120,489	136,214	665,341	710,647
Claims payable	521,261	392,079	-	-	521,261	392,079
Leases Payable	352,059	452,946	-	-	352,059	452,946
	\$ 18,518,966	\$ 19,021,572	\$ 5,950,332	\$ 6,369,439	\$ 24,469,298	\$ 25,391,011

For business-type activities, long-term debt accounts for \$5.95 million (24.32%), of the City's total long-term debt, as of June 30, 2022. The Wastewater fund has a note payable with a remaining balance of \$3.20 million with the State of California for the replacement of the 21st Street Pump Station, and a note with IBank with an outstanding balance of \$2.63 million. Compensated absences in business-type activities accounts for \$0.12 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 did not incur any new long-term debt during FY 21-22. The City's long-term debt decreased by \$0.92 million (3.63%) compared to the prior fiscal year, largely due to required annual note principal payments of \$0.90 million (3.80%), and compensated absences decreased by \$0.05 million (6.38%). In addition, there was a slight increase of \$0.13 million (32.95%) in claims payable. Also, during the current year, based on the GASB 87 requirement, lease payable was added to other long-term liabilities and reported a decrease of \$0.10 million (22.27%) in the current year.

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. Cities that rely on tourism, like Del Mar, experienced the biggest financial losses during the COVID-19 pandemic. Although some indicators of economic recovery were beginning to occur, the FY 21-22 adopted budget planned for a gradual return to providing City services at pre-pandemic levels and the restart of several important City capital and special projects. Recovery of some revenue sources returned and exceeded pre-pandemic levels at a faster pace than anticipated which allowed the City to adopt FY 22-23 budget to include restoring all City services to pre-pandemic levels as well as restoring most capital and special projects. Management continues to take an active role in monitoring the budget during the fiscal year in order to address any economic changes that may occur resulting in necessary changes to projected revenues and/or appropriated expenditures.

In anticipation that all revenue sources would reach pre-pandemic levels, management looked at the following key economic factors while preparing the adopted budget for FY 22-23:

Revenues:

The City's projected revenues for FY 22-23 total \$33.42 million, which is \$1.31 million (4.07%) higher than final FY 21-22 projected revenues of \$32.11 million.

The City's three primary sources of revenues are property taxes, Transient Occupancy Tax (TOT), and Sales and Use Tax (sales tax), which make up approximately 70% percent of General Fund revenues. As we saw with COVID, TOT and sales tax revenues are vulnerable to substantial fluctuation as they are largely based on tourism. As such, a more conservative methodology is used when forecasting future revenues in these areas. These two sources of revenue were the hardest hit during the pandemic, and although TOT recovered to pre-pandemic levels in FY 21-22, the FY 22-23 budget projects a full recovery of sales tax revenues to pre-pandemic levels by the end of FY 22-23, a year sooner than originally anticipated.

Expenditures:

The City's FY 21-22 Operating and Capital Budget has expenditures of \$33.42 million, which is \$0.19 million (0.57%) higher than the prior fiscal year's final adopted budget of \$33.23 million.

Expenditures are based on anticipated operating needs, capital and special projects, and City Council identified goals and priorities. City staff approached the FY 22-23 budget process with the goal of restoring service levels to pre-pandemic levels and to begin working on capital and special projects that were deferred during the significant pandemic related economic downturn.

The FY 22-23 budget is comprised of the General Fund for \$14.39 million (45.77%); Measure Q Fund of \$0.08 million (0.25%); other governmental funds of \$2.23 million (7.10%); Capital Project Funds of \$3.74 million (11.90%); special projects of \$0.79 million (2.51%); and the Workers' Compensation Fund of \$0.29 million (0.92%). The business-type funds account for \$9.92 million (31.55%).

The City's Adopted Fiscal Years 2021-2022 and 2022-2023 Operating and Capital Budget is a reflection of the City's commitment to the residents of Del Mar. A copy of the City's budget is available online at: <https://www.delmar.ca.us/132/Budget-Financial-Reports> or 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 who may be interested. 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, or by calling (858) 755-9354. Additional information about the City's finances can be found on the City's website at: <https://www.delmar.ca.us/132/Budget-Financial-Reports>.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**CITY OF DEL MAR, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 22,766,332	\$ 5,246,105	\$ 28,012,437
Receivables:			
Accounts, Net	443,182	1,561,125	2,004,307
Taxes	1,656,240	-	1,656,240
Leases	1,314,799	-	1,314,799
Accrued Interest	36,046	8,168	44,214
Inventory	-	101,972	101,972
Due from Other Agencies	276,824	-	276,824
Prepaid Expenses	176	-	176
Restricted Cash and Investments	-	563,791	563,791
Total Current Assets	<u>26,493,599</u>	<u>7,481,161</u>	<u>33,974,760</u>
Noncurrent Assets:			
Capital Assets:			
Not Being Depreciated	22,942,128	1,365,688	24,307,816
Being Depreciated (Net of Accumulated Depreciation)	66,274,076	24,845,849	91,119,925
Total Capital Assets	<u>89,216,204</u>	<u>26,211,537</u>	<u>115,427,741</u>
Total Noncurrent Assets	<u>89,216,204</u>	<u>26,211,537</u>	<u>115,427,741</u>
Total Assets	<u>115,709,803</u>	<u>33,692,698</u>	<u>149,402,501</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts from Pension Plans	2,275,036	581,765	2,856,801
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	2,331,545	1,131,349	3,462,894
Deposits Payable	704,903	72,623	777,526
Due to Other Agencies	6,236	-	6,236
Unearned Revenue	3,976,938	-	3,976,938
Retention Payable	9,401	19,255	28,656
Accrued Interest Payable	191,514	79,053	270,567
Long-Term Debt, Due Within One Year	1,022,975	444,040	1,467,015
Total Current Liabilities	<u>8,243,512</u>	<u>1,746,320</u>	<u>9,989,832</u>
Noncurrent Liabilities:			
Long-Term Debt, Due in More Than One Year	17,495,991	5,506,292	23,002,283
Net Pension Liability	6,620,987	1,726,895	8,347,882
Total Noncurrent Liabilities	<u>24,116,978</u>	<u>7,233,187</u>	<u>31,350,165</u>
Total Liabilities	<u>32,360,490</u>	<u>8,979,507</u>	<u>41,339,997</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts from Leases	1,299,261	-	1,299,261
Deferred Amounts from Pension Plans	5,040,083	1,573,002	6,613,085
Total Deferred Inflows of Resources	<u>6,339,344</u>	<u>1,573,002</u>	<u>7,912,346</u>
NET POSITION			
Net Investment in Capital Assets	71,521,446	20,926,230	92,447,676
Restricted for:			
Public Works	527,785	-	527,785
Public Safety	145,532	-	145,532
Community Development	450,663	-	450,663
Unrestricted	6,639,579	2,795,724	9,435,303
Total Net Position	<u>\$ 79,285,005</u>	<u>\$ 23,721,954</u>	<u>\$ 103,006,959</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 7,424,735	\$ 2,158,279	\$ 83,719	\$ -
Public Safety	7,626,541	2,579,997	153,888	-
Public Works	2,644,194	2,636	188,477	484,867
Parks and Recreation	1,059,781	447,250	-	-
Interest on Long-Term Debt	550,712	-	-	-
Total Governmental Activities	<u>19,305,963</u>	<u>5,188,162</u>	<u>426,084</u>	<u>484,867</u>
Business-Type Activities:				
Water	4,043,288	4,363,056	-	-
Wastewater	3,337,828	3,884,184	-	-
Cleanwater	636,499	577,050	57,316	-
Total Business-Type Activities	<u>8,017,615</u>	<u>8,824,290</u>	<u>57,316</u>	<u>-</u>
Total	<u>\$ 27,323,578</u>	<u>\$ 14,012,452</u>	<u>\$ 483,400</u>	<u>\$ 484,867</u>

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

TRANSFERS

Total General Revenues and Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Net Revenue (Expense) and Change in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (5,182,737)	\$ -	\$ (5,182,737)
(4,892,656)	-	(4,892,656)
(1,968,214)	-	(1,968,214)
(612,531)	-	(612,531)
(550,712)	-	(550,712)
<u>(13,206,850)</u>	<u>-</u>	<u>(13,206,850)</u>
-	319,768	319,768
-	546,356	546,356
-	(2,133)	(2,133)
<u>-</u>	<u>863,991</u>	<u>863,991</u>
(13,206,850)	863,991	(12,342,859)
7,771,396	-	7,771,396
3,419,866	-	3,419,866
404,226	-	404,226
282,187	-	282,187
5,456,137	-	5,456,137
151,499	-	151,499
(139,964)	(112,089)	(252,053)
549,295	-	549,295
<u>(87,871)</u>	<u>87,871</u>	<u>-</u>
<u>17,806,771</u>	<u>(24,218)</u>	<u>17,782,553</u>
4,599,921	839,773	5,439,694
<u>74,685,084</u>	<u>22,882,181</u>	<u>97,567,265</u>
<u>\$ 79,285,005</u>	<u>\$ 23,721,954</u>	<u>\$ 103,006,959</u>

See accompanying Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

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**CITY OF DEL MAR, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	General Fund	Capital Projects Fund Capital Improvement	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 16,748,590	\$ 3,966,319	\$ 1,328,484	\$ 22,043,393
Receivables:				
Taxes	1,656,240	-	-	1,656,240
Accrued Interest	30,362	3,435	1,217	35,014
Accounts, Net	371,684	-	71,498	443,182
Leases	1,314,799			1,314,799
Due from Other Agencies	22,047	254,777	-	276,824
Due from Other Funds	26,481	-	-	26,481
Prepaid Items	88	-	88	176
	<u>\$ 20,170,291</u>	<u>\$ 4,224,531</u>	<u>\$ 1,401,287</u>	<u>\$ 25,796,109</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 2,091,560	\$ 147,006	\$ 92,979	\$ 2,331,545
Deposits Payable	650,754	-	54,149	704,903
Due to Other Agencies	6,236	-	-	6,236
Due to Other Funds	-	-	26,481	26,481
Unearned Revenue	520,654	3,456,284	-	3,976,938
Retention Payable	3,751	5,650	-	9,401
Total Liabilities	<u>3,272,955</u>	<u>3,608,940</u>	<u>173,609</u>	<u>7,055,504</u>
DEFERRED INFLOW OF RESOURCES				
Leases	1,299,261	-	-	1,299,261
Unavailable Revenues	112,633	254,777	-	367,410
Total Deferred Inflows of Resources	<u>1,411,894</u>	<u>254,777</u>	<u>-</u>	<u>1,666,671</u>
FUND BALANCES				
Nonspendable	88	-	88	176
Restricted	-	-	869,203	869,203
Committed	-	-	358,387	358,387
Assigned	9,953,902	360,814	-	10,314,716
Unassigned	5,531,452	-	-	5,531,452
Total Fund Balances	<u>15,485,442</u>	<u>360,814</u>	<u>1,227,678</u>	<u>17,073,934</u>
	<u>\$ 20,170,291</u>	<u>\$ 4,224,531</u>	<u>\$ 1,401,287</u>	<u>\$ 25,796,109</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 20,170,291</u>	<u>\$ 4,224,531</u>	<u>\$ 1,401,287</u>	<u>\$ 25,796,109</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund Balances of Governmental Funds	\$ 17,073,934
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets, net of \$21,500,052 of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not included in the funds.</p>	89,216,204
<p>Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.</p>	(191,514)
<p>Long-term liabilities applicable to governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities.</p>	
Note Payable	(17,100,794)
Lease Payable	(352,059)
Claims Payable	(196,649)
Compensated Absences	(544,853)
<p>Revenues are deferred in the fund statements due to lack of availability. In the statement of activities, the amounts are recognized as revenue.</p>	367,410
<p>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.</p>	399,360
<p>Net pension liabilities in 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 pensions are only reported in the statement of net position as the changes in these amounts effect only the government-wide statements for governmental activities:</p>	
Deferred Outflows of Resources	2,275,036
Deferred Inflows of Resources	(5,040,083)
Pension Liability	(6,620,987)
	(6,620,987)
Net Position of Governmental Activities	\$ 79,285,005

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	General Fund	Capital Projects Fund Capital Improvement	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	\$ 17,338,731	\$ -	\$ 27,412	\$ 17,366,143
Licenses, Fees, and Permits	1,268,257	-	424,487	1,692,744
Intergovernmental	100,141	211,768	598,612	910,521
Charges for Services	2,492,438	-	-	2,492,438
Fines and Forfeitures	1,066,270	-	-	1,066,270
Investment Income (Loss)	(90,411)	(32,712)	(16,841)	(139,964)
Contributions	43,719	-	40,000	83,719
Other	264,346	-	227,511	491,857
Total Revenues	<u>22,483,491</u>	<u>179,056</u>	<u>1,301,181</u>	<u>23,963,728</u>
EXPENDITURES				
Current:				
General Government	6,019,989	44,148	245,997	6,310,134
Public Safety	7,157,782	-	49,024	7,206,806
Public Works	318,618	-	586,208	904,826
Parks and Recreation	-	-	1,016,920	1,016,920
Capital Outlay	907,054	763,030	160,311	1,830,395
Debt Service:				
Principal	100,887	391,061	110,259	602,207
Interest	10,551	470,453	74,923	555,927
Total Expenditures	<u>14,514,881</u>	<u>1,668,692</u>	<u>2,243,642</u>	<u>18,427,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,968,610	(1,489,636)	(942,461)	5,536,513
OTHER FINANCING SOURCES (USES)				
Transfers In	319,218	1,542,080	1,643,850	3,505,148
Transfers Out	(3,273,801)	-	(319,218)	(3,593,019)
Total Other Financing Sources (Uses)	<u>(2,954,583)</u>	<u>1,542,080</u>	<u>1,324,632</u>	<u>(87,871)</u>
NET CHANGE IN FUND BALANCES	5,014,027	52,444	382,171	5,448,642
Fund Balances - Beginning of Year	<u>10,471,415</u>	<u>308,370</u>	<u>845,507</u>	<u>11,625,292</u>
FUND BALANCES - END OF YEAR	<u>\$ 15,485,442</u>	<u>\$ 360,814</u>	<u>\$ 1,227,678</u>	<u>\$ 17,073,934</u>

See accompanying Notes to Financial Statements.

CITY OF DEL MAR, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances of Governmental Funds \$ 5,448,642

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

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.

Capital Outlay Expense	1,805,032
Depreciation Expense	(2,849,325)
Loss on Disposal	(13,324)

Repayment of debt service principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 602,207

Revenues deferred in the fund due to lack of availability are recognized in the statement of activities soon enough after year end to be considered available. The availability criteria does not apply to the government-wide statements and therefore, the revenue is not deferred. This amount represents revenue recorded in government-wide statements that will be recorded in the fund statements. 30,027

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:

Change in Compensated Absences	29,580
Change in Claims Payable	(157,190)

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. 5,215

Pension expenditures 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. (307,637)

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. 6,694

Change in Net Position of Governmental Activities \$ 4,599,921

**CITY OF DEL MAR, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Wastewater	Nonmajor: Clean Water	Total	
ASSETS					
Current Assets:					
Cash and Investments	\$ 2,609,296	\$ 2,443,332	\$ 193,477	\$ 5,246,105	\$ 722,939
Receivables:					
Accounts	807,519	651,671	101,935	1,561,125	-
Interest	3,734	4,302	132	8,168	1,032
Inventory	90,905	11,067	-	101,972	-
Restricted Cash and Investments	-	563,791	-	563,791	-
Total Current Assets	<u>3,511,454</u>	<u>3,674,163</u>	<u>295,544</u>	<u>7,481,161</u>	<u>723,971</u>
Noncurrent Assets:					
Capital Assets:					
Land and Water Rights	782,025	583,663	-	1,365,688	-
Water and Wastewater System	15,523,906	19,000,377	49,000	34,573,283	-
Buildings and Improvements	4,039,761	4,293,450	-	8,333,211	-
Machinery and Equipment	291,928	1,769,774	36,467	2,098,169	-
Less: Accumulated Depreciation	(9,080,237)	(11,056,229)	(22,348)	(20,158,814)	-
Total Capital Assets (Net of Accumulated Depreciation)	<u>11,557,383</u>	<u>14,591,035</u>	<u>63,119</u>	<u>26,211,537</u>	<u>-</u>
Total Noncurrent Assets	<u>11,557,383</u>	<u>14,591,035</u>	<u>63,119</u>	<u>26,211,537</u>	<u>-</u>
Total Assets	<u>15,068,837</u>	<u>18,265,198</u>	<u>358,663</u>	<u>33,692,698</u>	<u>723,971</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts from Pension Plans	290,115	291,650	-	581,765	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	443,567	642,701	45,081	1,131,349	-
Retention Payable	12,146	-	7,109	19,255	-
Customer Deposits	72,623	-	-	72,623	-
Claims Payable	-	-	-	-	259,689
Accrued Interest Payable	44	79,009	-	79,053	-
Current Portion of Long-Term Liabilities	13,343	426,975	3,722	444,040	-
Total Current Liabilities	<u>541,723</u>	<u>1,148,685</u>	<u>55,912</u>	<u>1,746,320</u>	<u>259,689</u>
Long-Term Liabilities:					
Claims Payable	-	-	-	-	64,922
Compensated Absences	40,029	39,172	11,166	90,367	-
Notes Payable	-	5,415,925	-	5,415,925	-
Net Pension Liability	861,169	865,726	-	1,726,895	-
Total Noncurrent Liabilities	<u>901,198</u>	<u>6,320,823</u>	<u>11,166</u>	<u>7,233,187</u>	<u>64,922</u>
Total Liabilities	<u>1,442,921</u>	<u>7,469,508</u>	<u>67,078</u>	<u>8,979,507</u>	<u>324,611</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts from Pension Plans	784,426	788,576	-	1,573,002	-
NET POSITION					
Net Investment in Capital Assets	11,545,237	9,324,983	56,010	20,926,230	-
Unrestricted	<u>1,586,368</u>	<u>973,781</u>	<u>235,575</u>	<u>2,795,724</u>	<u>399,360</u>
Total Net Position	<u>\$ 13,131,605</u>	<u>\$ 10,298,764</u>	<u>\$ 291,585</u>	<u>\$ 23,721,954</u>	<u>\$ 399,360</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Wastewater	Nonmajor: Clean Water	Total	
OPERATING REVENUES					
Water Sales	\$ 4,203,924	\$ -	\$ -	\$ 4,203,924	\$ -
Clean Water Services	-	-	574,833	574,833	-
Sewer Service	-	3,865,694	-	3,865,694	-
Charges for Services	-	-	-	-	249,995
Customer Penalties	12,855	11,787	2,217	26,859	-
Other	146,277	6,703	57,316	210,296	-
Total Operating Revenues	<u>4,363,056</u>	<u>3,884,184</u>	<u>634,366</u>	<u>8,881,606</u>	<u>249,995</u>
OPERATING EXPENSES					
Source of Supply	1,647,167	-	-	1,647,167	-
Water Treatment	445,740	-	-	445,740	-
Maintenance and Operation	-	34,672	92,114	126,786	-
General and Administrative	1,570,168	2,489,091	541,581	4,600,840	228,848
Depreciation	380,213	695,498	2,804	1,078,515	-
Total Operating Expenses	<u>4,043,288</u>	<u>3,219,261</u>	<u>636,499</u>	<u>7,899,048</u>	<u>228,848</u>
OPERATING INCOME (LOSS)	319,768	664,923	(2,133)	982,558	21,147
NONOPERATING REVENUES (EXPENSES)					
Investment Income (Loss)	(51,460)	(58,638)	(1,991)	(112,089)	(14,453)
Interest Expense	-	(118,567)	-	(118,567)	-
Total Nonoperating Revenues (Expenses)	<u>(51,460)</u>	<u>(177,205)</u>	<u>(1,991)</u>	<u>(230,656)</u>	<u>(14,453)</u>
INCOME (LOSS) BEFORE TRANSFERS	268,308	487,718	(4,124)	751,902	6,694
TRANSFERS					
Transfers In	-	-	100,845	100,845	-
Transfers Out	(6,487)	(6,487)	-	(12,974)	-
Total Transfers	<u>(6,487)</u>	<u>(6,487)</u>	<u>100,845</u>	<u>87,871</u>	<u>-</u>
CHANGES IN NET POSITION	261,821	481,231	96,721	839,773	6,694
Net Position - Beginning of Year	<u>12,869,784</u>	<u>9,817,533</u>	<u>194,864</u>	<u>22,882,181</u>	<u>392,666</u>
NET POSITION - END OF YEAR	<u>\$ 13,131,605</u>	<u>\$ 10,298,764</u>	<u>\$ 291,585</u>	<u>\$ 23,721,954</u>	<u>\$ 399,360</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Wastewater	Nonmajor: Clean Water	Total	Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Water, Sewer, and Clean Water Customers	\$ 4,134,781	\$ 3,784,764	\$ 577,402	\$ 8,496,947	\$ -
Cash Received from Other Operating Receipts	146,277	6,703	57,316	210,296	249,995
Cash Payments for Water Purchases, Distribution, and Treatment	(2,092,907)	-	-	(2,092,907)	-
Cash Payments for Sewer Collection and Maintenance	-	(34,672)	-	(34,672)	-
Cash Payments for Services and Supplies	(855,293)	(179,1725)	(493,825)	(3,140,843)	(147,709)
Cash Payment to Employees for Services	(547,300)	(630,741)	(150,219)	(1,328,260)	(109,148)
Net Cash Provided (Used) by Operating Activities	785,558	1,334,329	(9,326)	2,110,561	(6,862)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Received (Paid) to/from Other Funds	(6,487)	(6,487)	100,845	87,871	-
Net Cash Provided (Used) by Noncapital Financing Activities	(6,487)	(6,487)	100,845	87,871	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(826,069)	(317,272)	(27,142)	(1,170,483)	-
Interest Payments on Long-Term Debt	(10)	(124,232)	-	(124,242)	-
Principal Payments on Long-Term Debt	-	(390,324)	-	(390,324)	-
Net Cash Used by Capital and Related Financing Activities	(826,079)	(831,828)	(27,142)	(1,685,049)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	14,278	13,044	596	27,918	3,666
Change in Fair Value	(67,178)	(73,806)	(2,608)	(143,592)	(18,523)
Net Cash Used by Investing Activities	(52,900)	(60,762)	(2,012)	(115,674)	(14,857)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(99,908)	435,252	62,365	397,709	(217,19)
Cash and Cash Equivalents - Beginning of Year	2,709,204	2,571,871	131,112	5,412,187	744,658
CASH AND CASH EQUIVALENTS - END OF YEAR					
	\$ 2,609,296	\$ 3,007,123	\$ 193,477	\$ 5,809,896	\$ 722,939
CASH AND CASH EQUIVALENTS					
Cash and Investments	\$ 2,609,296	\$ 2,443,332	\$ 193,477	\$ 5,246,105	\$ 722,939
Restricted - Cash and Investments	-	563,791	-	563,791	-
	\$ 2,609,296	\$ 3,007,123	\$ 193,477	\$ 5,809,896	\$ 722,939
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 319,768	\$ 664,923	\$ (2,133)	\$ 982,558	\$ 21,147
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	380,213	695,498	2,804	1,078,515	-
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	(59,983)	(92,717)	352	(152,348)	-
(Increase) Decrease in Prepaid Expense	12,028	12,028	-	24,056	-
(Increase) Decrease in Inventory	(29,116)	178	-	(28,938)	-
(Increase) Decrease in Deferred Outflows of Resources	5,379	5,407	-	10,786	-
Increase (Decrease) in Claims Payable	-	-	-	-	(28,009)
Increase (Decrease) in Accounts Payable	58,411	(13,500)	(16,665)	28,246	-
Increase (Decrease) in Retentions Payable	12,146	-	7,109	19,255	-
Increase (Decrease) in Customer Deposits	7,101	-	-	7,101	-
Increase (Decrease) in Net Pension Liability	(674,832)	(678,402)	-	(1,353,234)	-
Increase (Decrease) in Compensated Absences	(5,221)	(22,769)	(793)	(28,783)	-
Increase (Decrease) in Deferred Inflows of Resources	759,664	763,683	-	1,523,347	-
Total Adjustments	465,790	669,406	(7,193)	1,128,003	(28,009)
Net Cash Provided (Used) by Operating Activities	\$ 785,558	\$ 1,334,329	\$ (9,326)	\$ 2,110,561	\$ (6,862)

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2022**

	Custodial Fund
ASSETS	
Account Receivable	\$ 284
Restricted Assets:	
Cash and Investments	198,552
Total Assets	198,836
 NET POSITION	
Restricted for Bond Holders	198,836
Total Net Position	\$ 198,836

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

	Custodial Fund
ADDITIONS	
Investment Income (Loss)	\$ (4,041)
Special Assessments or Special Taxes Collected from Property Owners	52,970
Total Additions	48,929
DEDUCTIONS	
Payment for Special Assessment or Special Tax Debt	58,873
Total Deductions	58,873
CHANGE IN NET POSITION	(9,944)
Total Net Position - Beginning of Year	208,780
TOTAL NET POSITION - END OF YEAR	\$ 198,836

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 (U.S. 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 U.S. GAAP, these financial statements present the City of Del Mar and its blended 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 blended 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.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are 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.

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.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

The City's fiduciary fund financial statements report custodial funds. Custodial funds are used to account for situations where the government's role is purely custodial. Custodial funds are reported on the accrual basis of accounting and the economic resources 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 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.

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).

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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 **Nonmajor 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.
- **Fiduciary Funds** are used to account for assets held by the City in a custodial capacity 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

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 "due to/from other funds" (short-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."

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.

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 to 50 Years
Wastewater System	40 Years
Structures	33 Years
Meters and Hydrants	25 Years
Machinery and Equipment	5 to 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. In the statement of activities, the cost of vacation is recorded when earned for both governmental and business-type activities. The City expects 25% 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.

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.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Restricted Assets

Restricted assets consist of cash and investments held in the Wastewater Enterprise Fund related to debt and in a fiduciary capacity for several assessment districts.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) 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 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.

In addition to liabilities, the statement of net position and governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods 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 from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, which is grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available and eligibility requirements are met.
- Deferred inflows related to pensions for changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are only recorded in the Statements of Net Position and 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 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 inflow related to leases are amortized on a straight line basis over the length of the lease agreement.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leased Property

Lessee

The City is a lessee for noncancellable lease of property. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The City recognizes lease liabilities with an initial individual value of \$10,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Lessor

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

N. Property Taxes

Under California law, property taxes are assessed and collected by the County of San Diego up to 1% 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

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

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.

P. 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).

Q. 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 category of net position consists of capital assets net of accumulated depreciation and reduced by outstanding debt and capital related payables that are attributed to the acquisition, construction, or improvement of the assets.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position and Fund Equity (Continued)

Restricted Net Position – this category of net position is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – 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.

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.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position and Fund Equity (Continued)

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.

R. 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 (the 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.

S. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 28,012,437
Restricted Cash and Investments	563,791

Statement of Fiduciary Assets and Liabilities:

Restricted Cash and Investments	198,552
Total Cash and Investments	<u>\$ 28,774,780</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2022 consist of the following:

Cash and Deposits:	
Petty Cash on Hand	\$ 900
Demand Deposits	1,977,690
Total Cash and Deposits	<u>1,978,590</u>
Investments:	
Federal Agency Securities	184,880
State Investment Pool	19,657,799
Investment in County Pool	2,724,746
Negotiable Certificates of Deposit	4,228,765
Total Investments	<u>26,796,190</u>
Total Cash and Investments	<u>\$ 28,774,780</u>

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer*</u>
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	None	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%
San Diego County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	\$75 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.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments 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	\$ -	\$ -	\$ 184,880	\$ 184,880
State Investment Pool	19,657,799	-	-	19,657,799
Investment in County Pool	2,724,746	-	-	2,724,746
Negotiable Certificates of Deposit	735,811	696,145	2,796,809	4,228,765
Total	<u>\$23,118,356</u>	<u>\$ 696,145</u>	<u>\$ 2,981,689</u>	<u>\$26,796,190</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	\$ 184,880		\$ -	\$ 184,880	\$ -
State Investment Pool	19,657,799	N/A	-	-	19,657,799
Investment in County Pool	2,724,746	N/A	2,724,746	-	-
Negotiable Certificates of Deposit	4,228,765	N/A	-	-	4,228,765
Total	<u>\$ 26,796,190</u>		<u>\$ 2,724,746</u>	<u>\$ 184,880</u>	<u>\$ 23,886,564</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 5% or more of the City's investments.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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% 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% of the secured public deposits. At June 30, 2022, 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 San Diego 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.

Fair Value Measurement

The City categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. 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.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement (Continued)

The City has the following recurring fair value measurements as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	\$ -	\$ 4,228,765	\$ -	\$ 4,228,765
Federal Agency Securities	-	184,880	-	184,880
Total Leveled Investments	<u>\$ -</u>	<u>\$ 4,413,645</u>	<u>\$ -</u>	<u>4,413,645</u>
State Investment Pool*				19,657,799
Investment in County Pool*				2,724,746
Total Investment Portfolio				<u>\$26,796,190</u>

* Not subject to fair value measurement hierarchy.

NOTE 3 CAPITAL ASSETS

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

	Balance at July 1, 2021 As Restated	Additions	Deletions	Balance at June 30, 2022
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$18,289,250	\$ -	\$ -	\$18,289,250
Construction in Progress	3,419,262	1,481,908	(248,292)	4,652,878
Total Capital Assets, Not Being Depreciated	21,708,512	1,481,908	(248,292)	22,942,128
Capital Assets, Being Depreciated:				
Buildings and Improvements	28,824,442	74,109	(13,324)	28,885,227
Machinery and Equipment	2,417,154	44,016	(43,473)	2,417,697
Right to Use Asset	452,946	-	-	452,946
Infrastructure	55,564,967	453,291	-	56,018,258
Total Capital Assets, Being Depreciated	87,259,509	571,416	(56,797)	87,774,128
Less Accumulated Depreciation for:				
Buildings and Improvements	(6,096,558)	(862,130)	-	(6,958,688)
Machinery and Equipment	(1,541,216)	(204,755)	43,473	(1,702,498)
Right to Use Asset	-	(113,236)	-	(113,236)
Infrastructure	(11,056,426)	(1,669,204)	-	(12,725,630)
Total Accumulated Depreciation	<u>(18,694,200)</u>	<u>(2,849,325)</u>	<u>43,473</u>	<u>(21,500,052)</u>
Total Capital Assets, Being Depreciated, Net	<u>68,565,309</u>	<u>(2,277,909)</u>	<u>(13,324)</u>	<u>66,274,076</u>
Total Governmental Activities Capital Assets, Net	<u>\$90,273,821</u>	<u>\$ (796,001)</u>	<u>\$ (261,616)</u>	<u>\$89,216,204</u>

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions for the fiscal year ended June 30, 2022 as follows:

Governmental Activities:	
General Government	\$ 662,271
Public Safety	219,820
Public Works	1,705,168
Parks and Recreation	37,148
Community Services	224,918
Total Depreciation Expense	<u>\$ 2,849,325</u>

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

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Business-Type Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 1,365,688	\$ -	\$ -	\$ 1,365,688
Construction in Progress	32,987	1,143,341	(1,176,328)	-
Total Capital Assets, Not Being Depreciated	1,398,675	1,143,341	(1,176,328)	1,365,688
Capital Assets, Being Depreciated:				
Buildings	4,080,948	-	-	4,080,948
Improvements	4,252,263	-	-	4,252,263
Machinery and Equipment	2,112,647	-	(14,478)	2,098,169
Water System	14,952,463	842,690	(271,247)	15,523,906
Storm Drains	20,000	29,000	-	49,000
Wastewater System	18,916,739	333,638	(250,000)	19,000,377
Total Capital Assets, Being Depreciated	44,335,060	1,205,328	(535,725)	45,004,663
Less Accumulated Depreciation for:				
Buildings	(1,128,512)	(121,967)	-	(1,250,479)
Improvements	(1,817,586)	(90,574)	-	(1,908,160)
Machinery and Equipment	(1,521,139)	(128,121)	14,478	(1,634,782)
Water System	(7,032,127)	(284,045)	271,247	(7,044,925)
Storm Drains	-	(606)	-	(606)
Wastewater System	(8,116,660)	(453,202)	250,000	(8,319,862)
Total Accumulated Depreciation	(19,616,024)	(1,078,515)	535,725	(20,158,814)
Total Capital Assets, Being Depreciated, Net	24,719,036	126,813	-	24,845,849
Total Business-Type Activities Capital Assets, Net	<u>\$26,117,711</u>	<u>\$ 1,270,154</u>	<u>\$ (1,176,328)</u>	<u>\$26,211,537</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions for the fiscal year ended June 30, 2022 as follows:

Business-Type Activities:	
Water	\$ 380,213
Wastewater	695,498
Clean Water	2,804
Total Depreciation Expense	<u>\$ 1,078,515</u>

NOTE 4 LEASE RECEIVABLE

The City, acting as lessor, leases a wireless celltower and land under long-term, noncancelable lease agreements. The leases expire at various dates through 2042 and do not provide for renewal options. During the year ended June 30, 2022, the City recognized \$108,802 and \$42,272 in lease revenue and interest revenue, respectively, pursuant to these contracts.

NOTE 5 INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2022, interfund receivables and payables are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 26,481	\$ -
Nonmajor Governmental Funds:		
Supplemental Law Enforcement Special Revenue Fund	-	225
Regional Communications System	-	12,276
RMRA Special Revenue Fund	-	13,980
Total	<u>\$ 26,481</u>	<u>\$ 26,481</u>

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2022 were as follows:

Transfers In	Transfers Out				Total
	General Fund	Nonmajor Governmental Funds	Water Fund	Wastewater Fund	
General Fund (B)	\$ -	\$ 319,218	\$ -	\$ -	\$ 319,218
Capital Improvement Capital Projects Fund (A)	1,542,080	-	-	-	1,542,080
Nonmajor Governmental Funds (B)	1,630,876	-	6,487	6,487	1,643,850
Nonmajor Enterprise Fund Clear Water Fund (C)	100,845	-	-	-	100,845
Total	<u>\$ 3,273,801</u>	<u>\$ 319,218</u>	<u>\$ 6,487</u>	<u>\$ 6,487</u>	<u>\$ 3,605,993</u>

Purpose of Interfund Transfers

Transfers were needed:

- A. To cover costs related to roadway and sidewalk improvements.
- B. To fund current and future capital improvement projects.
- C. To fund current and future capital improvement projects.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2022 is as follows:

	Balance July 1, 2021 As Restated	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Direct Borrowings:					
Note Payable	\$ 2,653,750	\$ -	\$ (66,250)	\$ 2,587,500	\$ 70,000
Note Payable - City Hall	14,715,692	-	(391,061)	14,324,631	403,731
Note Payable - Regional Communications	232,672	-	(44,009)	188,663	45,237
Other Long-Term Liabilities:					
Compensated Absences	574,433	435,444	(465,025)	544,852	136,213
Leases Payable	452,946	-	(100,887)	352,059	108,105
Claims Payable	392,079	313,435	(184,253)	521,261	259,689
Total Governmental Activities	<u>\$ 19,021,572</u>	<u>\$ 748,879</u>	<u>\$ (1,251,485)</u>	<u>\$18,518,966</u>	<u>\$ 1,022,975</u>
Business-Type Activities:					
Direct Borrowings:					
Notes Payable	\$ 6,233,225	\$ -	\$ (403,382)	\$ 5,829,843	\$ 413,918
Other Long-Term Liabilities:					
Compensated Absences	136,214	104,975	(120,700)	120,489	30,122
Total Business-Type Activities	<u>\$ 6,369,439</u>	<u>\$ 104,975</u>	<u>\$ (524,082)</u>	<u>\$ 5,950,332</u>	<u>\$ 444,040</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% per year.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Governmental Long-Term Debt (Continued)

The future debt service requirements for this note are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	70,000	65,173	135,173
2024	71,250	61,507	132,757
2025	76,250	58,369	134,619
2026	80,000	57,202	137,202
2027	81,250	55,833	137,083
2028 - 2032	481,250	249,836	731,086
2033 - 2037	617,500	184,103	801,603
2038 - 2042	785,000	103,203	888,203
2043 - 2044	325,000	22,938	347,938
Total	<u>\$ 2,587,500</u>	<u>\$ 858,164</u>	<u>\$ 3,445,664</u>

Note Payable – City Hall

Del Mar borrowed \$16,161,000 for its City Hall Project. Annual payments began on February 1, 2017, are to be paid through August 2045 at an interest rate of 3.24% per annum.

The future debt service requirements for this note are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	403,731	457,578	861,309
2024	416,812	444,284	861,096
2025	430,317	430,561	860,878
2026	444,259	416,393	860,652
2027	458,653	401,765.00	860,418
2028 - 2032	2,526,038	1,772,287	4,298,325
2033 - 2037	2,962,647	1,328,605	4,291,252
2038 - 2042	3,474,720	807,636	4,282,356
2043 - 2046	3,207,454	211,984	3,419,438
Total	<u>\$ 14,324,631</u>	<u>\$ 6,271,093</u>	<u>\$ 20,595,724</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% per annum.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Governmental Long-Term Debt (Continued)

The future debt service requirements for this note are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	45,237	5,264	50,501
2024	46,499	4,002	50,501
2025	47,797	2,704	50,501
2026	49,130	1,371	50,501
Total	<u>\$ 188,663</u>	<u>\$ 13,341</u>	<u>\$ 202,004</u>

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% per annum.

The future debt service requirements for this note are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	251,195	92,822	344,017
2024	258,480	85,537	344,017
2025	265,975	78,042	344,017
2026	273,689	70,328	344,017
2027	281,626	62,391	344,017
2028 - 2032	1,535,477	184,608	1,720,085
2033	334,322	9,695	344,017
Total	<u>\$ 3,200,763</u>	<u>\$ 583,424</u>	<u>\$ 3,784,187</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, 2022 totaled \$1,301,783 and total debt service (principal and interest) paid during the year was \$309,568 for the note payable.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Business-Type Long-Term Debt (Continued)

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 2021-2022 is \$218,082. The City's net revenue in fiscal year 2021-2022 is \$1,301,783 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% per annum.

The future debt service requirements for this note are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 162,723	\$ 55,285	\$ 218,008
2024	166,254	51,716	217,970
2025	169,862	48,069	217,931
2026	173,548	44,343	217,891
2027	177,314	40,536	217,850
2028 - 2032	945,981	142,624	1,088,606
2033 - 2036	833,398	36,655	870,053
Total	<u>\$ 2,629,079</u>	<u>\$ 419,230</u>	<u>\$ 3,048,309</u>

Leases

The City leases land under a long-term, noncancelable lease agreement. The lease expires at 2025 and does not have a renewal option.

Total future minimum lease payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 108,105	\$ 8,905	\$ 117,010
2024	117,104	5,758	122,862
2025	126,850	2,154	129,004
	<u>\$ 352,059</u>	<u>\$ 16,817</u>	<u>\$ 368,876</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 FUND BALANCES

	General Fund	Capital Improvement Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid Items	\$ 88	\$ -	\$ 88	\$ 176
Total Nonspendable	88	-	88	176
Restricted for:				
Public Safety	-	-	145,532	145,532
Public Works	-	-	262,409	262,409
Street Projects	-	-	10,599	10,599
Low-Income Housing	-	-	450,663	450,663
Total Restricted	-	-	869,203	869,203
Committed to:				
Parks and Community Center	-	-	358,387	358,387
Total Committed	-	-	358,387	358,387
Assigned to:				
Compensated Absences	100,000	-	-	100,000
Equipment Replacement	981,630	-	-	981,630
Public Television	3,435	-	-	3,435
Self-Insurance	450,000	-	-	450,000
Pension Reserve	2,292,700	-	-	2,292,700
Special Projects	432,630	-	-	432,630
Measure Q	5,693,507	-	-	5,693,507
Capital Projects	-	360,814	-	360,814
Total Assigned	9,953,902	360,814	-	10,314,716
Unassigned	5,531,452	-	-	5,531,452
Total Fund Balances	<u>\$15,485,442</u>	<u>\$ 360,814</u>	<u>\$ 1,227,678</u>	<u>\$17,073,934</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 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.

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 1% 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.

Assigned to Measure Q are funds used for the acquisition and construction of major capital projects.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 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. PEPRA 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, 2022 are summarized as follows:

	Miscellaneous		
	Classic Members Prior to January 1, 2013	Classic Members On or After January 1, 2013	New Members On or After January 1, 2013
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 Percentage of Eligible Compensation	2.0% to 3.0%	1.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rates	7.80%	6.92%	7.00%
Required Employer Contribution Rates:			
Normal Cost Rate	14.850%	8.970%	7.650%
Payment of Unfunded Liability	\$ 601,960	\$ 2,652	\$ 2,120

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 RETIREMENT PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

	Safety			
	Fire		Lifeguard	
	Prior to January 1, 2013	After January 1, 2013	Prior to January 1, 2013	After to January 1, 2013
Benefit Formula	3% @ 50	2.7% @ 57	3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement Age	50	57	50	50
Monthly Benefits, as a Percentage of Eligible Compensation	3.00%	2.70%	3.00%	2.70%
Required Employee Contribution Rates	8.99%	13.00%	8.95%	13.00%
Required Employer Contribution Rates:				
Normal Cost Rate	22.480%	13.130%	18.190%	13.130%
Payment of Unfunded Liability	\$ 342,474	\$ 1,330	\$ 93,150	\$ 546

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. The City made contributions to the Miscellaneous and Safety Plans during the fiscal year ended June 30, 2022 of \$1,024,043 and \$674,037, respectively.

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

As of June 30, 2022, the City reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

Miscellaneous	Proportionate Share of Net Pension Liability
Safety	\$ 4,556,451
Total Net Pension Liability	3,791,431
	<u>\$ 8,347,882</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2020 and 2021 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2020	0.19267 %	0.09021 %
Proportion - June 30, 2021	0.23996	0.09424
Change - Increase (Decrease)	<u>0.04729 %</u>	<u>0.00403 %</u>

For the year ended June 30, 2022, the City recognized pension expense of \$2,186,615 (\$1,501,349 – Miscellaneous Plan and \$685,266 – Safety Plan). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 1,024,043	\$ -	\$ 674,037	\$ -
Differences Between Expected and Actual Experience	510,958	-	647,763	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(172,861)	-	(206,052)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(3,977,542)	-	(2,256,630)
Total	<u>\$ 1,535,001</u>	<u>\$(4,150,403)</u>	<u>\$ 1,321,800</u>	<u>\$(2,462,682)</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

\$1,698,080 (\$1,024,043 – Miscellaneous Plan and \$674,037 – Safety Plan) 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, 2023. 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
2023	\$ (792,885)	\$ (323,127)
2024	(830,762)	(379,973)
2025	(916,610)	(490,825)
2026	(1,099,188)	(620,994)
2027	-	-
Thereafter	-	-

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The total pension liability was based on the following assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
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 probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

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.

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	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)
Total	100.00 %		

(a) In the CalPERS ACFR, 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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

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.

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:

	Miscellaneous		
	Current		
	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
City's Proportionate Share of the Net Pension Liability	\$ 9,138,775	\$ 4,556,451	\$ 768,310
	Safety		
	Current		
	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
City's Proportionate Share of the Net Pension Liability	\$ 6,763,183	\$ 3,791,431	\$ 1,350,504

Pension Plans Fiduciary Net Position

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

Subsequent Events

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

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

C. Payable to the Pension Plans

At June 30, 2022, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

NOTE 10 DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) 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. The City contributed \$11,560 to the plan during fiscal year 2021-2022.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 GOVERNMENTAL MONEY PURCHASE PLAN

On November 15, 1999, the City adopted a money purchase pension plan. The plan was created in accordance with IRC 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 12 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, 2022, construction contracts totaled \$5,815,508 of which \$2,868,726 has been expended. City commitments for outstanding encumbrances (purchase orders and contracts for goods and services not yet delivered) by major governmental funds is \$2,709,245 for capital improvements in the City and is shown as committed, assigned or restricted.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS

The City has no obligation to provide postemployment 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 2% 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 14 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 Public Risk Innovation, Solutions, and Management (PRISM), 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 \$25,000,000 of pooled liability insurance for each occurrence is covered by PRISM, with an additional \$25,000,000 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 as part of long-term debt in governmental activities.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 RISK MANAGEMENT (CONTINUED)

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.

General liability and workers' compensation claims were as follows for June 30, 2022:

	General Liability	Workers' Compensation
Unpaid Claims - June 30, 2020	\$ 431,040	\$ 348,665
Incurred Claims (Including IBNR)	3,273,419	135,245
Claims Payments	(3,665,000)	(131,290)
Unpaid Claims - June 30, 2021	39,459	352,620
Incurred Claims (Including IBNR)	204,287	109,148
Claims Payments	(47,097)	(137,156)
Unpaid Claims - June 30, 2022	\$ 196,649	\$ 324,612

The general liability claims are recorded in the governmental activities. 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, 2022.

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 15 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.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 ASSESSMENT DISTRICT BOND ISSUES (CONTINUED)

At June 30, 2022, the outstanding special assessment district bond is as follows:

- 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, 2022 were \$240,000.

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REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF DEL MAR, CALIFORNIA
MISCELLANEOUS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Measurement Period	June 30, 2014	June 30, 2015	June 30, 2016
Plan's Proportion of the Net Pension Liability	0.15975 %	0.16365 %	0.17212 %
Plan's Proportionate Share of the Net Pension Liability	\$ 3,948,228	\$ 4,489,625	\$ 5,979,285
Plan's Covered Payroll	\$ 2,825,926	\$ 2,850,725	\$ 3,083,838
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	139.71 %	157.49 %	193.89 %
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 %

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.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
MISCELLANEOUS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (CONTINUED)
LAST TEN FISCAL YEARS***

<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
0.17671 %	0.18155 %	0.18627 %	0.19267 %	0.23996 %
\$ 6,966,181	\$ 6,842,255	\$ 7,459,379	\$ 8,126,992	\$ 4,556,451
\$ 3,198,271	\$ 3,211,144	\$ 3,595,869	\$ 3,860,641	\$ 3,735,541
217.81 %	213.08 %	207.44 %	210.51 %	121.98 %
73.31 %	75.26 %	75.26 %	75.24 %	86.87 %

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN
LAST TEN FISCAL YEARS***

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Contractually Required Contribution (Actuarially Determined)	\$ 411,954	\$ 529,486	\$ 579,144
Contributions in Relation to the Actuarially Determined Contributions	<u>(411,954)</u>	<u>(529,486)</u>	<u>(579,144)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,850,725	\$ 3,083,838	\$ 3,198,271
Contributions as a Percentage of Covered Payroll	14.45 %	17.17 %	18.11 %

NOTES TO SCHEDULE

Valuation Date	6/30/2012	6/30/2013	6/30/2014
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	15 Year Smoothed Market Method	Market Value	Market Value
Inflation	2.75 %	2.75 %	2.75 %
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(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 first year of implementation and therefore only eight years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN (CONTINUED)
LAST TEN FISCAL YEARS***

<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
\$ 617,792	\$ 742,811	\$ 848,836	\$ 903,226	\$ 1,024,043
<u>(617,792)</u>	<u>(742,811)</u>	<u>(848,836)</u>	<u>(903,226)</u>	<u>(1,024,043)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,211,144	\$ 3,595,869	\$ 3,860,641	\$ 3,735,541	\$ 3,786,039
19.24 %	20.66 %	21.99 %	24.18 %	27.05 %
6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)
Market Value	Market Value	Market Value	Market Value	Market Value
2.75 %	2.75 %	2.65 %	2.50 %	2.50 %
(2)	(2)	(2)	(2)	(2)
7.50% (3)	7.375% (3)	7.25% (3)	7.00% (3)	7.00% (3)
(4)	(4)	(4)	(4)	(4)
(5)	(5)	(5)	(5)	(5)

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Measurement Period	June 30, 2014	June 30, 2015	June 30, 2016
Plan's Proportion of the Net Pension Liability	0.07501 %	0.08038 %	0.08286 %
Plan's Proportionate Share of the Net Pension Liability	\$ 2,814,100	\$ 3,311,865	\$ 4,291,288
Plan's Covered Payroll	\$ 1,271,501	\$ 1,305,573	\$ 1,336,570
Plan's Proportionate Share of the Net Pension Liability as as a Percentage of Covered Payroll	221.32 %	253.67 %	321.07 %
Plan's Proportionate Share of the Fiduciary Net Position as as a Percentage of the Plan's Total Pension Liability	81.74 %	79.38 %	74.06 %

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.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (CONTINUED)
LAST TEN FISCAL YEARS***

<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
0.08291 %	0.08578 %	0.08753 %	0.09021 %	0.09424 %
\$ 4,953,802	\$ 5,033,469	\$ 5,464,373	\$ 6,010,435	\$ 3,791,431
\$ 1,289,037	\$ 1,225,539	\$ 1,330,403	\$ 1,434,515	\$ 1,370,574
384.30 %	410.71 %	410.73 %	418.99 %	276.63 %
73.31 %	72.26 %	75.26 %	71.92 %	82.83 %

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
SAFETY PLAN
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN
LAST TEN FISCAL YEARS***

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Contractually Required Contribution (Actuarially Determined)	\$ 303,598	\$ 336,247	\$ 370,167
Contributions in Relation to the Actuarially Determined Contributions	<u>(303,598)</u>	<u>(336,247)</u>	<u>(370,167)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,305,573	\$ 1,336,570	\$ 1,289,037
Contributions as a Percentage of Covered Payroll	23.25%	25.16%	28.72%

NOTES TO SCHEDULE

Valuation Date	6/30/2012	6/30/2013	6/30/2014
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	15 Year Smoothed Market Method	Market Value	Market Value
Inflation	2.75 %	2.75 %	2.75 %
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(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 first year of implementation and therefore only eight years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
SAFETY PLAN
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN (CONTINUED)
LAST TEN FISCAL YEARS***

<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
\$ 399,196	\$ 476,504	\$ 569,914	\$ 613,844	\$ 674,037
<u>(399,196)</u>	<u>(476,504)</u>	<u>(569,914)</u>	<u>(613,844)</u>	<u>(674,037)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,225,539	\$ 1,330,403	\$ 1,434,515	\$ 1,370,574	\$ 1,281,066
32.57%	35.82%	39.73%	44.79%	52.62%
6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)
Market Value	Market Value	Market Value	Market Value	Market Value
2.75 %	2.75 %	2.65 %	2.50 %	2.50 %
(2)	(2)	(2)	(2)	(2)
7.50% (3)	7.375% (3)	7.275% (3)	7.00% (3)	7.00% (3)
(4)	(4)	(4)	(4)	(4)
(5)	(5)	(5)	(5)	(5)

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 13,735,000	\$ 16,117,230	\$ 17,338,731	\$ 1,221,501
Licenses, Fees, and Permits	1,224,350	1,224,350	1,268,257	43,907
Intergovernmental	546,000	31,000	100,141	69,141
Charges for Services	2,267,650	2,542,650	2,492,438	(50,212)
Fines and Forfeitures	849,000	874,000	1,066,270	192,270
Investment Income (Loss)	256,300	271,300	(90,411)	(361,711)
Contributions	-	43,720	43,719	(1)
Other	438,520	261,620	264,346	2,726
Total Revenues	19,316,820	21,365,870	22,483,491	1,117,621
EXPENDITURES				
Current:				
General Government	6,262,410	6,693,592	6,019,989	673,603
Public Safety	7,280,840	7,427,560	7,157,782	269,778
Public Works	577,080	631,680	318,618	313,062
Capital Outlay	-	2,433,425	907,054	1,526,371
Debt Service:				
Principal	-	-	100,887	(100,887)
Interest	-	-	10,551	(10,551)
Total Expenditures	14,120,330	17,186,257	14,514,881	2,671,376
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,196,490	4,179,613	7,968,610	3,788,997
OTHER FINANCING SOURCES (USES)				
Transfers In	40,000	40,000	319,218	(279,218)
Transfers Out	(3,085,770)	(3,033,969)	(3,273,801)	(239,832)
Total Other Financing Sources (Uses)	(3,045,770)	(2,993,969)	(2,954,583)	(519,050)
NET CHANGE IN FUND BALANCE	2,150,720	1,185,644	5,014,027	3,269,947
Fund Balance - Beginning of Year	10,471,415	10,471,415	10,471,415	-
FUND BALANCE - END OF YEAR	\$ 12,622,135	\$ 11,657,059	\$ 15,485,442	\$ 3,269,947

See accompanying Note to Required Supplementary Information.

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CITY OF DEL MAR, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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 \$5,451,438 were made during the year ended June 30, 2022.
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 accounting principles generally accepted in the United States of America. 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.

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SUPPLEMENTARY INFORMATION

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**CITY OF DEL MAR, CALIFORNIA
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2022**

	General Fund	Measure Q	Total General Fund
ASSETS			
Cash and Investments	\$ 11,630,149	\$ 5,118,441	\$ 16,748,590
Receivables:			
Taxes	983,196	673,044	1,656,240
Accrued Interest	23,036	7,326	30,362
Accounts, Net	371,684	-	371,684
Leases	1,314,799	-	1,314,799
Due from Other Agencies	22,047	-	22,047
Due from Other Funds	26,481	-	26,481
Prepaid Items	88	-	88
	\$ 14,371,480	\$ 5,798,811	\$ 20,170,291
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 1,990,007	\$ 101,553	\$ 2,091,560
Deposits Payable	650,754	-	650,754
Due to Other Agencies	6,236	-	6,236
Unearned Revenue	520,654	-	520,654
Retention Payable	-	3,751	3,751
Total Liabilities	3,167,651	105,304	3,272,955
DEFERRED INFLOWS OF RESOURCES			
Leases	1,299,261	-	1,299,261
Unavailable Revenues	112,633	-	112,633
Total Deferred Inflows of Resources	1,411,894	-	1,411,894
FUND BALANCES			
Nonspendable	88	-	88
Assigned	4,260,395	5,693,507	9,953,902
Unassigned	5,531,452	-	5,531,452
Total Fund Balances	9,791,935	5,693,507	15,485,442
	\$ 14,371,480	\$ 5,798,811	\$ 20,170,291
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,371,480	\$ 5,798,811	\$ 20,170,291

**CITY OF DEL MAR, CALIFORNIA
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Measure Q</u>	<u>Total General Fund</u>
REVENUES			
Taxes	\$ 13,951,310	\$ 3,387,421	\$ 17,338,731
Licenses, Fees, and Permits	1,268,257	-	1,268,257
Intergovernmental	100,141	-	100,141
Charges for Services	2,492,438	-	2,492,438
Fines and Forfeitures	1,066,270	-	1,066,270
Investment Income (Loss)	(988)	(89,423)	(90,411)
Contributions	43,719	-	43,719
Other	264,346	-	264,346
Total Revenues	<u>19,185,493</u>	<u>3,297,998</u>	<u>22,483,491</u>
EXPENDITURES			
Current:			
General Government	6,019,989	-	6,019,989
Public Safety	7,157,782	-	7,157,782
Public Works	318,618	-	318,618
Capital Outlay	-	907,054	907,054
Debt Service:			
Principal	100,887	-	100,887
Interest	10,551	-	10,551
Total Expenditures	<u>13,607,827</u>	<u>907,054</u>	<u>14,514,881</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,577,666	2,390,944	7,968,610
OTHER FINANCING SOURCES (USES)			
Transfers In	319,218	-	319,218
Transfers Out	<u>(3,273,801)</u>	<u>-</u>	<u>(3,273,801)</u>
Total Other Financing Sources (Uses)	<u>(2,954,583)</u>	<u>-</u>	<u>(2,954,583)</u>
NET CHANGE IN FUND BALANCES	2,623,083	2,390,944	5,014,027
Fund Balances - Beginning of Year	<u>7,168,852</u>	<u>3,302,563</u>	<u>10,471,415</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,791,935</u>	<u>\$ 5,693,507</u>	<u>\$ 15,485,442</u>

**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

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.

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**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Special Revenue Funds			
	Gasoline Tax	Open Space	Supplemental Law Enforcement	Regional Communications System
ASSETS				
Cash and Investments	\$ 15,178	\$ 460,714	\$ -	\$ 23,139
Receivables:				
Accrued Interest	-	-	225	-
Accounts, Net	17,905	717	-	-
Prepays	-	88	-	-
Total Assets	\$ 33,083	\$ 461,519	\$ 225	\$ 23,139
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 33,083	\$ 48,895	\$ -	\$ -
Deposits Payable	-	54,149	-	-
Due to Other Funds	-	-	225	12,276
Total Liabilities	33,083	103,044	225	12,276
FUND BALANCES (DEFICIT)				
Nonspendable	-	88	-	-
Restricted for:				
Public Safety	-	-	-	10,863
Low-Income Housing	-	-	-	-
Public Works	-	-	-	-
Street Projects	-	-	-	-
Committed to:				
Parks and Recreation	-	358,387	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	-	358,475	-	10,863
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 33,083	\$ 461,519	\$ 225	\$ 23,139

**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

Special Revenue Funds				Capital Projects Funds		
Grants	Housing	AB 939	RMRA	Transnet II Capital Improvements	RTCIP	Total
\$ 95,963	\$ 453,943	\$ 268,989	\$ -	\$ 2,726	\$ 7,832	\$ 1,328,484
137	220	384	210	30	11	1,217
39,106	-	-	13,770	-	-	71,498
-	-	-	-	-	-	88
<u>\$ 135,206</u>	<u>\$ 454,163</u>	<u>\$ 269,373</u>	<u>\$ 13,980</u>	<u>\$ 2,756</u>	<u>\$ 7,843</u>	<u>\$ 1,401,287</u>
\$ 537	\$ 3,500	\$ 6,964	\$ -	\$ -	\$ -	\$ 92,979
-	-	-	-	-	-	54,149
-	-	-	13,980	-	-	26,481
<u>537</u>	<u>3,500</u>	<u>6,964</u>	<u>13,980</u>	<u>-</u>	<u>-</u>	<u>173,609</u>
-	-	-	-	-	-	88
134,669	-	-	-	-	-	145,532
-	450,663	-	-	-	-	450,663
-	-	262,409	-	-	-	262,409
-	-	-	-	2,756	7,843	10,599
-	-	-	-	-	-	358,387
-	-	-	-	-	-	-
<u>134,669</u>	<u>450,663</u>	<u>262,409</u>	<u>-</u>	<u>2,756</u>	<u>7,843</u>	<u>1,227,678</u>
<u>\$ 135,206</u>	<u>\$ 454,163</u>	<u>\$ 269,373</u>	<u>\$ 13,980</u>	<u>\$ 2,756</u>	<u>\$ 7,843</u>	<u>\$ 1,401,287</u>

**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds			
	Gasoline Tax	Open Space	Supplemental Law Enforcement	Regional Communications System
REVENUES				
Taxes	\$ -	\$ 27,412	\$ -	\$ -
Licenses, Fees, and Permits	-	358,561	-	-
Intergovernmental	104,285	39,227	100,000	43,921
Investment Income (Loss)	-	43	(3,359)	140
Contributions	-	40,000	-	-
Other	-	51,226	61,285	-
Total Revenues	<u>104,285</u>	<u>516,469</u>	<u>157,926</u>	<u>44,061</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	36,347
Public Works	586,208	-	-	-
Parks and Recreation	-	1,016,920	-	-
Capital Outlay	-	137,311	-	-
Debt Service:				
Principal	-	-	-	18,768
Interest	-	-	-	6,492
Total Expenditures	<u>586,208</u>	<u>1,154,231</u>	<u>-</u>	<u>61,607</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(481,923)	(637,762)	157,926	(17,546)
OTHER FINANCING SOURCES (USES)				
Transfers In	481,923	848,953	-	12,974
Transfers Out	-	-	(157,926)	-
Total Other Financing Sources (Uses)	<u>481,923</u>	<u>848,953</u>	<u>(157,926)</u>	<u>12,974</u>
NET CHANGE IN FUND BALANCES	-	211,191	-	(4,572)
Fund Balances - Beginning of Year	-	147,284	-	15,435
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 358,475</u>	<u>\$ -</u>	<u>\$ 10,863</u>

**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Special Revenue Funds				Capital Projects Funds		
Grants	Housing	AB 939	RMRA	Transnet II Capital Improvements	RTCIP	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,412
-	-	63,291	-	-	2,635	424,487
53,888	-	20,419	84,192	152,680	-	598,612
(1,958)	(3,489)	(5,164)	(2,563)	(334)	(157)	(16,841)
-	-	-	-	-	-	40,000
-	-	115,000	-	-	-	227,511
<u>51,930</u>	<u>(3,489)</u>	<u>193,546</u>	<u>81,629</u>	<u>152,346</u>	<u>2,478</u>	<u>1,301,181</u>
-	95,599	150,398	-	-	-	245,997
12,677	-	-	-	-	-	49,024
-	-	-	-	-	-	586,208
-	-	-	-	-	-	1,016,920
-	-	-	-	18,000	5,000	160,311
25,241	-	-	-	66,250	-	110,259
-	-	-	-	68,431	-	74,923
<u>37,918</u>	<u>95,599</u>	<u>150,398</u>	<u>-</u>	<u>152,681</u>	<u>5,000</u>	<u>2,243,642</u>
14,012	(99,088)	43,148	81,629	(335)	(2,522)	(942,461)
-	300,000	-	-	-	-	1,643,850
-	-	-	(161,292)	-	-	(319,218)
<u>-</u>	<u>300,000</u>	<u>-</u>	<u>(161,292)</u>	<u>-</u>	<u>-</u>	<u>1,324,632</u>
14,012	200,912	43,148	(79,663)	(335)	(2,522)	382,171
120,657	249,751	219,261	79,663	3,091	10,365	845,507
<u>\$ 134,669</u>	<u>\$ 450,663</u>	<u>\$ 262,409</u>	<u>\$ -</u>	<u>\$ 2,756</u>	<u>\$ 7,843</u>	<u>\$ 1,227,678</u>

**CITY OF DEL MAR, CALIFORNIA
GASOLINE TAX SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 119,380	\$ 119,380	\$ 104,285	\$ (15,095)
Total Revenues	<u>119,380</u>	<u>119,380</u>	<u>104,285</u>	<u>(15,095)</u>
EXPENDITURES				
Current:				
Public Works	579,030	593,730	586,208	7,522
Total Expenditures	<u>579,030</u>	<u>593,730</u>	<u>586,208</u>	<u>7,522</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(459,650)	(474,350)	(481,923)	(7,573)
OTHER FINANCING SOURCES				
Transfers In	459,650	474,350	481,923	7,573
Total Other Financing Sources	<u>459,650</u>	<u>474,350</u>	<u>481,923</u>	<u>7,573</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF DEL MAR, CALIFORNIA
OPEN SPACE SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 6,000	\$ 6,000	\$ 27,412	\$ 21,412
Licenses, Fees, and Permits	260,000	270,000	358,561	88,561
Intergovernmental	181,500	216,500	39,227	(177,273)
Investment Income (Loss)	500	500	43	(457)
Contributions	-	-	40,000	40,000
Other	42,360	42,360	51,226	8,866
Total Revenues	<u>490,360</u>	<u>535,360</u>	<u>516,469</u>	<u>(18,891)</u>
EXPENDITURES				
Current:				
Parks and Recreation	1,022,340	1,052,980	1,016,920	36,060
Capital Outlay	530,000	556,728	137,311	419,417
Total Expenditures	<u>1,552,340</u>	<u>1,609,708</u>	<u>1,154,231</u>	<u>455,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,061,980)	(1,074,348)	(637,762)	436,586
OTHER FINANCING SOURCES				
Transfers In	1,061,980	1,047,720	848,953	(198,767)
Total Other Financing Sources	<u>1,061,980</u>	<u>1,047,720</u>	<u>848,953</u>	<u>(198,767)</u>
NET CHANGE IN FUND BALANCE	-	(26,628)	211,191	237,819
Fund Balance - Beginning of Year	<u>147,284</u>	<u>147,284</u>	<u>147,284</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 147,284</u>	<u>\$ 120,656</u>	<u>\$ 358,475</u>	<u>\$ 237,819</u>

**CITY OF DEL MAR, CALIFORNIA
SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment Income (Loss)	-	-	(3,359)	(3,359)
Other	-	61,280	61,285	5
Total Revenues	<u>100,000</u>	<u>161,280</u>	<u>157,926</u>	<u>(3,354)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	100,000	161,280	157,926	(3,354)
OTHER FINANCING USES				
Transfers Out	<u>(100,000)</u>	<u>(161,280)</u>	<u>(157,926)</u>	<u>3,354</u>
Total Other Financing Uses	<u>(100,000)</u>	<u>(161,280)</u>	<u>(157,926)</u>	<u>3,354</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF DEL MAR, CALIFORNIA
REGIONAL COMMUNICATIONS SYSTEM SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 48,000	\$ 48,000	\$ 43,921	\$ (4,079)
Investment Income (Loss)	-	-	140	140
Total Revenues	48,000	48,000	44,061	(3,939)
EXPENDITURES				
Current:				
Public Safety	34,500	34,500	36,347	(1,847)
Debt Service:				
Principal	22,010	22,010	18,768	3,242
Interest	3,250	3,250	6,492	(3,242)
Total Expenditures	59,760	59,760	61,607	(1,847)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,760)	(11,760)	(17,546)	(5,786)
OTHER FINANCING SOURCES				
Issuance of Debt	-	-	-	-
Transfers In	(11,760)	3,375	12,974	9,599
Total Other Financing Sources	(11,760)	3,375	12,974	9,599
NET CHANGE IN FUND BALANCE	(23,520)	(8,385)	(4,572)	3,813
Fund Balance - Beginning of Year	15,435	15,435	15,435	-
FUND BALANCE - END OF YEAR	\$ (8,085)	\$ 7,050	\$ 10,863	\$ 3,813

**CITY OF DEL MAR, CALIFORNIA
GRANTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 51,470	\$ 51,470	\$ 53,888	\$ 2,418
Investment Income (Loss)	-	-	(1,958)	(1,958)
Total Revenues	51,470	51,470	51,930	460
EXPENDITURES				
Current:				
Public Safety	28,729	28,729	12,677	16,052
Debt Service:				
Principal	25,241	25,241	25,241	-
Total Expenditures	53,970	53,970	37,918	16,052
NET CHANGE IN FUND BALANCE	(2,500)	(2,500)	14,012	16,512
Fund Balance - Beginning of Year	120,657	120,657	120,657	-
FUND BALANCE - END OF YEAR	\$ 118,157	\$ 118,157	\$ 134,669	\$ 16,512

**CITY OF DEL MAR, CALIFORNIA
HOUSING SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment Income (Loss)	\$ 3,000	\$ 3,000	\$ (3,489)	\$ (6,489)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>(3,489)</u>	<u>(6,489)</u>
EXPENDITURES				
Current:				
General Government	99,550	99,550	95,599	3,951
Total Expenditures	<u>99,550</u>	<u>99,550</u>	<u>95,599</u>	<u>3,951</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(96,550)</u>	<u>(96,550)</u>	<u>(99,088)</u>	<u>(2,538)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	300,000	300,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(96,550)	203,450	200,912	(2,538)
Fund Balance - Beginning of Year	<u>249,751</u>	<u>249,751</u>	<u>249,751</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 153,201</u>	<u>\$ 453,201</u>	<u>\$ 450,663</u>	<u>\$ (2,538)</u>

**CITY OF DEL MAR, CALIFORNIA
 AB 939 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Fees, and Permits	\$ 64,000	\$ 64,000	\$ 63,291	\$ (709)
Intergovernmental	-	20,400	20,419	
Investment Income (Loss)	1,000	1,000	(5,164)	(6,164)
Other	-	115,000	115,000	
Total Revenues	<u>65,000</u>	<u>200,400</u>	<u>193,546</u>	<u>(6,854)</u>
EXPENDITURES				
Current:				
General Government	172,120	172,120	150,398	21,722
Total Expenditures	<u>172,120</u>	<u>172,120</u>	<u>150,398</u>	<u>21,722</u>
NET CHANGE IN FUND BALANCE	(107,120)	28,280	43,148	14,868
Fund Balance - Beginning of Year	<u>219,261</u>	<u>219,261</u>	<u>219,261</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 112,141</u></u>	<u><u>\$ 247,541</u></u>	<u><u>\$ 262,409</u></u>	<u><u>\$ 14,868</u></u>

**CITY OF DEL MAR, CALIFORNIA
ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 86,990	\$ 86,990	\$ 84,192	\$ (2,798)
Investment Income (Loss)	-	-	(2,563)	(2,563)
Total revenues	<u>86,990</u>	<u>86,990</u>	<u>81,629</u>	<u>(5,361)</u>
OTHER FINANCING USES				
Transfers Out	(86,990)	(166,653)	(161,292)	5,361
Total Other Financing Uses	<u>(86,990)</u>	<u>(166,653)</u>	<u>(161,292)</u>	<u>5,361</u>
NET CHANGE IN FUND BALANCE	-	(79,663)	(79,663)	-
Fund Balance - Beginning of Year	<u>79,663</u>	<u>79,663</u>	<u>79,663</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 79,663</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF DEL MAR, CALIFORNIA
TRANSNET II CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 205,000	\$ 223,000	\$ 152,680	\$ (70,320)
Investment Income (Loss)	-	-	(334)	(334)
Total Revenues	<u>205,000</u>	<u>223,000</u>	<u>152,346</u>	<u>(70,654)</u>
EXPENDITURES				
Capital Outlay	-	-	18,000	(18,000)
Debt Service:				
Principal	66,250	66,250	66,250	-
Interest	138,750	138,750	68,431	70,319
Total Expenditures	<u>205,000</u>	<u>205,000</u>	<u>152,681</u>	<u>52,319</u>
NET CHANGE IN FUND BALANCE	-	18,000	(335)	(18,335)
Fund Balance - Beginning of Year	<u>3,091</u>	<u>3,091</u>	<u>3,091</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,091</u></u>	<u><u>\$ 21,091</u></u>	<u><u>\$ 2,756</u></u>	<u><u>\$ (18,335)</u></u>

**CITY OF DEL MAR, CALIFORNIA
CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND – MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 371,830	\$ 744,790	\$ 211,768	\$ (533,022)
Investment Income (Loss)	-	-	(32,712)	(32,712)
Total Revenues	<u>371,830</u>	<u>744,790</u>	<u>179,056</u>	<u>(565,734)</u>
EXPENDITURES				
General Government	44,150	44,150	44,148	2
Capital Outlay	810,000	1,529,581	763,030	766,551
Debt Service:				
Principal	391,060	391,061	391,061	-
Interest	470,460	470,460	470,453	7
Total Expenditures	<u>1,715,670</u>	<u>2,435,252</u>	<u>1,668,692</u>	<u>766,560</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,343,840)	(1,690,462)	(1,489,636)	200,826
OTHER FINANCING SOURCES				
Transfers In	1,343,840	1,382,092	1,542,080	159,988
Total Other Financing Sources	<u>1,343,840</u>	<u>1,382,092</u>	<u>1,542,080</u>	<u>159,988</u>
NET CHANGE IN FUND BALANCE	-	(308,370)	52,444	360,814
Fund Balance - Beginning of Year	<u>308,370</u>	<u>308,370</u>	<u>308,370</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 308,370</u>	<u>\$ -</u>	<u>\$ 360,814</u>	<u>\$ 360,814</u>

**CITY OF DEL MAR, CALIFORNIA
CUSTODIAL FUNDS
JUNE 30, 2022**

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

The City of Del Mar has the following custodial funds:

- Stratford and Luneta Undergrounding Assessment District 1989-01
- Seawall Refinance Assessment District 1999-01
- Ocean View/Pines Assessment District 2005-001
- Sunset Undergrounding Assessment District 2007-02

**CITY OF DEL MAR, CALIFORNIA
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	Stratford and Luneta Undergrounding Assessment District 1989-01	Seawall Refinance Assessment District 1999-01	Ocean View/ Pines Assessment District 2005-01	Sunset Undergrounding Assessment District 2007-02	Total
ASSETS					
Accounts Receivable	\$ 148	\$ 35	\$ 86	\$ 15	\$ 284
Restricted Assets:					
Cash and Investments	103,962	24,237	60,138	10,215	198,552
Total Assets	<u>104,110</u>	<u>24,272</u>	<u>60,224</u>	<u>10,230</u>	<u>198,836</u>
NET POSITION					
Restricted for Bond Holders	104,110	24,272	60,224	10,230	198,836
Total Net Position	<u>\$ 104,110</u>	<u>\$ 24,272</u>	<u>\$ 60,224</u>	<u>\$ 10,230</u>	<u>\$ 198,836</u>

**CITY OF DEL MAR, CALIFORNIA
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

	Stratford and Luneta Undergrounding Assessment District 1989-01	Seawall Refinance Assessment District 1999-01	Ocean View/ Pines Assessment District 2005-01	Sunset Undergrounding Assessment District 2007-02	Total
ADDITIONS					
Investment Income (Loss)	\$ (2,036)	\$ (473)	\$ (1,335)	\$ (197)	\$ (4,041)
Special Assessments or Special Taxes Collected from Property Owners	-	-	52,970	-	52,970
Total Additions	<u>(2,036)</u>	<u>(473)</u>	<u>51,635</u>	<u>(197)</u>	<u>48,929</u>
DEDUCTIONS					
Payment for Special Tax Debt	-	-	58,873	-	58,873
Total Deductions	<u>-</u>	<u>-</u>	<u>58,873</u>	<u>-</u>	<u>58,873</u>
CHANGE IN NET POSITION	(2,036)	(473)	(7,238)	(197)	(9,944)
Total Net Position - Beginning of Year	<u>106,146</u>	<u>24,745</u>	<u>67,462</u>	<u>10,427</u>	<u>208,780</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 104,110</u>	<u>\$ 24,272</u>	<u>\$ 60,224</u>	<u>\$ 10,230</u>	<u>\$ 198,836</u>

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**CITY OF DEL MAR, CALIFORNIA
STATISTICAL SECTION
FISCAL YEAR 2021-2022**

This part of the City of Del Mar's (the City) Annual Comprehensive Financial Report (ACFR) 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
Financial Trends These tables contain trend information that may assist the reader in the City's current financial performance by placing it in historical perspective.	115
Revenue Capacity 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.	124
Debt Capacity 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.	135
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	141
Operating Information 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.	145

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**CITY OF DEL MAR, CALIFORNIA
NET POSITION BY COMPONENT⁽¹⁾
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2012-2013 ⁽²⁾	2013-2014 ⁽³⁾	2014-2015	2015-2016
Governmental Activities:				
Net Investment in Capital Assets	\$ 55,606,641	\$ 59,605,566	\$ 59,266,263	\$ 63,917,170
Restricted	965,813	980,148	795,930	706,189
Unrestricted	4,743,258	217,804	3,680,641	3,657,031
Total Governmental Activities	<u>\$ 61,315,712</u>	<u>\$ 60,803,518</u>	<u>\$ 63,742,834</u>	<u>\$ 68,280,390</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 20,592,138	\$ 18,867,190	\$ 19,468,010	\$ 21,145,247
Restricted	-	-	-	-
Unrestricted	2,697,664	2,730,948	2,532,915	1,565,516
Total Business-Type Activities	<u>\$ 23,289,802</u>	<u>\$ 21,598,138</u>	<u>\$ 22,000,925</u>	<u>\$ 22,710,763</u>
Primary Government:				
Net Investment in Capital Assets	\$ 76,198,779	\$ 78,472,756	\$ 78,734,273	\$ 85,062,417
Restricted	965,813	980,148	795,930	706,189
Unrestricted	7,440,922	2,948,752	6,213,556	5,222,547
Total Primary Government	<u>\$ 84,605,514</u>	<u>\$ 82,401,656</u>	<u>\$ 85,743,759</u>	<u>\$ 90,991,153</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.

**CITY OF DEL MAR, CALIFORNIA
NET POSITION BY COMPONENT⁽¹⁾ (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$ 70,677,865	\$ 70,478,246	\$ 71,168,471	\$ 73,838,956	\$ 72,058,048	\$ 71,521,446
779,035	755,945	690,821	679,422	934,485	1,123,980
(1,945,483)	2,549,881	1,320,489	(1,830,925)	1,674,375	6,639,579
<u>\$ 69,511,417</u>	<u>\$ 73,784,072</u>	<u>\$ 73,179,781</u>	<u>\$ 72,687,453</u>	<u>\$ 74,666,908</u>	<u>\$ 79,285,005</u>
\$ 21,782,050	\$ 21,388,165	\$ 20,887,789	\$ 20,418,606	\$ 20,447,077	\$ 20,926,230
-	-	-	563,791	-	-
1,425,671	1,219,695	1,850,025	1,250,437	2,453,280	2,795,724
<u>\$ 23,207,721</u>	<u>\$ 22,607,860</u>	<u>\$ 22,737,814</u>	<u>\$ 22,232,834</u>	<u>\$ 22,900,357</u>	<u>\$ 23,721,954</u>
\$ 92,459,915	\$ 91,866,411	\$ 92,056,260	\$ 94,257,562	\$ 92,505,125	\$ 92,447,676
779,035	755,945	690,821	1,243,213	934,485	1,123,980
(519,812)	3,769,576	3,170,514	(1,011,528)	(1,011,528)	9,435,303
<u>\$ 92,719,138</u>	<u>\$ 96,391,932</u>	<u>\$ 95,917,595</u>	<u>\$ 94,489,247</u>	<u>\$ 92,428,082</u>	<u>\$103,006,959</u>

**CITY OF DEL MAR, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2012-2013 ⁽²⁾	2013-2014	2014-2015	2015-2016
EXPENSES				
Governmental Activities:				
General Government	\$ 4,577,084	\$ 4,328,963	\$ 4,748,943	\$ 5,362,200
Public Safety	6,463,932	5,472,799	5,705,795	5,716,667
Public Works	923,784	943,013	1,649,191	140,511
Parks and Recreation	776,639	839,063	835,545	936,586
Interest on Long-Term Debt	15,813	8,438	158,679	155,143
Total Governmental Activities Expenses	<u>12,757,252</u>	<u>11,592,276</u>	<u>13,098,153</u>	<u>13,581,107</u>
Business-Type Activities:				
Water	2,759,682	2,964,821	3,165,994	3,072,195
Wastewater	2,786,105	2,759,107	2,965,384	2,500,851
Clean Water	425,569	411,143	439,752	464,373
Total Business-Type Activities Expenses	<u>5,971,356</u>	<u>6,135,071</u>	<u>6,571,130</u>	<u>6,037,419</u>
Total Primary Government Expenses	<u>\$ 18,728,608</u>	<u>\$ 17,727,347</u>	<u>\$ 19,669,283</u>	<u>\$ 19,618,526</u>
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	\$ 1,112,124	\$ 1,117,178	\$ 1,388,029	\$ 1,646,441
Public Safety	1,382,429	1,312,948	1,318,815	1,457,029
Public Works	-	2,165	2,209	-
Parks and Recreation	466,632	414,556	443,169	410,206
Operating Grants and Contributions	282,071	277,781	311,393	285,416
Capital Grants and Contributions	8,474,616	7,358,463	3,874,226	951,754
Total Governmental Activities Program Revenues	<u>11,717,872</u>	<u>10,483,091</u>	<u>7,337,841</u>	<u>4,750,846</u>
Business-Type Activities:				
Charges for Services:				
Water	2,477,171	2,711,877	2,861,908	2,822,138
Wastewater	2,874,751	2,998,521	3,048,006	3,675,632
Clean Water	382,709	404,313	395,404	408,037
Capital Grants and Contributions	5,000	-	5,000	5,000
Total Business-Type Activities Program Revenues	<u>5,739,631</u>	<u>6,114,711</u>	<u>6,310,318</u>	<u>6,910,807</u>
Total Primary Government Revenues	<u>\$ 17,457,503</u>	<u>\$ 16,597,802</u>	<u>\$ 13,648,159</u>	<u>\$ 11,661,653</u>
NET REVENUES (EXPENSES) ⁽¹⁾				
Governmental Activities	\$ (1,039,380)	\$ (1,109,185)	\$ (5,760,312)	\$ (8,830,261)
Business-Type Activities	(231,725)	(20,360)	(260,812)	873,388
Total Net Revenues (Expenses)	<u>\$ (1,271,105)</u>	<u>\$ (1,129,545)</u>	<u>\$ (6,021,124)</u>	<u>\$ (7,956,873)</u>
GENERAL REVENUE AND OTHER CHANGES IN NET POSITION				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 4,647,145	\$ 4,971,265	\$ 5,329,825	\$ 5,291,352
Sales and Use Tax	1,628,442	1,674,709	1,700,688	1,998,279
Transient Occupancy Tax	1,805,475	1,939,699	2,101,634	2,444,275
Franchise Tax	421,518	384,220	373,589	367,471
Business License Tax	210,243	191,786	191,734	208,898
Intergovernmental - Unrestricted Other	117,062	205,319	209,226	278,081
Investment Income	83,424	161,140	190,457	239,734
Sale of Capital Assets	18,811	-	-	-
Other	424,070	412,954	228,085	493,914
Transfers	(16,785)	(108,563)	(19,615)	(35,381)
Total Governmental Activities	<u>9,339,405</u>	<u>9,832,529</u>	<u>10,305,623</u>	<u>11,286,623</u>
Business-Type Activities:				
Unrestricted Investment Earnings	13,260	24,395	5,591	27,729
Other	25,242	26,060	-	-
Transfers	16,785	108,563	19,615	35,381
Total Business-Type Activities	<u>55,286</u>	<u>159,018</u>	<u>25,206</u>	<u>63,110</u>
Total Primary Government	<u>\$ 9,394,691</u>	<u>\$ 9,991,547</u>	<u>\$ 10,330,829</u>	<u>\$ 11,349,733</u>
CHANGE IN NET POSITION				
Governmental Activities	\$ 9,626,371	\$ 7,558,368	\$ 6,051,188	\$ 2,939,316
Business-Type Activities	224,772	323,493	200,453	402,787
Total Primary Government	<u>\$ 9,851,143</u>	<u>\$ 7,881,861</u>	<u>\$ 6,251,641</u>	<u>\$ 3,342,103</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
- Amounts without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.
(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, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year						
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
\$ 6,676,027	\$ 6,360,890	\$ 8,461,528	\$ 9,079,633	\$ 7,048,840	\$ 7,424,735	
6,676,661	6,861,913	7,104,779	7,955,624	7,699,253	7,626,541	
1,892,772	1,889,260	5,895,910	2,656,048	2,514,209	2,644,194	
951,289	894,067	776,548	1,162,397	773,562	1,059,781	
719,263	668,368	653,705	630,051	485,322	550,712	
<u>16,916,012</u>	<u>16,674,498</u>	<u>22,892,470</u>	<u>21,483,753</u>	<u>18,521,166</u>	<u>19,305,963</u>	
3,286,281	3,323,365	3,375,306	3,666,650	3,779,243	4,043,288	
2,530,107	2,996,746	3,217,465	4,029,879	3,638,587	3,337,828	
532,792	498,076	559,551	599,643	515,052	636,499	
<u>6,349,180</u>	<u>6,818,187</u>	<u>7,152,322</u>	<u>8,296,172</u>	<u>7,932,882</u>	<u>8,017,615</u>	
\$ <u>23,265,192</u>	\$ <u>23,492,685</u>	\$ <u>30,044,792</u>	\$ <u>29,779,925</u>	\$ <u>26,454,068</u>	\$ <u>27,323,578</u>	
\$ 1,547,069	\$ 1,735,309	\$ 1,894,634	\$ 1,789,928	\$ 1,913,924	\$ 2,158,279	
1,382,501	1,405,751	1,778,983	1,868,370	1,870,581	2,579,997	
-	-	2,404	2,483	-	2,636	
383,027	378,446	418,447	413,491	225,363	447,250	
231,257	522,338	481,814	329,537	467,683	426,084	
1,802,911	885,773	585,058	915,994	955,619	484,867	
<u>5,346,765</u>	<u>4,927,617</u>	<u>5,161,340</u>	<u>5,319,803</u>	<u>5,433,170</u>	<u>6,099,113</u>	
2,745,721	3,085,668	3,440,656	3,348,654	3,675,298	4,363,056	
3,486,362	3,283,228	3,096,774	3,261,067	3,362,819	3,884,184	
420,388	476,980	546,730	548,327	562,349	577,050	
5,000	5,000	5,000	-	-	57,316	
<u>6,657,471</u>	<u>6,850,876</u>	<u>7,089,160</u>	<u>7,158,048</u>	<u>7,600,466</u>	<u>8,881,606</u>	
\$ <u>12,004,236</u>	\$ <u>11,778,493</u>	\$ <u>12,250,500</u>	\$ <u>12,477,851</u>	\$ <u>13,033,636</u>	\$ <u>14,980,719</u>	
\$ (11,569,247)	\$ (11,746,881)	\$ (17,731,130)	\$ (16,163,950)	\$ (13,088,016)	\$ (13,206,850)	
308,291	32,689	(63,162)	(118,124)	(332,416)	863,991	
<u>\$ (11,260,956)</u>	<u>\$ (11,714,192)</u>	<u>\$ (17,794,292)</u>	<u>\$ (17,302,074)</u>	<u>\$ (13,420,432)</u>	<u>\$ (12,342,859)</u>	
\$ 5,640,285	\$ 6,752,952	\$ 6,491,063	\$ 6,679,052	\$ 6,993,953	\$ 7,771,396	
2,332,522	2,227,309	4,854,514	5,043,747	3,752,696	5,456,137	
2,617,866	2,697,297	3,001,300	2,982,510	2,300,504	3,419,866	
369,524	459,271	387,466	424,930	390,482	404,226	
226,508	240,103	241,008	243,198	235,557	282,187	
182,140	133,399	212,514	162,280	120,701	151,499	
298,974	245,548	386,787	519,309	387,953	(139,964)	
108,023	-	-	-	-	-	
1,050,341	437,304	211,161	913,350	1,023,262	549,295	
(54,285)	26,239	-	-	(77,893)	(87,871)	
<u>12,771,898</u>	<u>13,219,422</u>	<u>15,785,813</u>	<u>16,968,376</u>	<u>15,127,215</u>	<u>17,806,771</u>	
35,501	21,501	34,566	124,228	112,833	(112,089)	
-	-	-	-	-	-	
54,285	(26,239)	-	-	77,893	87,871	
<u>89,786</u>	<u>(4,738)</u>	<u>34,566</u>	<u>124,228</u>	<u>190,726</u>	<u>(24,218)</u>	
\$ <u>12,861,684</u>	\$ <u>13,214,684</u>	\$ <u>15,820,379</u>	\$ <u>17,092,604</u>	\$ <u>15,317,941</u>	\$ <u>17,782,553</u>	
\$ 4,537,556	\$ 1,472,541	\$ (1,945,317)	\$ 804,426	\$ 2,039,199	\$ 4,599,921	
709,838	27,951	(28,596)	(1013,896)	(141,690)	839,773	
<u>\$ 5,247,394</u>	<u>\$ 1,500,492</u>	<u>\$ (1,973,913)</u>	<u>\$ (209,470)</u>	<u>\$ 1,897,509</u>	<u>\$ 5,439,694</u>	

CITY OF DEL MAR, CALIFORNIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2012-2013	2013-2014	2014-2015	2015-2016
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Assigned	1,475,704	1,471,791	1,471,791	1,530,159
Unassigned	1,446,003	2,345,865	3,806,755	4,192,011
Total General Fund	<u>\$ 2,921,707</u>	<u>\$ 3,817,656</u>	<u>\$ 5,278,546</u>	<u>\$ 5,722,170</u>
OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	965,812	980,148	795,930	706,189
Committed	167,503	207,819	299,415	302,160
Assigned	1,535,486	2,729,399	4,451,680	3,737,345
Total Other Governmental Funds	<u>\$ 2,668,801</u>	<u>\$ 3,917,366</u>	<u>\$ 5,547,025</u>	<u>\$ 4,745,694</u>

CITY OF DEL MAR, CALIFORNIA
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$ 23,338	\$ 6,579	\$ 2,877	\$ 3,341	\$ 50,415	\$ 88
2,233,502	5,100,305	2,669,278	3,747,450	2,825,035	9,953,902
5,647,975	3,633,422	5,558,534	2,507,169	7,595,965	5,531,452
<u>\$ 7,904,815</u>	<u>\$ 8,740,306</u>	<u>\$ 8,230,689</u>	<u>\$ 6,257,960</u>	<u>\$ 10,471,415</u>	<u>\$ 15,485,442</u>
\$ -	\$ -	\$ -	\$ -	\$ 77	\$ 88
779,035	755,945	690,821	679,422	698,223	869,203
299,688	193,395	395,516	268,295	147,207	358,387
(3,571,263)	805,635	320,493	278,065	308,370	360,814
<u>\$ (2,492,540)</u>	<u>\$ 1,754,975</u>	<u>\$ 1,406,830</u>	<u>\$ 1,225,782</u>	<u>\$ 1,153,877</u>	<u>\$ 1,588,492</u>

CITY OF DEL MAR, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2012-2013	2013-2014	2014-2015	2015-2016
REVENUES				
Taxes	\$ 9,284,503	\$ 9,865,474	\$10,469,129	\$11,291,573
Licenses and Permits	1,036,973	1,320,317	1,432,809	1,313,261
Intergovernmental	7,638,143	4,165,489	1,167,061	2,049,910
Charges for Services	1,190,559	1,296,138	1,447,608	1,471,767
Fines and Forfeitures	669,665	586,367	633,259	579,364
Use of Money and Property	154,539	190,457	239,733	298,973
Contributions	36,921	17,368	26,100	13,612
Other Revenues	411,397	221,469	657,152	1,046,464
Total Revenues	<u>20,422,700</u>	<u>17,663,079</u>	<u>16,072,851</u>	<u>18,064,924</u>
EXPENDITURES				
General Government	5,903,824	4,326,650	4,465,857	5,055,390
Public Safety	6,457,063	5,442,607	5,707,066	5,769,859
Public Works	767,200	486,619	565,436	589,870
Parks and Recreation	775,814	809,797	796,933	907,484
Capital Outlays	7,664,337	4,960,745	2,652,017	6,620,181
Debt Service:				
Principal	155,000	165,000	886,500	50,000
Interest and Fiscal Charges	18,655	11,532	158,718	155,143
Cost of Issuance	-	-	-	-
Total Expenditures	<u>21,741,893</u>	<u>16,202,950</u>	<u>15,232,527</u>	<u>19,147,927</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,319,193)	1,460,129	840,324	(1,083,003)
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Lease	-	-	-	157,431
Issuance of Debt	-	704,000	2,285,606	622,150
Sale of Capital Assets	-	-	-	-
Transfers In	1,779,347	2,180,793	2,739,389	3,642,313
Transfers Out	(1,587,910)	(2,200,408)	(2,774,770)	(3,696,598)
Total Other Financing Sources (Uses)	<u>191,437</u>	<u>684,385</u>	<u>2,250,225</u>	<u>725,296</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,127,756)</u>	<u>\$ 2,144,514</u>	<u>\$ 3,090,549</u>	<u>\$ (357,707)</u>
Debt Service as a Percentage of Noncapital Expenditures	1.23 % ⁽²⁾	1.57 %	8.31 %	1.64 %

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.

CITY OF DEL MAR, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$12,483,838	\$15,119,862	\$15,561,911	\$13,865,011	\$13,491,345	\$17,366,143
1,473,672	1,560,470	1,424,462	1,175,755	1,430,060	1,692,744
640,435	940,761	1,144,117	1,247,627	636,338	910,521
1,537,125	1,760,952	1,969,158	2,102,617	2,563,903	2,492,438
561,080	716,505	740,862	797,887	1,049,002	1,066,270
245,548	496,853	519,309	387,953	229,973	(139,964)
77,464	161,500	25,730	32,680	214,996	83,719
1,101,638	190,250	902,630	1,028,748	978,681	491,857
<u>18,120,800</u>	<u>20,947,153</u>	<u>22,288,179</u>	<u>20,638,278</u>	<u>20,594,298</u>	<u>23,963,728</u>
6,212,785	5,921,425	7,459,736	7,511,186	6,250,367	6,310,134
6,411,309	6,405,468	6,823,281	7,309,028	7,124,556	7,206,806
646,739	613,939	753,994	860,139	764,118	904,826
910,515	834,530	916,556	945,702	773,085	1,016,920
11,952,324	12,347,347	7,643,140	4,953,541	585,334	1,830,395
88,352	481,658	478,878	499,788	482,853	602,207
506,960	672,959	657,891	634,778	490,611	555,927
161,610	-	-	-	-	-
<u>26,890,594</u>	<u>27,277,326</u>	<u>24,733,476</u>	<u>22,714,162</u>	<u>16,470,924</u>	<u>18,427,215</u>
(8,769,794)	(6,330,173)	(2,445,297)	(2,075,884)	4,123,374	5,536,513
-	-	-	-	-	-
3,687,966	11,413,179	1,587,535	-	-	-
-	-	-	-	-	-
2,156,104	6,491,721	3,452,909	3,390,584	2,127,964	3,505,148
(2,129,865)	(6,491,721)	(3,452,909)	(3,468,477)	(2,109,788)	(3,593,019)
<u>3,714,205</u>	<u>11,413,179</u>	<u>1,587,535</u>	<u>(77,893)</u>	<u>18,176</u>	<u>(87,871)</u>
<u>\$ (5,055,589)</u>	<u>\$ 5,083,006</u>	<u>\$ (857,762)</u>	<u>\$ (2,153,777)</u>	<u>\$ 4,141,550</u>	<u>\$ 5,448,642</u>
3.99 %	7.73 %	6.65 %	6.39 %	6.13 %	6.98 %

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**CITY OF DEL MAR, CALIFORNIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
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
2021-2022	\$ 7,771,396	\$ 2,068,716	\$ 3,387,421	\$ 3,419,866	\$ 404,226	\$ 282,524	\$ 17,334,150
2020-2021	7,496,882	1,147,970	2,305,453	1,792,090	324,805	229,534	13,296,734
2019-2020	6,993,953	1,472,389	2,280,307	2,300,504	390,482	235,557	13,673,192
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
Change from Base Year 2013	56.33 %	23.53 %	100.00 %	76.31 %	5.21 %	47.31 %	89.20 %

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.

**CITY OF DEL MAR, CALIFORNIA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
LAST TEN FISCAL YEARS**

Fiscal Year	General Government	Public Safety	Public Works	Parks and Recreation	Capital Outlay	Debt Service ⁽²⁾	Total
2021-2022	\$ 6,310,134	\$ 7,206,806	\$ 904,826	\$1,016,920	\$ 1,830,395	\$ 1,158,134	\$ 18,427,215
2020-2021	6,250,367	7,124,556	764,118	773,085	585,334	973,464	16,470,924
2019-2020	7,511,186	7,309,028	860,139	945,702	4,953,541	1,134,566	22,714,162
2018-2019	7,459,736	6,823,281	753,994	916,556	7,643,140	1,136,769	24,733,476
2017-2018	5,921,425	6,405,468	613,939	834,530	12,347,347	1,154,617	27,277,326
2016-2017	6,212,785	6,411,309	646,739	910,515	11,952,324	756,922	26,890,594
2015-2016	5,055,390	5,769,859	589,870	907,484	6,620,181	205,143	19,147,927
2014-2015	4,465,857	5,707,066	565,436	796,933	2,652,017	1,045,218	15,232,527
2013-2014	4,326,650	5,442,607	486,619	809,797	4,960,745	176,532	16,202,950
2012-2013	5,903,824	6,457,063	767,200	775,814	7,664,337	173,655	21,741,893

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.

**CITY OF DEL MAR, CALIFORNIA
 ASSESSED VALUE OF PROPERTY BY USER CODE
 LAST TEN FISCAL YEARS**

Category	Fiscal Year				
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Residential	\$ 2,580,568,065	\$ 2,691,922,002	\$ 2,873,316,023	\$ 3,084,334,222	\$ 3,253,273,422
Commercial	258,451,071	260,013,522	265,411,786	271,336,627	278,157,135
Industrial	2,956,947	2,970,364	3,014,195	3,048,474	3,199,522
Institutional	2,823,200	2,836,017	2,892,680	2,936,793	2,995,528
Recreational	9,364,269	9,689,662	11,214,206	11,767,616	13,338,452
Miscellaneous	-	-	-	-	-
Total	\$ 2,854,163,552	\$ 2,967,431,567	\$ 3,155,848,890	\$ 3,373,423,732	\$ 3,550,964,059

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.

**CITY OF DEL MAR, CALIFORNIA
 ASSESSED VALUE OF PROPERTY BY USER CODE (CONTINUED)
 LAST TEN FISCAL YEARS**

Fiscal Year				
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$ 3,433,325,030	\$ 3,643,775,875	\$ 3,875,115,458	\$ 4,024,078,136	\$ 4,361,607,012
283,644,529	309,755,624	322,793,000	306,435,872	337,705,751
2,569,569	2,620,955	3,162,334	3,195,089	3,346,988
3,055,438	3,116,546	3,178,876	3,211,808	3,926,043
13,817,906	15,850,559	12,487,932	2,092,944	2,075,659
-	-	-	-	26,600
<u>\$ 3,736,412,472</u>	<u>\$ 3,975,119,559</u>	<u>\$ 4,216,737,600</u>	<u>\$ 4,339,013,849</u>	<u>\$ 4,708,688,053</u>

**CITY OF DEL MAR, CALIFORNIA
ESTIMATED VALUE OF TAXABLE PROPERTY⁽¹⁾
LAST TEN FISCAL YEARS**

Fiscal Year	Residential		Commercial		Industrial	
	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels
2021-2022	\$ 4,361,607,012	4,203	\$ 337,705,751	102	\$ 3,346,988	7
2020-2021	4,024,078,136	4,203	306,435,872	103	3,195,089	7
2019-2020	3,875,115,458	4,202	322,793,000	101	3,162,334	7
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

Notes:

- (1) Report formatting changes have been made to comply with the GASB Number 44 standard reporting requirement. 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.

**CITY OF DEL MAR, CALIFORNIA
ESTIMATED VALUE OF TAXABLE PROPERTY⁽¹⁾ (CONTINUED)
LAST TEN FISCAL YEARS**

Institutional		Recreational		Other		Total		Total Direct
Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Tax Rate (%) (2)
\$ 3,926,043	1	\$ 2,075,659	306	26,600	1	\$ 4,708,688,053	4,620	0.14775
3,211,808	1	2,092,944	337	-	-	4,339,013,849	4,651	0.14775
3,178,876	1	12,487,932	340	-	-	4,216,737,600	4,651	0.14775
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

**CITY OF DEL MAR, CALIFORNIA
CONSTRUCTION PERMITS
LAST TEN FISCAL YEARS**

Fiscal Year	Construction ⁽¹⁾						Total	
	Residential		Commercial		Number of		Number of Permits	Valuation
	Number of Permits	Valuation	Number of Permits	Valuation	Permits	Valuation		
2021-2022	177	\$21,181,429	19	\$ 912,000	-	\$ -	196	\$22,093,429
2020-2021	173	19,649,957	12	3,761,147	27	48,209	212	23,459,313
2019-2020	129	16,153,000	17	1,931,000	31	80,666	177	18,164,666
2018-2019	181	10,456,000	9	300,000	62	114,653	252	10,870,653
2017-2018	105	15,674,999	5	278,000	41	124,514	151	27,588,507
2016-2017	90	13,885,482	24	13,700,850	2	2,175	116	27,588,507
2015-2016	75	10,798,630	17	572,000	29	568,000	121	11,938,630
2014-2015	101	12,075,924	3	338,000	17	692,481	121	13,106,405
2013-2014	73	10,921,237	12	951,835	29	128,831	114	12,001,903
2012-2013	64	7,771,721	11	112,926	34	771,850	109	8,656,497

CITY OF DEL MAR, CALIFORNIA
PROPERTY TAX RATES⁽¹⁾ – ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(RATE PER \$100 OF TAXABLE VALUE)

Fiscal Year	County				Special Districts			
	Total Del Mar Debt Service	San Diego County	City of Del Mar Direct Tax	Total County Base	School Districts (2)	San Diego County Water Authority (SDCWA)	Total Special Districts	Total
2021-2022	-	0.85225	0.14775	1.00000	0.04271	0.00350	0.04621	1.04621
2020-2021	-	0.85225	0.14775	1.00000	0.06302	0.00350	0.06652	1.06652
2019-2020	-	0.85225	0.14775	1.00000	0.06291	0.00350	0.06641	1.06641
2018-2019	-	0.85225	0.14775	1.00000	0.03592	0.00350	0.03942	1.03942
2017-2018	-	0.85225	0.14775	1.00000	0.03672	0.00350	0.04022	1.04022
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

Note:

(1) Tax Rate Area: TRA 11-001

(2) FY 2019-2020 is the first year of collection for Del Mar Union School District Measure MM.

**CITY OF DEL MAR, CALIFORNIA
TEN LARGEST PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND TEN YEARS AGO**

Owner/Taxpayer	Primary Use	Fiscal Year 2021-2022		Fiscal Year 2012-2013	
		Assessed Valuation	Percent of Total City Assessed Valuation	Assessed Valuation	Percent of Total City Assessed Valuation
Lhoberge LP	Property management	\$ 71,737,723	1.65 %	\$ 21,253,099	0.79 %
The Northern Trust Company	Property management	43,445,480	1.00	-	-
Brixton Del Mar Plaza T I C LLC	Trust	41,500,000	0.95	-	-
Jacobs Family Trust	Trust	40,814,611	0.94	31,348,296	1.17
KS Mattson Partners LP	Trust	34,289,025	0.79	-	-
Allred Family Living Survivors Trust	Property management	33,977,747	0.78	47,246,841	1.76
Miyago Do LLC	Horse racing club	27,567,676	0.63	-	-
Del Mar Thoroughbred Club	Trust	27,153,007	0.62	25,343,854	0.94
McCarthy Revocable Survivors Trust	Trust	24,735,282	0.57	21,316,139	0.79
Delfina Del Mar Development LLC	Trust	23,782,664	0.55	-	-
Marsha J Naify Living Trust	Property management	-	-	19,583,964	0.73
La Atalaya LLC	Trust	-	-	19,776,616	0.74
Madeleine A Pickens Trust	Trust	-	-	23,000,000	0.86
Stensrud Family Trust	Property management	-	-	29,084,962	1.08
GLL BVK Properties 2007 LP	Property management	-	-	42,906,512	1.60
Top Ten Totals (Secured and Unsecured)		<u>369,003,215</u>	8.47	<u>280,860,283</u>	10.44
All Others (Secured)		<u>3,986,952,549</u>	91.53	<u>2,408,752,147</u>	89.56
Total Assessed Valuation		<u>\$4,355,955,764</u>	100.00	<u>\$2,689,612,430</u>	100.00

**CITY OF DEL MAR, CALIFORNIA
TOP 25 SALES TAX PRODUCERS
CURRENT FISCAL YEAR AND TEN YEARS AGO**

Fiscal Year 2021-2022		Fiscal Year 2012-2013	
Taxpayers	Business Type	Taxpayers	Business Type
1	Beeside Balcony	Americana	Casual Dining
2	Biddle Barton Interiors	Banana Republic	Family Apparel
3	Brigantine	Board & Brew	Casual Dining
4	Chicken Charlies Enterprises	Brigantine	Casual Dining
5	Del Mar Blue Print Co	Bully's Del Mar	Casual Dining
6	Del Mar Car Care	Chicken Charlies Enterprises	Quick-service Restauran
7	Del Mar Pizza & Pasta	Del Mar Blue Print Co	Business Services
8	Del Mar Thoroughbred Club	Del Mar Rendezvous	Casual Dining
9	Design Line Interiors	Del Mar Thoroughbred Club	Leisure/Entertainment
10	Dexters Deli	Design Line Interiors	Furniture/Appliances
11	En Fuego Cantina & Grill	En Fuego Cantina & Grill	Casual Dining
12	Il Fornaio	Flavor Del Mar	Fine Dining
13	Jakes Del Mar	Il Fornaio	Fine Dining
14	Juicys	Jakes Del Mar	Fast-Casual Restaurants
15	L'Auberge Del Mar	Jimmy Os	Casual Dining
16	Mattress Firm	JR Resources Inc	Business Services
17	Monarch	L'Auberge Del Mar	Hotels/Motels
18	Pacifica Del Mar Restaurant	Miw all Corp	Sporting Goods/Bike Stor
19	Poseidon On The Beach	Nettle Creek Shop	Home Furnishings
20	Premier Food Services	Pacifica Del Mar	Fine Dining
21	Rusty Surfboards Del Mar	Pinnacle Appliance Distributors	Electronics/Appliance St
22	Sbicca	Poseidon Restaurant	Casual Dining
23	Shibashi Izakaya	Premier Food Services	Quick-Service Restauran
24	Tamarindo	Prepkitchen Del Mar	Casual Dining
25	View point Brewing Co	Sbicca	Fine Dining
Percentage of Total Sales Tax Collected: 69.55 %		62.56 %	

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

* These sales tax producers are intermittently conducting business in the Del Mar Fairgrounds.

**CITY OF DEL MAR, CALIFORNIA
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 Lewy
2021-2022	\$ 6,219,718	\$ 6,152,218	98.91 %	\$ 6,047	\$ 6,158,265	99.01 %
2020-2021	6,009,313	5,943,768	98.91	3,807	5,947,575	98.97
2019-2020	5,672,610	5,588,352	98.51	5,345	5,593,697	98.61
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

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.

**CITY OF DEL MAR, CALIFORNIA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-type Activities				
	Certificates of Participation	Leases	Loans	Notes	Total	Revenue Bonds	Certificates of Participation	Capital Leases	Notes	Total
2021-2022	\$ -	352,059	\$ 17,100,794	\$ -	\$ 17,452,853	\$ -	\$ -	\$ -	\$ 5,829,843	\$ 5,829,843
2020-2021	-	452,946	17,602,114	-	18,055,060	-	-	-	6,233,225	6,233,225
2019-2020	-	-	18,084,967	-	18,084,967	-	-	-	6,626,345	6,626,345
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

Fiscal Year	Population (1)	Total Outstanding Debt	Taxable Assessed Value	Percent of Taxable Assessed Value	Debt Per Capita	Personal Income	Percent of Personal Income
2021-2022	3,929	\$ 23,282,696	\$ 4,355,955,764	0.53 %	\$ 5,926	\$ 486,655	2.09 %
2020-2021	4,258	24,288,285	4,239,256,907	0.57	5,704	440,525	1.81
2019-2020	4,268	24,711,312	3,995,693,508	0.62	5,790	429,278	1.74
2018-2019	4,451	25,594,223	3,572,859,349	0.72	5,750	491,975	1.92
2017-2018	4,322	23,514,063	3,395,888,687	0.69	5,441	440,691	1.87
2016-2017	4,297	11,212,124	3,176,435,084	0.35	2,609	397,110	3.54
2015-2016	4,274	7,411,311	2,986,826,078	0.25	1,734	372,669	5.03
2014-2015	4,221	7,484,800	2,873,455,956	0.26	1,773	423,864	5.66
2013-2014	4,234	6,700,536	2,689,757,322	0.25	1,583	353,818	5.28
2012-2013	4,199	6,753,672	2,621,983,721	0.26	1,608	344,910	5.11

**CITY OF DEL MAR, CALIFORNIA
PLEGDED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Business-type Activities										
Fiscal Year	Revenue (1)	Operating Expenses (1)	Net Available Revenue	Debt Service (2)						Percent Coverage
				Clean Water State Revolving		Certificates of Participation		Total Debt Service		
				Principal	Interest	Principal	Interest			
2021-2022	\$ 8,881,606	\$ 7,899,048	\$ 982,558	\$ 244,116	\$ 99,901	\$ -	\$ -	\$ 344,017	285.61	
2020-2021	8,541,377	7,807,031	734,346	237,236	106,781	-	-	344,017	213.46	
2019-2020	7,600,466	8,161,847	(561,381)	230,550	113,467	-	-	344,017	(163.18)	
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	

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.

**CITY OF DEL MAR, CALIFORNIA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Outstanding General Bonded Debt

Fiscal Year	Population ⁽¹⁾	Certificates of Participation	Taxable Assessed Value	Percent of Taxable Assessed Value	Debt Per Capita	Personal Income ⁽²⁾ (in Thousands)	Percent of Personal Income
2021-2022	3,929	\$ -	\$ 4,355,955,764	- %	\$ -	\$ 486,655	- %
2020-2021	4,258	-	4,239,256,907	-	-	440,525	-
2019-2020	4,268	-	3,995,693,508	-	-	429,278	-
2018-2019	4,451	-	3,759,707,107	-	-	491,975	-
2017-2018	4,322	-	3,572,859,349	-	-	440,691	-
2016-2017	4,297	-	3,395,888,687	-	-	397,110	-
2015-2016	4,274	-	3,176,435,084	-	-	372,669	-
2014-2015	4,221	-	2,986,826,078	-	-	423,864	-
2013-2014	4,234	170,000	2,873,455,956	0.01	40	353,818	208.13
2012-2013	4,199	335,000	2,689,757,322	0.01	80	344,910	102.96

**CITY OF DEL MAR, CALIFORNIA
DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2022**

Fiscal Year 2021-2022 Assessed Valuation	\$4,355,955,764		
Fiscal Year 2021-2022 Population	3,929		
	Total Debt	Percent	City's Share
	June 30, 2022	Applicable	of Debt
		to City ⁽¹⁾	June 30, 2022
Overlapping Tax and Assessment Debt:			
San Diego County General Obligations	\$ 245,340,000	0.719	\$ 1,763,995
San Diego County Pension Obligations	340,825,000	0.719	2,450,532
San Diego County Superintendent of Schools:			
General Fund Obligations	7,780,000	0.719	55,938
San Dieguito Union High School District:			
General Fund Obligations	12,730,000	5.769	734,394
Total Overlapping General Fund Debt	<u>606,675,000</u>		<u>5,004,859</u>
Direct Debt and Overlapping Tax and Assessment Debt:			
Direct Debt:			
City of Del Mar	17,100,794	100.000	17,100,794
Subtotal Direct Debt	<u>17,100,794</u>		<u>17,100,794</u>
Overlapping Tax and Assessment Debt:			
Metropolitan Water District	20,175,000	0.128	25,824
Mira Costa Community College District	291,380,000	3.496	10,186,645
San Dieguito Union High School District	424,285,000	5.769	24,477,002
Del Mar Union School District	108,635,000	20.173	21,914,939
Solana Beach School District School			
Facilities Improvements District	90,570,000	0.463	419,339
City of Del Mar 1915 Act Bonds	195,000	100.000	195,000
Subtotal Overlapping Tax and Assessment Debt	<u>935,240,000</u>		<u>57,218,749</u>
Total Direct and Overlapping Tax and Assessment Debt	952,340,794		74,319,543
Subtotal Overlapping Tax	<u>1,541,915,000</u>		<u>62,223,608</u>
Combined Total Debt	<u>\$ 1,559,015,794</u>		<u>\$ 79,324,402</u>

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

Ratios to Fiscal Year 2021-2022 Assessed Valuation:		Per Capita
City Direct Debt	100.00%	\$ 4,352
Total Overlapping Tax and Assessment Debt	1.31%	18,916
Combined Total Debt	1.43%	20,189
State School Building Aid Repayable as of June 30, 2022		<u>\$ -</u>

**CITY OF DEL MAR, CALIFORNIA
SCHEDULE OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2012-2013	2013-2014	2014-2015	2015-2016
Assessed Valuation	\$ 2,689,757,322	\$ 2,873,455,956	\$ 2,986,826,078	\$ 3,176,435,084
Conversion Percentage	25 %	25 %	25 %	25 %
Adjusted Assessed Valuation	\$ 672,439,331	\$ 718,363,989	\$ 746,706,520	\$ 794,108,771
Debt Limit Percentage	15 %	15 %	15 %	15 %
Debt Limit	\$ 100,865,900	\$ 107,754,598	\$ 112,005,978	\$ 119,116,316
Total Net Debt Applicable to Limit: General Obligation Bonds	335,000	170,000	-	-
Legal Debt Margin	<u>\$ 100,530,900</u>	<u>\$ 107,584,598</u>	<u>\$ 112,005,978</u>	<u>\$ 119,116,316</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	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% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year 1981-1982, each parcel is now assessed at 100% of market value as of the most recent change in ownership for that parcel. The computations shown above reflect a conversion of assessed valuation data for each fiscal year from current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the State.

**CITY OF DEL MAR, CALIFORNIA
SCHEDULE OF LEGAL DEBT MARGIN (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year					
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$ 3,395,888,687	\$ 3,572,849,349	\$ 3,759,707,107	\$ 3,759,707,107	\$ 4,239,256,907	\$ 4,355,955,764
25 %	25 %	25 %	25 %	25 %	25 %
\$ 848,972,172	\$ 893,212,337	\$ 939,926,777	\$ 939,926,777	\$ 1,059,814,227	\$ 1,088,988,941
15 %	15 %	15 %	15 %	15 %	15 %
\$ 127,345,826	\$ 133,981,851	\$ 140,989,017	\$ 140,989,017	\$ 158,972,134	\$ 163,348,341
-	-	-	-	-	-
<u>\$ 127,345,826</u>	<u>\$ 133,981,851</u>	<u>\$ 140,989,017</u>	<u>\$ 140,989,017</u>	<u>\$ 158,972,134</u>	<u>\$ 163,348,341</u>
-	-	-	-	-	-
-	-	-	-	-	-

**CITY OF DEL MAR, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Year	City of Del Mar Housing Units ⁽¹⁾	Population ⁽²⁾				Personal Income ⁽³⁾			
		Average Annual		Average Annual		City of Del Mar		County of San Diego	
		City of Del Mar	Percent Change	County of San Diego	Percent Change	Personal Income (in Thousands)	Per Capita	Personal Income (in Thousands)	Per Capita
		Del Mar		San Diego					
2022	2,615	3,929	(7.73)%	3,287,306	(132)%	\$ 486,655	\$ 123,862	\$ -	\$ -
2021	2,615	4,258	(0.23)	3,331,279	(0.36)	440,525	103,458	-	-
2020	2,613	4,268	(4.11)	3,343,355	(0.25)	429,278	100,580	220,825,596	66,266
2019	2,615	4,451	2.98	3,351,786	0.42	491,975	110,531	202,642,332	60,845
2018	2,612	4,322	0.58	3,337,685	0.65	440,691	101,964	195,679,529	58,719
2017	2,611	4,297	0.54	3,316,192	0.84	397,110	92,415	193,296,405	58,289
2016	2,542	4,274	126	3,288,612	189	372,669	87,194	183,032,418	55,656
2015	2,605	4,221	(0.31)	3,227,496	104	423,864	100,418	170,114,527	52,708
2014	2,605	4,234	0.83	3,194,362	140	553,818	83,566	167,931,419	52,571
2013	2,637	4,199	0.12	3,150,178	0.21	344,910	82,141	165,008,428	52,381

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 Demographic and Economic Statistics

**CITY OF DEL MAR, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC STATISTICS (CONTINUED)
LAST TEN CALENDAR YEARS**

Employment ⁽⁴⁾						Enrollment
City of Del Mar			County of San Diego			Del Mar
Labor Force	Employed	Unemployment Rate	Labor Force	Employed	Unemployment Rate	Union Elementary (5)
2,200	2,200	3.60 %	1,587,400	1,534,200	3.40 %	3,895
2,000	1,900	3.60 %	1,517,500	1,415,400	6.70 %	3,853
2,300	2,200	5.60	1,610,900	1,486,400	7.70	4,132
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

Source:

(4) State of California, Employment Development Department (EDD)

(5) State of California, Department of Education, Educational Demographics Unit

**CITY OF DEL MAR, CALIFORNIA
TOP TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND PRIOR YEAR**

Employer ⁽¹⁾	Business Type	2022		2021	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Del Mar Thoroughbred Club ⁽³⁾	Horse Racing Club	⁽³⁾ 98-729	16.91%	⁽³⁾ 95-656	18.60 %
L'Auberge Del Mar Resort Spa	Resorts	179	8.14	176	8.80
Jake's Del Mar	Restaurant	205	9.31	113	5.63
Monarch Ocean Pub	Restaurant	96	4.36	88	4.40
Brigantine Seafood Restaurant	Restaurant	95	4.23	85	4.65
Pacifica Del Mar	Restaurant	65	2.95	65	3.25
Poseidon Restaurant	Restaurant	65	2.95	65	3.25
Il Fornaio	Private School	63	2.86	60	3.00
Sbicca An American Bistro	Restaurant	48	2.18	48	2.40
Tamarindo	Restaurant	44	2.00	55	2.75
Total Top Ten Employers		1,589		1,411	
Total City Employment ⁽²⁾		2,200		2,000	

Notes:

(1) Represents non-governmental employers.

(2) Total City employment provided by the State Employment Development Department (EDD) - Labor Market Information Division.

(3) Total number of employees fluctuates due to seasonal employees hired during the Horse Racing season. Calculation was based on the highest number from the range.

**CITY OF DEL MAR, CALIFORNIA
FULL-TIME EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
General Government	19	19	20	21	22	24	25	26	25	25
Public Safety ⁽¹⁾	17	16	16	16	16	15	15	15	14	9
Public Works	13	13	13	13	13	14	14	15	14	15
Parks and Recreation	5	5	5	5	5	5	5	5	4	11
Total	54	53	54	55	56	58	59	61	57	60

Note:

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

**CITY OF DEL MAR, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Police:									
Arrests (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parking Citations Issued	19,060	18,000	15,694	11,818	13,074	19,672	18,777	18,097	28,480
Fire:									
Emergency Calls	1,112	1,130	1,468	1,309	806	881	849	1,033	861
Inspections	473	598	459	394	93	62	285	394	443
Public Works:									
Street Resurfacing (Miles)	0.50		100	100	100	150	2.00	2.00	2.00
Street Slurry (Miles)	0.50	-	-	-	-	-	-	-	-
Parks and Recreation:									
Number of Recreational Classes	500	468	347	485	222	287	281	192	-
Number of Facility Rentals	115	185	175	143	93	186	216	139	26
Water:									
New Construction	-	-	-	-	-	-	-	-	-
Average Daily Consumption (in Thousands of Gallons)	1,024	969	858	803	838	962	859	852	934
Sewer:									
New Construction	-	-	-	-	-	-	-	-	-
Average Daily Sewage Treatment (in Thousands of Gallons)	540	520	534	499	523	448	421	444	369

Notes:

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

**CITY OF DEL MAR, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-18	2018-2019	2019-2020	2020-2021	2021-2022
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	74	74	74	74	74	81	81	81	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) ⁽¹⁾	29.87	29.87	29.87	29.87	29.87	29.87	29.87	29.87	29.87	29.87
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) ⁽¹⁾	24.98	24.98	24.98	24.98	24.98	24.98	24.98	24.98	24.98	24.98
Storm Drainage (Miles)	13.59	13.59	13.70	13.70	13.70	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	1,476

Note:

(1) The unit of measure has been updated using the GIS system which provides a more accurate calculation.

**CITY OF DEL MAR, CALIFORNIA
MISCELLANEOUS STATISTICS
JUNE 30, 2022**

Date of Incorporation	July 15, 1959
Form of Government	Council/Manager
Area	2 square miles
Climate:	
Average Annual High Temperature	70.42° F
Average Annual Low Temperature	57.33° F
Annual Precipitation	11.5 inches
Fire Protection:	
Station	1
Firefighters and Officers	9
Fire Incident Responses	361
Emergency Medical Incident Responses	1154
Public Service Calls	107
Fire Inspections	435
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	2,905,796
Baseball Field	1
Tennis Courts	2
Library	1
Library Inventory	16,804
Hotels:	
Major Hotel Rooms	355
Average Percent Occupancy	56%
Average Room Rate	\$403
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	1,889 meters
Fire Hydrants	350
Sanitary Sewer Lines	24.98 miles