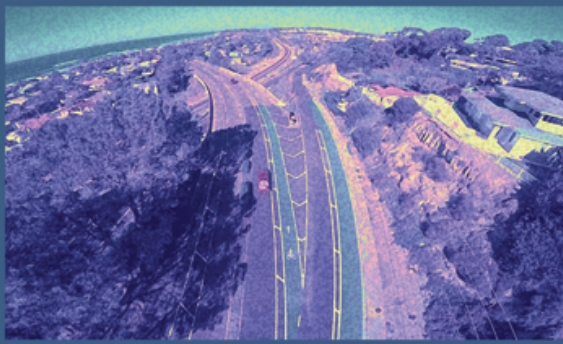


Comprehensive Annual Financial Report



City of Del Mar



Fiscal Year Ended June 30, 2015

Cover pictures (clockwise from the top):

Top Picture: Schematic Design of the Proposed City of Del Mar City Hall/Town Hall
The design process for a new City Hall/Town Hall project occurred during Fiscal Year 2014-2015. The project will include a new City Hall for administrative functions, a Town Hall for community gatherings and government meetings, and a large plaza to serve a variety of outdoor uses.

Middle Right Picture: Sandpipers

Sandpipers along the beautiful, sunny beaches of the City of Del Mar are familiar coastal birds found near the water's edge on beaches and tidal mud flats.

Bottom Right Picture: Jimmy Durante Boulevard Street Improvement Project

Construction of the Jimmy Durante Boulevard segment improved pedestrian and bicycle connectivity from the Del Mar Village to the Del Mar Fairgrounds, through wider sidewalks, shorter distance crosswalks, new ADA accessible pedestrian ramps, increased visibility, wider and more consistent bike lanes, improved roadway surface for bicyclists, and enhanced roadway signage and striping.

Bottom Left Picture: Shores Park Master Planning Community Workshop

The City has embarked on a master planning process for the Shores property to develop a long-range vision to guide the park's development. The master plan will be a "blueprint" for the future that identifies future facilities, programs, and a plan for implementation.

CITY OF DEL MAR, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
YEAR ENDED JUNE 30, 2015

Prepared by
Finance Department
Teresa S. McBroome
Director of Finance/Treasurer

CITY OF DEL MAR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2015

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December 30, 2015

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

LETTER OF TRANSMITTAL

FISCAL YEAR 2014-2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

It is a pleasure to present the Fiscal Year 2014-2015 Comprehensive Annual Financial Report (CAFR) for the City of Del Mar. These financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards. Responsibility for the accuracy of the data, the completeness and reliability of the presentation, including all disclosures, rests with City management.

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

The City's financial statements have been audited by White Nelson Diehl Evans LLP, certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2015.

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

Profile of the City of Del Mar

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

Del Mar is a small city of 4,238 residents and is primarily a residential community with substantial tourist appeal covering approximately two square miles and noted for its beautiful beaches. The

City is predominantly built-out; however, redevelopment and revitalization opportunities exist in its commercial areas, and replacement of existing houses with larger and more elaborate dwellings is commonplace in its residential areas. The 22nd District Agricultural Association, 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 District Agricultural Association is a State of California agency and is managed by a board of directors appointed by the Governor.

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

Budgetary Process

The City adopted and implemented the City's two-year Operating and Capital budget for Fiscal Years 2015-2016 and 2016-2017. The budget process began with the City Council developing priorities and initiatives which provided the framework around which staff resourced and proposed a budget for Council consideration. The proposed budget was presented to the Council and discussed at public workshops. The final budget was adopted by the City Council during a meeting in June 2015. The budget is monitored monthly by the Finance Department 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 Finance Committee before being presented to the Council at regularly-scheduled meetings.

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

Factors Affecting the City's Financial Condition

Del Mar relies heavily on the local real estate market, specifically property tax revenues, and tourism, as major revenue sources. For the last seven fiscal years, Del Mar has led the County in increased assessed valuations. Property taxes increased approximately four percent in Fiscal Year 2014-2015 compared to the previous year. The annual increase in assessed value is primarily attributable to home sales at a higher than previously assessed value; increases in value due to new construction; and the two percent 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 has become a popular destination for both local visitors and vacationing travelers. As with other cities throughout the County and State, tourism had suffered in the recent recession. However, through the upswing in the tourism economy, and active promotion of tourism through the Del Mar Village Association, Del Mar has emerged

positively from this difficult period. Transient Occupancy Tax (TOT) collections increased 16 percent during Fiscal Year 2014-2015 compared to the previous fiscal year, due to increases in hotel average occupancy rate. Due to the improving economy, sales tax increased approximately 19 percent compared to the prior fiscal year.

Del Mar has completely recovered from the past economic downturn, however the State of California's (State) budget is always a concern. The State's budget reflects the state's financial turnaround after years of budget deficits; however, the City actively monitors the State's budget process for any actions that may affect local government.

Del Mar has positioned itself well to weather periods of economic instability. The City's strategic approach has been to continue fiscal conservatism by identifying new revenue sources while examining ways to reduce expenditures through alternative approaches. It has always maintained a low level of fixed obligations and has maintained prudent reserve policies. The City continues to pursue grant opportunities and low-cost financing for its projects. Of note in 2014-15, staff secured an iBank loan of \$3.5 million at an annual interest rate of 2.43% to fund sewer force main improvements; a Caltrans Active Transportation grant of \$812,000 to help fund streetscape improvements; a \$150,000 San Diego County Neighborhood Reinvestment grant to fund planning and design of the River Path Extension project; a \$100,000 grant from the California Coastal Commission (CCC) to address the effects of sea-level rise, storm surge, and coastal flooding; a \$30,000 grant from San Diego Gas & Electric (SDG&E) for work on the Climate Action Plan; a \$25,000 grant from San Diego Association of Governments (SANDAG) for new bicycle facilities; and in-kind staff resources from Civic Spark/AmeriCorps to promote alternative transportation options for residents and businesses. 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 below not only help us better serve our residents and businesses, but assist in building a solid foundation towards keeping the City fiscally sound and well positioned to sustain its financial health.

Accomplishments

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

Pension Reform and the City's Financial Forecast

Del Mar has always considered itself to be a leader in pension reform. Over the past several years, the City has worked closely with its resident-based Finance Committee to implement efforts to manage pension costs including implementing second tiers for its California Public Employees Retirement System (CalPERS) pensions and having the last of its employee labor groups pay the full employee share. The City's 30-year financial forecast, which projects future revenue and expenditures to ensure that all financial policies will be met in the future, was updated to include the transfers to a new pension reserve fund. The financial forecast was also used to calculate the City's capacity to build the City Hall/Town Hall project and to fund the Ten-Year Capital Improvement Program approved by the City Council during this fiscal year.

Cost of Service Study – Water, Wastewater, Clean Water

A cost of service study was completed, which included forecasting future costs, projecting water sales, and developing retail rates for utility customers. Cost of service studies are essential for meeting the requirements of Proposition 218, and for effective financial management of enterprise funds.

Technological & Administrative Improvements

During Fiscal Year 2014-2015, the City implemented a number of technology initiatives that have improved government transparency, provided efficiencies, and helped improve collaboration among departments. The City continued to expand the capabilities of its TRAKiT software. TRAKiT is an integrated suite of software modules for tracking and managing parcels, planning applications, building permits, code enforcement, and business licenses. TRAKiT allows all City staff to simply query a parcel and see all related planning applications, business licenses, and/or code enforcement cases. This system has benefited many City departments including Planning, Finance, and Public Works.

The City also executed a new contract for internet services, providing significant cost savings, while providing staff with faster internet access. And, the City replaced aging core network switches to improve network performance, ensure business continuity, and reduce annual maintenance costs. The City also acquired NeoGov, an online job applicant tracking system to better manage recruitments through a cost sharing arrangement with the City of Solana Beach, saving 50 percent of the costs for the software. Finally, the City negotiated a revenue agreement with Time Warner to allow installation of localized WiFi “HotSpots” at various City-owned properties.

The City also developed a comprehensive Communications Plan to improve transparency and civic engagement. Through implementation of this plan, the City acquired and implemented use of a new e-mail newsletter tool called CivicSend. CivicSend allows the City to send rich text, device-independent e-mails. This allowed revamping of the City’s Weekly Update to a more visually appealing e-mail message that is sent directly to subscribers’ inbox, rather than a link to a PDF. CivicSend also automatically reformats messages depending on the users’ device (mobile, desktop). And, it allows recipients to easily forward messages or post them to their social media account. The City also began using MindMixer, an online tool for only citizen engagement that can be used to seek community feedback on select topics. Finally, the City has enhanced its use of its social media accounts, including acquiring a presence on Nextdoor.com.

The City continued the initiative to digitize existing paper records to reduce storage needs. Through this project, the City has eliminated hard copy storage for hundreds of plan sets and hundreds of boxes of paper records. The project also allows for easier records retrieval through online full-text search.

The City also developed an Administrative Policy and Procedures Manual to create consistencies among departments in how routine tasks and policies are administered.

City Hall/Town Hall Project

The City's civic center buildings are in need of replacement, and the design process for a new City Hall/Town Hall continued during Fiscal Year 2014-2015, building upon the vast information developed during the planning phases in Fiscal Year 2013-2014.

The City Council, based upon a community poll, requested that the architect design a new City Hall for administrative functions, a Town Hall for community gatherings and government meetings, and a large plaza to serve a variety of outdoor uses. Following this direction, the City's architect developed a Concept Design and then refined that site concept into a Schematic Design.

Sidewalk, Street, and Drainage Project

The City is underway with a multi-phased, citywide project to construct sidewalks, curb and gutters, storm drain infrastructure, and roadway repairs on major arterial roadways (Camino del Mar, Jimmy Durante Boulevard, and Via de la Valle). In Spring 2015, construction of the Jimmy Durante Boulevard segment was completed. The project improved pedestrian and bicycle connectivity from the Del Mar Village to the Del Mar Fairgrounds, through wider sidewalks, shorter distance crosswalks, new ADA-accessible pedestrian ramps, increased visibility, wider and more consistent bike lanes, improved roadway surface for bicyclists, and enhanced roadway signage and striping. Design work was also completed for similar improvements on the Camino del Mar (North Beach) and Via de la Valle segments.

River Path Del Mar Extension Project

River Path Del Mar, part of the San Dieguito segment of the City's Scenic Loop Trail, currently provides pedestrian access along the river's south edge between the river mouth and Jimmy Durante Boulevard. The extension project will advance the River Path east from Jimmy Durante Boulevard to the Old Grand Avenue Bridge, and bring the Loop Trail one step closer to a future connection at the Crest Canyon segment. The project design was completed by the City during Fiscal Year 2014-2015, in partnership with the San Dieguito River Valley Conservancy, San Dieguito River Park JPA, and San Dieguito Lagoon Committee, and construction is anticipated to be completed in the spring of 2016.

Looking Forward -- Citywide Planning Efforts

Del Mar Shores Park Master Plan

The City has initiated the master planning process for the Del Mar Shores Park, located on 5.3 acres immediately south of downtown property, to help envision future activities for the site. The site currently is home to Winston School, community offices used by 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.

Parking Management Plan

At the direction of the City Council, staff is facilitating a comprehensive, citywide evaluation of parking. The goals are to: (1) identify parking issues, concerns, and needs – both current, and to the extent possible, anticipated future needs; and (2) identify strategies to address the stated issues, concerns and needs. The Parking Management Plan identifies numerous strategies to help resolve

parking challenges. The implementation of parking management measures and strategies requires the sustained involvement of City departments, local businesses, residents and stakeholder organizations. Strategies will be vetted within the community and through public meetings and hearings as needed or required. Once the City Council gives direction on which measures/strategies to pursue, staff will move forward with implementation.

Housing Element

The City has implemented approximately three-quarters of the ordinances required by the Housing Element Update of 2012, and is in position to continue with the remainder, to stay in compliance with State mandates. In 2014-2015, the City Council adopted the following ordinances and resolutions to amend the Municipal Code/Zoning Code/Community (General) Plan to implement individual Housing Programs contained in the City's certified 2013-2021 Cycle Housing Element:

- Ordinances: (Zone Code Amendment) ZA 13-03; ZA-13-04; ZA-13-05; (Municipal Code Amendment) A-14-02; ZA-14-01; (General Plan Amendment) ZA-14-04/GPA-14-01; ZA-14-06.
- Resolutions: 2014-03 and 2015-84 (actually started in FY 2014-2015 but adopted after June 30, 2015).

Sea Level Rise

A Sea-Level Rise Stakeholder-Technical Advisory Committee was established to guide the creation of long-range policies to address the effects of sea-level rise, storm surge, and coastal flooding. An initial \$100,000 grant from the Ocean Protection Council (OPC), administered by the California Coastal Commission (CCC), will be used for the preparation of an amendment to the City's Local Coastal Program (LCP) to create said policies.

Climate Action Plan

California Assembly Bill (AB) 32, adopted in 2006, established the state's goal of substantially reducing greenhouse gas (GHG) emissions to 1990 levels by 2020. Subsequent California legislation established additional requirements for setting more long-term GHG reduction targets. Climate Action Plans (CAPs) are a tool for quantifying GHG emissions from different sources, identifying projected future emissions, and setting specific GHG reduction targets for 2020 and 2035, as well as strategies (mitigation measures) to achieve those targets.

The Sustainability Advisory Board has worked extensively on preparation of the Climate Action Plan, overseeing the process and providing recommendations, guidance, and critical feedback on approach and all of the work items. Del Mar's approach to developing a CAP has been as a high-level planning document; the CAP's purpose is to formally establish greenhouse gas reduction targets for 2020 and 2035 and envisioned strategies for achieving those targets. Once the CAP is adopted, then work will begin to pursue implementation of the 22 recommended goals and 49 measures that are identified in the implementation plan.

Financial Policies

General Fund Contingency Reserve

It is the City's policy and practice to complete a budget that is balanced and has a minimum contingency reserve of ten percent of annual operating expenditures in the General Fund in order to ensure the City's continuing financial health. The City also maintains a \$500,000 revenue loss reserve in addition to the contingency reserve. Since 2000, the City Council has abided by an expanded reserve policy providing for a mandatory review of reserves, followed by the transfer of reserve funds in excess of the 20 percent level to the Capital Improvement Program (CIP) reserve.

Finnell Plan

In 2007, the City Council adopted a financial objective, referred to as the Finnell Plan, to provide funding for future capital projects. The Finnell plan was created in order to provide an automatic funding mechanism for capital projects, by constraining the growth in operating expenditures to be below the growth in revenues. The difference is then transferred to the CIP Reserve to assist in cash funding the City's capital projects. As of June 30, 2015, approximately \$2.9 million has been reserved for CIP programs.

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 19 consecutive years. In order to receive an award, the City must publish an easily readable and comprehensive report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and will be submitting it to the GFOA to determine its eligibility.

Acknowledgments

We would like to thank the City Council of the City of Del Mar and the Executive Team for their continued leadership in the pursuit of excellence in financial reporting and for maintaining the highest level of professional standards in the management of Del Mar's finances. We would also like to thank the City's Finance Committee for their oversight and contributions. This report could not have been accomplished without the professionalism and dedicated services of the entire staff of the Finance Department including Senior Accountant Monica Molina, Administrative Assistant Jay Lipscomb, and Accounting Technicians Adele Crawford and Les Middleton.

Respectfully submitted,



Scott W. Huth
City Manager



Teresa S. McBroome
Director of Finance/Treasurer



Government Finance Officers Association

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

Presented to

**City of Del Mar
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY COUNCIL

Al Corti
Mayor

Sherryl Parks
Deputy Mayor

Donald Mosier
Councilmember

Terry Sinnott
Councilmember

Dwight Worden
Councilmember

CITY MANAGER

Scott W. Huth

ASSISTANT CITY MANAGER

Mark Delin

CITY ATTORNEY

Leslie Devaney

**DIRECTOR OF PLANNING AND
COMMUNITY DEVELOPMENT**

Kathy Garcia

**ADMINISTRATIVE
SERVICES DIRECTOR**

Andrew Potter

**DIRECTOR OF FINANCE/
TREASURER**

Teresa S. McBroom

**DIRECTOR OF COMMUNITY SERVICES
AND LIFEGUARD CHIEF**

Pat Vergne

CITY ENGINEER

Tim Thiele

PUBLIC WORKS DIRECTOR

Eric Minicilli

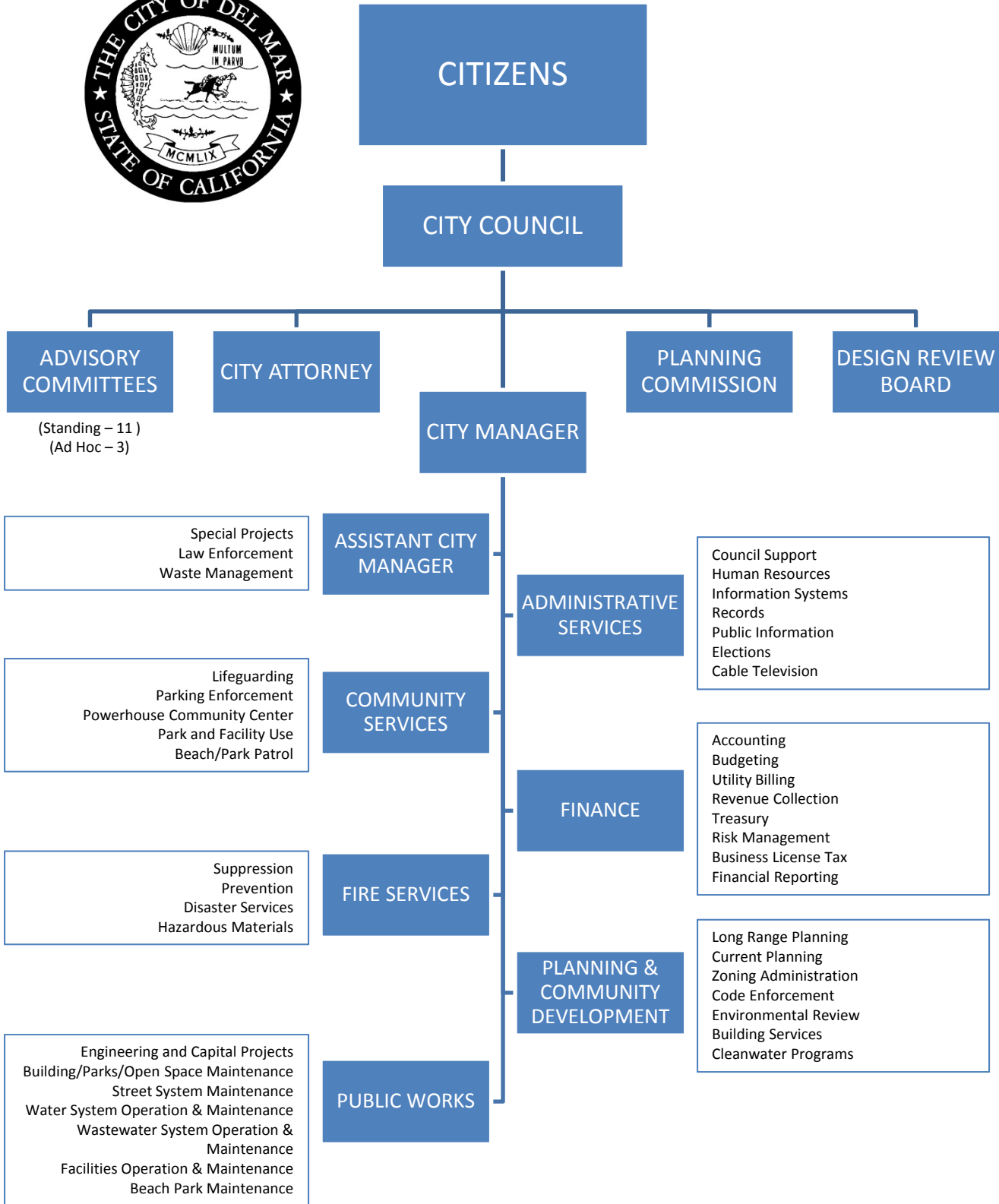
SHERIFF CAPTAIN

Theresa Adams-Hydar

FIRE CHIEF

Mike Daigle

City of Del Mar Organizational Chart



INDEPENDENT AUDITORS' REPORT

City Council
City of Del Mar
Del Mar, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Del Mar (the City), as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Notes 1D and 16 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". The adoption of these standards required retrospective application resulting in a \$6,563,382 and a \$1,892,117 reduction of previously reported net position of the governmental and business-type activities, respectively, and a \$943,562 and \$948,555 reduction of previously reported net position of the Water and Wastewater Enterprise Funds, respectively. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Matters (Continued)

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Irvine, California
December 30, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Del Mar (the City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2015. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the City. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standard Board (GASB). Readers are encouraged to consider the information presented here in conjunction with additional information, which can be found in the Introductory Section of this report, and with the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

Economic Background

This fiscal year finds the City of Del Mar in a strong financial position with the stable activity in the housing market and in the overall economy. The City's largest revenue source is its very stable property tax base, which has increased each year since 1995. Due to the City's excellent location on the coast, immediately north of the City of San Diego, its real estate market does not experience the downturns that the inland areas experience in periods of economic decline. As the San Diego regional develops, Del Mar has become increasingly desirable, and this is reflected in its property values. The two next largest revenues, transient occupancy tax (TOT), and sales and use tax, are heavily tourist based, and reflect the increased economic activity experienced by the nation. TOT and sales tax have both increases compared to the prior year primarily due to higher hotel occupancy, higher hotel room rates, and higher restaurant taxable sales.

Last year, the City took advantage of a program offered by its regional planning agency, the San Diego Association of Governments (SANDAG), which permits a City's Transnet sales tax revenue to be pledged towards the proceeds of SANDAG-issued debt for transportation-related projects. The City participated in this program for Fiscal Year 2013-2014 for its roadway and sidewalk improvements, pledging future Transnet revenue towards the repayment of \$1.2 million in proceeds through SANDAG's commercial paper program. The City, then rolled the commercial paper debt into the SANDAG long-term bond issue in September 2014. The City was able to include the remainder of its Roadway and Sidewalk Improvement Project Segment 2 (Jimmy Durante Boulevard - San Dieguito Drive to Plaza) in the larger bond program, receiving a total of \$3.5 million in proceeds secured by its Transnet sales tax revenue.

This year the City implemented Governmental Accounting Standards Board (GASB) Statements No. 68 and 71, which relate to accounting and financial reporting for pensions. These

Statements will be discussed in detail in Note 8 in the Notes to Basic Financial Statements section of this report. The result of the implementation of these standards decreased the governmental activities and business-type activities net position at July 1, 2014 by \$6,563,382 and \$1,892,117, respectively, and Water and Wastewater Enterprise Funds's net position at July 1, 2014 by \$949,562 and \$948,555, respectively.

The discussion and analysis below compares Fiscal Year 2014-2015 to the restated Fiscal Year 2013-2014 due to implementation of the new statements. All variances are expressed relative to restated Fiscal Year 2013-2014 results. Fiscal Year 2014-2015 financial highlights include the following:

Financial Highlights

- The City's total assets in excess of its liabilities as of June 30, 2015 was \$85.74 million.
- Citywide total net position increased by \$3.34 million, or 4.06 percent, during the current fiscal year, indicating an improved financial condition. The positive change in net position is largely due to increased cash and investments.
- A net increase in total assets of \$3.61 million, or 3.55 percent, is primarily due to an increase in cash and investments, and capital assets. Liabilities had a net decrease of \$1.47 million, or 7.55 percent in comparison to the prior year restated amount of \$19.46 million. Current liabilities decreased by \$0.87 million and non-current liabilities decreased by \$0.60 million.
- As of June 30, 2015, the City's governmental funds reported combined fund balances of \$10.83 million, an increase of \$3.09 million, or 39.96 percent, from June 30, 2014. The increase in fund balance is mainly attributable to a decrease in expenditures in comparison to the prior year's expenditures due to the final construction of the North Torrey Pines Bridge project in the previous year. Of the \$10.83 million in fund balance, \$0.80 million is restricted, \$0.30 million is committed to the parks and community center, \$5.92 million is assigned for specific activities, and \$3.81 million, is unassigned.
- At the end of the current fiscal year, the fund balance for the General Fund is \$5.28 million, or 48.76 percent, of the total fund balance in governmental funds. This balance is available for spending at City management's discretion, and is equal to 53.10 percent of the total fiscal year expenditures of \$9.94 million, and 37.26 percent of total revenues of \$14.17 million, before other financing sources (uses). The Capital Projects Fund, TransNet II Fund, and other non-major governmental funds have fund balances of \$4.45 million, \$0.004 million and \$1.10 million, respectively, at June 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. However, this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship or differences between governmental funds and governmental activities following each of the governmental funds statements.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for two funds that are considered to be major funds. These two funds consist of the General Fund, and the Capital Improvement Program Fund. Data from the other ten governmental funds are combined into a single, aggregated presentation and are considered non-major funds.

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

Proprietary Funds. The City of Del Mar maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Enterprise funds are used to account for the City's Water, Wastewater, and Clean Water activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-insured Workers' Compensation activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water and Wastewater, which are considered to be major funds, and Clean Water, which is considered a non-major enterprise fund. Conversely, the Internal Service Fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

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

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

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the City's progress as compared to the budget. The *Required Supplementary Information* section can be found in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Del Mar, combined net position (governmental and business-type activities) totaled \$85.74 million as of June 30, 2015. This is an increase of \$3.34 million, or 4.06 percent, compared to June 30, 2014.

TABLE 1
CITY OF DEL MAR
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2015	2014 as restated	2015	2014 as restated	2015	2014 as restated
Current assets	\$13,721,991	\$11,074,461	\$4,800,505	\$5,053,529	\$18,522,496	\$16,127,990
Non-current assets	-	-	451,055	451,109	451,055	451,109
Capital assets	61,539,369	60,309,566	24,679,704	24,693,726	86,219,073	85,003,292
Total assets	75,261,360	71,384,027	29,931,264	30,198,364	105,192,624	101,582,391
Deferred outflows of resources	582,923	-	149,394	-	732,317	-
Current liabilities	2,136,201	2,752,092	771,280	796,172	2,907,481	3,548,264
Non-current liabilities	8,273,432	7,828,417	6,805,603	7,804,054	15,079,035	15,632,471
Total liabilities	10,409,633	10,580,509	7,576,883	8,600,226	17,986,516	19,180,735
Deferred inflows of resources	1,691,816	-	502,850	-	2,194,666	-
Net investment in capital assets	59,266,263	59,605,566	19,468,010	18,867,190	78,734,273	78,472,756
Restricted	795,930	980,148	-	-	795,930	980,148
Unrestricted	3,680,641	217,804	2,532,915	2,730,948	6,213,556	2,948,752
Total net position	\$63,742,834	\$60,803,518	\$22,000,925	\$21,598,138	\$85,743,759	\$82,401,656

The largest component of the City's net position, \$78.73 million, is net investment in capital assets (e.g., land, buildings, improvements, equipment, construction in progress, and infrastructure), and is less any related debt, used to acquire those assets, that is outstanding. This increased \$0.26 million, or 0.33 percent, from the prior fiscal year. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The restricted portion of the City's total net position, which represents resources subject to external restrictions on how they may be used by the City, is \$0.80 million. This is a decrease of \$0.18 million from the prior fiscal year's amount of \$0.98 million. The remaining unrestricted net position of \$6.21 million is used to meet the City's ongoing obligations for the following fiscal year. This unrestricted amount increased by \$3.26 million from last fiscal year's amount of \$2.95 million.

As of June 30, 2015, 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 \$2.94 million, or 4.83 percent. The increase in total net position also accounted for an increase in business-type activities of \$0.40 million, or 1.86 percent.

Changes in Net Position

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

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$3,513,676	\$3,152,222	\$6,905,807	\$6,305,318	\$10,419,483	\$9,457,540
Operating grants and contributions	285,416	311,393	5,000	5,000	290,416	316,393
Capital grants and contributions	951,754	3,874,226	-	-	951,754	3,874,226
<i>General Revenues:</i>						
Property taxes	5,291,352	5,329,825	-	-	5,291,352	5,329,825
Sales and other taxes	5,297,004	4,576,871	-	-	5,297,004	4,576,871
Others	493,914	228,085	-	-	493,914	228,085
Unrestricted investment earnings and others	239,734	190,457	27,729	5,591	267,463	196,048
Total revenues	16,072,850	17,663,079	6,938,536	6,315,909	23,011,386	23,978,988
Expenses:						
General government	4,748,943	4,328,963	-	-	4,748,943	4,328,963
Public safety	5,705,795	5,472,799	-	-	5,705,795	5,472,799
Public works	1,649,191	943,013	-	-	1,649,191	943,013
Parks and recreation	835,545	839,063	-	-	835,545	839,063
Interest and fiscal charges	158,679	8,438	-	-	158,679	8,438
Enterprise operations	-	-	6,571,130	6,135,071	6,571,130	6,135,071
Total expenses	13,098,153	11,592,276	6,571,130	6,135,071	19,669,283	17,727,347
Increase (decrease) in Net Position before other revenues and transfers	2,974,697	6,070,803	367,406	180,838	3,342,103	6,251,641
Transfers	(35,381)	(19,615)	35,381	19,615	-	-
Change in net position	2,939,316	6,051,188	402,787	200,453	3,342,103	6,251,641
Net position - beginning of year, restated	60,803,518	54,752,330	21,598,138	21,397,685	82,401,656	76,150,015
Net position - end of year	\$63,742,834	\$60,803,518	\$22,000,925	\$21,598,138	\$85,743,759	\$82,401,656

Governmental Activities:

The City's net position from governmental activities, as restated increased by \$2.94 million, or 4.83 percent, in the current fiscal year, accounting for 87.95 percent of the total \$3.34 million growth, in the City's total net position. Total revenues from governmental activities of \$16.07 million decreased 9.00 percent compared to the prior fiscal year, primarily due to less expenditures on the North Torrey Pines Bridge Project, and less expenditures on local

grants and contributions. The cost of all governmental activities in Fiscal Year 2014-2015 was \$13.10 million, an increase of \$1.51 million, or 12.99 percent, over the prior fiscal year largely due to the Roadway and Sidewalk Improvements Project completed in the current year. As shown in the Statement of Activities, governmental activities were financed in part by taxpayers at \$3.51 million, which were generated by service revenues received from the performance of these activities, and increased by \$0.36 million, or 11.47 percent, compared to Fiscal Year 2013-2014. Another \$0.29 million was received from other government agencies and other organizations that subsidized certain programs with operating grants and contributions. In addition, another \$0.95 million in revenues came from capital grants and contributions, which decreased by \$2.92 million, or 75.43 percent, compared to the prior fiscal year. Overall, the City's governmental program revenues amounted to \$4.75 million, a decrease of \$2.59 million, or 35.26 percent, compared to the prior fiscal year. General revenues of \$11.32 million increased by \$1.0 million, or 9.65 percent, in comparison to the prior fiscal year. The City had a decrease in property taxes of \$0.04, or 0.72 percent, an increase of sales and other taxes of \$0.72 million, or 15.73 percent and an increase in other general revenue of \$0.32 million compared to the prior fiscal year. In total, City Governmental Activities reported an increase of \$2.94 million in net position. In comparison to the prior fiscal year, the key elements contributing to the \$1.59 million decrease in revenues from governmental activities are as follows:

- A decrease of \$2.92 million in capital grants and contributions compared to the prior fiscal year due to less federal grants received in the current fiscal year related to final construction reimbursements of the North Torrey Pines Bridge Project. Capital grants and contributions for the current year were mainly due to the Roadway and Sidewalk Improvements completed in the current year.
- An increase of \$0.72 million in general revenue compared to the prior fiscal year due to an increase in sales and use tax, and increased collections of transient occupancy tax. Property tax revenue indicate a decrease of \$0.04 million, however property valuation and tax collection continue to increase and the decrease is primarily due to sufficient available funds in reserve to cover the final payment of the Wildfire Protection General Bond.
- An increase of \$0.36 million in charges for services compared to the prior fiscal year primarily attributable to the continuous increase in planning and building activity.
- An increase of \$0.32 million in other general revenues largely due to an increase in investment earnings.

Business-type Activities:

The City's business-type activities, as restated, increased in net position by \$0.40 million, or 1.87 percent, for the fiscal year ended June 30, 2015, accounting for 12.05 percent of the total \$3.34 million growth, in the City's net position. Business-type activities' total revenue increased by \$0.62 million, or 9.86 percent, during the current fiscal year to a total of \$6.94 million in revenues. In comparison to the prior fiscal year, charges for services increased by \$0.60 million, or 9.52 percent. Related business-type activity costs also increased during the fiscal year by \$0.44 million, or 7.11 percent, compared to the prior fiscal year. The increase in revenues, expenses, and transfers resulted in a change in net position of \$0.40 million, or a 1.87 percent increase, 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, 2015, the City's governmental funds reported a combined ending fund balance of \$10.83 million, which is a \$3.09 million, or 39.96 percent increase, in comparison to the prior fiscal year of \$7.73 million. The \$10.83 million governmental fund balance is composed of \$0.80 million in *restricted*; \$0.30 million in *committed*; \$5.92 million in *assigned* which indicate that it is not available for new spending; and \$3.81 million in *unassigned* funds.

Table 3 below shows the governmental fund balances for the two fiscal years ended June 30, 2015 and June 30, 2014.

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

FISCAL YEAR 2014-2015	General	Capital Improvement	Transnet II Funds	Non-Major Governmental Funds	Totals
Total revenues	\$14,168,365	\$637,129	\$231,400	\$1,035,957	\$16,072,851
Total expenditures	9,941,371	826,044	2,516,849	1,948,263	15,232,527
Excess (deficiency) of revenues over expenditures	4,226,994	(188,915)	(2,285,449)	(912,306)	840,324
Total other financing sources (uses)	(2,766,104)	1,911,196	2,285,606	819,527	2,250,225
Net change in fund balance	1,460,890	1,722,281	157	(92,779)	3,090,549
Fund balance - beginning	3,817,656	2,729,399	4,829	1,183,138	7,735,022
Fund balance - ended	\$5,278,546	\$4,451,680	\$4,986	\$1,090,359	\$10,825,571
FISCAL YEAR 2013-2014					
Total revenues	\$12,628,296	\$3,657,864	\$204,913	\$1,172,006	\$17,663,079
Total expenditures	9,540,907	4,049,905	910,840	1,701,298	16,202,950
Excess (deficiency) of revenues over expenditures	3,087,389	(392,041)	(705,927)	(529,292)	1,460,129
Total other financing sources (uses)	(2,191,440)	1,585,954	704,000	585,871	684,385
Net change in fund balance	895,949	1,193,913	(1,927)	56,579	2,144,514
Fund balance - beginning	2,921,707	1,535,486	6,756	1,126,559	5,590,508
Fund balance - ended	\$3,817,656	\$2,729,399	\$4,829	\$1,183,138	\$7,735,022

General Fund:

Total governmental funds include the General Fund, the chief operating fund of the City, which has a fund balance of \$5.28 million as of June 30, 2015. This is an increase of \$1.46 million, or 38.27 percent, in comparison to the prior fiscal year. This increase is due to an increase in total revenues of \$1.54 million, or 12.20 percent, an increase in operating costs of \$0.40 million, or 4.20 percent, and an increase in other financing uses of \$0.57 million, or 26.22 percent. Revenues increased primarily due to increases in taxes, licenses, fees and permits, charges for services, fines and forfeitures, use of money and property, and other revenue, offset by a decrease in contributions.

Total expenditures increased by \$0.40 million, or 4.20 percent, as compared to the prior fiscal year, in which the largest increases were in public safety expenditures of \$0.24 million, or 4.71 percent, and general government expenditures of \$0.16 million, or 3.81 percent. The ending fund balance is composed of \$1.47 million assigned for specific expenditures, and the unassigned amount of \$3.81 million, which is available for spending at the City's discretion.

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

Major Funds:

As of June 30, 2015, the Capital Improvement Program's fund balance of \$4.45 million, increased by \$1.72 million, or 63.10 percent, from the prior fiscal year, due to transfers from the General Fund related to the City Council's policy of reserving General Fund contingency overages to the CIP Reserve. This fund balance will be utilized for on-going projects and street projects in the following fiscal year, in addition to reserving for City Hall project. The Transnet II Capital fund was reclassified as a major fund during the current fiscal year. As of June 30, 2015, the fund had a balance of \$4.99 thousand, which is an increase of \$157, or 3.25 percent, from the prior year.

Non-major Funds:

The fund balances for other governmental funds or non-major governmental funds decreased \$0.09 million, or 7.84 percent, from the Fiscal Year 2013-2014 balance of \$1.18 million to \$1.09 million at the end of the current fiscal year. The other non-major funds are composed of the special revenue funds including Gas Tax, Open Space, Supplemental Law Enforcement, Regional Communications System, Grants, Housing, AB 939, Regional Transportation, and Wildfire Debt Service. The fund balance of \$1.09 million is restricted 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, as restated, increased over the prior fiscal year by \$0.40 million, or 1.86 percent. The City's Water Fund decreased by \$0.32 million, while the Wastewater Fund increased by \$0.72 million.

At the end of Fiscal Year 2014-2015, the Internal Service fund reported a surplus in net position of \$0.44 million, which is a \$0.15 million, or 33.10 percent decrease from last fiscal year, due to higher claims activity.

General Fund Budgetary Highlights

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

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

The General Fund reflected a net total favorable budget variance of \$2.18 million when comparing actual excess revenues over expenditures amounts of \$4.22 million to the final budget of \$2.04 million for the current fiscal year. This positive budget variance primarily reflects revenue realization greater than estimates of \$1.56 million due to higher tax revenues of \$0.68 million, higher licenses, fees and permits of \$0.16, higher intergovernmental revenues of \$0.16 million, higher charges for services revenue of \$0.12 million, higher use of money and property revenue of \$0.07 million and higher other revenues of \$0.34 million. The actual expenditures were less than the fiscal year's final appropriation by \$0.63 million primarily due to less than anticipated expenditures in general government of \$0.57 million, lower expenditures in public safety of \$0.05 million, and lower expenditures in public works of \$0.18 million.

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, 2015, amounts to \$86.22 million, net of accumulated depreciation. Amounts invested in capital assets includes land, buildings and improvements, machinery and equipment, bridges, roadway networks, water lines, and sewer and storm drainage systems. The total increase in the City's capital assets, net of depreciation, for the current fiscal year was \$1.22 million, compared to the prior fiscal year, in which \$1.23 million, 101.15 percent, of the increase is related to governmental activities and a \$0.01 million, or 1.15 percent, decrease in business-type activities. For capital assets by category, refer to Table 4.

- For governmental activities, the increase in capital assets during the fiscal year is primarily due to the roadway and sidewalk improvements of \$1.70 million, mitigation expenditures related to the North Torrey Pines Bridge Project of \$0.32 million, and costs related to the City Hall/Town Hall Project development of \$0.29 million. The Jimmy Durante Boulevard and downtown area of Camino del Mar roadway and sidewalk improvements were completed during the current year, and a transfer from construction in progress to infrastructure was made in the amount of \$1.50 million. Overall, total capital assets increased \$1.23 million in governmental activities compared to the prior fiscal year.
- For business-type activities, total capital assets decreased by \$0.01 million, or 0.06 percent, during the fiscal year. This was primarily attributable to an increase in construction in progress related to the San Elijo Joint Powers Authority Project of \$0.18 million, equipment purchases of \$0.09 million, water line improvements of \$0.52 million, offset by the current year's depreciation of capital assets of \$0.93 million.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Non-depreciable assets:						
Land	\$18,289,250	\$18,289,250	\$1,365,688	\$1,365,688	\$19,654,938	\$19,654,938
Construction in progress	1,712,502	962,283	206,606	27,672	1,919,108	989,955
Total non-depreciable assets	20,001,752	19,251,533	1,572,294	1,393,360	21,574,046	20,644,893
Capital assets, being depreciated:						
Buildings/structures and improvement	5,575,446	5,833,979	6,668,204	6,882,303	12,243,650	12,716,282
Machinery and equipment	788,597	770,370	1,073,739	1,152,871	1,862,336	1,923,241
Streets	6,423,224	5,105,930	-	-	6,423,224	5,105,930
Traffic signals	35,114	36,449	-	-	35,114	36,449
Roadway network	236,790	245,948	-	-	236,790	245,948
Bridge	26,790,985	27,309,832	-	-	26,790,985	27,309,832
Storm drainage system	1,687,461	1,755,525	-	-	1,687,461	1,755,525
Water line system	-	-	7,690,552	7,417,899	7,690,552	7,417,899
Sewer line system	-	-	7,674,915	7,847,293	7,674,915	7,847,293
Total depreciable assets, net of accumulated depreciation	41,537,617	41,058,033	23,107,410	23,300,366	64,645,027	64,358,399
Total capital assets	\$61,539,369	\$60,309,566	\$24,679,704	\$24,693,726	\$86,219,073	\$85,003,292

Debt Service Administration:

A complete detail of outstanding debt is shown in Note 6 of the financial statements in this report. As of June 30, 2015, the City had total long-term debt outstanding of \$8.32 million in bonds, loan payable, note payable, compensated absences, and claims payable as shown in Table 5.

For governmental activities, long-term debt accounts for \$3.01 million, or 38.06 percent, of the City's total long-term debt, as of June 30, 2015. Total long-term debt is comprised of Certificates of TransNet Loan of \$2.27 million, compensated absences of \$0.41 million, and claims payable of \$0.32 million. All long-term debt in governmental activities is secured solely by specified revenue sources.

During the current fiscal year, the City paid off the TransNet Commercial Paper loan with the bond issued by SANDAG in the amount of \$704,000 Roadway and Sidewalk Improvement Project. The first annual principal payment was paid during the fiscal year using the City's annual TransNet revenue allocation received from SANDAG.

TABLE 5
CITY OF DEL MAR'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Certificates of Participation	\$ -	\$ -	\$ 440,000	\$ 855,000	\$ 440,000	\$ 855,000
Bond payable	-	170,000	-	-	-	170,000
Loan payable	2,273,106	704,000	-	-	2,273,106	704,000
Note payable	-	-	4,771,694	4,971,536	4,771,694	4,971,536
Compensated absences	414,680	391,034	97,530	85,402	512,210	476,436
Claims payable	319,697	351,583	-	-	319,697	351,583
	\$ 3,007,483	\$ 1,616,617	\$ 5,309,224	\$ 5,911,938	\$ 8,316,707	\$ 7,528,555

For business-type activities, long-term debt accounts for \$5.31 million, or 63.84 percent, of the City's total long-term debt, as of June 30, 2015. Certificates of Participation (COP) outstanding in the amount of \$0.44 million were issued for construction and repair for wastewater lines in the Wastewater Fund. The Wastewater fund has a note payable outstanding with the State of California for the replacement of the 21st Street Pump Station with an outstanding balance of \$4.77 million. Compensated absences in business-type activities accounts for \$0.10 million of the total business-type long-term debt. All long-term debt in business-type activities is pledged solely by operating revenues.

The City's long-term debt increased by \$0.79 million, or 10.47 percent, compared to the prior fiscal year, in which \$0.17 million of principal payments were paid towards the bond payable, \$0.72 million towards the loan payable, decrease in claims payable of \$0.03 million, offset by an increase of \$0.02 million in compensated absences, and an a new \$2.29 million bond payable through SANDAG as mentioned previously.

Economic Factors and Next Year's Budget

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

Facing a continuing slow economy and increasing costs in pension and medical, as well as the need for infrastructure rehabilitation, management looked at the following key economic factors while preparing the two-year budget for Fiscal Years 2015-2016 and 2016-2017. The explanations that follow relate to Fiscal Year 2015-2016:

Revenues:

The City's projected revenues for Fiscal Year 2015-2016 is \$33.20 million, which is \$13.87 million, or 71.76 percent, higher than Fiscal Year 2014-2015 original projected revenues of \$19.33 million. During the course of Fiscal Year 2014-2015, however, revenues were adjusted to \$24.29 million, an increase of \$4.96 million, or 25.66 percent. The majority of the increase in revenues in Fiscal Year 2015-2016 are due to expected loan proceeds of \$7.36 million for the City Hall/Town Hall

project, and \$3.54 million for the force main connection to San Elijo Joint Powers Authority project, and citywide wastewater infrastructure rehabilitation.

The Fiscal Year 2015-2016 revenue projections focus on the following factors:

- The three primary supporting revenues in the General Fund are property taxes, sales tax, and transient occupancy taxes, which make-up 69.94 percent of the overall General Fund revenue, and are expected to increase from Fiscal Year 2014-2015.
- Revenues in the business-type funds are projected to increase by \$4.01 million, or 64.26 percent, compared to the previous year. This increase is mainly due to projected loan proceeds of \$3.54 million for the force main connection to San Elijo Joint Powers Authority project, and citywide wastewater infrastructure rehabilitation.

Expenditures:

The City's Fiscal Years 2015-2016 and 2016-2017 Operating and Capital Budget has expenditures of \$33.90 million for Fiscal Year 2015-2016, which is an increase of \$14.59 million, or 75.55 percent, higher than the prior fiscal year's original adopted budget.

The budget is composed of the General Fund for \$11.07 million, or 32.65 percent, other governmental funds of \$1.73 million, or 5.09 percent, Capital Projects Fund of \$9.53 million, or 28.12 percent, and the Workers' Compensation Fund of \$0.27 million, or 0.80 percent. The business-type funds account for \$11.30 million, or 33.34 percent.

The budget for Fiscal Year 2015-2016 is focused on the following objectives:

- Maintaining our services to our residents, businesses, and visitors without increasing expenditures.
- Continuing to pursue capital improvement projects that are grant-funded or funded by low-interest loans.

The City's Adopted Fiscal Years 2015-2016 and 2016-2017 Operating and Capital Budget is a reflection of the City's commitment to the residents of Del Mar. A copy of the budget can be obtained by contacting the City's Finance Department.

Request for Information

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

CITY OF DEL MAR

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 12,215,853	\$ 2,895,407	\$ 15,111,260
Receivables:			
Accounts, net	156,082	1,038,878	1,194,960
Taxes	683,894	-	683,894
Accrued interest	6,450	1,732	8,182
Inventory	-	75,262	75,262
Internal balances	(789,226)	789,226	-
Due from other agencies	1,448,938	-	1,448,938
Total current assets	<u>13,721,991</u>	<u>4,800,505</u>	<u>18,522,496</u>
Non-current assets:			
Restricted assets:			
Cash and investments with fiscal agent	-	451,055	451,055
Capital assets:			
Not being depreciated	20,001,752	1,572,294	21,574,046
Being depreciated (net of accumulated depreciation)	41,537,617	23,107,410	64,645,027
Total capital assets	<u>61,539,369</u>	<u>24,679,704</u>	<u>86,219,073</u>
Total non-current assets	<u>61,539,369</u>	<u>25,130,759</u>	<u>86,670,128</u>
Total assets	<u>75,261,360</u>	<u>29,931,264</u>	<u>105,192,624</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount from pension plans	582,923	149,394	732,317
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,497,664	585,280	2,082,944
Deposits payable	547,369	51,819	599,188
Due from other agencies	6,236	-	6,236
Unearned revenue	1,067	-	1,067
Retention payable	80,646	-	80,646
Accrued interest payable	3,219	134,181	137,400
Total current liabilities	<u>2,136,201</u>	<u>771,280</u>	<u>2,907,481</u>
Non-current liabilities:			
Net pension liability	5,265,949	1,496,379	6,762,328
Due within one year	406,144	670,026	1,076,170
Due in more than one year	2,601,339	4,639,198	7,240,537
Total non-current liabilities	<u>8,273,432</u>	<u>6,805,603</u>	<u>15,079,035</u>
Total liabilities	<u>10,409,633</u>	<u>7,576,883</u>	<u>17,986,516</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount from pension plans	1,691,816	502,850	2,194,666
NET POSITION			
Net investment in capital assets	59,266,263	19,468,010	78,734,273
Restricted for			
Debt service	95,308	-	95,308
Public works	195,376	-	195,376
Public safety	34,144	-	34,144
Community development	471,102	-	471,102
Unrestricted	3,680,641	2,532,915	6,213,556
Total net position	<u>\$ 63,742,834</u>	<u>\$ 22,000,925</u>	<u>\$ 85,743,759</u>

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,748,943	\$ 1,646,441	\$ 26,100	\$ -
Public safety	5,705,795	1,457,029	124,136	-
Public works	1,649,191	-	135,180	951,754
Parks and recreation	835,545	410,206	-	-
Interest on long-term debt	158,679	-	-	-
Total governmental activities	13,098,153	3,513,676	285,416	951,754
Business-type activities:				
Water	3,165,994	2,822,138	-	-
Wastewater	2,965,384	3,675,632	-	-
Cleanwater	439,752	408,037	5,000	-
Total business-type activities	6,571,130	6,905,807	5,000	-
Total	\$ 19,669,283	\$ 10,419,483	\$ 290,416	\$ 951,754

General revenues:

Taxes:

Property tax

Sales and use tax

Transient occupancy tax

Franchise tax

Business license tax

Intergovernmental/unrestricted

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, restated

Net position, end of year

See accompanying notes to the basic financial statements.

Net Revenue (Expense) and Change in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (3,076,402)	\$ -	\$ (3,076,402)
(4,124,630)	-	(4,124,630)
(562,257)	-	(562,257)
(425,339)	-	(425,339)
(158,679)	-	(158,679)
(8,347,307)	-	(8,347,307)
-	(343,856)	(343,856)
-	710,248	710,248
-	(26,715)	(26,715)
-	339,677	339,677
(8,347,307)	339,677	(8,007,630)
5,291,352	-	5,291,352
1,998,279	-	1,998,279
2,444,275	-	2,444,275
367,471	-	367,471
208,898	-	208,898
278,081	-	278,081
239,734	27,729	267,463
493,914	-	493,914
(35,381)	35,381	-
11,286,623	63,110	11,349,733
2,939,316	402,787	3,342,103
60,803,518	21,598,138	82,401,656
\$ 63,742,834	\$ 22,000,925	\$ 85,743,759

See accompanying notes to the basic financial statements.

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CITY OF DEL MAR

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

	Capital Projects Funds				Totals
	General Fund	Capital Improvement	Transnet II Capital Improvement	Non-Major Governmental Funds	
ASSETS					
Cash and investments	\$ 5,771,608	\$ 4,539,931	\$ -	\$ 1,145,391	\$ 11,456,930
Receivables:					
Taxes	683,169	-	-	725	683,894
Accrued interest	4,233	1,419	-	388	6,040
Accounts, net	123,501	500	3,276	28,805	156,082
Due from other agencies	61,786	177,569	1,153,606	55,977	1,448,938
Due from other funds	1,029,712	-	-	-	1,029,712
Total assets	\$ 7,674,009	\$ 4,719,419	\$ 1,156,882	\$ 1,231,286	\$ 14,781,596
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,039,891	\$ 267,739	\$ 113,629	\$ 80,510	\$ 1,501,769
Deposits payable	520,274	-	-	27,095	547,369
Due to other agencies	6,236	-	-	-	6,236
Unearned revenue	1,067	-	-	-	1,067
Advance from other funds	827,995	-	-	-	827,995
Due to other funds	-	-	957,621	33,322	990,943
Retention payable	-	-	80,646	-	80,646
Total liabilities	2,395,463	267,739	1,151,896	140,927	3,956,025
Fund Balances:					
Restricted	-	-	4,986	790,944	795,930
Committed	-	-	-	299,415	299,415
Assigned	1,471,791	4,451,680	-	-	5,923,471
Unassigned	3,806,755	-	-	-	3,806,755
Total fund balances	5,278,546	4,451,680	4,986	1,090,359	10,825,571
Total liabilities and fund balances	\$ 7,674,009	\$ 4,719,419	\$ 1,156,882	\$ 1,231,286	\$ 14,781,596

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

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

JUNE 30, 2015

Fund balances of governmental funds	\$ 10,825,571
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of \$7,719,054 of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not included in the funds.	61,539,369
Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(3,219)
Long-term liabilities applicable to governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities.	
Bonds payable	(2,273,106)
Compensated absences	(414,680)
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.	443,741
Pension related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in effects only the government-wide statements for governmental activities:	
Deferred outflows of resources	690,166
Deferred inflows of resources	(1,799,059)
Pension liability	(5,265,949)
	<hr/>
Net position of governmental activities	\$ 63,742,834
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See accompanying notes to the basic financial statements.

CITY OF DEL MAR

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Capital Projects Funds				Totals
	General Fund	Capital Improvement	Transnet II Capital Improvement	Non-Major Governmental Funds	
REVENUES					
Taxes	\$ 10,259,000	\$ -	\$ -	\$ 210,129	\$ 10,469,129
Licenses, fees and permits	971,417	-	-	461,392	1,432,809
Intergovernmental	229,903	437,508	231,149	268,501	1,167,061
Charges for services	1,447,608	-	-	-	1,447,608
Fines and forfeitures	633,259	-	-	-	633,259
Use of money and property	218,934	15,901	251	4,647	239,733
Contributions	-	-	-	26,100	26,100
Other	408,244	183,720	-	65,188	657,152
Total revenues	14,168,365	637,129	231,400	1,035,957	16,072,851
EXPENDITURES					
Current:					
General government	4,335,246	-	-	130,611	4,465,857
Public safety	5,439,103	-	-	267,963	5,707,066
Public works	154,863	-	-	410,573	565,436
Parks and recreation	-	-	-	796,933	796,933
Capital outlay	-	826,044	1,657,700	168,273	2,652,017
Debt service:					
Principal	-	-	716,500	170,000	886,500
Interest	12,159	-	142,649	3,910	158,718
Total expenditures	9,941,371	826,044	2,516,849	1,948,263	15,232,527
Excess (deficiency) of revenues over (under) expenditures	4,226,994	(188,915)	(2,285,449)	(912,306)	840,324
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	2,285,606	-	2,285,606
Transfers in	-	1,911,196	-	828,193	2,739,389
Transfers out	(2,766,104)	-	-	(8,666)	(2,774,770)
Total other financing sources (uses)	(2,766,104)	1,911,196	2,285,606	819,527	2,250,225
Net change in fund balances	1,460,890	1,722,281	157	(92,779)	3,090,549
Fund balances, beginning of year	3,817,656	2,729,399	4,829	1,183,138	7,735,022
Fund balances, end of year	\$ 5,278,546	\$ 4,451,680	\$ 4,986	\$ 1,090,359	\$ 10,825,571

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net change in fund balances of governmental funds	\$ 3,090,549
Amount reported for governmental activities in the Statement of Activities that are different because:	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over its estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>	
Capital outlay expense	2,690,725
Depreciation expense	(1,460,922)
Repayment of debt service principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	886,500
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	(23,645)
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.	39
The issuance of long-term debt provides current financial resources to governmental funds, but is reported as long-term debt in the statement of Net Position.	(2,285,606)
Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.	188,540
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.	<u>(146,864)</u>
 Change in net position of governmental activities	 <u><u>\$ 2,939,316</u></u>

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2015

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water	Wastewater	Non-Major: Clean Water		
ASSETS					
Current assets:					
Cash and investments	\$ 1,016,796	\$ 1,878,611	\$ -	\$ 2,895,407	\$ 758,923
Receivables:					
Accounts	461,339	510,551	66,988	1,038,878	-
Interest	642	1,090	-	1,732	410
Inventory	68,757	6,505	-	75,262	-
Total current assets	1,547,534	2,396,757	66,988	4,011,279	759,333
Non-current assets:					
Restricted assets:					
Cash and investments	-	451,055	-	451,055	-
Advance to other funds	827,995	-	-	827,995	-
Capital assets:					
Land	782,025	583,663	-	1,365,688	-
Construction in progress	-	206,606	-	206,606	-
Water and wastewater system	13,109,119	13,466,712	-	26,575,831	-
Buildings and improvements	4,039,761	4,293,450	-	8,333,211	-
Machinery and equipment	283,379	1,552,511	33,316	1,869,206	-
Less: Accumulated depreciation	(6,796,095)	(6,862,816)	(11,927)	(13,670,838)	-
Total capital assets (net of accumulated depreciation)	11,418,189	13,240,126	21,389	24,679,704	-
Total non-current assets	12,246,184	13,691,181	21,389	25,958,754	-
Total assets	13,793,718	16,087,938	88,377	29,970,033	759,333
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount from pension plans	74,500	74,894	-	149,394	-
LIABILITIES					
Current liabilities:					
Accounts payable	332,674	212,690	39,916	585,280	-
Due to other funds	-	-	38,769	38,769	-
Customer deposits	51,819	-	-	51,819	-
Claims payable	-	-	-	-	252,474
Accrued interest payable	-	134,181	-	134,181	-
Current portion of long-term liabilities	10,643	656,960	2,423	670,026	-
Total current liabilities	395,136	1,003,831	81,108	1,480,075	252,474
Non-current liabilities:					
Claims payable	-	-	-	-	63,118
Compensated absences	31,928	33,951	7,269	73,148	-
Net pension liability	746,215	750,164	-	1,496,379	-
Notes payable	-	4,566,050	-	4,566,050	-
Total non-current liabilities	778,143	5,350,165	7,269	6,135,577	63,118
Total liabilities	1,173,279	6,353,996	88,377	7,615,652	315,592
DEFERRED INFLOWS OF RESOURCES					
Deferred amount from pension plans	250,762	252,088	-	502,850	-
NET POSITION					
Net investment in capital assets	11,418,189	8,028,432	21,389	19,468,010	-
Unrestricted	1,025,988	1,528,316	(21,389)	2,532,915	443,741
Total net position	\$ 12,444,177	\$ 9,556,748	\$ -	\$ 22,000,925	\$ 443,741

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water	Wastewater	Non-Major: Clean Water		
OPERATING REVENUES					
Water sales	\$ 2,765,569	\$ -	\$ -	\$ 2,765,569	\$ -
Clean water services	-	-	404,836	404,836	-
Sewer service	-	3,172,506	-	3,172,506	-
Charges for services	-	-	-	-	176,566
Customer penalties	10,703	12,728	3,201	26,632	-
Other	45,866	490,398	5,000	541,264	22,625
Total operating revenues	2,822,138	3,675,632	413,037	6,910,807	199,191
OPERATING EXPENSES					
Source of supply	1,221,329	-	-	1,221,329	-
Transmission and distribution	-	-	-	-	-
Water treatment	469,956	-	-	469,956	-
Sewer collection	-	643,291	-	643,291	-
Maintenance and operation	-	291,752	-	291,752	-
General and administrative	1,131,041	1,285,463	437,936	2,854,440	350,117
Depreciation	343,668	580,558	1,816	926,042	-
Total operating expenses	3,165,994	2,801,064	439,752	6,406,810	350,117
Operating income (loss)	(343,856)	874,568	(26,715)	503,997	(150,926)
NON-OPERATING REVENUES (EXPENSES)					
Interest income	19,455	8,274	-	27,729	4,062
Interest expense	-	(164,320)	-	(164,320)	-
Total non-operating revenues (expenses)	19,455	(156,046)	-	(136,591)	4,062
Income (loss) before transfers	(324,401)	718,522	(26,715)	367,406	(146,864)
TRANSFERS IN	4,333	4,333	26,715	35,381	-
Total transfers	4,333	4,333	26,715	35,381	-
Changes in net position	(320,068)	722,855	-	402,787	(146,864)
Net position, beginning of year, as restated	12,764,245	8,833,893	-	21,598,138	590,605
Net position, end of year	\$ 12,444,177	\$ 9,556,748	\$ -	\$ 22,000,925	\$ 443,741

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal	
	Water	Wastewater	Non-Major: Clean Water	Totals	Service Fund	Total
Cash flows from operating activities:						
Cash received from water, sewer and clean water customers	\$ 2,866,468	\$ 3,157,264	\$ 406,009	\$ 6,429,741	\$ -	\$ 6,429,741
Cash received from other operating receipts	45,866	490,398	5,000	541,264	199,191	740,455
Cash payments for water purchases, distribution and treatment	(1,691,285)	-	-	(1,691,285)	-	(1,691,285)
Cash payments for sewer collection and maintenance	-	(935,043)	-	(935,043)	-	(935,043)
Cash payments for services and supplies	(763,132)	(654,158)	(372,765)	(1,790,055)	(359,554)	(2,149,609)
Cash payment to employees for services	(512,271)	(531,283)	(64,959)	(1,108,513)	100,386	(1,008,127)
Net cash provided by (used for) operating activities	(54,354)	1,527,178	(26,715)	1,446,109	(59,977)	1,386,132
Cash flows from non-capital financing activities:						
Cash received from other funds	4,333	4,333	26,715	35,381	-	35,381
Cash paid to other funds	372,795	-	-	372,795	-	372,795
Net cash provided by non-capital financing activities	377,128	4,333	26,715	408,176	-	408,176
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(558,901)	(366,355)	-	(925,256)	-	(925,256)
Interest payments on long-term debt	-	(176,549)	-	(176,549)	-	(176,549)
Principal payments on long-term debt	-	(613,384)	-	(613,384)	-	(613,384)
Net cash (used for) capital and related financing activities	(558,901)	(1,156,288)	-	(1,715,189)	-	(1,715,189)
Cash flows from investing activities:						
Interest received	18,813	7,923	-	26,736	4,026	30,762
Net cash provided by investing activities	18,813	7,923	-	26,736	4,026	30,762
Net increase (decrease) in cash and cash equivalents	(217,314)	383,146	-	165,832	(55,951)	109,881
Cash and cash equivalents, beginning of year (including restricted cash of \$451,109)	1,234,110	1,946,520	-	3,180,630	814,874	3,995,504
Cash and cash equivalents, end of year (including restricted cash of \$451,055)	\$ 1,016,796	\$ 2,329,666	\$ -	\$ 3,346,462	\$ 758,923	\$ 4,105,385
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (343,856)	\$ 874,568	\$ (26,715)	\$ 503,997	\$ (150,926)	\$ 353,071
Adjustments to reconcile operating income (loss) to net income provided by (used for) operating activities:						
Depreciation	343,668	580,558	1,816	926,042	-	926,042
Changes in operating assets and liabilities:						
(Increase) decrease in accounts receivable	102,510	(27,970)	(2,028)	72,512	-	72,512
(Increase) decrease in inventory	(793)	-	-	(793)	-	(793)
(Increase) decrease in deferred outflows of resources	(15,180)	(15,260)	-	(30,440)	-	(30,440)
Increase (decrease) in claims payable	-	-	-	-	90,949	90,949
Increase (decrease) in accounts payable	(127,713)	116,840	24,445	13,572	-	13,572
Increase (decrease) in due to other funds	-	-	(24,611)	(24,611)	-	(24,611)
Increase (decrease) in customer deposits	(11,521)	-	-	(11,521)	-	(11,521)
Increase (decrease) in net pension liability	(273,383)	(274,829)	-	(548,212)	-	(548,212)
Increase (decrease) in compensated absences	4,436	4,378	378	9,192	-	9,192
Increase (decrease) in deferred inflows of resources	267,478	268,893	-	536,371	-	536,371
Total adjustments	289,502	652,610	-	942,112	90,949	496,690
Net cash provided by (used for) operating activities	\$ (54,354)	\$ 1,527,178	\$ (26,715)	\$ 1,446,109	\$ (59,977)	\$ 849,761
Non-cash investing, capital and financing related activity:						
Non-cash changes in fair value of investments	\$ -	\$ 680	\$ -	\$ 680	\$ 344	\$ 1,024

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2015

ASSETS

Account receivable	\$ 37,350
Restricted assets:	
Cash and investments	<u>408,770</u>
Total assets	<u>\$ 446,120</u>

LIABILITIES

Due to bond holders	<u>\$ 446,120</u>
Total liabilities	<u>\$ 446,120</u>

See accompanying notes to the basic financial statements.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Reporting Entity:

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

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

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Government-Wide and Fund Financial Statements:

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

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

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

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus and Basis of Accounting:

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

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

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus and Basis of Accounting (Continued):

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

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 Projects Fund** is used to account for the financial resources used for the acquisition or construction of major property, equipment, or facilities (other than those financed by the proprietary funds).
- The **Transnet II Capital Projects Fund** is used to account for the financial resources for the City's Sidewalk, Street and Drainage Project.

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.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus and Basis of Accounting (Continued):

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.
- The Debt Service Fund is used to account for bond proceeds required to be set aside for future debt service and related interest income. The fund is used to repay principal and interest on long-term indebtedness of the City.
- Capital Project Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.
- The non-major Enterprise Fund accounts for the mandated costs of the City's National Pollution Discharge Eliminations System (NPDES) permit.
- The Internal Service Fund is used to account for the workers' compensation services provided to other departments of the City.
- Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governments. The current City's Fiduciary Funds include: Stratford and Luneta Undergrounding Assessment District 1989-01; Seawall Refinance Assessment District 1999-01; Ocean View/Pines Assessment District 2005-01; North Hills Undergrounding Assessment District 2007-01; and the Sunset Undergrounding Assessment District 2007-02.

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus and Basis of Accounting (Continued):

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

D. New Accounting Pronouncements:

GASB Current Year Standards

In Fiscal Year 2014-2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accounting changes adopted to conform to the provisions of these statements should be applied retroactively. The result of the implementation of these standards decreased the governmental activities and business-type activities net position at July 1, 2014 by \$6,563,382 and \$1,892,117, respectively, and the Water and Wastewater Enterprise Fund's net position at July 1, 2014 by \$943,562 and \$948,555, respectively.

GASB Statement No. 69 - "*Government Combinations and Disposals of Government Operations*" was required to be implemented in the current fiscal year and did not impact the City.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

D. New Accounting Pronouncements (Continued):

GASB Pending Accounting Standards

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

- GASB 72 - "*Fair Value Measurement and Application*", effective for periods beginning after June 15, 2015.
- GASB 73 - "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*", effective for periods beginning after June 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*", effective for periods beginning after June 15, 2016.
- GASB 75 - "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", effective for periods beginning after June 15, 2017.
- GASB 76 - "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*", effective for periods beginning after June 15, 2015.

E. Investments:

Investments are reported in the accompanying financial statements at fair value. 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.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

G. Receivables and Payables:

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

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

H. Capital Assets:

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

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

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

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

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

I. Compensated Absences:

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

J. Inventory:

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.

K. Restricted Assets:

Restricted assets consist of bond proceeds held with a fiscal agent in a reserve account as required by the bond document.

L. Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has two items that qualify for reporting in this category. The first item is the deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability. The second item is a deferred outflow related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2013 (the beginning of the measurement period ended June 30, 2014), which is 3.8 years.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

L. Deferred Outflows/Inflows of Resources (Continued):

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. That item is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

M. Property Taxes:

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

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

N. Long-term Obligations:

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

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.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

O. Claims and Judgments:

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

P. Net Position and Fund Equity:

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

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

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

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

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

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.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

P. Net Position and Fund Equity (Continued):

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

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

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

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

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

Q. Pensions:

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's 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.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

R. Use of Estimates:

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

2. CASH AND INVESTMENTS:

Cash and Investments

Cash and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Statement of Net Position

Current assets:

Cash and investments	\$ 15,111,260
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Noncurrent assets:

Restricted cash and investments with fiscal agent	451,055
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Statement of Fiduciary Assets and Liabilities

Restricted cash and investments	<u>408,770</u>
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Total cash and investments	<u>\$ 15,971,085</u>
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Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 2,000
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Deposits with financial institutions	1,024,448
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Deposits with fiscal agents	451,055
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Investments	<u>14,493,582</u>
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Total cash and investments	<u>\$ 15,971,085</u>
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CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's Investment Policy. The table also identifies certain provisions of the California Government Code (or the City's Investment Policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The limits expressed below apply at the time of purchase of the investment (rather than at year end). This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's Investment Policy.

<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	5 years	None	\$250,000
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds (1)	N/A	20%	None
County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	\$50 million	None

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

(1) Invested primarily in U.S. Treasury Securities.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by Debt Agreements

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

<u>Authorized Investment type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	None	None	None
Farmers Home Administration	None	None	None
General Services Administration	None	None	None
U.S. Maritime Administration	None	None	None
Small Business Administration	None	None	None
Government National Mortgage Association	None	None	None
U.S. Dept. of Housing & Urban Development	None	None	None
Washington Metro Area Transit Authority	None	None	None
Federal Housing Administration Debentures	None	None	None
Commercial Paper	92 days	None	None
Interest Bearing Demand or Time Deposits	366 days	None	None
Money Market Funds	None	None	None

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months)</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
Federal agency securities	\$ 300,121	\$ -	\$ -	\$ 300,121
Negotiable certificates of deposit	3,453,800	1,099,328	1,056,602	1,297,870
State investment pool	7,692,337	7,692,337	-	-
Investment in County pool	<u>3,047,324</u>	<u>3,047,324</u>	-	-
Total	<u>\$ 14,493,582</u>	<u>\$ 11,838,989</u>	<u>\$ 1,056,602</u>	<u>\$ 1,597,991</u>

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.

<u>Investment type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>		
			<u>AAA</u>	<u>AA+</u>	<u>Not Rated</u>
Federal agency securities	\$ 300,121	A	\$ -	\$ 300,121	\$ -
Negotiable certificates of deposit	3,453,800	N/A	-	-	3,453,800
State investment pool	7,692,337	N/A	-	-	7,692,337
Investment in County pool	<u>3,047,324</u>	AA	<u>3,047,324</u>	-	-
	<u>\$ 14,493,582</u>		<u>\$ 3,047,324</u>	<u>\$ 300,121</u>	<u>\$ 11,146,137</u>

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

Concentration of Credit Risk

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

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 state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2015, the City had deposits with financial institutions in the amount of \$960,337 that were in excess of federal depository insurance limits. However, they were held in accounts collateralized in accordance with the California Government Code.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

2. CASH AND INVESTMENTS (CONTINUED):

Investment in County Pool

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

3. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance at</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2015</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 18,289,250	\$ -	\$ -	\$ 18,289,250
Construction in progress	<u>962,283</u>	<u>2,572,778</u>	<u>(1,822,559)</u>	<u>1,712,502</u>
Total capital assets, not being depreciated	<u>19,251,533</u>	<u>2,572,778</u>	<u>(1,822,559)</u>	<u>20,001,752</u>
Capital assets, being depreciated:				
Buildings and improvements	9,064,291	-	-	9,064,291
Machinery and equipment	2,136,055	118,960	(66,144)	2,188,871
Infrastructure	<u>36,180,950</u>	<u>1,822,559</u>	<u>-</u>	<u>38,003,509</u>
Total capital assets, being depreciated	<u>47,381,296</u>	<u>1,941,519</u>	<u>(66,144)</u>	<u>49,256,671</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,230,312)	(258,535)	-	(3,488,847)
Machinery and equipment	(1,365,685)	(97,542)	62,952	(1,400,275)
Infrastructure	<u>(1,727,266)</u>	<u>(1,104,845)</u>	<u>2,179</u>	<u>(2,829,932)</u>
Total accumulated depreciation	<u>(6,323,263)</u>	<u>(1,460,922)</u>	<u>65,131</u>	<u>(7,719,054)</u>
Total capital assets, being depreciated, net	<u>41,058,033</u>	<u>480,597</u>	<u>(1,013)</u>	<u>41,537,617</u>
Total governmental activities capital assets, net	<u>\$ 60,309,566</u>	<u>\$ 3,053,375</u>	<u>\$ (1,823,572)</u>	<u>\$ 61,539,369</u>

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

3. CAPITAL ASSETS (CONTINUED):

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,365,688	\$ -	\$ -	\$ 1,365,688
Construction in progress	<u>27,672</u>	<u>178,934</u>	<u>-</u>	<u>206,606</u>
Total capital assets, not being depreciated	<u>1,393,360</u>	<u>178,934</u>	<u>-</u>	<u>1,572,294</u>
Capital assets, being depreciated:				
Buildings	4,080,948	-	-	4,080,948
Improvements	4,252,263	-	-	4,252,263
Machinery and equipment	1,844,550	90,761	(66,105)	1,869,206
Water system	12,594,119	515,000	-	13,109,119
Wastewater system	<u>13,312,787</u>	<u>153,925</u>	<u>-</u>	<u>13,466,712</u>
Total capital assets, being depreciated	<u>36,084,667</u>	<u>759,686</u>	<u>(66,105)</u>	<u>36,778,248</u>
Less accumulated depreciation for:				
Buildings	(274,742)	(121,967)	-	(396,709)
Improvements	(1,176,166)	(92,132)	-	(1,268,298)
Machinery and equipment	(691,679)	(143,293)	39,505	(795,467)
Water system	(5,176,220)	(242,347)	-	(5,418,567)
Wastewater system	<u>(5,465,494)</u>	<u>(326,303)</u>	<u>-</u>	<u>(5,791,797)</u>
Total accumulated depreciation	<u>(12,784,301)</u>	<u>(926,042)</u>	<u>39,505</u>	<u>(13,670,838)</u>
Total capital assets, being depreciated, net	<u>23,300,366</u>	<u>(166,356)</u>	<u>(26,600)</u>	<u>23,107,410</u>
Total governmental activities capital assets, net	<u>\$ 24,693,726</u>	<u>\$ 12,578</u>	<u>\$ (26,600)</u>	<u>\$ 24,679,704</u>

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

3. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions for the fiscal year ended June 30, 2015 as follows:

Governmental activities:	
General government	\$ 257,936
Public safety	50,734
Public works	1,120,114
Parks and recreation	<u>32,138</u>
Total depreciation expense – governmental activities	<u>\$ 1,460,922</u>
Business-type activities:	
Water	\$ 343,668
Wastewater	580,558
Clean Water	<u>1,816</u>
Total depreciation expense – business-type activities	<u>\$ 926,042</u>

4. INTERFUND RECEIVABLES AND PAYABLES:

At June 30, 2015, interfund receivables and payables are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 1,029,712	\$ -
Transnet II Capital Projects Fund	-	957,621
Non-Major Governmental Funds	-	33,322
Non-Major Enterprise Fund Clean Water Fund	<u>-</u>	<u>38,769</u>
	<u>\$ 1,029,712</u>	<u>\$ 1,029,712</u>

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

4. INTERFUND RECEIVABLES AND PAYABLES (CONTINUED):

During Fiscal Year 2012-2013, the City Council approved the pay off of the City's CalPERS Side Fund liability. The Side Fund liability had a balance of approximately \$3 million and was being charged interest at a rate of 7.5 percent annually. The payoff of the side fund liability saved the City approximately \$1.1 million in interest payments, reduced the annual pension contribution by approximately \$450,000 and also decreased the future unfunded pension liability. In order to pay off the side fund, an interfund payable between the General Fund and Water Fund was created in the amount of \$1,200,790. The advance payable to the Water Fund will be repaid beginning in Fiscal Year 2014-2015 over three to four years with the savings from the reduced annual pension contributions and will be repaid at an interest rate which is the greater of: 1) 25 basis points over LAIF, or 2) 0.5 percent. At June 30, 2015 the balance of this advance was \$827,995.

5. INTERFUND TRANSFERS:

Interfund transfers for the fiscal year ended June 30, 2015 are as follows:

<u>Transfers In</u>	<u>General Fund</u>	<u>Transfers Out Non-Major Governmental Funds</u>	<u>Total</u>
Capital Projects Fund (A)	\$ 1,911,196	\$ -	\$ 1,911,196
Non-Major Governmental Funds (B)	828,193	-	828,193
Water Enterprise Fund	-	4,333	4,333
Wastewater Enterprise Fund	-	4,333	4,333
Non-Major Enterprise Fund Clear Water Fund (C)	<u>26,715</u>	<u>-</u>	<u>26,715</u>
	<u>\$ 2,766,104</u>	<u>\$ 8,666</u>	<u>\$ 2,774,770</u>

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

5. INTERFUND TRANSFERS (CONTINUED):

Purpose of Interfund Transfers

Transfers were needed:

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

6. CHANGES IN LONG-TERM LIABILITIES:

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2015 is as follows:

	<u>Balance at</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds payable	\$ 170,000	\$ -	\$ (170,000)	\$ -	\$ -
Loans payable	704,000	2,285,606	(716,500)	2,273,106	50,000
Compensated absences	391,034	337,760	(314,114)	414,680	103,670
Claims payable (Note 13)	<u>351,583</u>	<u>215,305</u>	<u>(247,191)</u>	<u>319,697</u>	<u>252,474</u>
	<u>\$ 1,616,617</u>	<u>\$ 2,838,671</u>	<u>\$ (1,447,805)</u>	<u>\$ 3,007,483</u>	<u>\$ 406,144</u>
	<u>Balance at</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities:					
1993 Certificates of Participation	\$ 855,000	\$ -	\$ (415,000)	\$ 440,000	\$ 440,000
Note payable	4,971,536	-	(199,842)	4,771,694	205,638
Compensated absences	<u>85,402</u>	<u>69,023</u>	<u>(56,895)</u>	<u>97,530</u>	<u>24,388</u>
	<u>\$ 5,911,938</u>	<u>\$ 69,023</u>	<u>\$ (671,737)</u>	<u>\$ 5,309,224</u>	<u>\$ 670,026</u>

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

6. CHANGES IN LONG-TERM LIABILITIES (CONTINUED):

Governmental Long-Term Debt:

Bonds Payable

1999 Wildfire Protection Bonds – Del Mar voters approved the issuance of bonds for the purpose of completing capital improvements to enhance water flows and complete necessary water upgrades for firefighting at the City’s urban/wildland boundaries. The last annual principal payment of \$170,000 was paid in fiscal year ended June 30, 2015. \$ _____ -

Loans Payable

Del Mar will borrow up to \$3,000,000 for its Sidewalk, Street, and Drainage Project and to refinance the prior year loan from San Diego Association of Governments (SANDAG) through SANDAG’s debt financing program. Loan proceeds are requested as funds are expensed. For the current year, the City requested drawdowns of \$2,285,606. The first quarterly principal payment of \$12,500 was paid during the fiscal year ended June 30, 2015. Future principal and interest will be paid using the City’s annual TransNet revenue allocations received from SANDAG. The interest rate will be 3.85 percent per year. \$ 2,273,106

The future debt service requirements for this loan, assuming that the City will drawdown the full loan amount available, are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 50,000	\$ 149,000	\$ 199,000
2017	50,000	147,500	197,500
2018	55,000	145,000	200,000
2019	55,000	142,250	197,250
2020	60,000	139,500	199,500
2021 - 2025	340,000	650,250	990,250
2026 - 2030	430,000	556,500	986,500
2031 - 2035	550,000	437,500	987,500
2036 - 2040	710,000	284,750	994,750
2041 - 2044	<u>687,500</u>	<u>90,000</u>	<u>777,500</u>
	<u>2,987,500</u>	<u>\$ 2,742,250</u>	<u>\$ 5,729,750</u>

Less: Remaining amount to be drawn down	(714,394)
Balance at June 30, 2015	<u>\$ 2,273,106</u>

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

6. CHANGES IN LONG-TERM LIABILITIES (CONTINUED):

Governmental Long-Term Debt (Continued):

Loans Payable (Continued)

TransNet Commercial Paper – Del Mar borrowed up to \$1,200,000 for its Sidewalk, Street, and Drainage Project through SANDAG’s debt financing program. The remaining principal balance of \$704,000 was refinanced during the fiscal year ended June 30, 2015.

\$ _____

Business-Type Long-Term Debt:

1993 Certificates of Participation (COPS)

The Del Mar Public Facilities Corporation issued COPS in the amount of \$6,000,000 to be used to fund construction and repair of wastewater lines. The certificates mature in various amounts from \$395,000 to \$440,000 annually on September 1 each year through 2016. The interest rate is 5.00 percent. The City is covenanted to fix, prescribe, revise and collect rates, fees and charges each fiscal year that are sufficient to yield net revenues which are at least equal to 115 percent of the amount of principal and interest due and payable in such fiscal year.

\$ 440,000

Future debt service requirements are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 440,000</u>	<u>\$ 11,000</u>	<u>\$ 451,000</u>

Note Payable 21st Street Sewer Pump Station

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

\$ 4,771,694

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

6. CHANGES IN LONG-TERM LIABILITIES (CONTINUED):

Business-Type Long-Term Debt (Continued):

Note Payable 21st Street Sewer Pump Station (Continued)

Future debt service requirements are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 205,638	\$ 138,379	\$ 344,017
2017	211,601	132,416	344,017
2018	217,738	126,279	344,017
2019	224,052	119,965	344,017
2020	230,550	113,467	344,017
2021 - 2025	1,257,001	463,084	1,720,085
2026 - 2030	1,450,149	269,936	1,720,085
2031 - 2033	974,965	57,087	1,032,052
	<u>\$ 4,771,694</u>	<u>\$ 1,420,613</u>	<u>\$ 6,192,307</u>

Pledged Revenues

The 1993 COPS and note payable are 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, 2015 totaled \$1,455,126 and total debt service (principal and interest) paid during the year were \$447,375 and \$344,017 for the 1993 COPS and note payable, respectively.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

7. FUND BALANCES:

	General Fund	Capital Improvement Projects	Transnet II Capital Improvement	Other Non-Major Funds
Restricted for:				
Debt service	\$ -	\$ -	\$ -	\$ 95,308
Public safety - Fire	-	-	-	34,144
Public works	-	-	-	155,358
Street projects	-	-	4,986	35,032
Low-income housing	-	-	-	471,102
Total restricted	<u>-</u>	<u>-</u>	<u>4,986</u>	<u>790,944</u>
Committed to:				
Parks and community center	-	-	-	299,415
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,415</u>
Assigned to:				
Compensated absences	155,041	-	-	-
Equipment replacement	583,630	-	-	-
Public television	167,546	-	-	-
Self-insurance	514,771	-	-	-
Sidewalk cafes	18,843	-	-	-
Software licensing	31,960	-	-	-
Capital projects	-	4,451,680	-	-
Total assigned	<u>1,471,791</u>	<u>4,451,680</u>	<u>-</u>	<u>-</u>
Unassigned:				
General fund	<u>3,806,755</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total unassigned	<u>3,806,755</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 5,278,546</u>	<u>\$ 4,451,680</u>	<u>\$ 4,986</u>	<u>\$ 1,090,359</u>

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

7. FUND BALANCES (CONTINUED):

Restricted for Debt Service are bond proceeds required to be set aside to repay principal and interest on long-term indebtedness of the City.

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 the Powerhouse Community Center maintenance and operations.

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

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

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

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

Assigned to Sidewalk Cafes are fees collected from restaurants with sidewalk cafes and are set aside for the maintenance and beautification of the City's downtown area.

Assigned to Software Licensing are funds set aside for the purchase of software licenses and financial systems software.

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

8. RETIREMENT PLANS:

A. General Information about the Pension Plans:

Plan Descriptions

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

Benefits Provided

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

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	3% @60	2% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	50 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	15.544%	6.25%

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

8. RETIREMENT PLANS (CONTINUED):

A. General Information about the Pension Plans (Continued):

Benefits Provided (Continued)

	Safety	
	Fire	Lifeguard
	Prior to	Prior to
	January 1, 2013	January 1, 2013
Hire date		
Benefit formula	3% @ 50	3% @ 50
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	3.00%	3.00%
Required employee contribution rates	9.00%	9.00%
Required employer contribution rates	25.17%	18.08%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

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

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 3,948,228
Safety	2,814,100
Total Net Pension Liability	\$ 6,762,328

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

8. 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, 2014, 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, 2013 rolled forward to June 30, 2014 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 June 30, 2013 and 2014 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2013	0.16464%	0.07835%
Proportion - June 30, 2014	0.15975%	0.07502%
Change - Increase (Decrease)	-0.00489%	-0.00333%

For the year ended June 30, 2015, the City recognized pension expense of \$484,728. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 715,552	\$ -
Differences between actual and expected experience	-	-
Change in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	16,765	-
Net differences between projected and actual earnings on plan investments	-	(2,194,666)
Total	\$ 732,317	\$ (2,194,666)

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

8. RETIREMENT PLANS (CONTINUED):

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

\$715,552 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, 2016. 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,	Amount
2016	\$ (542,680)
2017	(542,680)
2018	(543,878)
2019	(548,663)
2020	-
Thereafter	-

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	(3)	(3)

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The probabilities of mortality are derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

8. 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 7.50 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary.

The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as a change in methodology occurs.

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

8. RETIREMENT PLANS (CONTINUED):

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

Discount Rate (Continued)

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 (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

8. RETIREMENT PLANS (CONTINUED):

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

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

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

	Miscellaneous	Safety
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 7,034,521	\$ 4,878,100
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 3,948,228	\$ 2,814,100
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 1,386,897	\$ 1,113,453

Pension Plans Fiduciary Net Position

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

C. Payable to the Pension Plans:

At June 30, 2015, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2015.

9. DEFERRED COMPENSATION:

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

10. GOVERNMENTAL MONEY PURCHASE PLAN:

On November 15, 1999, the City adopted a money purchase pension plan. The plan was created in accordance with Internal Revenue Code Section 401(a). The plan is organized as a trust for the exclusive benefit of the participants and is available to the City's management employees. The plan allows the participants to defer a portion of their salary to future years. The City does not require participants to contribute a minimum percentage of participant earnings. The participants have the option to determine a percentage of earnings to contribute into the plan. Contributions are paid for by the employees. The plan allows the participants to become immediately fully vested in their accounts and has a normal retirement age of 60. The participants will not have access to funds until termination, retirement, or death. Plan assets are held by a trustee on behalf of City employees. The assets of this plan are not reported in the financial statements.

11. LITIGATION AND COMMITMENTS:

Litigation

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's business. City management believes 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, 2015, construction contracts totaled \$1,572,573. City commitments for outstanding encumbrances (purchase orders and contracts for goods and services not yet delivered) by major governmental funds is \$1,901,217, non-major funds in the aggregate is \$1,317,730 and wastewater is \$129,900.

The City has a 25-year lease with the State of California's 22nd District Agricultural Association for use of the City's fire station that ends on June 30, 2025. The annual rent is payable every July 1st and is the greater of a) \$40,000 multiplied by the percentage which the Consumer's Price Index (CPI) for the preceding April increased compared to the base period in April 2000; or five percent annum. The annual rental increase may not exceed ten percent. For Fiscal Year 2014-2015, the fire lease payment was \$75,426.

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

12. POST EMPLOYMENT HEALTH CARE BENEFITS:

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

13. RISK MANAGEMENT:

The City is a member of the San Diego Pooled Insurance Program Authority (SANDPIPA), a consortium of other cities in San Diego County 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 and consulting services. The City does not own an equity interest in SANDPIPA and separate financial statements are prepared for SANDPIPA. Copies of SANDPIPA's annual financial report may be obtained by writing to 1237 Bear Valley Parkway, Escondido, California 95814.

General Liability

As a member of SANDPIPA, the City is self-insured for the first \$125,000 of each occurrence. The difference between the City's \$125,000 self-insurance retention and \$2,500,000 of pooled liability insurance for each occurrence is covered by SANDPIPA, with an additional \$45,000,000 of purchased liability for a total of \$47,000,000. Specific coverage includes bodily injury, property damage, municipal errors and omissions, and personal injury.

The City accounts for general liability claims that are under their \$125,000 insurance threshold as accounts payable in the general fund.

Workers' Compensation

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

13. RISK MANAGEMENT (CONTINUED):

General liability and workers' compensation claims were as follows for June 30, 2015:

	<u>General Liability</u>	<u>Workers'</u> <u>Compensation</u>
Unpaid claims, July 1, 2013	\$ 250,000	\$ 256,109
Incurred claims (including IBNR)	(84,313)	(9,437)
Claims payments	<u>(38,747)</u>	<u>(22,029)</u>
Unpaid claims, June 30, 2014	126,940	224,643
Incurred claims (including IBNR)	4,105	211,200
Claims payments	<u>(126,940)</u>	<u>(120,251)</u>
Unpaid claims, June 30, 2015	<u>\$ 4,105</u>	<u>\$ 315,592</u>

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

Settled claims have not exceeded any of the City's coverage amounts in any of the last three years and there were no reductions in the City's insurance coverage during the fiscal year ended June 30, 2015.

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, and faithful performance bonds.

14. ASSESSMENT DISTRICT BOND ISSUES:

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

CITY OF DEL MAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

14. ASSESSMENT DISTRICT BOND ISSUES (CONTINUED):

At June 30, 2015, the outstanding special assessment district bonds are as follows:

- The Seawall Refinance Assessment District No. 1999-01 Bonds of \$1,350,000 were issued June 17, 1999 to finance seawall improvements. These bonds outstanding at June 30, 2015 were \$480,000.
- The Ocean View/Pines Assessment District No. 2005-01 Bonds of \$932,201 were issued October 1, 2005, to finance the removal of overhead utilities in the Ocean View Pines neighborhood area. The bonds outstanding at June 30, 2015 were \$465,000.

15. EXPENDITURES EXCEEDING APPROPRIATIONS:

The Supplemental Law Enforcement Special Revenue Fund, and Regional Communications System Special Revenue Fund exceeded its budgets by \$6,042, and \$20,487, respectively. These funds have adequate resources to cover its budget overages.

16. RESTATEMENT OF NET POSITION:

The implementation of GASB Statement Numbers 68 and 71 requires reporting the net pension liability of the City's defined benefit pension plans in the financial statements and is applied retroactively by restating the net position as of the beginning of the fiscal year. The implementation of GASB Statement Numbers 68 and 71 resulted in a \$6,563,382 and a \$1,892,117 reduction of previously reported net position of the governmental activities and business-type activities, respectively, and \$943,562 and \$948,555 reduction of previously reported net position of the Water and Wastewater Enterprise Funds, respectively.

17. SUBSEQUENT EVENT:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 30, 2015, the date the financial statements were available to be issued, and determined that there were no events requiring disclosure.

CITY OF DEL MAR

MISCELLANEOUS PLAN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

LAST TEN FISCAL YEARS*

	<u>2015</u>
Plan's proportion of the net pension liability	0.06%
Plan's proportionate share of the net pension liability	\$ 3,948,228
Plan's covered - employee payroll	\$ 2,857,237
Plan's proportionate share of the net pension liability as a percentage of covered - employee payroll	138.18%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	83.03%
Plan's proportionate share of aggregate employer contributions	\$ 522,334

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions

* - Fiscal Year 2014-2015 was the first year of implementation; therefore, only one year is shown.

CITY OF DEL MAR

MISCELLANEOUS PLAN
 SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLAN

LAST TEN FISCAL YEARS*

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 411,954
Contributions in relation to the actuarially determined contributions	<u>(411,954)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 2,850,725
Contributions as a percentage of covered - employee payroll	14.45%

Notes to Schedule:

Valuation date	6/30/2012
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Average remaining period	19 years as of valuation date
Asset valuation method	15 year smoothed market
Actuarial assumptions:	
Discount rate	7.50% (net of administrative expenses)
Projected salary increases	3.30% to 14.20% depending on age, service and type of employment
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

* - Fiscal Year 2014-2015 was the first year of implementation; therefore, only one year is shown.

CITY OF DEL MAR

SAFETY PLAN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

LAST TEN FISCAL YEARS*

	<u>2015</u>
Plan's proportion of the net pension liability	0.05%
Plan's proportionate share of the net pension liability	\$ 2,814,100
Plan's covered - employee payroll	\$ 1,222,593
Plan's proportionate share of the net pension liability as a percentage of covered - employee payroll	230.17%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	81.74%
Plan's proportionate share of aggregate employer contributions	\$ 356,577

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions

* - Fiscal Year 2014-2015 was the first year of implementation; therefore, only one year is shown.

CITY OF DEL MAR

SAFETY PLAN

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLAN

LAST TEN FISCAL YEARS*

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 303,598
Contributions in relation to the actuarially determined contributions	<u>(303,598)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 1,305,572
Contributions as a percentage of covered - employee payroll	23.25%

Notes to Schedule:

Valuation date	6/30/2012
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Average remaining period	20 years as of valuation date
Asset valuation method	15 year smoothed market
Actuarial assumptions:	
Discount rate	7.50% (net of administrative expenses)
Projected salary increases	3.30% to 14.20% depending on age, service and type of employment
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

* - Fiscal Year 2014-2015 was the first year of implementation; therefore, only one year is shown.

CITY OF DEL MAR

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 9,433,370	\$ 9,583,370	\$ 10,259,000	\$ 675,630
Licenses, fees and permits	678,480	808,480	971,417	162,937
Intergovernmental	65,790	65,790	229,903	164,113
Charges for services	1,206,530	1,326,530	1,447,608	121,078
Fines and forfeitures	612,490	612,490	633,259	20,769
Use of money and property	150,920	150,920	218,934	68,014
Other	3,880	63,880	408,244	344,364
Total revenues	12,151,460	12,611,460	14,168,365	1,556,905
EXPENDITURES				
Current:				
General government	4,560,944	4,905,259	4,335,246	570,013
Public safety	5,423,170	5,489,370	5,439,103	50,267
Public works	172,660	172,660	154,863	17,797
Debt service:				
Interest	-	-	12,159	(12,159)
Total expenditures	10,156,774	10,567,289	9,941,371	625,918
Excess (deficiency) of revenues over (under) expenditures	1,994,686	2,044,171	4,226,994	2,182,823
OTHER FINANCING USES				
Transfers out	(1,428,550)	(1,428,550)	(2,766,104)	(1,337,554)
Total other financing uses	(1,428,550)	(1,428,550)	(2,766,104)	(1,337,554)
Net change in fund balance	566,136	615,621	1,460,890	845,269
Fund balance, beginning of year	3,817,656	3,817,656	3,817,656	-
Fund balance, end of year	\$ 4,383,792	\$ 4,433,277	\$ 5,278,546	\$ 845,269

CITY OF DEL MAR

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

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, Debt Service 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, Debt Service, and Capital Project Funds in the amount of \$5,006,691 were made during the year ended June 30, 2015.
3. Formal budgetary integration is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Unencumbered appropriations at year end automatically lapse. Those appropriations may be re-encumbered in the following year only after reconsideration.
4. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds (for which annual budgets were adopted) are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for proprietary funds as the City is not legally required to adopt a budget for these types of funds.
5. Under Article XIIB of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from certain proceeds of taxes. If proceeds of taxes exceed allowed appropriations, the excess must be either refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules, or other refund arrangements.

CITY OF DEL MAR

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Special Revenue Funds

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

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

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

Debt Service Fund

The **Wildfire Debt Service Fund** accounts for the accumulation of resources and payment of the Wildfire Protection general obligation bond principal and interest from governmental resources.

Capital Projects Fund

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

CITY OF DEL MAR

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds					
	Gasoline Tax	Open Space	Supplemental Law Enforcement	Regional Communi- cations System	Grants	Housing
ASSETS						
Cash and investments	\$ 35,948	\$ 353,380	\$ -	\$ 24,849	\$ 5,024	\$ 470,848
Receivables:						
Taxes	-	-	-	-	-	-
Accrued interest	-	-	-	-	3	254
Accounts, net	-	28,805	-	-	-	-
Due from other agencies	12,081	-	39,618	-	4,278	-
Total assets	<u>\$ 48,029</u>	<u>\$ 382,185</u>	<u>\$ 39,618</u>	<u>\$ 24,849</u>	<u>\$ 9,305</u>	<u>\$ 471,102</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 17,452	\$ 55,675	\$ 6,296	\$ -	\$ 10	\$ -
Deposits payable	-	27,095	-	-	-	-
Due to other funds	-	-	33,322	-	-	-
Total liabilities	<u>17,452</u>	<u>82,770</u>	<u>39,618</u>	<u>-</u>	<u>10</u>	<u>-</u>
Fund balances:						
Restricted for:						
Public safety	-	-	-	24,849	9,295	-
Low-income housing	-	-	-	-	-	471,102
Public works	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Street projects	30,577	-	-	-	-	-
Committed for:						
Parks and recreation	-	299,415	-	-	-	-
Total fund balances	<u>30,577</u>	<u>299,415</u>	<u>-</u>	<u>24,849</u>	<u>9,295</u>	<u>471,102</u>
Total liabilities and fund balances	<u>\$ 48,029</u>	<u>\$ 382,185</u>	<u>\$ 39,618</u>	<u>\$ 24,849</u>	<u>\$ 9,305</u>	<u>\$ 471,102</u>

<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
<u>AB 939</u>	<u>Wildfire</u>	<u>RTCIP</u>	<u>Totals</u>
\$ 156,357	\$ 94,532	\$ 4,453	\$ 1,145,391
-	725	-	725
78	51	2	388
-	-	-	28,805
-	-	-	55,977
<u>\$ 156,435</u>	<u>\$ 95,308</u>	<u>\$ 4,455</u>	<u>\$ 1,231,286</u>
\$ 1,077	\$ -	\$ -	\$ 80,510
-	-	-	27,095
-	-	-	33,322
<u>1,077</u>	<u>-</u>	<u>-</u>	<u>140,927</u>
-	-	-	34,144
-	-	-	471,102
155,358	-	-	155,358
-	95,308	-	95,308
-	-	4,455	35,032
<u>-</u>	<u>-</u>	<u>-</u>	<u>299,415</u>
<u>155,358</u>	<u>95,308</u>	<u>4,455</u>	<u>1,090,359</u>
<u>\$ 156,435</u>	<u>\$ 95,308</u>	<u>\$ 4,455</u>	<u>\$ 1,231,286</u>

CITY OF DEL MAR

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds					
	Gasoline Tax	Open Space	Supplemental Law Enforcement	Regional Communications System	Grants	Housing
REVENUES						
Taxes	\$ 135,180	\$ 21,764	\$ -	\$ 44,183	\$ -	\$ -
Licenses, fees and permits	-	363,244	-	-	-	47,016
Intergovernmental	-	143,866	100,000	-	24,635	-
Use of money and property	-	419	-	103	98	2,803
Contributions	-	26,100	-	-	-	-
Other	128	44,212	20,848	-	-	-
Total revenues	135,308	599,605	120,848	44,286	24,733	49,819
EXPENDITURES						
Current:						
General government	-	-	-	-	4,060	122,434
Public safety	-	-	186,002	32,487	49,474	-
Public works	410,573	-	-	-	-	-
Parks and recreation	-	796,933	-	-	-	-
Capital outlay	-	168,273	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	410,573	965,206	186,002	32,487	53,534	122,434
Excess (deficiency) of revenues over (under) expenditures	(275,265)	(365,601)	(65,154)	11,799	(28,801)	(72,615)
OTHER FINANCING SOURCES (USES)						
Transfers in	305,842	457,197	65,154	-	-	-
Transfers out	-	-	-	(8,666)	-	-
Total other financing sources (uses)	305,842	457,197	65,154	(8,666)	-	-
Net change in fund balances	30,577	91,596	-	3,133	(28,801)	(72,615)
Fund balances, beginning of year	-	207,819	-	21,716	38,096	543,717
Fund balances, end of year	\$ 30,577	\$ 299,415	\$ -	\$ 24,849	\$ 9,295	\$ 471,102

Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
AB 939	Wildfire	RTCIP	Totals
\$ -	\$ 9,002	\$ -	\$ 210,129
51,132	-	-	461,392
-	-	-	268,501
753	447	24	4,647
-	-	-	26,100
-	-	-	65,188
51,885	9,449	24	1,035,957
3,291	826	-	130,611
-	-	-	267,963
-	-	-	410,573
-	-	-	796,933
-	-	-	168,273
-	170,000	-	170,000
-	3,910	-	3,910
3,291	174,736	-	1,948,263
48,594	(165,287)	24	(912,306)
-	-	-	828,193
-	-	-	(8,666)
-	-	-	819,527
48,594	(165,287)	24	(92,779)
106,764	260,595	4,431	1,183,138
\$ 155,358	\$ 95,308	\$ 4,455	\$ 1,090,359

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
GASOLINE TAX SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 143,180	\$ 143,180	\$ 135,180	\$ (8,000)
Other	-	-	128	128
Total revenues	<u>143,180</u>	<u>143,180</u>	<u>135,308</u>	<u>(7,872)</u>
EXPENDITURES				
Current:				
Public works	<u>388,510</u>	<u>435,510</u>	<u>410,573</u>	<u>24,937</u>
Total expenditures	<u>388,510</u>	<u>435,510</u>	<u>410,573</u>	<u>24,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(245,330)</u>	<u>(292,330)</u>	<u>(275,265)</u>	<u>17,065</u>
OTHER FINANCING SOURCES				
Transfers in	<u>245,330</u>	<u>245,330</u>	<u>305,842</u>	<u>60,512</u>
Total other financing sources	<u>245,330</u>	<u>245,330</u>	<u>305,842</u>	<u>60,512</u>
Net change in fund balance	-	(47,000)	30,577	77,577
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ (47,000)</u>	<u>\$ 30,577</u>	<u>\$ 77,577</u>

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
OPEN SPACE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 2,600	\$ 2,600	21,764	\$ 19,164
Licenses, fees and permits	389,070	409,070	363,244	(45,826)
Intergovernmental	23,820	173,820	143,866	(29,954)
Use of money and property	770	770	419	(351)
Contributions	3,870	29,870	26,100	(3,770)
Other	5,160	5,160	44,212	39,052
Total revenues	425,290	621,290	599,605	(21,685)
EXPENDITURES				
Current:				
Parks and recreation	743,560	781,060	796,933	(15,873)
Capital outlay	98,317	338,317	168,273	170,044
Total expenditures	841,877	1,119,377	965,206	154,171
Excess (deficiency) of revenues over (under) expenditures	(416,587)	(498,087)	(365,601)	132,486
OTHER FINANCING SOURCES				
Transfers in	348,270	348,270	457,197	108,927
Total other financing sources	348,270	348,270	457,197	108,927
Net change in fund balance	(68,317)	(149,817)	91,596	241,413
Fund balance, beginning of year	207,819	207,819	207,819	-
Fund balance, end of year	\$ 139,502	\$ 58,002	\$ 299,415	\$ 241,413

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
 SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Other	-	-	20,848	20,848
	<u>100,000</u>	<u>100,000</u>	<u>120,848</u>	<u>20,848</u>
Total revenues				
EXPENDITURES				
Current:				
Public safety	176,560	179,960	186,002	(6,042)
	<u>176,560</u>	<u>179,960</u>	<u>186,002</u>	<u>(6,042)</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(76,560)</u>	<u>(79,960)</u>	<u>(65,154)</u>	<u>14,806</u>
OTHER FINANCING SOURCES				
Transfers in	76,560	76,560	65,154	(11,406)
	<u>76,560</u>	<u>76,560</u>	<u>65,154</u>	<u>(11,406)</u>
Total other financing sources				
Net change in fund balance	-	(3,400)	-	3,400
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ (3,400)</u>	<u>\$ -</u>	<u>\$ 3,400</u>

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
 REGIONAL COMMUNICATIONS SYSTEM SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 45,000	\$ 45,000	\$ 44,183	\$ (817)
Use of money and property	-	-	103	103
Total revenues	45,000	45,000	44,286	(714)
EXPENDITURES				
Current:				
Public safety	12,000	12,000	32,487	(20,487)
Total expenditures	12,000	12,000	32,487	(20,487)
Excess (deficiency) of revenues over (under) expenditures	33,000	33,000	11,799	(21,201)
OTHER FINANCING USES				
Transfers out	-	-	(8,666)	(8,666)
Total other financing uses	-	-	(8,666)	(8,666)
Net change in fund balance	33,000	33,000	3,133	(29,867)
Fund balance, beginning of year	21,716	21,716	21,716	-
Fund balance, end of year	\$ 54,716	\$ 54,716	\$ 24,849	\$ (29,867)

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 19,370	\$ 25,810	\$ 24,635	\$ (1,175)
Use of money and property	-	-	98	98
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	19,370	25,810	24,733	(1,077)
EXPENDITURES				
Current:				
General government	3,937	3,937	4,060	(123)
Public safety	19,370	58,370	49,474	8,896
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	23,307	62,307	53,534	8,773
Net change in fund balance	(3,937)	(36,497)	(28,801)	7,696
Fund balance, beginning of year	38,096	38,096	38,096	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 34,159	\$ 1,599	\$ 9,295	\$ 7,696
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
HOUSING SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Licenses, fees and permits	\$ 94,030	\$ 94,030	\$ 47,016	\$ (47,014)
Use of money and property	4,210	4,210	2,803	(1,407)
Total revenues	98,240	98,240	49,819	(48,421)
EXPENDITURES				
Current:				
General government	124,720	124,720	122,434	2,286
Total expenditures	124,720	124,720	122,434	2,286
Net change in fund balance	(26,480)	(26,480)	(72,615)	(46,135)
Fund balance, beginning of year	543,717	543,717	543,717	-
Fund balance, end of year	\$ 517,237	\$ 517,237	\$ 471,102	\$ (46,135)

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
 AB 939 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Licenses, fees and permits	\$ 50,000	\$ 50,000	\$ 51,132	\$ 1,132
Use of money and property	-	-	753	753
Total revenues	50,000	50,000	51,885	1,885
EXPENDITURES				
Current:				
General government	50,000	50,000	3,291	46,709
Total expenditures	50,000	50,000	3,291	46,709
Net change in fund balance	-	-	48,594	48,594
Fund balance, beginning of year	106,764	106,764	106,764	-
Fund balance, end of year	\$ 106,764	\$ 106,764	\$ 155,358	\$ 48,594

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
WILDFIRE DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 183,660	\$ 13,660	\$ 9,002	\$ (4,658)
Use of money and property	1,100	1,100	447	(653)
Total revenues	184,760	14,760	9,449	(5,311)
EXPENDITURES				
Current:				
General government	1,000	1,000	826	174
Debt service:				
Principal	170,000	170,000	170,000	-
Interest	3,910	3,910	3,910	-
Total expenditures	174,910	174,910	174,736	174
Net change in fund balance	9,850	(160,150)	(165,287)	(5,137)
Fund balance, beginning of year	260,595	260,595	260,595	-
Fund balance, end of year	\$ 270,445	\$ 100,445	\$ 95,308	\$ (5,137)

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
 REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM
 CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 24	\$ 24
Total revenues	-	-	24	24
EXPENDITURES	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	24	24
Fund balance, beginning of year	4,431	4,431	4,431	-
Fund balance, end of year	\$ 4,431	\$ 4,431	\$ 4,455	\$ 24

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND - MAJOR FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,083,385	\$ 1,173,385	\$ 437,508	\$ (735,877)
Use of money and property	8,000	8,000	15,901	7,901
Other	-	185,000	183,720	(1,280)
Total revenues	1,091,385	1,366,385	637,129	(729,256)
EXPENDITURES				
Capital outlay	2,246,817	3,092,817	826,044	2,266,773
Total expenditures	2,246,817	3,092,817	826,044	2,266,773
Excess (deficiency) of revenues over (under) expenditures	(1,155,432)	(1,726,432)	(188,915)	1,537,517
OTHER FINANCING SOURCES				
Transfers in	657,160	657,160	1,911,196	1,254,036
Total other financing sources	657,160	657,160	1,911,196	1,254,036
Net change in fund balance	(498,272)	(1,069,272)	1,722,281	2,791,553
Fund balance, beginning of year	2,729,399	2,729,399	2,729,399	-
Fund balance, end of year	\$ 2,231,127	\$ 1,660,127	\$ 4,451,680	\$ 2,791,553

CITY OF DEL MAR

**BUDGETARY COMPARISON SCHEDULE
TRANSNET II FUND - MAJOR FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 714,095	\$ 2,794,196	\$ 231,149	\$ (2,563,047)
Use of money and property	10	10	251	241
Total revenues	714,105	2,794,206	231,400	(2,562,806)
EXPENDITURES				
Capital outlay	714,095	2,794,206	1,657,700	1,136,506
Debt service:				
Principal	-	-	716,500	(716,500)
Interest	-	-	142,649	(142,649)
Total expenditures	714,095	2,794,206	2,516,849	277,357
Excess (deficiency) of revenues over (under) expenditures	10	-	(2,285,449)	(2,285,449)
OTHER FINANCING SOURCES				
Issuance of debt	-	-	2,285,606	2,285,606
Total other financing sources	-	-	2,285,606	2,285,606
Net change in fund balance	10	-	157	157
Fund balance, beginning of year	4,829	4,829	4,829	-
Fund balance, end of year	\$ 4,839	\$ 4,829	\$ 4,986	\$ 157

CITY OF DEL MAR

AGENCY FUNDS

JUNE 30, 2015

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

The City of Del Mar has the following Agency Funds:

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

CITY OF DEL MAR

AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2015

	Stratford and Luneta Undergrounding Assessment District 1989-01	Seawall Refinance Assessment District 1999-01	Ocean View/Pines Assessment District 2005-01
ASSETS			
Accounts receivable	\$ 52	\$ 114	\$ 49
Restricted assets:			
Cash and investments	<u>96,815</u>	<u>211,495</u>	<u>90,950</u>
Total assets	<u><u>\$ 96,867</u></u>	<u><u>\$ 211,609</u></u>	<u><u>\$ 90,999</u></u>
LIABILITIES			
Due to bond holders	<u>\$ 96,867</u>	<u>\$ 211,609</u>	<u>\$ 90,999</u>
Total liabilities	<u><u>\$ 96,867</u></u>	<u><u>\$ 211,609</u></u>	<u><u>\$ 90,999</u></u>

North Hills Undergrounding Assessment District 2007-01	Sunset Undergrounding Assessment District 2007-02	Total
\$ 37,130	\$ 5	\$ 37,350
-	9,510	408,770
<u>\$ 37,130</u>	<u>\$ 9,515</u>	<u>\$ 446,120</u>
<u>\$ 37,130</u>	<u>\$ 9,515</u>	<u>\$ 446,120</u>
<u>\$ 37,130</u>	<u>\$ 9,515</u>	<u>\$ 446,120</u>

CITY OF DEL MAR

AGENCY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>Stratford and Luneta Undergrounding</u>				
<u>Assessment District 1989-01</u>				
ASSETS				
Accounts receivable	\$ 44	\$ 52	\$ (44)	\$ 52
Restricted assets:				
Cash and investments	96,286	704	(175)	96,815
Total assets	<u>\$ 96,330</u>	<u>\$ 756</u>	<u>\$ (219)</u>	<u>\$ 96,867</u>
LIABILITIES				
Due to bond holders	\$ 96,330	\$ 756	\$ (219)	\$ 96,867
Total liabilities	<u>\$ 96,330</u>	<u>\$ 756</u>	<u>\$ (219)</u>	<u>\$ 96,867</u>
<u>Seawall Refinance Assessment District 1999-01</u>				
ASSETS				
Accounts receivable	\$ 113	\$ 114	\$ (113)	\$ 114
Restricted assets:				
Cash and investments	231,011	96,652	(116,168)	211,495
Total assets	<u>\$ 231,124</u>	<u>\$ 96,766</u>	<u>\$ (116,281)</u>	<u>\$ 211,609</u>
LIABILITES				
Due to bond holders	\$ 231,124	\$ 96,766	\$ (116,281)	\$ 211,609
Total liabilities	<u>\$ 231,124</u>	<u>\$ 96,766</u>	<u>\$ (116,281)</u>	<u>\$ 211,609</u>
<u>Ocean View/Pines Assessment District 2005-01</u>				
ASSETS				
Accounts receivable	\$ 1,984	\$ 49	\$ (1,984)	49
Restricted assets:				
Cash and investments	92,544	55,892	(57,486)	90,950
Total assets	<u>\$ 94,528</u>	<u>\$ 55,941</u>	<u>\$ (59,470)</u>	<u>\$ 90,999</u>
LIABILITIES				
Due to bond holders	\$ 94,528	\$ 55,941	\$ (59,470)	\$ 90,999
Total liabilities	<u>\$ 94,528</u>	<u>\$ 55,941</u>	<u>\$ (59,470)</u>	<u>\$ 90,999</u>

CITY OF DEL MAR

AGENCY FUNDS, (CONTINUED)
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>North Hills Undergrounding</u>				
<u>Assessment District 2007-01</u>				
ASSETS				
Accounts receivable	\$ 37,130	\$ -	\$ -	\$ 37,130
Restricted assets:				
Cash and investments	-	37,130	(37,130)	-
Total assets	<u>\$ 37,130</u>	<u>\$ 37,130</u>	<u>\$ (37,130)</u>	<u>\$ 37,130</u>
LIABILITIES				
Due to bond holders	<u>\$ 37,130</u>	<u>\$ 37,130</u>	<u>\$ (37,130)</u>	<u>\$ 37,130</u>
Total liabilities	<u>\$ 37,130</u>	<u>\$ 37,130</u>	<u>\$ (37,130)</u>	<u>\$ 37,130</u>
<u>Sunset Undergrounding Assessment District 2007-02</u>				
ASSETS				
Accounts receivable	\$ 4	\$ 5	\$ (4)	\$ 5
Restricted assets:				
Cash and investments	9,458	69	(17)	9,510
Total assets	<u>\$ 9,462</u>	<u>\$ 74</u>	<u>\$ (21)</u>	<u>\$ 9,515</u>
LIABILITIES				
Due to bond holders	<u>\$ 9,462</u>	<u>\$ 74</u>	<u>\$ (21)</u>	<u>\$ 9,515</u>
Total liabilities	<u>\$ 9,462</u>	<u>\$ 74</u>	<u>\$ (21)</u>	<u>\$ 9,515</u>
<u>Total Agency Funds</u>				
ASSETS				
Accounts receivable	\$ 39,275	\$ 220	\$ (2,145)	\$ 37,350
Restricted assets:				
Cash and investments	429,299	190,447	(210,976)	408,770
Total assets	<u>\$ 468,574</u>	<u>\$ 190,667</u>	<u>\$ (213,121)</u>	<u>\$ 446,120</u>
LIABILITIES				
Due to bond holders	<u>\$ 468,574</u>	<u>\$ 190,667</u>	<u>\$ (213,121)</u>	<u>\$ 446,120</u>
Total liabilities	<u>\$ 468,574</u>	<u>\$ 190,667</u>	<u>\$ (213,121)</u>	<u>\$ 446,120</u>

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CITY OF DEL MAR STATISTICAL SECTION

Fiscal Year 2014-2015



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

Contents	Page
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.	98
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.	110
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.	124
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.	130
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.	133

City of Del Mar

Net Position by Component ⁽¹⁾

Last Ten Fiscal Years Ended June 30, 2015

(Accrual basis of accounting)

	Fiscal Year				
	2005-2006	2006-2007	2007-2008	2008-2009 ⁽²⁾	2009-2010
Governmental Activities					
Net investment in capital assets	\$ 16,592,553	\$ 18,622,695	\$ 32,141,682	\$ 29,850,840	\$ 30,313,422
Restricted	-	750,233	1,035,026	1,693,192	1,371,099
Unrestricted	5,960,276	6,069,386	482,410	3,731,430	3,997,451
Total governmental activities net position	\$ 22,552,829	\$ 25,442,314	\$ 33,659,118	\$ 35,275,462	\$ 35,681,972
Business-type Activities					
Net investment in capital assets	\$ 16,908,644	\$ 17,781,176	\$ 18,768,065	\$ 19,924,858	\$ 19,503,704
Restricted	679,588	689,363	700,635	-	-
Unrestricted	3,321,173	3,304,723	3,037,145	2,976,453	3,823,049
Total business-type activities net position	\$ 20,909,405	\$ 21,775,262	\$ 22,505,845	\$ 22,901,311	\$ 23,326,753
Primary Government					
Net investment in capital assets	\$ 33,501,197	\$ 36,403,871	\$ 51,610,382	\$ 49,775,698	\$ 49,817,126
Restricted	679,588	1,439,596	792,800	1,693,192	1,371,099
Unrestricted	9,281,449	9,374,109	3,761,781	6,707,883	7,820,500
Total primary government net position	\$ 43,462,234	\$ 47,217,576	\$ 56,164,963	\$ 58,176,773	\$ 59,008,725

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 2008-2009 amounts were restated to record the write down of land in business-type activities.

(3) 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.

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

Source: City of Del Mar, Finance Department

Fiscal Year				
2010-2011	2011-2012	2012-2013 ⁽³⁾	2013-2014 ⁽⁴⁾	2014-2015
\$ 37,944,461	\$ 47,943,072	\$ 55,606,641	\$ 59,605,566	\$ 59,266,263
2,968,749	2,143,980	965,813	980,148	795,930
4,573,211	5,025,740	4,743,258	217,804	3,680,641
<u>\$ 45,486,421</u>	<u>\$ 55,112,792</u>	<u>\$ 61,315,712</u>	<u>\$ 60,803,518</u>	<u>\$ 63,742,834</u>
\$ 20,873,821	\$ 19,876,130	\$ 20,592,138	\$ 18,867,190	\$ 19,468,010
-	-	-	-	-
2,623,531	3,845,994	2,697,664	2,730,948	2,532,915
<u>\$ 23,497,352</u>	<u>\$ 23,722,124</u>	<u>\$ 23,289,802</u>	<u>\$ 21,598,138</u>	<u>\$ 22,000,925</u>
\$ 58,818,282	\$ 67,819,202	\$ 76,198,779	\$ 78,472,756	\$ 78,734,273
2,968,749	2,143,980	965,813	980,148	795,930
7,196,742	8,871,734	7,440,922	2,948,752	6,213,556
<u>\$ 68,983,773</u>	<u>\$ 78,834,916</u>	<u>\$ 84,605,514</u>	<u>\$ 82,401,656</u>	<u>\$ 85,743,759</u>

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

	Fiscal Year				
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Expenses					
Governmental Activities					
General government	\$ 3,800,429	\$ 3,888,011	\$ 4,359,318	\$ 4,386,669	\$ 4,313,697
Public safety	4,986,741	4,750,724	4,807,256	5,080,611	5,115,313
Public works	508,283	899,025	972,444	934,974	1,511,201
Parks and recreation	694,358	633,010	662,959	672,742	686,835
Community services	-	-	1,079	-	-
Interest on long-term debt	43,020	74,368	139,679	119,312	128,910
Total governmental activities expenses	<u>10,032,831</u>	<u>10,245,138</u>	<u>10,942,735</u>	<u>11,194,308</u>	<u>11,755,956</u>
Business-type Activities					
Water	2,035,750	2,064,393	2,007,296	2,113,510	2,323,776
Wastewater	2,024,322	2,038,716	2,173,470	2,236,764	2,299,232
Clean water	342,813	359,082	530,166	439,010	429,373
Total business-type activities expenses	<u>4,402,885</u>	<u>4,462,191</u>	<u>4,710,932</u>	<u>4,789,284</u>	<u>5,052,381</u>
Total primary government expenses	<u>\$ 14,435,716</u>	<u>\$ 14,707,329</u>	<u>\$ 15,653,667</u>	<u>\$ 15,983,592</u>	<u>\$ 16,808,337</u>
Program Revenues					
Governmental Activities					
Charges for services:					
General government	\$ 1,577,472	\$ 1,622,284	\$ 1,614,329	\$ 920,795	\$ 1,017,198
Public safety	267,613	252,613	233,027	1,172,189	1,268,801
Public works	-	-	-	14,000	-
Parks and recreation	782,070	590,413	498,075	406,236	404,801
Operating grants and contributions	763,816	401,153	611,539	323,436	343,777
Capital grants and contributions	490,044	1,557,918	7,677,470	1,762,742	703,612
Total governmental activities program revenues	<u>3,881,015</u>	<u>4,424,381</u>	<u>10,634,440</u>	<u>4,599,398</u>	<u>3,738,189</u>
Business-type Activities					
Charges for services:					
Water	2,234,603	2,390,664	2,357,075	2,344,156	2,234,510
Wastewater	2,337,586	2,424,808	2,417,053	2,345,933	2,584,404
Clean water	181,907	131,068	258,538	306,266	383,946
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>4,754,096</u>	<u>4,946,540</u>	<u>5,032,666</u>	<u>4,996,355</u>	<u>5,202,860</u>
Total primary government revenues	<u>\$ 8,635,111</u>	<u>\$ 9,370,921</u>	<u>\$ 15,667,106</u>	<u>\$ 9,595,753</u>	<u>\$ 8,941,049</u>
Net revenues/(expenses): ⁽¹⁾					
Governmental activities	\$ (6,151,816)	\$ (5,820,757)	\$ (308,295)	\$ (6,594,910)	\$ (8,017,767)
Business-type activities	351,211	484,349	321,734	207,071	150,479
Total net revenues/(expenses)	<u>\$ (5,800,605)</u>	<u>\$ (5,336,408)</u>	<u>\$ 13,439</u>	<u>\$ (6,387,839)</u>	<u>\$ (7,867,288)</u>
General Revenue and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	\$ 2,992,161	\$ 3,756,024	\$ 4,032,639	\$ 4,215,519	\$ 4,433,968
Sales and use tax	1,668,537	1,732,150	1,408,551	1,362,060	1,367,739
Transient occupancy tax	1,564,641	1,682,319	1,247,227	1,418,345	1,505,530
Franchise tax	317,261	356,121	362,404	375,033	342,989
Business license tax	186,756	182,343	193,839	197,696	188,535
Motor vehicle in-lieu tax	336,709	30,291	-	-	-
Intergovernmental, unrestricted	315,271	259,110	276,741	211,868	163,473
Use of money and property	557,198	817,285	884,169	260,440	199,148
Sale of capital assets	-	-	-	-	-
Other	298,733	113,571	360,982	341,428	271,953
Transfers	(175,105)	(218,972)	(241,453)	(171,135)	(49,063)
Total governmental activities	<u>8,062,162</u>	<u>8,710,242</u>	<u>8,525,099</u>	<u>8,211,254</u>	<u>8,424,272</u>
Business-type activities					
Unrestricted investment earnings	72,688	162,536	167,396	90,967	28,378
Other	-	-	-	127,207	197,522
Transfers	175,105	218,972	241,453	171,254	49,063
Total business-type activities	<u>247,793</u>	<u>381,508</u>	<u>408,849</u>	<u>389,428</u>	<u>274,963</u>
Total primary government	<u>\$ 8,309,955</u>	<u>\$ 9,091,750</u>	<u>\$ 8,933,948</u>	<u>\$ 8,600,682</u>	<u>\$ 8,699,235</u>
Change in Net Position					
Governmental activities	\$ 1,910,346	\$ 2,889,485	\$ 8,216,804	\$ 1,616,344	\$ 406,510
Business-type activities	599,004	865,857	730,583	596,499	425,442
Total primary government	<u>\$ 2,509,350</u>	<u>\$ 3,755,342</u>	<u>\$ 8,947,387</u>	<u>\$ 2,212,843</u>	<u>\$ 831,952</u>

Note:

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

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

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

Source: City of Del Mar, Finance Department

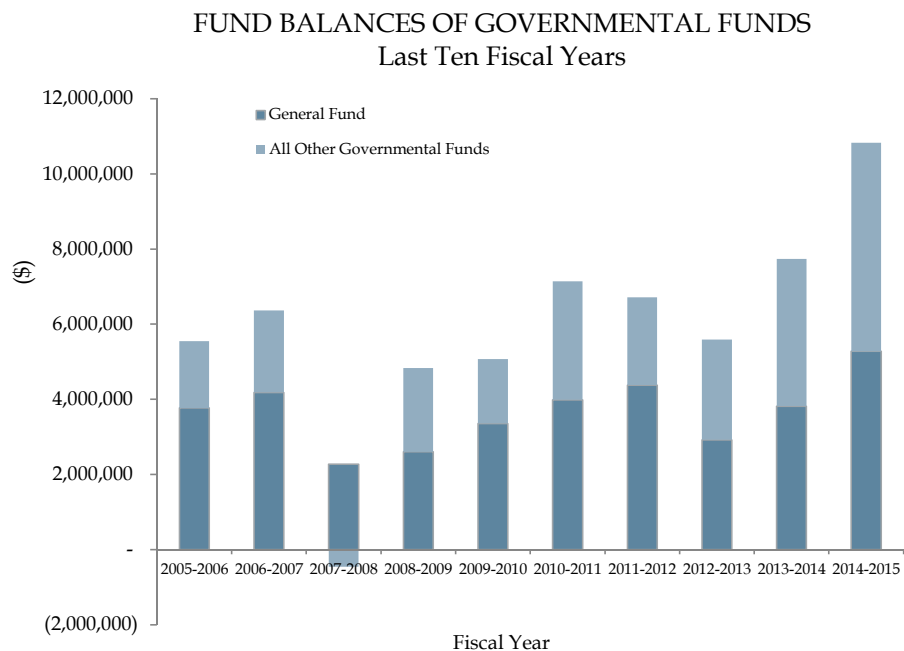
		Fiscal Year				
2010-2011	2011-2012	2012-2013 ⁽²⁾	2013-2014	2014-2015		
\$ 4,124,385	\$ 4,817,999	\$ 4,577,084	\$ 4,328,963	\$ 4,748,943		
5,050,517	5,365,983	6,463,932	5,472,799	5,705,795		
1,057,431	491,439	923,784	943,013	1,649,191		
692,531	732,882	776,639	839,063	835,545		
-	-	-	-	-		
51,070	22,603	15,813	8,438	158,679		
<u>10,975,934</u>	<u>11,430,906</u>	<u>12,757,252</u>	<u>11,592,276</u>	<u>13,098,153</u>		
2,396,157	2,544,512	2,759,682	2,964,821	3,165,994		
2,453,005	2,608,785	2,786,105	2,759,107	2,965,384		
370,017	416,849	425,569	411,143	439,752		
5,219,179	5,570,146	5,971,356	6,135,071	6,571,130		
<u>\$ 16,195,113</u>	<u>\$ 17,001,052</u>	<u>\$ 18,728,608</u>	<u>\$ 17,727,347</u>	<u>\$ 19,669,283</u>		
\$ 1,308,618	\$ 1,112,124	\$ 1,117,178	\$ 1,388,029	\$ 1,646,441		
1,466,187	1,382,429	1,312,948	1,318,815	1,457,029		
-	-	2,165	2,209	-		
392,672	466,632	414,556	443,169	410,206		
454,648	282,071	277,781	311,393	285,416		
4,194,853	8,474,616	7,358,463	3,874,226	951,754		
<u>7,816,978</u>	<u>11,717,872</u>	<u>10,483,091</u>	<u>7,337,841</u>	<u>4,750,846</u>		
2,277,701	2,477,171	2,711,877	2,861,908	2,822,138		
2,622,453	2,874,751	2,998,521	3,048,006	3,675,632		
380,080	382,709	404,313	395,404	408,037		
5,000	5,000	-	5,000	5,000		
<u>5,285,234</u>	<u>5,739,631</u>	<u>6,114,711</u>	<u>6,310,318</u>	<u>6,910,807</u>		
<u>\$ 13,102,212</u>	<u>\$ 17,457,503</u>	<u>\$ 16,597,802</u>	<u>\$ 13,648,159</u>	<u>\$ 11,661,653</u>		
\$ (3,158,956)	\$ 286,966	\$ (2,274,161)	\$ (4,254,435)	\$ (8,347,307)		
66,055	169,485	143,355	175,247	339,677		
<u>\$ (3,092,901)</u>	<u>\$ 456,451</u>	<u>\$ (2,130,806)</u>	<u>\$ (4,079,188)</u>	<u>\$ (8,007,630)</u>		
\$ 4,510,439	\$ 4,647,145	\$ 4,971,265	\$ 5,329,825	\$ 5,291,352		
1,551,454	1,628,442	1,674,709	1,700,688	1,998,279		
1,704,696	1,805,475	1,939,699	2,101,634	2,444,275		
402,677	421,518	384,220	373,589	367,471		
197,639	210,243	191,786	191,734	208,898		
-	-	-	-	-		
140,401	117,062	205,319	209,226	278,081		
123,733	83,424	161,140	190,457	239,734		
4,171,104	18,811	-	-	-		
171,791	424,070	412,954	228,085	493,914		
(10,530)	(16,785)	(108,563)	(19,615)	(35,381)		
<u>12,963,404</u>	<u>9,339,405</u>	<u>9,832,529</u>	<u>10,305,623</u>	<u>11,286,623</u>		
13,762	13,260	24,395	5,591	27,729		
80,252	25,242	26,060	-	-		
10,530	16,785	108,563	19,615	35,381		
<u>104,544</u>	<u>55,287</u>	<u>159,017</u>	<u>25,206</u>	<u>63,110</u>		
<u>\$ 13,067,948</u>	<u>\$ 9,394,692</u>	<u>\$ 9,991,546</u>	<u>\$ 10,330,829</u>	<u>\$ 11,349,733</u>		
\$ 9,804,449	\$ 9,626,371	\$ 7,558,368	\$ 6,051,188	\$ 2,939,316		
170,599	224,772	323,493	200,453	402,787		
<u>\$ 9,975,048</u>	<u>\$ 9,851,143</u>	<u>\$ 7,881,861</u>	<u>\$ 6,251,641</u>	<u>\$ 3,342,103</u>		

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

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

	Fiscal Year				
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
General Fund					
Reserved	\$ 700,198	\$ 723,828	\$ 84,451	\$ 30,334	\$ 36,396
Unreserved	3,070,580	3,460,629	2,190,405	2,572,399	3,320,829
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	\$ 3,770,778	\$ 4,184,457	\$ 2,274,856	\$ 2,602,733	\$ 3,357,225
All Other Governmental Funds					
Reserved	\$ 522,880	\$1,510,792	\$2,623,549	\$1,482,888	\$ 963,355
Unreserved, reported in:					
Special revenue funds	631,829	582,765	-	67,058	342,232
Debt service funds	149,403	163,948	-	-	-
Capital projects fund	469,632	(72,041)	(3,084,510)	683,550	409,384
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total all other governmental funds	\$ 1,773,744	\$ 2,185,464	\$ (460,961)	\$ 2,233,496	\$ 1,714,971

Source: City of Del Mar, Finance Department



(Concluded)

Fiscal Year				
2010-2011 ⁽¹⁾	2011-2012	2012-2013	2013-2014	2014-2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	525,151	-	-	-
1,681,273	1,470,192	1,475,704	1,471,791	1,471,791
2,305,009	2,384,635	1,446,003	2,345,865	3,806,755
<u>\$ 3,986,282</u>	<u>\$ 4,379,978</u>	<u>\$ 2,921,707</u>	<u>\$ 3,817,656</u>	<u>\$ 5,278,546</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
976,173	976,276	965,812	980,148	795,930
190,215	181,806	167,503	207,819	299,415
1,992,576	1,180,204	1,535,486	2,729,399	4,451,680
<u>\$ 3,158,964</u>	<u>\$ 2,338,286</u>	<u>\$ 2,668,801</u>	<u>\$ 3,917,366</u>	<u>\$ 5,547,025</u>

Note:

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

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

	Fiscal Year				
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Revenues:					
Taxes	\$ 7,144,697	\$ 7,828,037	\$ 7,350,716	\$ 7,676,829	\$ 7,937,072
Licenses and permits	356,492	1,218,764	1,288,712	1,005,220	916,254
Intergovernmental	1,154,704	1,158,484	2,176,880	2,230,841	1,022,692
Charges for services	997,570	360,848	777,891	794,002	992,813
Fines and forfeitures	956,378	884,813	860,395	761,014	781,733
Use of money and property	546,707	781,165	426,807	225,747	188,513
Contributions	52,995	1,006,653	5,703,470	325,389	108,559
Other revenues	682,285	139,875	91,668	358,876	253,253
Total revenues	<u>11,891,828</u>	<u>13,378,639</u>	<u>18,676,539</u>	<u>13,377,918</u>	<u>12,200,889</u>
Expenditures:					
General government	3,555,998	3,780,975	4,363,308	4,376,664	4,158,473
Public safety	4,899,846	5,019,669	4,846,456	5,068,992	4,994,026
Public works	798,030	808,979	528,086	475,670	557,557
Parks and recreation	572,092	580,463	654,005	671,207	670,548
Capital outlays	1,085,464	1,734,248	12,130,994	2,807,876	1,039,393
Debt service:					
Principal	309,144	316,851	339,749	435,778	363,293
Interest and fiscal charges	100,691	93,083	128,514	111,144	132,569
Total expenditures	<u>11,321,265</u>	<u>12,334,268</u>	<u>22,991,112</u>	<u>13,947,331</u>	<u>11,915,859</u>
Excess of revenues over (under) expenditures	<u>570,563</u>	<u>1,044,371</u>	<u>(4,314,573)</u>	<u>(569,413)</u>	<u>285,030</u>
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	3,763,000	-
Sale of capital assets	-	-	-	-	-
Transfers-in	1,419,408	1,417,545	2,706,687	1,287,803	584,915
Transfers-out	(1,594,513)	(1,636,517)	(2,948,140)	(1,459,056)	(633,978)
Total other financing sources (uses)	<u>(175,105)</u>	<u>(218,972)</u>	<u>(241,453)</u>	<u>3,591,747</u>	<u>(49,063)</u>
Net change in fund balances	<u>\$ 395,458</u>	<u>\$ 825,399</u>	<u>\$ (4,556,026)</u>	<u>\$ 3,022,334</u>	<u>\$ 235,967</u>
Debt service as a percentage of noncapital expenditures	<u>4.00%</u>	<u>3.87%</u>	<u>4.31%</u>	<u>4.91%</u>	<u>4.56%</u>

Note:

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

Source: City of Del Mar, Finance Department

(Concluded)

Fiscal Year				
2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
\$ 8,521,081	\$ 8,858,700	\$ 9,284,503	\$ 9,865,474	\$ 10,469,129
1,185,430	1,047,420	1,036,973	1,320,317	1,432,809
4,470,137	8,077,378	7,638,143	4,165,489	1,167,061
1,091,028	1,098,148	1,190,559	1,296,138	1,447,608
891,019	815,617	669,665	586,367	633,259
117,942	79,311	154,539	190,457	239,733
181,627	657,875	36,921	17,368	26,100
153,538	416,689	411,397	221,469	657,152
16,611,802	21,051,138	20,422,700	17,663,079	16,072,851
4,134,195	4,848,423	5,903,824 ⁽²⁾	4,326,650	4,465,857
5,105,353	5,380,136	6,457,063 ⁽²⁾	5,442,607	5,707,066
530,892	544,546	767,200 ⁽²⁾	486,619	565,436
700,050	734,815	775,814	809,797	796,933
4,526,067	9,796,937	7,664,337	4,960,745	2,652,017
3,637,212	150,000	155,000	165,000	886,500
67,774	25,290	18,655	11,532	158,718
18,701,543	21,480,147	21,741,893	16,202,950	15,232,527
(2,089,741)	(429,009)	(1,319,193)	1,460,129	840,324
-	-	-	704,000	2,285,606
4,171,104	18,811	-	-	-
5,695,089	1,183,682	1,779,347	2,180,793	2,739,389
(5,703,402)	(1,200,466)	(1,587,910)	(2,200,408)	(2,774,770)
4,162,791	2,027	191,437	684,385	2,250,225
\$ 2,073,050	\$ (426,982)	\$ (1,127,756)	\$ 2,144,514	\$ 3,090,549
26.14% ⁽¹⁾	1.50%	1.27%	1.58%	8.31%

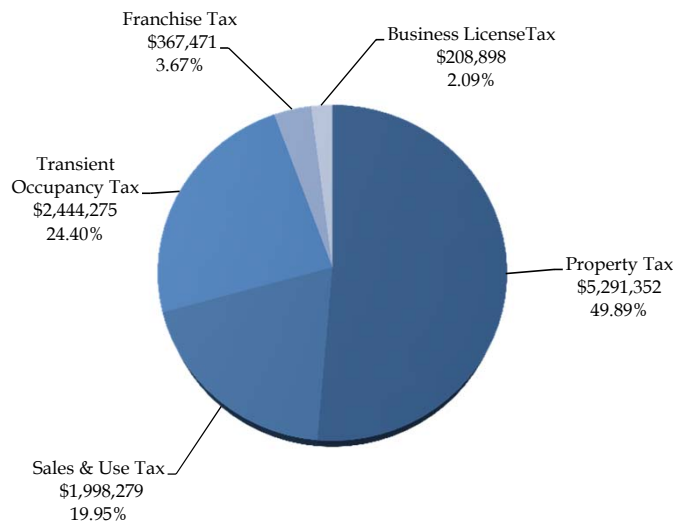
City of Del Mar
Governmental Activities Tax Revenues By Sources
Last Ten Fiscal Years

Fiscal Year	Property Taxes (1)	Sales & Use Tax (2)	Transient Occupancy Tax	Franchise Tax	Business License Tax	Total
2014-2015	\$ 5,291,352	\$ 1,998,279	\$ 2,444,275	\$ 367,471	\$ 208,898	\$ 10,310,275
2013-2014	5,329,825	1,700,688	2,101,634	373,589	191,734	9,697,470
2012-2013	4,971,265	1,674,709	1,939,699	384,220	191,786	9,161,679
2011-2012	4,647,145	1,628,442	1,805,475	421,518	210,243	8,712,823
2010-2011	4,510,439	1,551,454	1,704,696	402,677	197,639	8,366,905
2009-2010	4,433,968	1,367,739	1,505,530	342,989	188,535	7,838,761
2008-2009	4,215,519	1,362,060	1,418,345	375,033	197,696	7,568,653
2007-2008	3,796,999	1,408,551	1,247,227	362,404	193,839	7,009,020
2006-2007	3,756,024	1,732,150	1,682,319	356,121	182,343	7,708,957
2005-2006	2,992,161	1,668,537	1,564,641	317,261	186,756	6,729,356
Change from Base Year 2006	76.84%	19.76%	56.22%	15.83%	11.86%	53.21%

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.

GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE
Fiscal Year Ended June 30, 2015



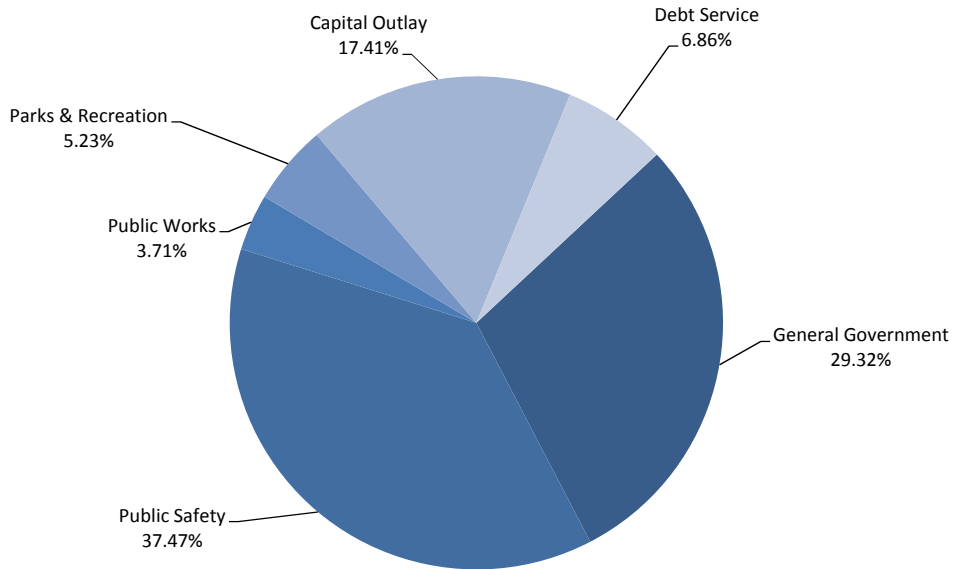
Source: City of Del Mar, Finance Department

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City of Del Mar
General Governmental Expenditures By Function ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works
2014-2015	\$ 4,465,857	\$ 5,707,066	\$ 565,436
2013-2014	4,326,650	5,442,607	486,619
2012-2013	5,903,824	6,457,063	767,200
2011-2012	4,848,423	5,380,136	544,546
2010-2011	4,134,195	5,105,353	530,892
2009-2010	4,158,473	4,994,026	557,557
2008-2009	4,376,664	5,068,992	475,670
2007-2008	4,363,308	4,846,456	528,086
2006-2007	3,780,975	5,019,669	808,979
2005-2006	3,555,998	4,899,846	798,030

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
Fiscal Year Ended June 30, 2015



Notes:

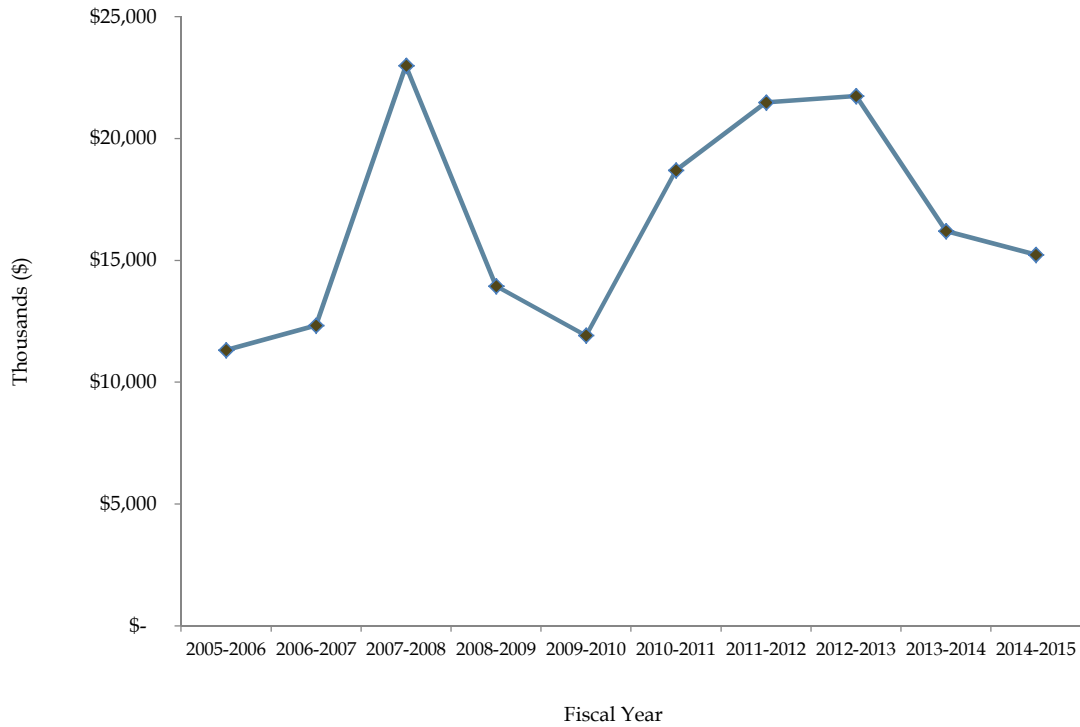
- (1) These amounts include all governmental fund types and exclude other financing sources (uses).
- (2) These amounts include lease and bond payments toward debt service.

Source: City of Del Mar, Finance Department

(Concluded)

	Parks and Recreation	Capital Outlay	Debt Service ⁽²⁾	Total
\$	796,933	\$ 2,652,017	\$ 1,045,218	\$ 15,232,527
	809,797	4,960,745	176,532	16,202,950
	775,814	7,664,337	173,655	21,741,893
	734,815	9,796,937	175,290	21,480,147
	700,050	4,526,067	3,704,986	18,701,543
	670,548	1,039,393	495,862	11,915,859
	671,207	2,807,876	546,922	13,947,331
	654,005	12,130,994	468,263	22,991,112
	580,463	1,734,248	409,934	12,334,268
	572,092	1,085,464	409,835	11,321,265

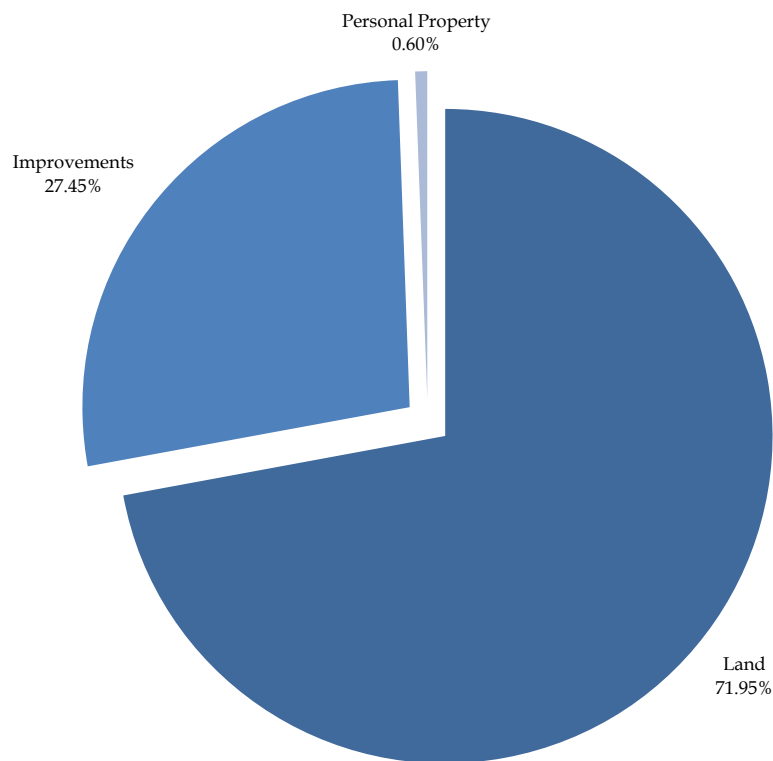
**TOTAL GENERAL GOVERNMENTAL EXPENDITURES
Last Ten Fiscal Years**



City of Del Mar
Assessed Valuation ⁽¹⁾ and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	State Assessed				Locally Assessed			
	Secured - Utility				Secured			
	Land	Improvements	Personal Property	Total	Land	Improvements	Personal Property	Total Before Exemptions
2014-2015	\$ -	\$ -	\$ -	\$ -	\$ 2,156,012,588	\$ 811,418,979	\$ -	\$ 2,967,431,567
2013-2014	-	-	-	-	2,070,200,773	783,962,779	-	2,854,163,552
2012-2013	-	-	-	-	1,954,149,908	714,731,656	5,494	2,668,887,058
2011-2012	-	-	-	-	1,918,194,704	683,506,497	169,279	2,601,870,480
2010-2011	-	-	-	-	1,880,114,480	655,122,496	206,702	2,535,443,678
2009-2010	-	-	-	-	1,806,702,397	642,006,171	237,875	2,448,946,443
2008-2009	-	-	-	-	1,721,203,056	596,285,611	296,677	2,317,785,344
2007-2008	-	-	-	-	1,551,754,556	555,166,814	281,693	2,107,203,063
2006-2007	736,901	611,805	319,246	1,667,952	1,441,583,176	524,514,445	295,192	1,966,392,813
2005-2006	786,754	653,194	340,844	1,780,792	1,315,985,163	494,970,298	294,506	1,811,249,967

ASSESSED VALUATION BY CATEGORIES
(TOTAL LOCALLY ASSESSED - BEFORE EXEMPTIONS)
Fiscal Year Ended June 30, 2015



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

(Continued)

Locally Assessed

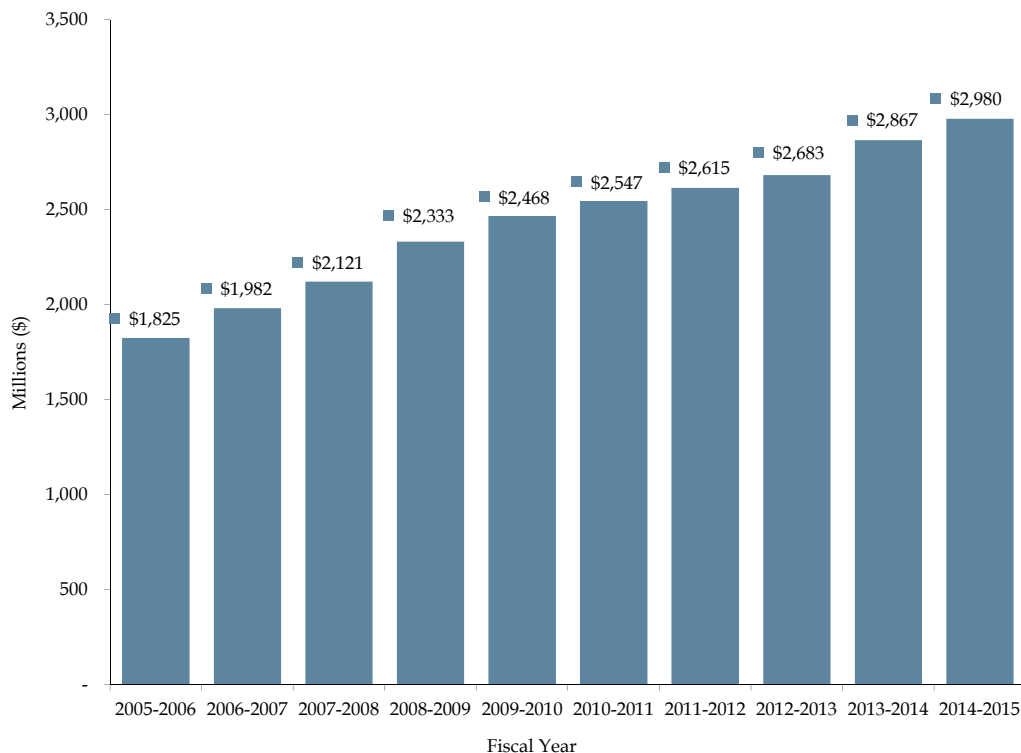
Secured			Unsecured				
Exemptions		Total	Improvements	Personal Property	Total	Other Exemptions	Total
All Others	Home Owners	After Exemptions			Before Exemptions		After Exemptions
\$ (3,310,064)	\$ (6,375,600)	\$ 2,957,745,903	\$ 5,688,971	\$ 17,304,718	\$ 22,993,689	\$ (289,114)	\$ 22,704,575
(3,312,066)	(6,386,800)	2,844,464,686	5,659,587	17,285,563	22,945,150	(340,680)	22,604,470
(3,246,230)	(6,612,200)	2,659,028,628	6,299,048	18,158,999	24,458,047	(341,553)	24,116,494
(3,182,380)	(6,713,000)	2,591,975,100	5,673,292	17,923,916	23,597,208	(301,587)	23,295,621
(3,386,894)	(6,797,000)	2,525,259,784	5,012,329	16,673,086	21,685,415	(48,405)	21,637,010
(3,392,145)	(6,893,600)	2,438,660,698	5,291,249	24,013,350	29,304,599	-	29,304,599
(3,332,473)	(6,944,000)	2,307,508,871	5,304,498	20,310,207	25,614,705	-	25,614,705
(3,008,202)	(6,958,000)	2,097,236,861	5,096,765	18,871,651	23,968,416	-	23,968,416
(2,942,030)	(6,995,800)	1,956,454,983	5,365,639	18,101,740	23,467,379	-	23,467,379
(2,881,088)	(7,032,200)	1,801,336,679	6,216,428	15,276,867	21,493,295	-	21,493,295

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

Totals

Fiscal Year	Totals Before Exemptions	Net Taxable Valuation	Percent Increase/ (Decrease)	Total Rate
2014-2015	\$ 2,990,425,256	\$ 2,980,450,478	3.95%	1.02497%
2013-2014	2,877,108,702	2,867,069,156	6.85%	1.03296%
2012-2013	2,693,345,105	2,683,145,122	2.60%	1.01055%
2011-2012	2,625,467,688	2,615,270,721	2.68%	1.00970%
2010-2011	2,557,129,093	2,546,896,794	3.20%	1.00925%
2009-2010	2,478,251,042	2,467,965,297	5.78%	1.01052%
2008-2009	2,343,400,049	2,333,123,576	9.99%	1.01037%
2007-2008	2,131,171,479	2,121,205,277	7.05%	1.01497%
2006-2007	1,991,528,144	1,981,590,314	8.60%	1.01383%
2005-2006	1,834,524,054	1,824,610,766	13.34%	1.01205%

**TOTAL ASSESSED VALUATION
(TAXABLE VALUES)
Last Ten Fiscal Years**



Source: California Municipal Statistics, Inc.

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City of Del Mar
Assessed Value of Property by User Code ⁽¹⁾
Last Ten Fiscal Years

Category	Fiscal Year				
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Residential	\$ 1,791,415,501	\$ 1,927,655,893	\$ 2,126,571,875	\$ 2,252,513,842	\$ 2,341,247,897
Commercial	164,367,851	168,728,531	178,609,919	183,387,390	180,733,181
Industrial	2,048,291	2,368,947	2,406,337	2,454,459	2,448,637
Irrigation farm	-	-	-	-	-
Rural land (Non-irrigated)	-	-	-	-	-
Institutional	2,543,985	2,594,863	2,646,759	2,699,693	2,693,294
Recreational	5,650,759	5,507,582	7,181,758	7,570,329	8,042,055
Miscellaneous	-	-	-	-	-
Total	\$ 1,966,026,387	\$ 2,106,855,816	\$ 2,317,416,648	\$ 2,448,625,713	\$ 2,535,165,064

Note:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of one percent based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" limited to a maximum of two percent. With few exemptions, the property is reassessed as a result of new construction or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitation just mentioned.

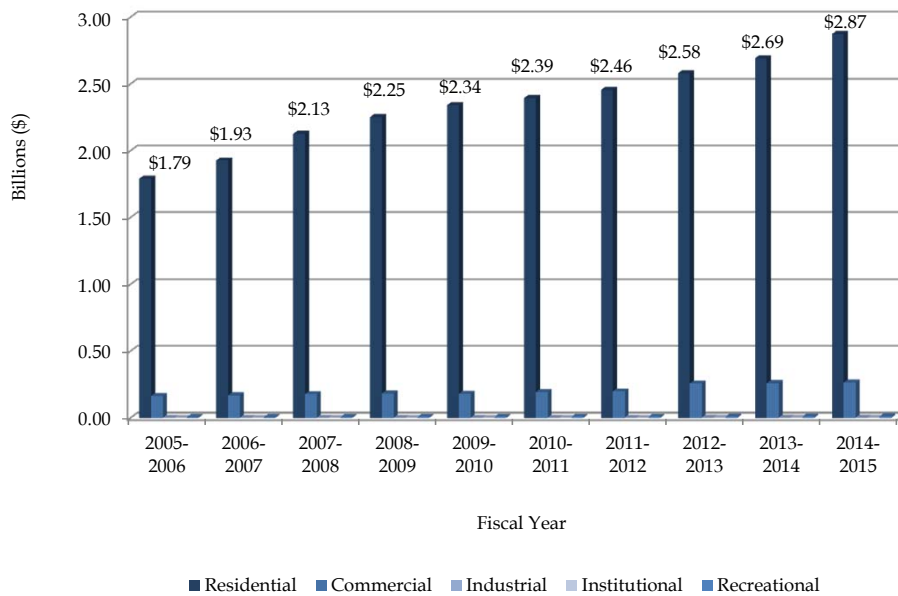
- The amounts represent total assessed value of real property, excluding personal property and fixtures, prior to exemptions.

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

(Concluded)

Fiscal Year				
2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
\$ 2,394,641,412	\$ 2,455,807,004	\$ 2,580,568,065	\$ 2,691,922,002	\$ 2,873,316,023
193,402,493	199,024,611	258,451,071	260,013,522	265,411,786
2,467,068	2,516,402	2,956,947	2,970,364	3,014,195
-	-	-	-	-
-	-	-	-	-
2,713,573	2,767,844	2,823,200	2,836,017	2,892,680
8,412,054	8,765,703	9,364,269	9,689,662	11,214,206
-	-	-	-	-
<u>\$ 2,601,636,600</u>	<u>\$ 2,668,881,564</u>	<u>\$ 2,854,163,552</u>	<u>\$ 2,967,431,567</u>	<u>\$ 3,155,848,890</u>

ASSESSED VALUE - TAXABLE PROPERTY
Last Ten Fiscal Years



City of Del Mar
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
2014-2015	\$ 2,873,316,023	4,198	\$ 265,411,786	102	\$ 3,014,195	9
2013-2014	2,691,922,002	4,199	260,013,522	102	2,970,364	9
2012-2013	2,580,568,065	4,199	258,451,071	102	2,956,947	9
2011-2012	2,455,807,004	4,197	199,024,611	101	2,516,402	9
2010-2011	2,394,641,412	4,195	193,402,493	101	2,467,068	9
2009-2010	2,341,247,897	4,193	180,733,181	101	2,448,637	9
2008-2009	2,252,513,842	4,192	183,387,390	101	2,454,459	9
2007-2008	2,126,571,875	4,193	178,609,919	100	2,406,337	9
2006-2007	1,927,655,893	4,191	168,728,531	100	2,368,947	10
2005-2006	1,791,415,501	4,185	164,367,851	101	2,048,291	11

Notes:

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

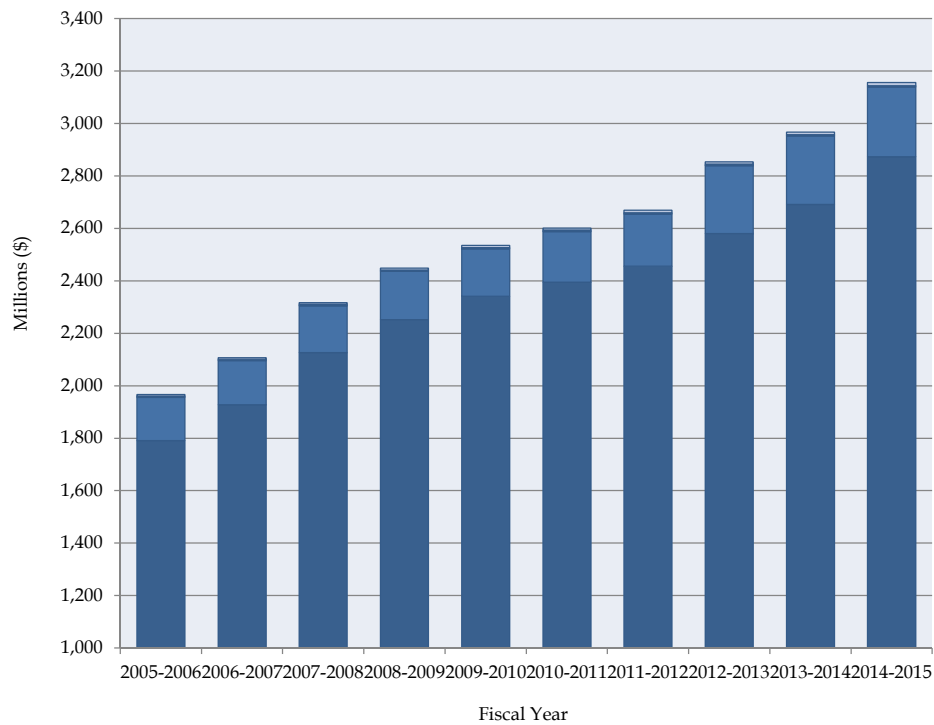
Source:

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

(Concluded)

Institutional		Recreational		Total		Total Direct
Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Tax Rate (%) (2)
\$ 2,892,680	1	\$ 11,214,206	337	\$ 3,155,848,890	4,647	0.14775
2,836,017	1	9,689,662	234	2,967,431,567	4,545	0.14775
2,823,200	1	9,364,269	231	2,854,163,552	4,542	0.14775
2,767,844	1	8,765,703	241	2,668,881,564	4,549	0.14775
2,713,573	1	8,412,054	241	2,601,636,600	4,547	0.14775
2,693,294	1	8,042,055	224	2,535,165,064	4,528	0.14775
2,699,693	1	7,570,329	226	2,448,625,713	4,529	0.14775
2,646,759	1	7,181,758	234	2,317,416,648	4,537	0.15688
2,594,863	1	5,507,582	215	2,106,855,816	4,517	0.14775
2,543,985	1	5,650,759	217	1,966,026,387	4,515	0.14775

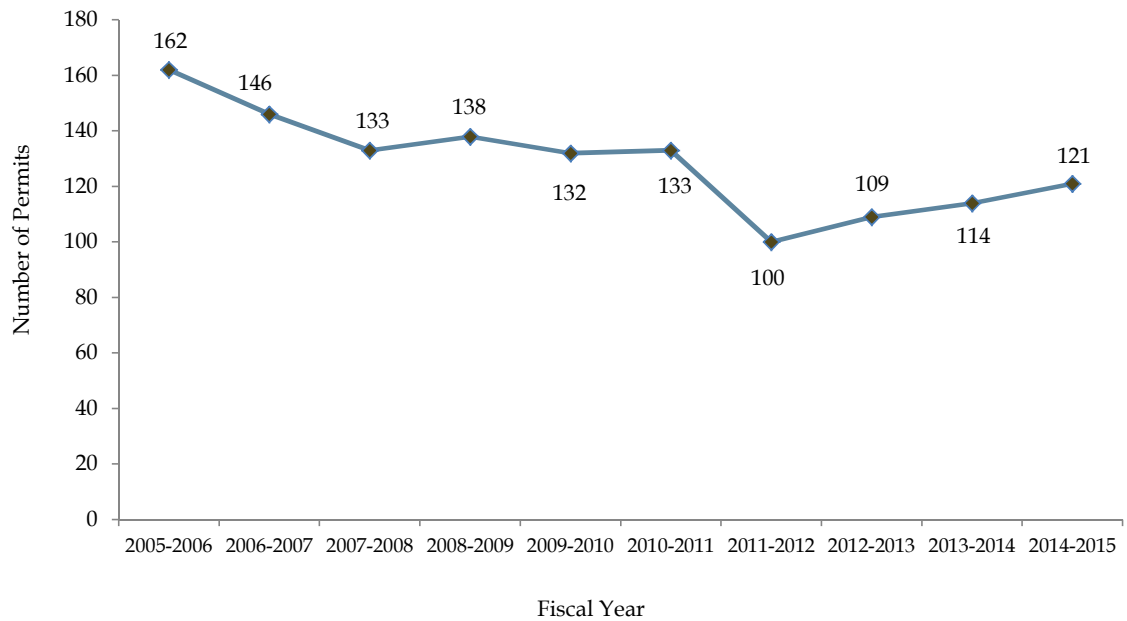
ASSESSED VALUE BY CATEGORY
June 30, 2015



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

Fiscal Year	Construction ⁽¹⁾			
	Residential		Commercial	
	Number of Permits	Valuation	Number of Permits	Valuation
2014-2015	101	\$ 12,075,924	3	\$ 338,000
2013-2014	73	10,921,237	12	951,835
2012-2013	64	7,771,721	11	112,926
2011-2012	59	6,784,857	13	2,293,192
2010-2011	61	11,634,203	17	1,556,638
2009-2010	82	6,554,248	15	994,080
2008-2009	76	8,937,699	22	3,040,727
2007-2008	54	10,249,217	17	8,458,120
2006-2007	72	13,706,532	8	532,739
2005-2006	70	12,430,727	9	114,788

NUMBER OF PERMITS
Last Ten Fiscal Years



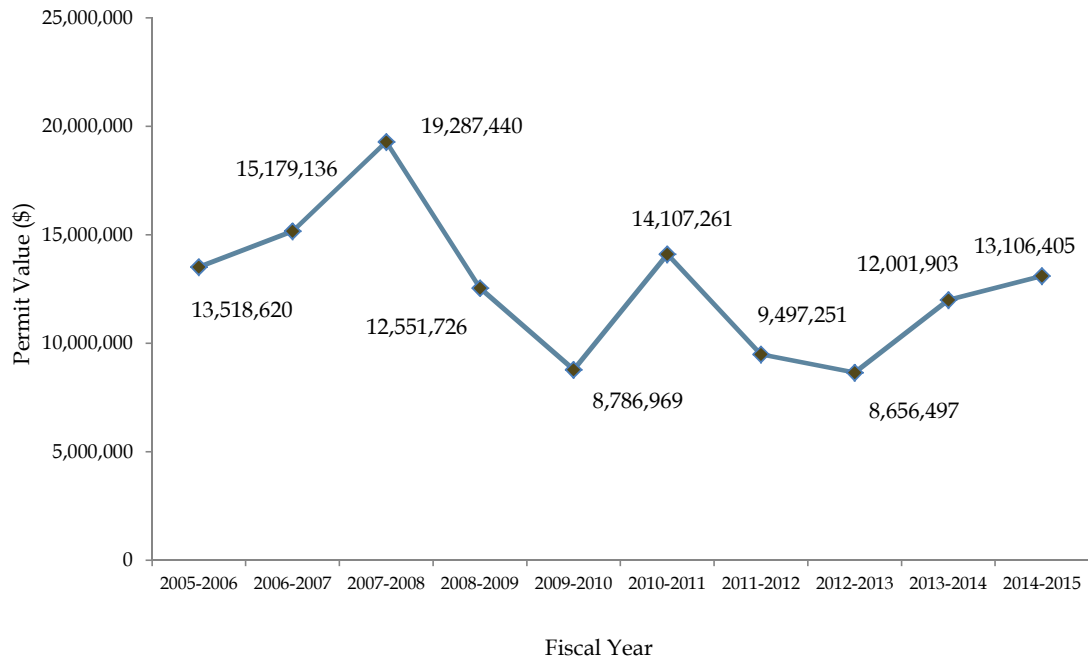
Source:

(1) City of Del Mar, Planning and Community Development Department

(Concluded)

Construction ⁽¹⁾		Total	
Number of Permits	Valuation	Number of Permits	Valuation
17	\$ 692,481	121	\$ 13,106,405
29	128,831	114	12,001,903
34	771,850	109	8,656,497
28	419,202	100	9,497,251
55	916,420	133	14,107,261
35	1,238,641	132	8,786,969
40	573,300	138	12,551,726
62	580,103	133	19,287,440
66	939,865	146	15,179,136
83	973,105	162	13,518,620

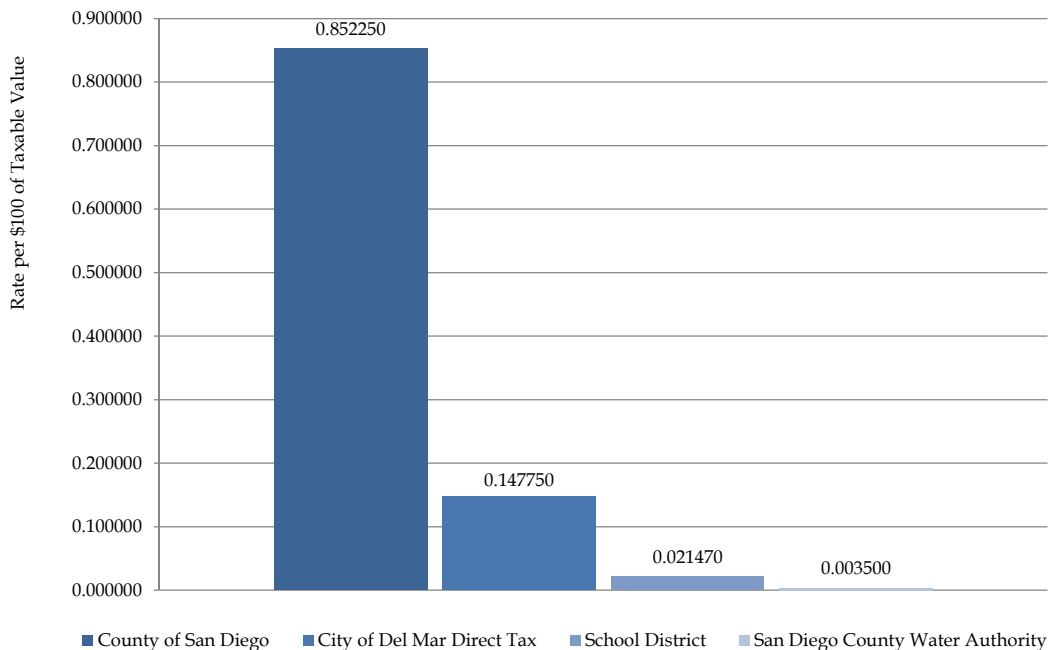
PERMIT VALUATION
Last Ten Fiscal Years



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

Fiscal Year	Total Del Mar Debt Service	County			Special Districts			Total
		San Diego County	City of Del Mar Direct Tax	Total County Base	School District	San Diego County Water Authority (SDCWA)	Total Special Districts	
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	0.02311	0.00350	0.02661	1.03296
2012-2013	0.00705	0.85225	0.14775	1.00000	-	0.00350	0.00350	1.01055
2011-2012	0.00600	0.85225	0.14775	1.00000	-	0.00370	0.00370	1.00970
2010-2011	0.00555	0.85225	0.14775	1.00000	-	0.00370	0.00370	1.00925
2009-2010	0.00622	0.85225	0.14775	1.00000	-	0.00430	0.00430	1.01052
2008-2009	0.00607	0.85225	0.14775	1.00000	-	0.00430	0.00430	1.01037
2007-2008	0.01047	0.86312	0.13688	1.00000	-	0.00450	0.00450	1.01497
2006-2007	0.00913	0.85225	0.14775	1.00000	-	0.00470	0.00470	1.01383
2005-2006	0.00685	0.85225	0.14775	1.00000	-	0.00520	0.00520	1.01205

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
Fiscal Year Ended June 30, 2015



Note:

(1) Tax Rate Area: TRA 11-001

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

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

Owner/Taxpayer	Business Type	Fiscal Year 2014-2015		Fiscal Year 2005-2006	
		Assessed Valuation	Percent of Total City Assessed Valuation	Assessed Valuation	Percent of Total City Assessed Valuation
Lhoberge LP	Property management	\$ 68,812,601	2.30	\$ -	- %
G L L B V K Properties 2007 L P	Property management	43,963,332	1.47	-	-
Jacobs Family Trust	Trust	32,120,422	1.07	16,045,620	0.88
Allred Family Living Trust	Trust	30,462,815	1.02	-	-
Luddy Frederic Family Trust	Trust	30,137,000	1.01	-	-
Pickens Madeleine A Trust	Trust	23,460,000	0.78	-	-
Del Mar Thoroughbred Club	Horse racing club	22,967,981	0.77	20,602,855	1.12
Los Arboles Apartment LLC	Management company	22,060,446	0.74	-	-
Naify Marsha J Living Trust	Trust	20,066,331	0.67	-	-
Moore Rebecca A Family Trust	Trust	17,871,616	0.60	13,046,564	0.71
G & I III Del Mar LP	Property management	-	-	28,509,270	1.56
Strensrud Family Trust	Trust	-	-	26,070,973	1.42
Starkman Linda D Trust	Trust	-	-	18,360,000	1.00
Nicholas Arthur Trust	Trust	-	-	15,433,339	0.84
S K L Trust	Trust	-	-	13,608,795	0.74
L-O DelMar Holding Inc	Management company	-	-	13,053,328	0.71
HeckMann Mary	Trust	-	-	12,446,983	0.68
Bella Trust	Trust	-	-	-	-
Scripps Family Trust	Trust	-	-	-	-
Richard J & Mary M Heckmann	Trust	-	-	-	-
Wilcox-Cassidy Lisa Trust	Trust	-	-	-	-
Top Ten Totals (secured and unsecured)		311,922,544	10.43	177,177,727	9.67
All Others (secured)		2,678,502,712	89.57	1,654,465,239	90.33
Total Assessed Valuation		\$ 2,990,425,256	100.00	\$ 1,831,642,966	100.00 %

Source: Office of the Auditor & Controller, County of San Diego, Property Tax Services Division

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

Fiscal Year 2014-2015		Fiscal Year 2005-2006	
Taxpayers	Business Type	Taxpayers	Business Type
1 Americana Restaurant	Restaurant	10,000 RV Sales	Recreation products
2 Banana Republic	Retail clothing	Banana Republic	Retail clothing
3 Brigantine Restaurant	Restaurant	Bully's	Restaurant
4 Chicken Charlie's Enterprise	Food service	Chico's	Retail clothing
5 DC Labs	Retail hair care	Del Mar Blue Print	Printing
6 Del Mar Blue Print	Printing	Del Mar Thoroughbred Club	Horse racing club
7 Del Mar Rendezvous	Restaurant	Discover Infiniti	Auto Sales
8 Del Mar Thoroughbred Club	Horse racing club	En Fuego Cantina & Grill	Restaurant
9 Design Line Interiors	Furniture/ Appliances	Epazote A Baja Bar & Grill	Restaurant
10 El Agave Del Mar	Restaurant	Gary's Studios	Portrait Studio
11 En Fuego Cantina & Grill	Restaurant	Il Fornaio	Restaurant
12 Il Fornaio	Retail clothing	Jakes	Restaurant
13 Jakes	Restaurant	Jimmy O's	Restaurant
14 Jimmy O's	Restaurant	JR Resources	Retail marketing
15 Juicy's	Food service	Juicys	Restaurant
16 L'Auberge Hotel	Restaurant	La Mesa R.V. Center	Recreation products
17 Miwall Wholesale Ammo	Recreation products	L'Auberge Hotel	Restaurant
18 Pacifica	Restaurant	Pacifica	Restaurant
19 Pinnacle Appliance Distributor	Furniture/ Appliances	Poseidon Restaurant	Restaurant
20 Poseidon Restaurant	Restaurant	Premier Food Services	Food service
21 Premier Food Services	Food service	Ryan's Collection	Retail clothing
22 Prep Kitchen Del Mar	Restaurant	Sbicca An American Bistro	Restaurant
23 Sbicca An American Bistro	Restaurant	State of California	Government
24 The Board & Brew	Restaurant	The Brigantine	Restaurant
25 UAG San Diego	Car sales-used	White House/Black Market	Retail clothing
Percentage of total sales tax collected		66.60%	67.80%

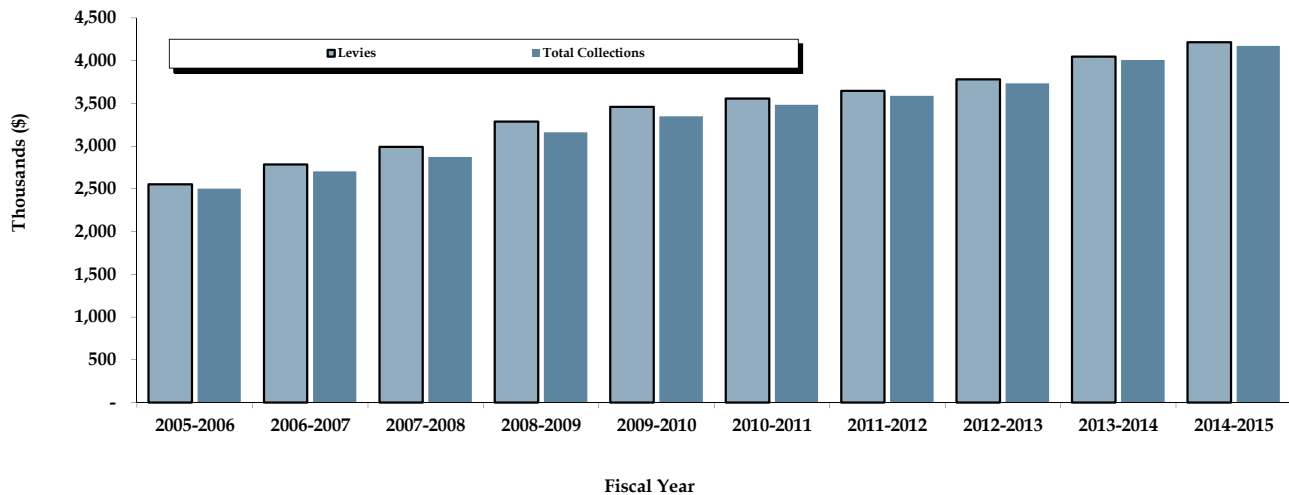
Note: The names are listed in alphabetical order and not by sales tax volume.

Source: Muniservices, LLC

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

Fiscal Year	Secured Taxes Charge (1)	Collections at Year End	Percentage of Collections at Year End	Collections in Subsequent Years	Total Collections	Percentage of Levy
2014-2015	\$ 4,216,164	\$ 4,165,840	98.81%	\$ 4,230	\$ 4,170,070	98.91%
2013-2014	4,046,271	3,999,623	98.85%	7,804	4,007,427	99.04%
2012-2013	3,779,401	3,732,226	98.75%	1,785	3,734,011	98.80%
2011-2012	3,646,327	3,586,085	98.35%	1,267	3,587,352	98.38%
2010-2011	3,556,184	3,483,041	97.94%	1,558	3,484,599	97.99%
2009-2010	3,457,991	3,346,258	96.77%	2,822	3,349,080	96.85%
2008-2009	3,284,776	3,159,403	96.18%	2,675	3,162,078	96.26%
2007-2008	2,990,990	2,868,782	95.91%	4,944	2,873,726	96.08%
2006-2007	2,784,194	2,698,697	96.93%	4,525	2,703,222	97.09%
2005-2006	2,553,356	2,499,766	97.90%	1,917	2,501,683	97.98%

TAX COLLECTIONS & DELINQUENCIES
Last Ten Fiscal Years



Note:

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

Source: California Municipal Statistics, Inc.

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

Fiscal Year	Governmental Activities					Business-type Activities				
	Certificates of Participation	Capital Leases	Loans	Notes	Total	Revenue Bonds	Certificates of Participation	Capital Leases	Notes	Total
2014-2015	\$ -	\$ -	\$ 2,273,106	\$ -	\$ 2,273,106	\$ -	\$ 440,000	\$ -	\$ 4,771,694	\$ 5,211,694
2013-2014	170,000	-	704,000	-	874,000	-	855,000	-	4,971,536	5,826,536
2012-2013	335,000	-	-	-	335,000	-	1,250,000	-	5,168,672	6,418,672
2011-2012	490,000	-	-	-	490,000	-	1,625,000	-	4,577,583	6,202,583
2010-2011	640,000	-	-	-	640,000	-	1,980,000	-	2,691,115	4,671,115
2009-2010	785,000	-	3,480,772	11,441	4,277,213	-	2,320,000	-	795,578	3,115,578
2008-2009	930,000	19,316	3,668,924	22,266	4,640,506	-	2,640,000	-	5,940	2,645,940
2007-2008	1,065,000	215,626	-	32,512	1,313,138	-	3,170,000	-	8,675	3,178,675
2006-2007	1,195,000	415,675	-	42,210	1,652,885	-	3,675,000	3,638	11,262	3,689,900
2005-2006	1,320,000	605,690	-	51,390	1,977,080	-	4,155,000	7,098	13,710	4,175,808

Fiscal Year	Population (1)	Total Outstanding Debt	Taxable Assessed Value	Percent of Taxable Assessed Value	Debt Per Capita	Personal Income	Percent of Personal Income
2014-2015	4,238	\$ 7,484,800	\$ 2,986,826,078	0.25%	\$ 1,766	\$ 576,972 (2)	7.71%
2013-2014	4,234	6,700,536	2,873,455,956	0.23%	1,583	560,167	8.36%
2012-2013	4,205	6,753,672	2,689,757,322	0.25%	1,606	539,556	7.99%
2011-2012	4,194	6,692,583	2,621,983,721	0.26%	1,596	526,396	7.87%
2010-2011	4,187	5,311,115	2,553,693,794	0.21%	1,268	502,766	9.47%
2009-2010	4,660	7,392,791	2,474,858,897	0.30%	1,586	470,315	6.36%
2008-2009	4,591	7,286,446	2,340,067,576	0.31%	1,587	457,060	6.27%
2007-2008	4,580	4,491,813	2,104,194,861	0.21%	981	447,663	9.97%
2006-2007	4,553	5,342,785	1,981,590,314	0.27%	1,173	467,118	8.74%
2005-2006	4,528	6,152,888	1,824,610,766	0.34%	1,359	456,603	7.42%

Notes:

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

Sources:

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

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

Business-type Activities

Fiscal Year	Revenue (1)	Operating Expenses (1)	Net Available Revenue	Debt Service (2)		Total Debt Service	Percent Coverage
				Revenue Bonds	Certificates of Participation		
				Principal	Interest		
2014-2015	\$ 6,910,807	\$ 6,406,810	\$ 503,997	\$ -	\$ -	\$ 415,000	112.66%
2013-2014	6,310,318	5,943,962	366,356	-	-	395,000	62.51%
2012-2013	6,140,771	5,769,776	370,995	-	-	375,000	65.54%
2011-2012	5,764,873	5,365,943	398,930	-	-	355,000	71.34%
2010-2011	5,365,486	4,901,719	463,767	-	-	340,000	93.00%
2009-2010	5,400,384	4,808,621	591,763	-	-	320,000	133.97%
2008-2009	5,123,562	4,789,283	334,279	-	-	530,000	49.55%
2007-2008	4,941,524	3,958,517	983,007	-	-	505,000	145.75%
2006-2007	5,240,144	3,916,855	1,323,289	-	-	480,000	196.61%
2005-2006	4,637,436	3,850,680	786,756	-	-	455,000	117.35%

Notes:

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

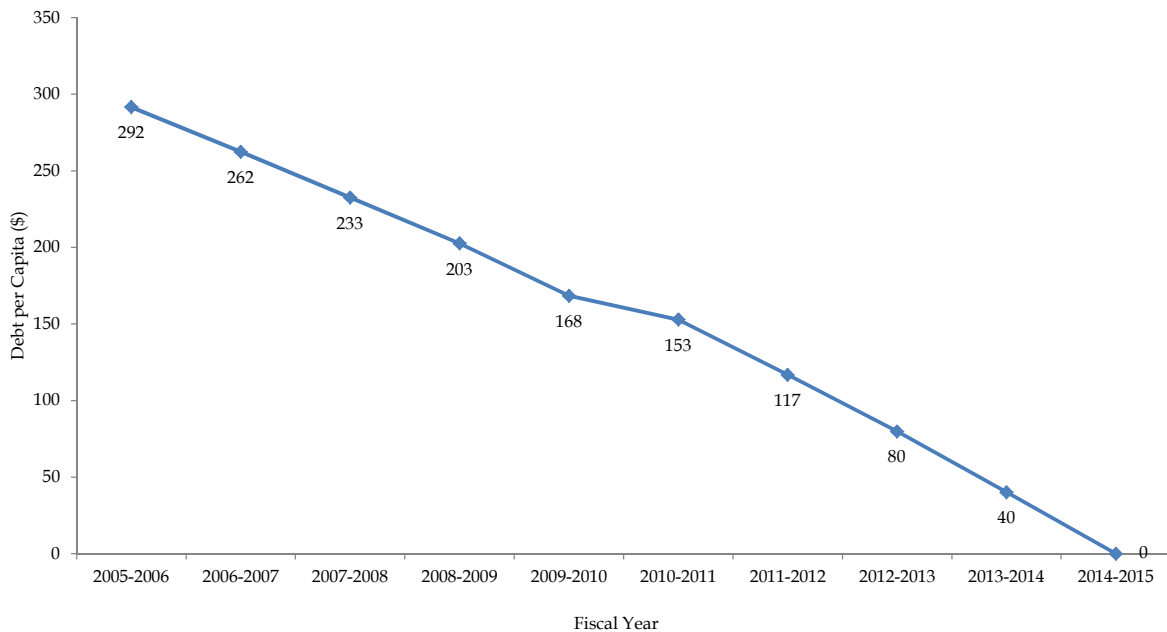
(2) Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

Source: City of Del Mar, Finance Department

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

Outstanding General Bonded Debt							
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
2014-2015	4,238	\$ -	\$ 2,986,826,078	0.00%	\$ -	\$ 576,972 ⁽³⁾	0.00%
2013-2014	4,234	170,000	2,873,455,956	0.01%	40	560,167	329.51%
2012-2013	4,199	335,000	2,689,757,322	0.01%	80	539,556	161.06%
2011-2012	4,194	490,000	2,621,983,721	0.02%	117	526,396	107.43%
2010-2011	4,187	640,000	2,553,693,794	0.03%	153	502,766	78.56%
2009-2010	4,660	785,000	2,474,858,897	0.03%	168	470,315	59.91%
2008-2009	4,591	930,000	2,340,067,576	0.04%	203	457,060	49.15%
2007-2008	4,580	1,065,000	2,104,194,861	0.05%	233	447,663	42.03%
2006-2007	4,553	1,195,000	1,981,590,314	0.06%	262	467,118	39.09%
2005-2006	4,528	1,320,000	1,824,610,766	0.07%	292	456,603	34.59%

GENERAL BONDED DEBT OUTSTANDING PER CAPITA
Last Ten Fiscal Years



Source:

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

City of Del Mar
Direct and Overlapping Bonded Debt
June 30, 2015

Fiscal Year 2014-2015 Assessed Valuation	\$2,986,826,078		
Fiscal Year 2014-2015 Population	4,238		
	Total Debt	Percent	City's Share
	June 30, 2015	Applicable	of Debt
		to City ⁽¹⁾	June 30, 2015
Overlapping Tax and Assessment Debt:			
San Diego County General Obligations	\$ 351,670,000	0.713 %	\$ 2,507,407
San Diego County Pension Obligations	682,615,180	0.713 %	4,867,046
San Diego County Superintendent of Schools			
- General Fund Obligations	14,732,500	0.713 %	105,043
Mira Costa Community College District			
- Certificates of Participation	1,705,000	3.497 %	59,624
San Dieguito Union High School District			
- General Fund Obligations	13,015,000	5.668 %	737,690
Total Overlapping General Fund Debt	1,063,737,680		8,276,810
Direct Debt and Overlapping Tax and Assessment Debt:			
Direct Debt:			
City of Del Mar	2,285,606	100.000 %	2,285,606
Subtotal Direct Debt	2,285,606		2,285,606
Overlapping Tax and Assessment Debt:			
City of Del Mar 1915 Act Bonds	945,000	100.000 %	945,000
San Dieguito Union High School District	266,795,000	5.668 %	15,121,941
Metropolitan Water District	110,420,000	0.129 %	142,442
Subtotal Overlapping Tax and Assessment Debt	378,160,000		16,209,383
Total Direct and Overlapping Tax and Assessment Debt	380,445,606		18,494,989
Subtotal Overlapping Tax	1,441,897,680		24,486,193
Combined Total Debt	\$ 1,444,183,286		\$ 26,771,799 ⁽²⁾

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, tax allocation bonds, and non-bonded capital lease obligations.

<u>Ratios to Fiscal Year 2014-2015 Assessed Valuation</u>		<u>Per Capita</u>
City Direct Debt (\$170,000).....	0.08%	\$539
Total Overlapping Tax and Assessment Debt.....	0.54%	\$4,364
Combined Total Debt.....	0.82%	\$6,317

State School Building Aid Repayable as of June 30, 2015 \$ -

City of Del Mar
Schedule of Legal Debt Margin⁽¹⁾
Last Ten Fiscal Years

	Fiscal Year				
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Assessed valuation	\$ 1,831,642,966	\$ 1,988,586,114	\$ 2,128,163,277	\$ 2,340,067,576	\$ 2,474,858,897
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 457,910,742	\$ 497,146,529	\$ 532,040,819	\$ 585,016,894	\$ 618,714,724
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$ 68,686,611	\$ 74,571,979	\$ 79,806,123	\$ 87,752,534	\$ 92,807,209
Total net debt applicable to limit:					
General obligation bonds	1,320,000	1,195,000	1,065,000	930,000	785,000
Legal debt margin	\$ 67,366,611	\$ 73,376,979	\$ 78,741,123	\$ 86,822,534	\$ 92,022,209
Total debt applicable to the limit as a percentage of debt limit	1.96%	1.63%	1.35%	1.07%	0.85%

Note:

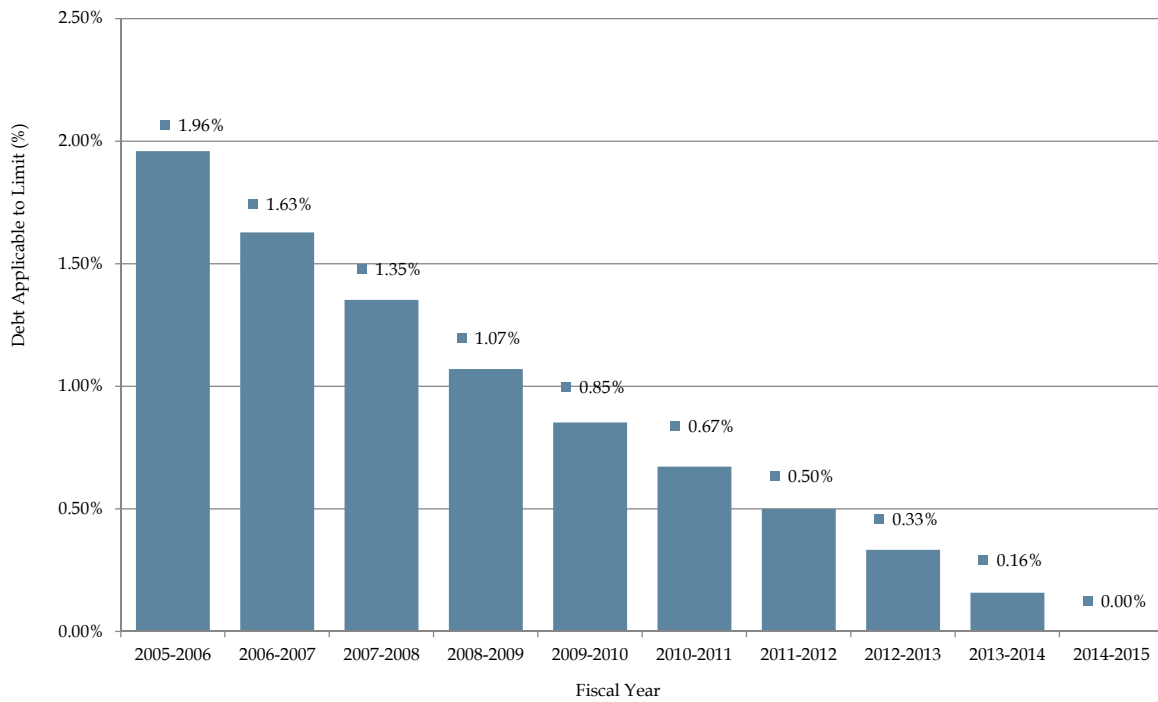
(1) Section 43605 of the Government Code of the State of California provides for a legal debt limit of 15 percent of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25 percent of market value. Effective with Fiscal Year 1981-1982, each parcel is now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

Source: City of Del Mar

(Concluded)

		Fiscal Year							
		2010-2011	2011-2012	2012-2013	2013-2014	2014-2015			
\$	2,553,693,794	\$	2,621,983,721	\$	2,689,757,322	\$	2,873,455,956	\$	2,986,826,078
	25%		25%		25%		25%		25%
\$	638,423,449	\$	655,495,930	\$	672,439,331	\$	718,363,989	\$	746,706,520
	15%		15%		15%		15%		15%
\$	95,763,517	\$	98,324,390	\$	100,865,900	\$	107,754,598	\$	112,005,978
	640,000		490,000		335,000		170,000		-
\$	95,123,517	\$	97,834,390	\$	100,530,900	\$	107,584,598	\$	112,005,978
	0.67%		0.50%		0.33%		0.16%		0.00%

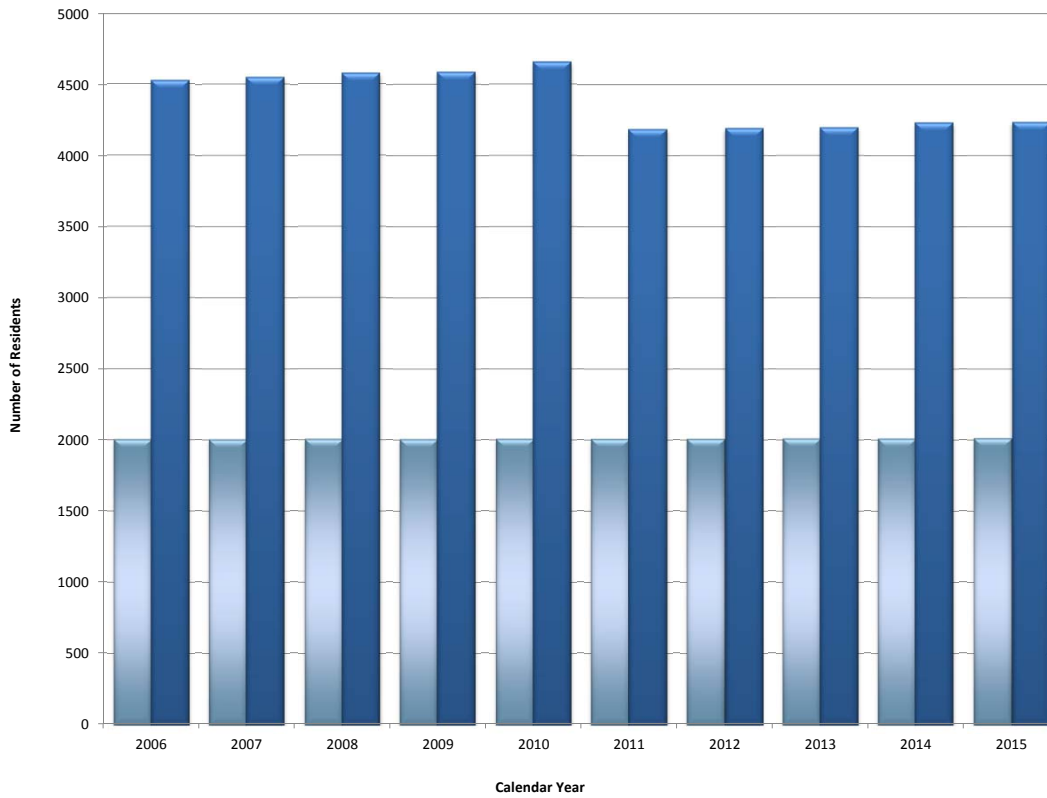
**DEBT APPLICABLE TO LIMIT
Last Ten Fiscal Years**



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

Year	City of Del Mar Housing Units (1)	Population (2)				Personal Income (3)			
		City of Del Mar	Average Annual Percent Change	County of San Diego	Average Annual Percent Change	City of Del Mar		County of San Diego	
						Personal Income (in Thousands)	Per Capita	Personal Income (in Thousands)	Per Capita
2015	2,605	4,238	0.09%	3,227,496	1.04%	- *	- *	- *	- *
2014	2,605	4,234	0.83%	3,194,362	1.40%	560,167	132,302	167,931,419	52,571
2013	2,637	4,199	0.12%	3,150,178	0.21%	539,556	128,496	165,008,428	52,381
2012	2,637	4,194	0.17%	3,143,429	0.79%	526,396	125,512	160,914,306	51,191
2011	2,542	4,187	-10.15%	3,118,876	-3.27%	502,766	120,078	151,466,837	48,565
2010	2,542	4,660	1.50%	3,224,432	1.61%	470,315	100,926	141,243,429	43,804
2009	2,537	4,591	0.24%	3,173,407	0.86%	457,060	99,556	139,577,195	45,706
2008	2,519	4,580	0.59%	3,146,274	1.49%	447,663	97,743	104,846,916	44,766
2007	2,511	4,553	0.55%	3,100,132	1.14%	467,118	102,596	136,615,849	44,068
2006	2,499	4,528	-0.04%	3,065,077	0.89%	456,603	100,840	129,585,425	42,278

POPULATION
Last Ten Calendar Years



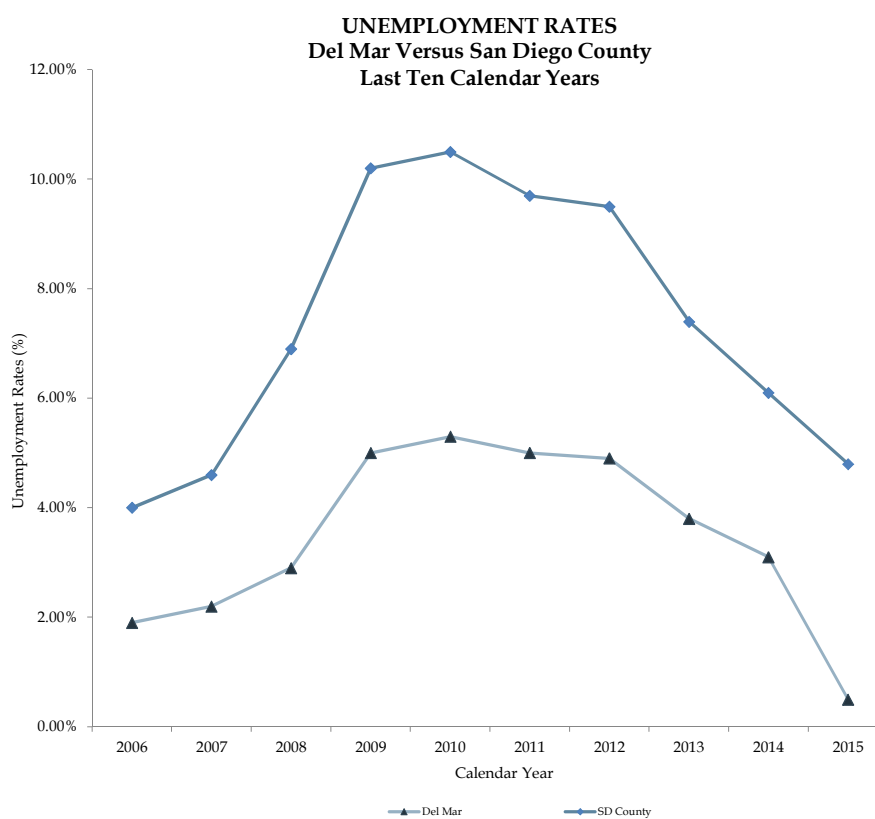
Note:

* This information is not available.

Source:

- (1) SANDAG
- (2) State of California, Finance Department
- (3) United States Bureau of Economic Analysis

Employment ⁽⁴⁾						Enrollment Del Mar Union Elementary (5)
City of Del Mar			County of San Diego			
Labor Force	Employed	Unemployment Rate	Labor Force	Employed	Unemployment Rate	
2,600	2,600	0.50%	1,572,600	1,496,700	4.80%	4,399
3,100	3,000	3.10%	1,588,500	1,491,600	6.10%	4,376
3,100	3,000	3.80%	1,611,200	1,492,300	7.40%	4,384
3,100	2,900	4.90%	1,593,800	1,441,700	9.50%	4,387
3,000	2,900	5.00%	1,579,500	1,427,000	9.70%	4,363
3,000	2,800	5.30%	1,566,700	1,406,200	10.50%	4,169
3,000	2,800	5.00%	1,574,700	1,414,600	10.20%	4,169
3,000	2,900	2.90%	1,577,200	1,468,700	6.90%	2,106
3,000	2,900	2.20%	1,542,400	1,471,600	4.60%	2,305
3,000	2,900	1.90%	1,520,500	1,459,900	4.00%	2,707



Source:

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

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

Employer ⁽¹⁾	Business Type	2015		2014	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
L'Auberge Del Mar Resort Spa	Resorts	250	8.33%	250	8.33%
Del Mar Fairgrounds	Banquet Rooms	180	6.00%	180	6.00%
Del Mar Thoroughbred Club	Horse racing club	115	3.83%	115	3.83%
Jake's Del Mar	Restaurant	110	3.67%	110	3.67%
Il Fornaio	Restaurant	100	3.33%	115	3.83%
Brigantine Seafood Restaurant	Restaurant	100	3.33%	100	3.33%
Re/Max Moonlight Beach Inc	Real Estate	100	3.33%	100	3.33%
Pacifica Del Mar	Restaurant	65	2.17%	65	2.17%
Poseidon Restaurant	Restaurant	50	1.67%	50	1.67%
Hotel Indigo	Resorts	40	1.33%	40	1.33%
Total Top Ten Employers		<u>1,110</u>		<u>1,125</u>	
Total City Employment ⁽²⁾		<u>2,600</u>		<u>3,000</u>	

Notes:

(1) Represents non-governmental employers.

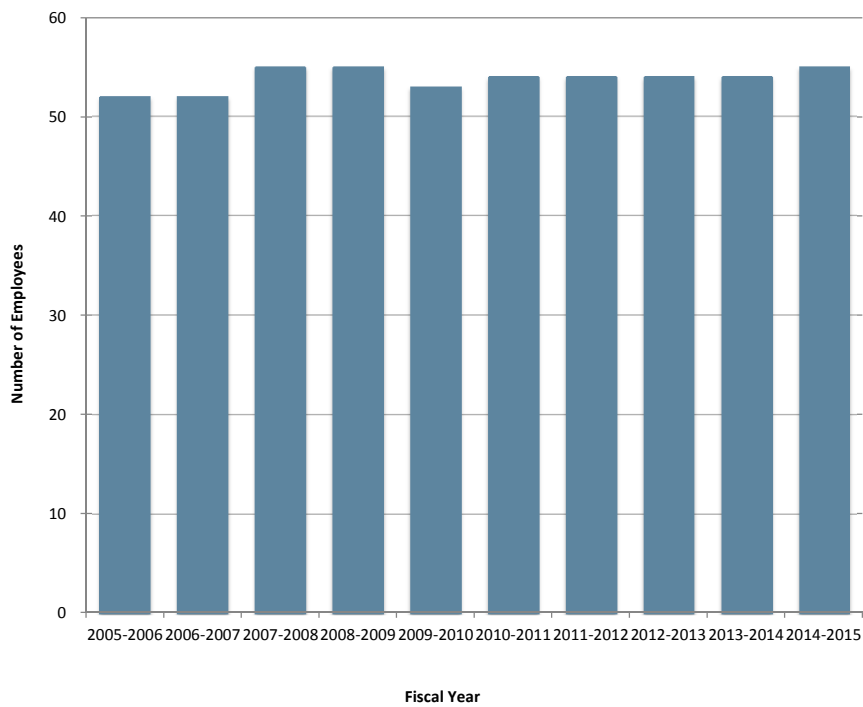
(2) Total City employment provided by EDD - Labor Market Information Division.

Source: infoUSA

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

Function	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
General government	19.5	19.5	20.5	22.0	19.0	19.0	19.0	19.0	19.0	20.0
Public safety ⁽¹⁾	15.5	15.5	16.5	15.0	16.0	17.0	17.0	17.0	17.0	17.0
Public works	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Parks and recreation	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	52.0	52.0	55.0	55.0	53.0	54.0	54.0	54.0	54.0	55.0

CITY OF DEL MAR
EMPLOYMENT
Last Ten Fiscal Years



Note:

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

Source: City of Del Mar, Finance Department

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

Function	Fiscal Year									
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Police:										
Arrests ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parking citations issued	24,277	18,091	19,032	20,132	20,000	27,068	21,547	19,060	18,000	15,694
Fire:										
Emergency calls	1,027	1,167	1,205	1,116	1,112	1,153	1,001	1,112	1,130	1,468
Inspections	130	130	490	471	307	240	425	473	598	459
Public works:										
Street resurfacing (miles)	0.26	0.18	0.69	0.11	0.50	-	0.50	0.50	1.00	1.00
Street slurry (miles)	-	-	-	-	0.50	-	0.50	0.50	-	-
Parks and recreation:										
Number of recreational classes	350	350	364	412	624	436	424	500	468	347
Number of facility rentals	290	290	256	285	130	93	85	115	185	175
Water:										
New construction	5	7	8	12	-	-	-	-	-	-
Average daily consumption (in thousands of gallons)	1,172	1,309	1,103	1,073	1,008	972	967	1,024	969	858
Sewer:										
New construction	6	7	5	12	-	-	-	-	-	-
Average daily sewage treatment (in thousands of gallons)	675	648	614	563	560	550	567	540	520	534

Notes:

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

Source: City of Del Mar

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

Function	Fiscal Year									
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
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	58	87	87	87	87	87	74	74	74	74
Traffic signals	7	7	7	7	7	7	7	7	7	7
Parks and recreation:										
Parks	3	3	4	5	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	26.28	26.28	26.28	26.28	26.28	26.28	26.28	26.28	26.28	26.28
Maximum daily capacity (thousands of gallons)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Sewer/Storm Drains										
Sanitary sewers (miles)	24.37	24.37	24.37	24.37	28.85	28.85	28.85	28.85	28.85	28.85
Storm drainage (miles)	0.07	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.70
Maximum daily treatment capacity (thousands of gallons)	877	877	877	877	877	877	877	877	877	534

Source: City of Del Mar

City of Del Mar
Miscellaneous Statistics
June 30, 2015

Date of incorporation.....	July 15, 1959
Form of government.....	Council/Manager
Area.....	2 square miles
Climate:	
Average annual high temperature.....	69.83° F
Average annual low temperature.....	57.50° F
Annual precipitation.....	10.50 inches
Fire protection:	
Station.....	1
Firefighters and officers.....	9
Fire incident responses.....	465
Emergency medical incident responses.....	914
Public service calls.....	89
Fire inspections.....	459
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.....	2,000,000
Baseball field.....	1
Tennis courts.....	2
Library.....	1
Library inventory.....	19,440
Hotels:	
Major hotel rooms.....	354
Average percent occupancy.....	70%
Average room rate.....	\$233
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.....	74
Water system:	
Service connection.....	1,874 meters
Fire hydrants.....	350
Sanitary sewer lines.....	28.85 miles