



CITY OF DEL MAR, CALIFORNIA



Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2025

CITY OF DEL MAR, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

PREPARED BY
ADMINISTRATIVE SERVICES DEPARTMENT
MARCO CAMACHO
FINANCE MANAGER/TREASURER

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**CITY OF DEL MAR, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

Introductory Section	
Letter of Transmittal	i
Directory of officials	xii
Organizational Chart	xiii
 Financial Section	
Independent Auditor's Report	1
Management's Discussion and Analysis	7
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements Governmental Funds	
Balance Sheet	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	31
Proprietary Funds	
Statement of Net Position	32
Statement of Revenues, Expenses, and Changes in Net Position	33
Statement of Cash Flows	34
Fiduciary Funds	
Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position	37
Notes to Financial Statements	39
 Required Supplementary information	
Miscellaneous Pension Plan	
Schedule of Proportionate Share of Net Pension Liability	76
Schedule of Contributions – Defined Benefit Pension Plan	78
Safety Pension Plan	
Schedule of Proportionate Share of Net Pension Liability	80
Schedule of Contributions – Defined Benefit Pension Plan	82
Budgetary Comparison Schedule – General Fund	84
Note To Required Supplementary information	85
 Supplementary information	
General Fund	
Combining Balance Sheet	88
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	89
Nonmajor Governmental Funds	
Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	94

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**CITY OF DEL MAR, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

Financial Section (Continued)	
Supplementary information (Continued)	
Budgetary Comparison Schedules	
Gasoline Tax Special Revenue Fund	96
Open Space Special Revenue Fund	97
Supplemental Law Enforcement Special Revenue Fund	98
Regional Communications System Special Revenue Fund	99
Grants Special Revenue Fund	100
Housing Special Revenue Fund	101
AB 939 Special Revenue Fund	102
RMRA Special Revenue Fund	103
Transnet II Capital Improvement Capital Projects Fund	104
Capital Improvement Capital Projects Fund – Major Fund	105
Custodial Funds	
Combining Statement of Fiduciary Net Position	108
Combining Statement of Changes in Fiduciary Net Position	109
Statistical Section (Unaudited)	
Description of Statistical Contents	111
Financial Trends	
Net Position By Component	112
Changes in Net Position	114
Fund Balances of Governmental Funds	116
Changes in Fund Balances of Governmental Funds	118
Governmental Activities Tax Revenues By Source	120
General Governmental Expenditures By Function	122
Revenue Capacity	
Assessed Valuation and Actual Value of Taxable Property	124
Assessed Value of Property By User Code	128
Estimated Value of Taxable Property	130
Construction Permits	132
Property Tax Rates – All Overlapping Governments	134
Ten Largest Property Taxpayers	135
Top 25 Sales Tax Producers	136
Property Tax Levies, Tax Collections, and Delinquencies	137
Debt Capacity	
Ratio of Outstanding Debt By Type	138
Pledged-Revenue Coverage	139
Ratio of General Bonded Debt Outstanding	140
Direct and Overlapping Bonded Debt	141
Schedule of Legal Debt Margin	142
Demographic and Economic information	
Demographic and Economic Statistics	144
Top Ten Principal Employers	146
Operating information	
Full-Time Employees By Function	147
Operating indicators By Function	148
Capital Asset Statistics By Function	149
Miscellaneous Statistics	150

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INTRODUCTORY SECTION

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January 26, 2026

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

**LETTER OF TRANSMITTAL
FISCAL YEAR 2024-2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

It is a pleasure to present the Fiscal Year 2024-2025 Annual Comprehensive Financial Report (ACFR) for the City of Del Mar. These financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards. Responsibility for the accuracy of the data, the completeness and reliability of the presentation, including all disclosures, rests with City management.

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

The City's financial statements have been audited by certified public accountants, Davis Farr LLP. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ending June 30, 2025.

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

Profile of the City of Del Mar

Del Mar is a coastal charter City incorporated in 1959. Del Mar borders the City of San Diego on the south and east, the City of Solana Beach on the north, and the Pacific Ocean to the west. The City is governed by a five-member City Council under the Council/Manager form of government. The City Council is elected at large with staggered four-year terms and the positions of Mayor and Deputy Mayor rotate amongst Council members annually.

Del Mar is a small city of approximately 3,950 residents, as reported on the Department of Finance population estimates as of January 1, 2025, and is primarily a residential community with substantial tourist appeal covering approximately 2.2 square miles and is known for its beautiful beaches. The City is predominantly built out; however, redevelopment and revitalization opportunities exist in its commercial areas, and replacement of existing houses with updated and often larger and more elaborate dwellings is commonplace in its residential areas.

The 22nd District Agricultural Association (DAA), which manages and operates the Del Mar Fairgrounds and is home to the Del Mar Thoroughbred Club and San Diego County Fair, has a significant presence in the City, encompassing approximately one-fifth of the City's area. The 22nd DAA is a State of California institution 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. The Del Mar Public Facilities 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 improvements. As a full-service City, Del Mar provides its citizens and customers with fire; marine safety; parks; planning; public works; water, wastewater, and clean water services; and contracts for waste collection, cooperative fire management services with the cities of Encinitas and Solana Beach, and law enforcement services with the San Diego County Sheriff.

Budgetary Process

The Del Mar City Council (Council) adopted the City's two-year Operating and Capital Budget for Fiscal Years 2023-2024 and 2024-2025, on June 19, 2023. The budget process began with the City Council developing goals and priorities which provided the framework around which staff proposed a budget for Council consideration. On June 17, 2024, a Budget Update was approved by the City Council for the second year of the two-year budget cycle.

The budget is monitored monthly by the City's Finance Division staff and department directors using financial reports which compare actual revenues and expenditures to date with budgeted amounts. Semi-annual financial reports are presented and reviewed by the City's Finance Committee before being presented to the Council at regularly scheduled meetings. Other financial management tools used in conjunction with the budget process are the City's reserve policies, and the ten-year Capital Improvement Program (CIP).

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

Factors Affecting the City's Financial Condition

Del Mar relies heavily on the local real estate market, specifically property tax revenues, and tourism, as major revenue sources. Over the last decade, Del Mar has continued to see increases in assessed valuations even during the sudden recessionary period triggered by the COVID-19 pandemic. Property taxes increased by 5.7% in Fiscal Year 2024-2025 compared to the previous

year. The annual increase in assessed value is primarily attributable to home sales at a higher than previously assessed value; increases in value due to new construction; and up to a two percent (2%) annual increase permitted under Proposition 13. Assessed valuation is projected to continue to increase as demand for coastal property remains quite strong. In addition, since Del Mar has been largely built out for many years with properties occupied by long-time residents, many of Del Mar's residential properties carry very low assessed values compared to current market value; and as these properties turn over, they are reassessed at higher values.

Tourism is a significant industry and a major source of revenue for the City. With its beautiful beaches and moderate climate, Del Mar is usually a popular destination for both local visitors and vacationing travelers. Starting in Fiscal Year 2016-2017, the City started contributing one percent (1%) of Transient Occupancy Tax (TOT) to the Del Mar Village Association (DMVA) for destination marketing efforts. This amounted to \$340,548 in Fiscal Year 2024-2025. This allows the City to foster and encourage broader efforts to market the Del Mar village, including hotels, as well as restaurants and retailers. An annual report is provided to the City Council on the status of these efforts.

Transient Occupancy Tax (TOT) collections are the second largest source of revenue. In FY 2024-2025, TOT revenues increased by 7.5% over the prior year, coming in at a total of approximately \$4.1 million in TOT revenue for the year. Similar to TOT receipts, sale tax revenues, the third largest source, also reflected an increase in FY 2024-2025. In comparison to the previous year, FY 2024-2025 sales tax revenues increased by 4.6%, resulting in a total of approximately \$2.3 million.

In November 2016, Del Mar voters approved Measure Q, a one percent (1%) general sales tax measure. The new sales tax was implemented in April 2017 and amounted to nearly \$4.0 million in Fiscal Year 2024-2025 revenues. To date, Measure Q has generated approximately \$25.5 million in district tax revenues. Though no specific projects or uses were officially designated as part of the approved general tax measure, subsequent to its passage, the City Council identified by resolution use of the additional revenue for community reinvestment and infrastructure type projects. The identified projects for funding with Measure Q funds include the Downtown Streetscape Project (completed), Shores Park Master Planning, and the Utility Undergrounding Program. In Fiscal Year 2024-2025, the Utility Undergrounding Program completed multiple project phases, as follows: City construction, homeowner private service laterals, and a substantial portion of utility companies' construction for Stratford Court South (UUD 1A); design and permitting for the Crest Canyon (UUD X1A); continued design for Stratford Court North (UUD 1B); and, district formation for the Beach Colony (UUD 2) and UUD 25th Street.

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

In Fiscal Year 2014-2015, the Pension Reserve Fund was established to set-aside monies for future anticipated employee pension obligation costs. In Fiscal Year 2023-2024, the City Council established a Section 115 Trust, and approved an initial deposit of \$4.4 million from the Pension

Reserve Fund. The Pension Reserve balance in the General Fund at the end of FY 2024-2025 was approximately \$5.0 million which represents an increase of about \$0.6 million from the prior year.

The City continues to pursue grant opportunities and low-cost financing for its projects. Additionally, the City has been able to fund certain projects through the generosity of its residents and community. We believe that the projects undertaken this fiscal year, and the accomplishments highlighted as follows not only help the City better serve Del Mar residents and businesses, but they assist in building a solid foundation towards keeping the City fiscally sound and well positioned to sustain its financial health in the future.

Final results for FY 2024-2025 indicate that General Fund revenues came in higher, and expenditures came in lower than final budget projections, which is discussed in detail in the Management's discussion and analysis section of this report.

Accomplishments

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

Capital Improvement Projects

The following Capital Improvement Program achievements occurred in Fiscal Year 2024-2025:

- Administered 10-year Capital Improvement Program for City's infrastructure needs, comprised of Open Space, Facilities, Storm Drain, Streets, Bridges, Wastewater, Water, Electrical, and Communication Projects. Also includes significant equipment purchases, planning schedules, and options for financing.
- Progressed on the Final Design and Regulatory Permitting (PSE) Phase of the Camino del Mar Bridge Replacement Project.
- Continued design and construction work on the City's multi-year program to systematically identify, prioritize, and implement water, wastewater, and roadway pavement rehabilitation projects.
- Completed final design and environmental permitting activities for Riverpath Del Mar Phase 3, connecting the Grand Avenue Bridge to Crest Canyon Trailhead.
- Completed essential building repairs to 17th and 25th Streets Lifeguard Buildings.
- Continued design of priority storm drain repairs for future Capital Improvement Project.
- Continued facility maintenance program for City Hall, City buildings, various lifeguard towers, and public facilities throughout the City.
- Installed Storm Drain Capture Devices as required by the City's Municipal Stormwater Permit issued by the California Regional Water Quality Control Board.
- Completed over 20 Trip Hazard Repairs throughout the City of Del Mar as part of the annual sidewalk repair program.
- Completed the annual major arterial bike lane repair program work.
- Completed the Asphalt Pavement Condition Assessment and Five-Year Asphalt Pavement Management Program.
- Completed design and installation of three traffic signal battery backup systems at signalized intersections.
- Completed the design and permitting for the San Dieguito Drive Improvements Project.

- Completed the design, permitting, bidding, and construction of the Hoska Alley Street and Storm Drain Improvements Project.
- Completed the construction of the 20th Street Lifeguard Tower Driveway Project.
- Completed the design, permitting, bidding, and construction of the Ocean View Drainage Brow Repair Project.
- Completed the construction of the Penny Lane Improvements Project.
- Completed the conceptual design of the Major Arterial Medians Improvements Project.
- Completed the conceptual design of the 29th Street Seawall and Beach Access Project.
- Completed the design of the Stratford Court South Pavement Improvements Project.
- Completed the design of the Crest Canyon Pavement Improvements Project.
- Completed the City construction of the Stratford Court South (UUD 1A) Utility Undergrounding Project. Supported completion of homeowner private service laterals construction phase and significant portion of utility companies' construction phase.
- Completed the design and permitting of the Crest Canyon (UUD X1A) Utility Undergrounding Project.
- Continued the design, including completion of the preliminary design, of the Stratford Court North (UUD 1B) Utility Undergrounding Project District.
- Completed the district formations of the Beach Colony (UUD 2) and 25th Street Utility Undergrounding Project Districts.
- Completed Topographic Surveying, Structural analysis, Geotechnical Analysis, and Final Design of the Jimmy Durante Boulevard Bluff Project.

Planning and Community Development

The Planning and Community Development Department is responsible for five functional areas within the City, which include Long Range Planning, Current Planning, Building & Safety, Code Enforcement, and the Clean Water Program. The Department has a robust work program of special projects that cover various topic areas including implementation of General Plan and State Housing law, affordable housing, regulation of short-term rentals, parking, hazard mitigation and adaptation planning. Significant milestones accomplished include:

- **Accessory Dwelling Unit (ADU) Regulations Ordinance/LCPA** In May 2025, the City Council adopted CCC Modifications to the ADU Ordinance, which amended the ADU Regulations in DMMC Chapter 30.91 and Coastal Development Permit regulations in DMMC Chapter 30.75. Obtained final certification from CCC in June 2025.
- **Public Facilities (PF) and Public Parkland (PP) Zoning and LCP Amendments** – This is a package of clean-up amendments that are necessary to correct errors on the City's Local Coastal Program (LCP) Land Use Designation Map and Zoning Map and implements one milestone identified in the Housing Element as required for **Program 1H** (Public Facilities). The Ordinance/LCPA was adopted by the City Council January 9, 2023. Final certification action by the CCC was completed February 2025.
- **Amendments to Facilitate Affordable Housing in the Central Commercial (CC) Zone and PF Zone** – The Coastal Commission conditionally certified the City's CC/PF LCPA application to allow 20 dwelling units per acre (du/ac), which increases the allowed density in the CC and PF zone for projects that include an affordable housing component and the

City Council approved required modifications by CCC that resulted in final certification by CCC.

- **Short Term Rental (STR) Ordinance/LCPA** - The City Council adopted the STR Regulations Ordinance/LCPA that accommodates “Existing STRs” and provides guidance on new STR operations. The Ordinance/LCPA is pending CCC certification, which is anticipated in early 2026.
- **Objective Design Standards** - The City adopted an Objective Design Standards (ODS) Ordinance in September 2024 that established a new Municipal Code chapter for approval and implementation of Multi-Unit and Mixed-Use ODS for “by-right” housing development projects. The Ordinance was required to implement the City’s 6th Cycle Housing Element Program 6G.
- **Planning and Development of Affordable Housing on State Fairgrounds** - The City and 22nd DAA amended the ENRA in December 2024, and continue to implement provisions of the ENRA using state grant funds awarded in the amount of \$1.5 million through the Cycle 2 Housing Acceleration Program (HAP). This includes execution of a MOU with the District to facilitate related feasibility studies to facilitate mutual selection of a site for development of at least 61 lower income units. These studies are anticipated to be completed in March 2026.
- **Inclusionary Housing and Condominium Conversions:** In October 2024, the City Council adopted Ordinances to repeal and replace the Inclusionary Housing and Condominium Conversion Regulations in DMMC Chapters 24.21 and 24.40 and related amendments to the certified LCP for the North Commercial and Professional Commercial Zoning Regulations. Adoption of the Ordinances were required in order to implement 6th Cycle Housing Element Programs 4D and 4E where the regulations require mitigation for multi-unit development and subdivision map projects that will help the City meet its Regional Housing Needs Allocation of 113 lower income units by 2029. Obtained final certification from CCC in April 2025.
- The City completed various items related to implementation of the Del Mar Sea level Rise Adaption Plan including coordination with SANDAG on a Regional Beach Sand Nourishment project (RBSP 3) and coordination with the cities of Solana Beach and Encinitas and United States Army Corps on monitoring for the effects of their large-scale beach nourishment projects on the San Dieguito Lagoon, solicitation of state and federal funds to support local beach nourishment and protection of the San Dieguito Lagoon, and coordination with Southern California Edison on implementation of the Fall 2024 beach nourishment placement on Del Mar beach and future efforts to maintain the health of the lagoon.
- In March 2025, the City Council approved the Annual Housing Element Progress Report and subsequently submitted the report to the State Department of Housing and Community Development (HCD) and California Office of Planning and Research.

- As an initial step in updating the City’s Trees, Scenic Views, and Sunlight (TSVS) regulations, nine “guiding principles” were presented to the City Council. With additional City Council workshop guidance, the amended TSVS Ordinance was heard by the Planning Commission early 2025 and adopted by the City Council in November 2025.
- The City Council approved a Task Order with Michael Baker International to prepare a program-level Environmental Impact Report (PEIR) for the City’s Capital Improvement Program. The PEIR will provide the necessary environmental clearance as required by the California Environmental Quality Act (CEQA) for the majority of the City’s CIP projects. The draft PEIR is anticipated to be available for public review in Spring 2026.
- The City approved an Encroachment Permit to the San Diego Association of Governments (SANDAG) for the San Dieguito Double Track Project Pedestrian Undercrossing. This project has been in the planning stages since 2010 and in early 2025, SANDAG submitted an Encroachment Permit application for project elements within the City’s right-of-way to continue with the project timelines.
- The City Council adopted California Coastal Commission (CCC) modifications to SB 9 Municipal Code regulations, which establishes a ministerial process up to four units on one lot in single unit residential (R1) zones, subject to objective design standard criteria. Also created ministerial urban lot split standards per SB9 requirements. The City obtained final CCC certification in June 2025.
- In coordination with the California Coastal Commission mapping unit, initiated review of the City’s Local Coastal Program (LCP) Post-Certification Jurisdiction Map. This map identifies the geographic areas the City has Coastal Development Permitting authority, CCC permitting authority; and the CCC appeal boundaries. CCC adopted the Post-Certification maps in late 2025.

Hazard Mitigation and Adaptation Planning; Other projects

- Prepared a package of policy, regulations, and map updates to address state law requirements related to hazard mitigation planning. The City Council adopted the State Fire Hazard Severity Zone maps. The City Council adopted code amendments to the California Building Code, Fire Code, and Cal Green Code. The proposed Safety Element policy update to the Del Mar Community Plan is anticipated to be adopted in 2026.
- Initiated environmental and engineering feasibility and design work for the San Dieguito Lagoon shoreline protection project (levee/trails). This project involves development of vegetated berms (living levees) and trails along the banks of the San Dieguito River for nature-based shoreline protection consistent with the City’s Sea Level Rise Adaptation Plan (Environmental Science Associates 2018). The City was awarded a grant for this project in the amount of \$500,000 from State Parks Division of Boating and Waterways. and subsequently, the City executed Task Orders with Dudek to prepare the environmental analysis. The draft Mitigated Negative Declaration (MND) is anticipated to be available for public review in early 2026.

Technological & Administrative Enhancements

The City implemented a new electronic signature workflow and software solution for contract and personnel document routing used citywide. The Information Technology Department completed upgrades to the audio and microphone system used for public meetings in the Town Hall. The hosted phone system was migrated to a newer Cisco platform (Webex) resulting in significant cost savings. In addition, the Information Technology department completed the migration of all desktops to Windows 11, implemented a new cloud backup solution, and secure remote access solution to improve cyber-security and business continuity.

Looking Forward -- Citywide Planning Activities

Upcoming Capital Improvement Projects

As part of the City's 10-year Capital Improvement Program (CIP), there will be continued reinvestment in Del Mar infrastructure. Several planned projects for Fiscal Year 2025-2026 include:

- Final Design and Regulatory Permitting (PSE) Phase of the Camino del Mar Bridge Replacement Project.
- Environmental Permitting, Engineering Design and Construction Contract Procurement activities for Riverpath Del Mar Phase 3, connecting the Grand Avenue Bridge to Crest Canyon Trailhead.
- Building repairs to 17th Street / 20th Street Lifeguard Buildings.
- Install Storm Drain Capture Devices as required by the City's Municipal Stormwater Permit issued by the California Regional Water Quality Control Board.
- Building repairs to Public Works Building.
- Construction of Priority Storm Drain Capital Improvement Repairs.
- Completed a Comprehensive Sidewalk Risk Assessment and performed over 50 Trip Hazard removals throughout the City's sidewalks.
- Major arterial bike lane repair program annual work.
- Facility maintenance program annual work at City Hall, City buildings, various lifeguard towers, and public facilities throughout the City.
- Engineering Design and Construction Phases of annual Water, Wastewater, and Paving, Capital Improvement Projects.
- Asphalt Pavement Management Program annual work.
- Completed a small area Asphalt Repair construction contract to address a bundle of small roadway issues throughout the City.
- Construction of the Emergency Storm Drain and Roadway Repairs at San Dieguito Drive and Racetrack View Drive.
- Bidding phase and construction of the Jimmy Durante Boulevard Bluff Project and reconstruction of several storm drain inlets along Jimmy Durante Boulevard.
- Bidding phase of the San Dieguito Drive Improvements Project.
- Bidding phase of the Stratford Court South Pavement Improvements Project.
- Design and permitting of the Major Arterial Medians Improvements Project.
- Design and permitting of the 29th Street Seawall and Beach Access Project.
- Support utility companies' construction phase of the Stratford Court South (UUD 1A) Utility Undergrounding Project.

- Bidding phase and City construction of trench, conduit, and substructures for the Crest Canyon (UUD X1A) Utility Undergrounding Project. Support the homeowner private service laterals construction phase and utility companies' construction phase.
- Design and permitting for the Stratford Court North (UUD 1B) Utility Undergrounding Project.
- Plan next steps for the Beach Colony (UUD 2) and 25th Street Utility Undergrounding Projects.

Affordable Housing and Housing Element Implementation

In fiscal years 2025-2026 and 2026-2027, City Staff will continue to implement its adopted housing action programs as further described below.

- **Short Term Rental (STR) Ordinance/LCPA** - The City adopted a STR Ordinance/LCPA per Housing Element Program 5C. The STR Ordinance/LCPA is currently pending Coastal Commission certification review and action to become effective, which is anticipated to occur in early 2026.
- **Community Plan Update: Environmental Justice and Safety Elements** - The City is required to amend the Del Mar Community Plan to adopt a new Environmental Justice Element per Housing Element Programs 6E and 6B to Affirmatively Further Fair Housing. The City is also required to update the existing Safety Element per Program 6H. Draft amendments to the Safety Element and a new Environmental Justice Element were made available for public review in December 2025. These policy documents establish goals, policies, and implementation actions that are needed to meet State requirements. The draft elements will be presented to the Planning Commission and Sustainability Advisory Committee for recommendations to City Council in early 2026 followed by City Council consideration for adoption in Spring 2026.
- **New Overlay Zone and Incentives to Facilitate Creation of Affordable Housing** - In accordance with Housing Element Program 1D and 1I, the City will create a new Affordable Housing Overlay Zone with site-specific incentives for designated housing element sites. The City entered into an agreement with consultant Ascent Environmental, Inc. to prepare visual concepts for each housing element site, in preparation for the draft AHOZ. The project will require a Zoning Code amendment, LCP amendment, and Rezone actions. Following City Council adoption, the Ordinance/LCPA must be submitted to CCC for review and final certification to take effect. Staff anticipates presentation of the visual concepts to the City Council by June 2026.
- **Affordable Housing on City-Owned Sites on 10th and 28th Streets** -Consistent with Housing Element Program 3B, the City has initiated steps to facilitate development of up to 8 units for lower income households on a City-owned vacant lot on 10th Street within the City's Civic Center Complex. The City will also be proceeding with actions to meet at least 3 affordable housing units on a City-owned vacant lot on 28th Street.
- **Efforts to Address Special Needs Households** - This relates to Housing Element Program 4A (residential care facilities), Program 4B (supportive housing, transitional housing, and other housing needs for the homeless and at-risk populations) and Program

7F (Reasonable Accommodations). The City must process Ordinances to amend the Zoning Code and LCP to update land use categories and permitted use allowances for residential care, transitional housing, and supportive housing as well as accommodate reasonable accommodations requests in accordance with State law. The City has grant funds to support this work. City staff anticipates Planning Commission and City Council public hearings to occur prior to September 2026. Processing of amendments to the LCP through CCC will follow as applicable.

- **Update to the City's Public Tree Policy and Standards Manual** - City staff anticipates initiation of work on the Tree Policy and Standards update in early 2026. Staff will obtain direction from the City Council related to the Sustainability Advisory Committee recommended tree policy/regulation changes, work with representatives from Planning, Public Works, and the Fire Department (Fire Marshal) to update and revise the City's Public Tree Policy Manual into a redefined document that would set policies for both public and private trees, with an overall goal of protecting and enhancing the City's urban forest tree canopy while managing the City's wildfire risk.

Technological & Administrative Enhancements

Looking ahead, for Fiscal Year 2025-2026, other initiatives underway related to technological enhancements include the replacement of server equipment that supports the Electronic Document Management system (EDMS). The city website will be updated with a more user-friendly and modern design along with accessibility enhancements to comply with new state and federal requirements. The implementation of a new Enterprise Resource Planning (ERP) system will kick-off to replace the legacy financial system. The new ERP system will include an improved utility billing portal for the public and many new features to improve efficiency across the organization.

Financial Policies

General Fund Contingency (GFC) Reserve

The City's adopted policy provides an acceptable GFC rate ranging from 15% to 30%, with a targeted goal of 25% when feasible. The FY 2024-2025 Budget Update adopted in June 2024 reported a GFC of 25.69%, meeting the City Council goal of 25%. The actual GFC for the fiscal year ending June 30, 2025, was 34.79% or 127 days of operations, which exceeded both the City Council goal and upper range for an acceptable GFC rate.

Capital Project Reserve

The City's capital project reserve practice includes projecting revenue conservatively and transferring additional revenues or funds in excess of the 25% GFC target for capital needs. Additionally, the City prepares a cash flow summary which identifies how much of the projected revenue is allocated to operating expenditures with the remaining funds being available for capital or special projects, and/or reserves. The City utilizes current funds and available reserves to fund its capital projects. Debt is seldom issued or used to finance only major Capital Improvements Projects. The capital reserve offers the City a secondary mechanism for saving funds for future capital needs. In FY 2024-2025, the City Council approved a transfer to the Capital Improvement Reserve Fund in the amount of \$2.5 million. The balance of the Capital Improvement Reserve Fund as of June 30, 2025 is approximately \$3.2 million.

Acknowledgments

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

Respectfully submitted,



Ashley Jones
City Manager



Marco Camacho
Finance Manager/Treasurer

**CITY OF DEL MAR, CALIFORNIA
DIRECTORY OF OFFICIALS
YEAR ENDED JUNE 30, 2025**

CITY COUNCIL

Terry Gaasterland
Mayor

Tracy Martinez
Deputy Mayor

Dan Quirk
Councilmember

John Spelich
Councilmember

Vacant
Councilmember

CITY MANAGER

Ashley Jones

Clement Brown
Assistant City Manager

Sarah Krietor
*Administrative Services
Manager/City Clerk*

Karen Brindley
*Director of Planning and
Community Development*

Marco Camacho
Finance Manager/Treasurer

Joe Bride
Director of Public Works

Jon Edelbrock
*Director of Community
Services and Lifeguard Chief*

Shane Watts
Sheriff Captain

Leslie Devaney
City Attorney

Josh Gordon
Fire Chief

**CITY OF DEL MAR
ORGANIZATIONAL CHART**

CITIZENS

CITY COUNCIL



CITY MANAGER'S OFFICE	COMMUNITY SERVICES	FIRE SERVICES
<ul style="list-style-type: none"> • General Operations • City Administration • Special Projects • Law Enforcement • Solid Waste • Sustainability Projects • Business Community Coordination 	<ul style="list-style-type: none"> • Beach/Park Patrol • Lifeguarding • Parking Enforcement • Powerhouse Community Center • Park & Facility Use 	<ul style="list-style-type: none"> • Suppression • Prevention • Disaster Services • Hazardous Materials
ADMINISTRATIVE SERVICES	PUBLIC WORKS	PLANNING & COMMUNITY DEVELOPMENT
<ul style="list-style-type: none"> • City Clerk • Human Resources • Information Systems • Finance Services • Risk Management • Elections • Cable Television 	<ul style="list-style-type: none"> • Engineering & Capital Projects • Building/Parks Maintenance • Street System Maintenance • Water System • Sewer System • Public Facilities 	<ul style="list-style-type: none"> • Planning & Development Review • Code Compliance • Clean Water Program • Building Department

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FINANCIAL SECTION

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Independent Auditor's Report

City Council
City of Del Mar
Del Mar, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Del Mar (City), California, as of and for the year June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 of Del Mar as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described further in Notes 1 and 16 to the financial statements, during the year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of the City's Proportionate Share of the Plan's Net Pension Liability and Related Ratios – Miscellaneous and Safety Plan Schedules of Plan Contributions, Last Ten Years – Miscellaneous and Safety*, be presented to supplement the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The *combining and individual nonmajor fund financial statements and budget to actual schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual nonmajor fund financial statements and budget to actual schedules* are the responsibility of management and were 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 *combining and individual nonmajor fund financial statements and budget to actual schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
January 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Del Mar (City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2025. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the City. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standard Board (GASB). Readers are encouraged to consider the information presented here in conjunction with additional information, which can be found in the Introductory Section of this report, and the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

Economic Background

As has historically been the case, the City of Del Mar continues to maintain a strong financial position. The City's largest source of revenue is its property tax base, which is very stable and has increased each year since 1995. Due to the City's highly desirable location on the coast, immediately north of the City of San Diego, its real estate market does not typically experience the downturns that the inland areas experience in periods of economic decline. As the San Diego region continues to develop, Del Mar has become increasingly desirable, and this is reflected in its property values. The two next largest sources of revenue, Transient Occupancy Tax (TOT) and Sales and Use Tax (Sales Tax), are heavily tourist based.

In Fiscal Year 2024-25, the City received approximately \$0.44 million (5.7%) more in property tax; \$0.29 million more in TOT (7.5%); \$0.10 million (4.6%) more in Sales Tax; and Measure Q revenues increased by \$0.18 million (4.7%) in comparison to Fiscal Year 2023-2024. Measure Q revenue continues to be a solid revenue source dedicated to Citywide Utility Undergrounding and Shores Park.

The discussion and analysis below compares Fiscal Year 2024-2025 (FY 24-25) to Fiscal Year 2023-2024 (FY 23-24). All variances are relative to FY 23-24 results. FY 24-25 financial highlights include the following:

Financial Highlights

- The City's total assets plus deferred outflows of resources in excess of its liabilities plus deferred inflows of resources as of June 30, 2025, were \$128.07 million.
- Citywide total net position increased by \$8.41 million (7.03%) during FY 24-25, indicating a consistent and stable financial condition. The change in net position is

largely due to the growth in revenues (9.58%), driven primarily by an increase in charges for services and in total cash and investments, outpacing the growth in expenditures (8.33%).

- A net increase in total assets of \$15.93 million (9.56%) is primarily due to increases of \$10.26 million (20.63%) in current assets and \$5.68 million (4.86%) in capital assets.
- A net decrease in total liabilities of \$1.25 million (2.41%) is primarily due to a decrease \$0.11 million (0.84%) in current liabilities, and a net decrease of \$1.15 million (2.92%) in noncurrent liabilities associated primarily with a decrease in long-term debt of \$0.96 million (4.51%).
- The deferred outflows/inflows of resources resulted in a net change of \$5.74 million, largely related to increase in deferred inflows of resources from leases.
- As of June 30, 2025, the City's governmental funds reported combined fund balances of \$28.46 million, which is an increase of \$0.19 million (0.66%) from June 30, 2024. The minor increase in fund balance is the result of revenues received slightly outpacing expenditures after accounting for an increase in capital outlays for the year. Of the \$28.46 million in fund balance, \$0.02 million is non-spendable for prepaid items; \$1.30 million is restricted; \$0.43 million is committed; \$18.31 million is assigned for specific activities; and \$8.41 million is unassigned.
- As of June 30, 2025, the General Fund balance is \$22.42 million. Of this amount \$15.85 million is assigned for specific activities including \$7.45 million for Measure Q capital expenditures, and \$4.98 million for pension reserve. The remaining \$6.55 million balance is available for spending at the City Council's discretion, and is equal to 27.09% of the total fiscal year expenditures of \$24.18 million, and 23.08% of total revenues of \$28.39 million, before other financing sources (uses). The Capital Projects Fund has a fund balance of \$4.32 million, and other non-major governmental funds have combined fund balances of \$1.73 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

Fiduciary Funds. The City maintains one type of fiduciary fund, the *Custodial Funds*. The fiduciary fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governments. The *Custodial Funds* account for five Assessment Districts (A.D.), Stratford and Luneta Undergrounding A.D. 1989-01; Seawall Refinance A.D. 1999-01; Ocean View/Pines A.D. 2005-01; Sunset Undergrounding A.D. 2007-02; and San Dieguito Drive A.D. 6022-08.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The analysis that follows focuses on total net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. The City's net position is made up of three components: net investment in capital assets; restricted net position; and unrestricted net position.

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the City of Del Mar, combined net position (governmental and business-type activities) totaled \$128.07 million as of June 30, 2025. This is an increase of \$8.41 million (7.03%), compared to June 30, 2024.

TABLE 1
CITY OF DEL MAR
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	\$50,460,005	\$41,058,508	\$9,509,088	\$8,654,629	\$59,969,093	\$49,713,137
Capital assets	97,370,987	90,905,151	25,176,862	26,007,892	122,547,849	116,913,043
Total assets	147,830,992	131,963,659	34,685,950	34,662,521	182,516,942	166,626,180
Deferred outflows of resources	4,166,982	5,328,110	1,199,674	1,536,619	5,366,656	6,864,729
Current liabilities	11,252,171	10,912,815	1,437,409	1,883,647	12,689,580	12,796,462
Non-current liabilities	29,944,543	30,645,213	8,178,449	8,624,533	38,122,992	39,269,746
Total liabilities	41,196,714	41,558,028	9,615,858	10,508,180	50,812,572	52,066,208
Deferred inflows of resources	8,934,217	1,649,602	64,280	114,808	8,998,497	1,764,410
Net investment in capital assets	80,199,344	74,124,783	20,533,561	21,022,639	100,732,905	95,147,422
Restricted	1,296,288	2,041,721	561,807	-	1,858,095	2,041,721
Unrestricted	20,371,411	17,917,635	5,110,118	4,553,513	25,481,529	22,471,148
Total net position	\$101,867,043	\$94,084,139	\$26,205,486	\$25,576,152	\$128,072,529	\$119,660,291

The largest component of the City's net position, \$100.73 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 by \$5.59 million (5.87%) from the prior fiscal year. The increase in this category is largely due to the construction of Undergrounding District 1A – Stratford Court South. The City uses these capital assets to provide services to citizens and they are *not* available for future spending.

The restricted portion of the City's total net position, which represents resources subject to external restrictions on how they may be used by the City, is \$1.86 million. This had a decrease of \$0.18 million (8.99%) from the prior fiscal year amount of \$2.04 million. The remaining unrestricted net position of \$25.48 million, which reflects an increase of \$3.01 million (13.40%) from the prior year, is largely due to recovery of all large revenue sources that exceeded expenditures for the current year.

As of June 30, 2025, 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 \$7.78 million (8.27%) and the total net position in business-type activities increased by \$0.63 million (2.46%).

Changes in Net Position

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

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$6,581,978	\$6,093,951	\$9,754,068	\$8,971,724	\$16,336,046	\$15,065,675
Operating grants and contributions	553,695	445,328	48,364	109,214	602,059	554,542
Capital grants and contributions	1,879,201	1,622,451	-	-	1,879,201	1,622,451
<i>General Revenues:</i>						
Property taxes	9,203,373	8,818,680	-	-	9,203,373	8,818,680
Sales and other taxes	10,699,664	10,132,903	-	-	10,699,664	10,132,903
Intergovernmental/unrestricted	-	73,976	-	-	-	73,976
Investment Income	2,300,875	1,520,898	286,010	352,870	2,586,885	1,873,768
Other	847,387	328,677	-	-	847,387	328,677
Total revenues	32,066,173	29,036,864	10,088,442	9,433,808	42,154,615	38,470,672
Expenses:						
General government	9,044,890	8,547,152	-	-	9,044,890	8,547,152
Public safety	9,432,744	8,682,797	-	-	9,432,744	8,682,797
Public works	3,232,499	3,232,073	-	-	3,232,499	3,232,073
Parks and recreation	1,689,494	1,271,315	-	-	1,689,494	1,271,315
Interest and long-term debt	553,904	524,844	-	-	553,904	524,844
Enterprise operations	-	-	9,668,621	8,778,128	9,668,621	8,778,128
Total expenses	23,953,531	22,258,181	9,668,621	8,778,128	33,622,152	31,036,309
Transfers	(234,847)	(138,075)	234,847	138,075	-	-
Change in net position	7,877,795	6,640,608	654,668	793,755	8,532,463	7,434,363
Net position - beginning of year, as previously reported	94,084,139	87,443,531	25,576,152	24,782,397	119,660,291	112,225,928
Net position - beginning of year, as restated	93,989,248	87,443,531	25,550,818	24,782,397	119,540,066	112,225,928
Net position - end of year	\$101,867,043	\$94,084,139	\$26,205,486	\$25,576,152	\$128,072,529	\$119,660,291

Governmental Activities:

The City's net position from governmental activities increased by \$7.88 million (8.38%) in the Fiscal Year 2024-25, accounting for 92.33% of the total \$8.53 million increase in the City's total net position. Total revenues from governmental activities of \$32.07 million increased by \$3.03 million (10.43%), compared to the prior fiscal year. The cost of all governmental activities in FY 24-25 was \$23.95 million, an increase of \$1.70 million (7.62%), over the prior fiscal year.

As shown in the Statement of Activities, governmental activities were financed in part by taxpayers at \$6.58 million, which was generated by service revenues received from the performance of these activities, and had an increase of \$.49 million (8.01%) compared to FY 24-25. The increase in this category was largely related to an increase in parking meter revenue. Another \$0.55 million was received from other government agencies and other

organizations that subsidized certain programs with operating grants and contributions. In addition, another \$1.88 million came from capital grants and contributions, which increased by \$0.26 million (15.82%), compared to the prior fiscal year, largely due to grant funding and contributions received for affordable housing, and funds to cover the local portion of the Camino del Mar Bridge capital project.

Overall, the City's governmental program revenues amounted to \$9.01 million, an increase of \$0.85 million (10.45%) compared to the prior fiscal year. General revenues of \$23.05 million increased by \$2.85 million (10.42%), in comparison to the prior fiscal year. The City had an increase in property taxes of \$0.38 million (4.36%); a slight increase of sales and other taxes of \$0.57 million (5.59%); an increase in investment income of \$0.78 million (51.28%) largely due to the change of investment strategy based on current rates; and, an increase in other revenue of \$0.52 million (157.82%) compared to the prior fiscal year.

In comparison to the prior fiscal year, expenditures from governmental activities increased by \$1.70 million (7.63%). The key elements contributing to the changes in expenditures from governmental activities are as follows:

- An increase of \$0.50 million (5.86%) in general government costs associated with cost increases in employee services and contractual services.
- An increase of \$0.75 million (8.64%) in public safety largely due to required additional lifeguard and parking enforcement services staffing, an increase in benefits to fire employees based on filled vacancies, and an increase in contractual costs for processing larger volume of parking citations, which is offset by an increase in parking violation revenue.
- An increase of \$0.42 million (32.89%) in parks and recreation largely related to increases in employee salary and benefit costs and increases in park landscaping and tree trimming.

Business-type Activities:

The City's business-type activities increased in net position by \$0.65 million (2.56%), for the fiscal year ended June 30, 2025. Business-type activities' total revenue increased by \$0.65 million (6.94%), during the fiscal year to a total of \$10.09 million in revenues. In comparison to the prior fiscal year, charges for services increased by \$0.78 million (8.72%) and investment income decreased by \$0.07 million (18.95%). Business-type activity costs also increased during the fiscal year by \$0.89 million (10.14%), compared to the prior fiscal year. The increase in revenues and expenses, resulted in a change in net position of \$0.65 million, from the prior fiscal year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds:

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

As of June 30, 2025, the City's governmental funds reported a combined ending fund balance of \$28.46 million, which is a \$0.19 million (0.66%) increase, in comparison to the prior fiscal year of \$28.27 million. The \$28.46 million governmental fund balance is composed of \$0.02 million in non-spendable; \$1.30 million in *restricted*; \$0.43 million in *committed*; \$20.16 million in *assigned* (not available for new spending); and \$6.55 million in *unassigned* funds (available for new spending).

Table 3 below shows the governmental fund balances for the fiscal years ended June 30, 2025 and June 30, 2024.

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

FISCAL YEAR 2024-2025	General	Capital Improvement	Non-Major Governmental Funds	Totals
Total revenues	\$28,386,617	\$396,683	\$1,816,073	\$30,599,373
Total expenditures	24,183,149	3,359,507	2,675,785	30,218,441
Excess (deficiency) of revenues over expenditures	4,203,468	(2,962,824)	(859,712)	380,932
Total other financing sources (uses)	(5,576,441)	5,705,767	(322,783)	(193,457)
Net change in fund balance	(1,372,973)	2,742,943	(1,182,495)	187,475
Fund balance - beginning	23,790,859	1,573,353	2,908,592	28,272,804
Fund balance - ended	\$22,417,886	\$4,316,296	\$1,726,097	\$28,460,279
FISCAL YEAR 2023-2024				
Total revenues	\$26,000,631	\$411,771	\$1,761,662	\$28,174,064
Total expenditures	17,535,171	3,133,058	2,552,858	23,221,087
Excess (deficiency) of revenues over expenditures	8,465,460	(2,721,287)	(791,196)	4,952,977
Total other financing sources (uses)	(4,658,623)	3,303,625	1,598,534	243,536
Net change in fund balance	3,806,837	582,338	807,338	5,196,513
Fund balance - beginning	19,984,022	991,015	2,101,254	23,076,291
Fund balance - ended	\$23,790,859	\$1,573,353	\$2,908,592	\$28,272,804

General Fund:

Total governmental funds include the General Fund, the chief operating fund of the City, which has a fund balance of \$22.42 million as of June 30, 2025. This is a decrease of \$1.37 million (5.77%), in comparison to the prior fiscal year. This decrease is due to less excess total revenue of \$28.39 million over total expenditures of \$24.18 million, less other financing uses of \$5.58 million, compared to the prior year.

Increased revenues of \$2.39 million (9.18%) were largely related to a net increase of \$1.05 million (5.53%) in taxes driven primarily by increases in property, TOT and sales tax revenues; an increase to investment income of \$0.53 million (43.06%) based on the market rate of value on investments; an increase to charges for services of \$0.39 million (15.92%) mainly due to increase in parking meter revenue; an increase of \$0.24 million (110.05%) in net reimbursements, largely related to insurance claim reimbursement; an increase in intergovernmental of \$0.16 million (351.54%) largely related to state and federal grants received for affordable housing and living levee projects.

Total expenditures increased by \$6.65 million (37.91%) when compared to FY 23-24. The increase was largely related to an increase of \$5.71 million (486.30%) in capital outlays. The ending fund balance is composed of \$0.02 million of non-spendable funds for prepaid items; \$14.00 million in assigned funds for specific expenditures; and \$8.41 million in unassigned funding, which is available for spending at the City's discretion.

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

Major Funds:

As of June 30, 2025, the Capital Improvement Program's fund balance of \$4.32 million, increased by \$2.74 million (174.34%) from the prior fiscal year. The fund balance of \$4.32 million includes a capital reserve balance of \$3.15 million and \$1.17 million for encumbered budget funds for capital projects that were not completed in FY 24-25. Total revenues decreased by \$0.02 million (3.66%) largely due to the deferral of receiving federal grant funding for the Camino del Mar Bridge project. Total expenditures increased by \$0.23 million (7.23%) largely due to more project expenditures when compared to the prior year primarily for the Camino del Mar Bridge Replacement Project.

Non-major Funds:

The fund balances for other governmental funds or non-major governmental funds decreased by \$1.18 million (40.66%) from the FY 23-24 balance of \$2.91 million to \$1.73 million at the end of the fiscal year. The other non-major funds are composed of special revenue funds including Road Maintenance and Rehabilitation Account (RMRA); Gas Tax; Open Space; Supplemental Law Enforcement; Regional Communications System; Grants; Housing; AB 939; Regional Transportation; and, Transnet II. Included in the fund balance is \$1.30 million restricted or committed for specific purposes.

Proprietary Funds:

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

Enterprise Funds: The total net position in the enterprise funds increased over the prior fiscal year by \$0.67 million (2.62%). The City's Water Fund decreased by \$0.07 million (0.50%), the Wastewater Fund increased by \$0.23 million (2.09%), and the Clean Water Fund increased by \$0.51 million (87.58%).

At the end of FY 24-25, the Internal Service Fund reported a net position of \$0.50 million, which is higher than prior year balance of \$0.40 million.

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 estimates revenues using realistic, but conservative, methods and budgets 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 original FY 24-25 budget was adopted in June 2023, as part of a two-year budget for FY's 23-24 and 24-25. As a positive sign of fiscal recovery from the pandemic, the original budget included a full restoration of operational services, re-established capital and special projects that were previously placed on hold, and expenditures related to the City work plan that was originally approved by the City council during the Goal Setting Workshop in February 2023. A subsequent workshop was conducted in March 2024 with the updated budget adopted in June 2024 reflecting revised goals and priorities for the second year (FY 24-25) of the biennial budget.

The City experienced revenue growth in FY 24-25 when compared to the budget as last amended in March 2025. Total General Fund revenues came in \$1.85 million over budgeted expectations, including a \$0.46 million surplus associated with the local sales and use Measure Q tax revenue. Additional surplus revenues included \$0.21 million in greater tax revenue; higher fines and forfeitures of \$0.23 million mainly due to a \$0.19 million surplus in parking violations; higher licenses and permits of \$0.01 million; and, \$0.41 million in other revenues due to insurance reimbursements. An additional \$0.76 million in surplus revenue was realized in the use of assets category driven by an increase in investment income of \$0.50 million. These gains were partially offset by lower revenues from other agencies and charges for services of \$0.38 million.

The actual expenditures were less than the fiscal year's final appropriation by \$9.77 million primarily due to less than anticipated expenditures in capital outlay related to the Undergrounding Program of \$6.67 million; lower expenditures in public works of \$0.20 million; lower expenditures in public safety of \$0.08 million; and lower equipment replacement expenditures of \$0.14 million. These savings were offset by increases of \$0.03 million in non-department expenditures, and \$0.31 million in general government expenditures associated with increases in risk management services and claims, which were offset by insurance claim revenue reimbursements.

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, 2025, amounts to \$122.55 million, net of accumulated depreciation. Amounts invested in capital assets include land; buildings and improvements; machinery and equipment; bridges; roadway networks; water lines; and sewer and storm drainage systems. The total increase in the City's capital assets, net of depreciation, for FY 24-25 was \$5.63 million (4.81%), compared to the prior fiscal year. Of the net increase, \$6.47 million is related to governmental activities offset by a reduction of \$0.83 million in business-type activities. For capital assets by category, refer to Table 4.

During the FY 24-25 budget update, the City Council authorized projects based on the City's updated work plan. The largest capital asset additions for the year are the construction in progress for various Utility Undergrounding projects and the Camino del Mar Bridge Replacement Project. Other projects included pavement rehabilitation, storm drain improvements, citywide bridge repairs, and Jimmy Durante Bluff repairs.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Non-depreciable assets:						
Land	\$18,300,380	\$18,300,380	\$1,365,688	\$1,365,688	\$19,666,068	\$19,666,068
Construction in progress	17,725,624	9,622,103	65,230	-	17,790,854	9,622,103
Total non-depreciable assets	36,026,004	27,922,483	1,430,918	1,365,688	37,456,922	29,288,171
Capital assets, being depreciated:						
Buildings/structures and improvement:	19,648,662	20,438,525	4,581,829	4,749,491	24,230,491	25,188,016
Machinery and equipment	730,030	904,800	477,391	480,484	1,207,421	1,385,284
Right to Use Asset - leases	305,291	456,688	-	-	305,291	456,688
Right to Use Asset - subscriptions	-	7,854	-	-	-	7,854
Infrastructure	40,661,000	41,174,801	-	-	40,661,000	41,174,801
Storm drainage system	-	-	525,064	489,182	525,064	489,182
Water line system	-	-	8,593,338	8,892,731	8,593,338	8,892,731
Sewer line system	-	-	9,568,322	10,030,316	9,568,322	10,030,316
Total depreciable assets, net of accumulated depreciation	61,344,983	62,982,668	23,745,944	24,642,204	85,090,927	87,624,872
Total capital assets	\$97,370,987	\$90,905,151	\$25,176,862	\$26,007,892	\$122,547,849	\$116,913,043

Debt Service Administration:

A complete detail of outstanding debt is shown in Note 7 of the financial statements in this report. As of June 30, 2025, the City had a total long-term outstanding debt of \$21.98 million made up of loan payable; note payable; compensated absences; subscriptions payable; leases payable; and claims payable as shown in Table 5.

For governmental activities, long-term debt accounts for \$17.24 million (78.45%) of the City's total long-term debt, as of June 30, 2025. Total long-term debt is comprised of loans related to the Civic Center Project through IBank of \$13.07 million, San Diego Association of Governments (SANDAG) of \$2.37 million for Sidewalk, Street, and Drainage Project in the Downtown area, and County of San Diego of \$0.05 million to finance the regional communication system upgrade; compensated absences of \$0.81 million; leases payable of \$0.33 million; and, claims payable of \$0.61 million. All long-term debt in governmental activities is secured solely by specified revenue sources.

TABLE 5
CITY OF DEL MAR'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2025	2024*	2025	2024*	2025	2024
Note payable	\$ 15,492,901	\$ 16,047,265	\$ 4,555,354	\$ 4,991,192	\$ 20,048,255	\$ 21,038,457
Compensated absences	806,716	709,873	180,950	166,609	987,666	876,482
Claims payable	614,390	724,002	-	-	614,390	724,002
Subscriptions Payable	-	9,159	-	-	-	9,159
Leases Payable	325,609	480,901	-	-	325,609	480,901
	\$ 17,239,616	\$ 17,971,200	\$ 4,736,304	\$ 5,157,801	\$ 21,975,920	\$ 23,129,001

*Beginning balances of compensated absences have been restated and current year changes are reported as a net addition or deletion, as a result of the implementation of GASB 101.

For business-type activities, long-term debt accounts for \$4.74 million (21.55%), of the City's total long-term debt, as of June 30, 2025. The Wastewater fund has a note payable with a remaining balance of \$2.43 million with the State of California for the replacement of the 21st Street Pump Station, and a note with IBank with an outstanding balance of \$2.13 million for the San Elijo Joint Powers Authority Pipeline Project. Compensated absences in business-type activities accounts for \$0.18 million of the total business-type long-term debt. All long-term debt in business-type activities is pledged solely by operating revenues.

The City did not incur any new long-term debt during FY 24-25. The City's long-term debt decreased by \$1.15 million (4.97%) compared to the prior fiscal year, largely due to reductions in required annual note principal payments of \$0.99 million and a combined total of \$0.27 million across claims, subscriptions, and leases payable, net of an increase of \$0.11 million in compensated absences.

Economic Factors and Next Year's Budget

On June 16, 2025, the City Council adopted the biennial FY 25-26 and 26-27 Operating and Capital Budget (Original Budget). As is standard practice in the second year of a two-year budget, an update to the FY 26-27 Budget will be presented to the City Council for adoption prior to the start of that new fiscal year on July 1, 2026. The Original Budget was prepared based on favorable results projected through the end of FY 24-25. The new budget accounted for updated revenue projections, operational and capital needs, balanced against achieving the expressed goals and priorities conveyed during the May 27, 2025, City Council Budget Workshop.

The following are some of the key economic factors considered during the development of the FY 25-26 budget.

Revenues:

The City's projected General Fund revenues for FY 25-26 total \$23.39 million, which are \$0.39 million (1.69%) higher than final FY 24-25 projected revenues of \$23.00 million.

The City's three primary sources of revenues are property taxes, Transient Occupancy Tax (TOT), and Sales and Use Tax (sales tax), which make up approximately 66% percent of General

Fund revenues. TOT and sales tax revenues are vulnerable to substantial fluctuation as they are largely based on tourism. While sales tax is anticipated to hold steady, TOT is projected to continue to grow modestly boosted slightly by new TOT revenue associated with new Short-Term Rentals regulations anticipated late in FY 25-26. This forecast resulted in a projected increase of \$0.35 million over the final prior year estimate. Property tax trends continued to demonstrate a positive benefit from steady property valuation increases leading to a budgeted increase of \$0.40 million over the final prior year estimate.

Expenditures:

The City's FY 24-25 Operating and Capital Budget has General Fund expenditures of \$18.26 million, which is \$1.36 million (7.46%) higher than the prior fiscal year's final adopted budget of \$16.90 million.

Expenditures are based on anticipated operating needs, capital and special projects, and City Council identified goals and priorities. The City Council approved the FY 25-26 Budget on June 16, 2025, which included increases to employee services, maintenance and operations largely related to increases on insurance premiums, and increases due to inflation for contractual services.

The total FY 25-26 budget of \$48.37 million is comprised of the General Fund of \$18.26 million (37.75%); Measure Q Fund of \$6.01 million (12.43%); other governmental funds of \$2.95 million (6.10%); Capital Project Funds of \$5.82 million (12.03%); special projects of \$2.09 million (4.32%); and the Workers' Compensation Fund of \$0.32 million (0.66%). The business-type funds account for \$12.92 million (26.71%).

The City's Adopted Fiscal Years 2025-2026 and 2026-2027 Operating and Capital Budget is a reflection of the City's commitment to the residents of Del Mar. A copy of the City's budget is available online at: <https://www.delmar.ca.us/132/Budget-Financial-Reports> or can be obtained by contacting the City's Finance Department.

Request for Information

This financial report is designed to provide a general overview of the City of Del Mar's finances for all those who may be interested. Questions concerning any of the information provided in this report or requests for additional financial information, should be submitted to the City of Del Mar, Finance Department, via mail at 1050 Camino Del Mar, Del Mar, California 92014, via email at finance@delmar.ca.us, or by calling (858) 755-9354. Additional information about the City's finances can be found on the City's website at: <https://www.delmar.ca.us/132/Budget-Financial-Reports>.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF DEL MAR, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 36,368,952	\$ 7,043,425	\$ 43,412,377
Receivables:			
Accounts, Net	812,098	1,779,710	2,591,808
Taxes	1,770,221	-	1,770,221
Leases	8,869,710	-	8,869,710
Accrued Interest	90,528	15,614	106,142
Inventory	-	108,532	108,532
Restricted Cash and Investment	-	561,807	561,807
Due from Other Agencies	2,528,354	-	2,528,354
Prepaid Expenses	20,142	-	20,142
Total Current Assets	<u>50,460,005</u>	<u>9,509,088</u>	<u>59,969,093</u>
Noncurrent Assets:			
Capital Assets:			
Not Being Depreciated	36,026,004	1,430,918	37,456,922
Being Depreciated (Net of Accumulated Depreciation)	61,344,983	23,745,944	85,090,927
Total Capital Assets	<u>97,370,987</u>	<u>25,176,862</u>	<u>122,547,849</u>
Total Noncurrent Assets	<u>97,370,987</u>	<u>25,176,862</u>	<u>122,547,849</u>
Total Assets	<u>147,830,992</u>	<u>34,685,950</u>	<u>182,516,942</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts from Pension Plans	<u>4,166,982</u>	<u>1,199,674</u>	<u>5,366,656</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	3,215,226	777,023	3,992,249
Deposits Payable	965,808	103,563	1,069,371
Due to Other Agencies	6,236	-	6,236
Unearned Revenue	5,460,122	-	5,460,122
Retention Payable	214,852	3,262	218,114
Accrued Interest Payable	231,957	61,087	293,044
Long-Term Debt, Due Within One Year	1,157,970	492,474	1,650,444
Total Current Liabilities	<u>11,252,171</u>	<u>1,437,409</u>	<u>12,689,580</u>
Noncurrent Liabilities:			
Long-Term Debt, Due in More Than One Year	16,081,646	4,243,830	20,325,476
Net Pension Liability	13,862,897	3,934,619	17,797,516
Total Noncurrent Liabilities	<u>29,944,543</u>	<u>8,178,449</u>	<u>38,122,992</u>
Total Liabilities	<u>41,196,714</u>	<u>9,615,858</u>	<u>50,812,572</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts from Leases	8,657,147	-	8,657,147
Deferred Amounts from Pension Plans	277,070	64,280	341,350
Total Deferred Inflows of Resources	<u>8,934,217</u>	<u>64,280</u>	<u>8,998,497</u>
NET POSITION			
Net Investment in Capital Assets	80,199,344	20,533,561	100,732,905
Restricted for:			
Debt Service	-	561,807	561,807
Public Works	962,570	-	962,570
Public Safety	175,714	-	175,714
Community Development	158,004	-	158,004
Unrestricted	20,371,411	5,110,118	25,481,529
Total Net Position	<u>\$ 101,867,043</u>	<u>\$ 26,205,486</u>	<u>\$ 128,072,529</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General Government	\$ 9,044,890	\$ 2,540,674	\$ -	\$ -	\$ (6,504,216)	\$ -	\$ (6,504,216)
Public Safety	9,432,744	3,524,775	281,406	-	(5,626,563)	-	(5,626,563)
Public Works	3,232,499	-	223,905	1,879,201	(1,129,393)	-	(1,129,393)
Parks and Recreation	1,689,494	516,529	48,384	-	(1,124,581)	-	(1,124,581)
Interest on Long-Term Debt	553,904	-	-	-	(553,904)	-	(553,904)
Total Governmental Activities	23,953,531	6,581,978	553,695	1,879,201	(14,938,657)	-	(14,938,657)
Business-Type Activities:							
Water	4,690,283	4,874,075	-	-	-	183,792	183,792
Wastewater	4,226,270	4,307,520	-	-	-	81,250	81,250
Cleanwater	752,068	572,473	48,364	-	-	(131,231)	(131,231)
Total Business-Type Activities	9,668,621	9,754,068	48,364	-	-	133,811	133,811
Total	\$ 33,622,152	\$ 16,336,046	\$ 602,059	\$ 1,879,201	(14,938,657)	133,811	(14,804,846)
GENERAL REVENUES							
Taxes:							
Property Tax					9,203,373	-	9,203,373
Transient Occupancy Tax					4,084,758	-	4,084,758
Franchise Tax					422,411	-	422,411
Business License Tax					360,364	-	360,364
Sales and Use Tax					5,832,131	-	5,832,131
Investment Income					2,300,875	286,010	2,586,885
Other					847,387	-	847,387
Transfers					(234,847)	234,847	-
Total General Revenues and Transfers					22,816,452	520,857	23,337,309
CHANGE IN NET POSITION					7,877,795	654,668	8,532,463
Net Position - Beginning of Year, as Previously Reported					94,084,139	25,576,152	119,660,291
Restatement - Implementation of GASB 101 (Note 16)					(94,891)	(25,334)	(120,225)
Net Position - Beginning of Year, as Restated					<u>93,989,248</u>	<u>25,550,818</u>	<u>119,540,066</u>
NET POSITION - END OF YEAR					\$ 101,867,043	\$ 26,205,486	\$ 128,072,529

See accompanying Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

**CITY OF DEL MAR, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

ASSETS	<u>General Fund</u>	<u>Capital Projects Fund Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Cash and Investments	\$ 23,562,812	\$ 10,009,598	\$ 1,854,906	\$ 35,427,316
Receivables:				
Taxes	1,770,221	-	-	1,770,221
Accrued Interest	74,153	8,489	6,029	88,671
Accounts, Net	657,147	-	154,951	812,098
Leases	8,869,710	-	-	8,869,710
Due from Other Agencies	122,099	2,406,255	-	2,528,354
Due from Other Funds	33,002	-	-	33,002
Prepaid Items	20,142	-	-	20,142
Total Assets	<u>\$ 35,109,286</u>	<u>\$ 12,424,342</u>	<u>\$ 2,015,886</u>	<u>\$ 49,549,514</u>
LIABILITIES				
Accounts Payable	\$ 2,309,683	\$ 313,500	\$ 129,329	\$ 2,752,512
Accrued Liabilities	462,316	-	-	462,316
Deposits Payable	809,507	90,482	65,819	965,808
Due to Other Agencies	6,236	-	-	6,236
Due to Other Funds	-	-	33,002	33,002
Unearned Revenue	162,313	5,297,809	-	5,460,122
Retention Payable	214,852	-	-	214,852
Total Liabilities	<u>3,964,907</u>	<u>5,701,791</u>	<u>228,150</u>	<u>9,894,848</u>
DEFERRED INFLOW OF RESOURCES				
Leases	8,657,147	-	-	8,657,147
Unavailable Revenues	69,346	2,406,255	61,639	2,537,240
Total Deferred Inflows of Resources	<u>8,726,493</u>	<u>2,406,255</u>	<u>61,639</u>	<u>11,194,387</u>
FUND BALANCES				
Nonspendable	20,142	-	-	20,142
Restricted	-	-	1,296,287	1,296,287
Committed	-	-	429,810	429,810
Assigned	15,846,325	4,316,296	-	20,162,621
Unassigned	6,551,419	-	-	6,551,419
Total Fund Balances	<u>22,417,886</u>	<u>4,316,296</u>	<u>1,726,097</u>	<u>28,460,279</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 35,109,286</u>	<u>\$ 12,424,342</u>	<u>\$ 2,015,886</u>	<u>\$ 49,549,514</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Fund Balances of Governmental Funds	\$ 28,460,279
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of \$29,720,560 of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not included in the funds.	97,370,987
Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(231,957)
Long-term liabilities applicable to governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities.	
Note Payable	(15,492,901)
Lease Payable	(325,609)
Claims Payable - General Liability	(174,131)
Compensated Absences	(806,716)
Revenues are deferred in the fund statements due to lack of availability. In the statement of activities, the amounts are recognized as revenue.	2,537,240
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.	502,836
Net pension liabilities in the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts effect only the government-wide statements for governmental activities:	
Deferred Outflows of Resources	4,166,982
Deferred Inflows of Resources	(277,070)
Net Pension Liability	<u>(13,862,897)</u>
Net Position of Governmental Activities	<u>\$ 101,867,043</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	General Fund	Capital Projects Fund Capital Improvement	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	\$ 20,004,542	\$ -	\$ 48,970	\$ 20,053,512
Licenses, Fees, and Permits	1,309,055	-	586,614	1,895,669
Intergovernmental	201,472	182,145	602,536	986,153
Charges for Services	2,853,514	-	-	2,853,514
Fines and Forfeitures	1,756,260	-	-	1,756,260
Investment Income	1,755,905	214,538	330,434	2,300,877
Contributions	48,384	-	-	48,384
Other	457,485	-	247,519	705,004
Total Revenues	<u>28,386,617</u>	<u>396,683</u>	<u>1,816,073</u>	<u>30,599,373</u>
EXPENDITURES				
Current:				
General Government	7,955,416	40,513	129,901	8,125,830
Public Safety	8,629,028	-	69,556	8,698,584
Public Works	533,013	-	708,590	1,241,603
Parks and Recreation	-	-	1,325,047	1,325,047
Capital Outlay	6,885,074	2,458,116	266,364	9,609,554
Debt Service:				
Principal	164,450	430,317	120,638	715,405
Interest	16,168	430,561	55,689	502,418
Total Expenditures	<u>24,183,149</u>	<u>3,359,507</u>	<u>2,675,785</u>	<u>30,218,441</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,203,468	(2,962,824)	(859,712)	380,932
OTHER FINANCING SOURCES (USES)				
Gain on Disposal of Asset	41,390	-	-	41,390
Transfers In	540,945	5,705,767	1,532,234	7,778,946
Transfers Out	(6,158,776)	-	(1,855,017)	(8,013,793)
Total Other Financing Sources (Uses)	<u>(5,576,441)</u>	<u>5,705,767</u>	<u>(322,783)</u>	<u>(193,457)</u>
NET CHANGE IN FUND BALANCES	(1,372,973)	2,742,943	(1,182,495)	187,475
Fund Balances - Beginning of Year	<u>23,790,859</u>	<u>1,573,353</u>	<u>2,908,592</u>	<u>28,272,804</u>
FUND BALANCES - END OF YEAR	<u>\$ 22,417,886</u>	<u>\$ 4,316,296</u>	<u>\$ 1,726,097</u>	<u>\$ 28,460,279</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances of Governmental Funds \$ 187,475

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over its estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay Expense	9,535,533
Depreciation Expense	(3,032,266)
Loss on Disposal	(37,431)

Repayment of debt service principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 715,405

Revenues deferred in the fund due to lack of availability are recognized in the statement of activities soon enough after year end to be considered available. The availability criteria does not apply to the government-wide statements and therefore, the revenue is not deferred. This amount represents revenue recorded in government-wide statements that will be recorded in the fund statements. 1,425,410

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	(96,843)
Change in Claims Payable	82,030

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. (51,486)

Pension expenditures reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. (956,256)

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. 106,224

Change in Net Position of Governmental Activities \$ 7,877,795

**CITY OF DEL MAR, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Wastewater	Nonmajor: Clean Water	Total	
ASSETS					
Current Assets:					
Cash and Investments	\$ 3,033,702	\$ 3,523,348	\$ 486,375	\$ 7,043,425	\$ 941,636
Receivables:					
Accounts	933,201	743,004	103,505	1,779,710	-
Interest	6,493	8,573	548	15,614	1,857
Inventory	100,558	7,974	-	108,532	-
Restricted Cash and Investment	-	561,807	-	561,807	-
Total Current Assets	<u>4,073,954</u>	<u>4,844,706</u>	<u>590,428</u>	<u>9,509,088</u>	<u>943,493</u>
Noncurrent Assets:					
Capital Assets:					
Land and Water Rights	782,025	583,663	-	1,365,688	-
Construction in Progress	-	-	65,230	65,230	-
Water and Wastewater System	16,521,146	19,278,685	543,573	36,343,404	-
Buildings and Improvements	4,039,761	4,338,327	-	8,378,088	-
Machinery and Equipment	357,845	1,905,600	51,788	2,315,233	-
Less: Accumulated Depreciation	<u>(10,249,375)</u>	<u>(12,993,528)</u>	<u>(47,878)</u>	<u>(23,290,781)</u>	<u>-</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>11,451,402</u>	<u>13,112,747</u>	<u>612,713</u>	<u>25,176,862</u>	<u>-</u>
Total Noncurrent Assets	<u>11,451,402</u>	<u>13,112,747</u>	<u>612,713</u>	<u>25,176,862</u>	<u>-</u>
Total Assets	<u>15,525,356</u>	<u>17,957,453</u>	<u>1,203,141</u>	<u>34,685,950</u>	<u>943,493</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts from Pension Plans	<u>598,753</u>	<u>600,921</u>	<u>-</u>	<u>1,199,674</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	244,037	415,333	117,653	777,023	398
Retention Payable	-	-	3,262	3,262	-
Customer Deposits	103,563	-	-	103,563	-
Accrued Interest Payable	11	61,076	-	61,087	-
Current Portion of Long-Term Liabilities	<u>18,216</u>	<u>466,760</u>	<u>7,498</u>	<u>492,474</u>	<u>-</u>
Total Current Liabilities	<u>365,827</u>	<u>943,169</u>	<u>128,413</u>	<u>1,437,409</u>	<u>398</u>
Long-Term Liabilities:					
Claims Payable	-	-	-	-	440,259
Compensated Absences	54,646	58,573	22,493	135,712	-
Notes Payable	-	4,108,118	-	4,108,118	-
Net Pension Liability	<u>1,962,119</u>	<u>1,972,500</u>	<u>-</u>	<u>3,934,619</u>	<u>-</u>
Total Noncurrent Liabilities	<u>2,016,765</u>	<u>6,139,191</u>	<u>22,493</u>	<u>8,178,449</u>	<u>440,259</u>
Total Liabilities	<u>2,382,592</u>	<u>7,082,360</u>	<u>150,906</u>	<u>9,615,858</u>	<u>440,657</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts from Pension Plans	<u>32,553</u>	<u>31,727</u>	<u>-</u>	<u>64,280</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	11,451,402	8,545,908	536,251	20,533,561	-
Unrestricted	<u>2,257,562</u>	<u>2,898,379</u>	<u>515,984</u>	<u>5,671,925</u>	<u>502,836</u>
Total Net Position	<u>\$ 13,708,964</u>	<u>\$ 11,444,287</u>	<u>\$ 1,052,235</u>	<u>\$ 26,205,486</u>	<u>\$ 502,836</u>

See accompanying Notes to Financial Statements .

**CITY OF DEL MAR, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED JUNE 30, 2025**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Fund
	Water	Wastewater	Nonmajor: Clean Water		
OPERATING REVENUES					
Water Sales	\$ 4,838,713	\$ -	\$ -	\$ 4,838,713	\$ -
Clean Water Services	-	-	569,520	569,520	-
Sewer Service	-	4,288,362	-	4,288,362	-
Charges for Services	-	-	-	-	361,207
Customer Penalties	19,295	19,158	2,953	41,406	-
Other	16,067	-	48,364	64,431	-
Total Operating Revenues	<u>4,874,075</u>	<u>4,307,520</u>	<u>620,837</u>	<u>9,802,432</u>	<u>361,207</u>
OPERATING EXPENSES					
Source of Supply	1,939,778	-	-	1,939,778	-
Water Treatment	355,734	-	-	355,734	-
Maintenance and Operation	-	26,831	145,698	172,529	-
General and Administrative	1,979,098	3,443,865	588,601	6,011,564	289,382
Depreciation	415,673	662,549	17,769	1,095,991	-
Total Operating Expenses	<u>4,690,283</u>	<u>4,133,245</u>	<u>752,068</u>	<u>9,575,596</u>	<u>289,382</u>
OPERATING INCOME (LOSS)	183,792	174,275	(131,231)	226,836	71,825
NONOPERATING REVENUES (EXPENSES)					
Investment Income	128,043	153,050	4,917	286,010	34,399
Interest Expense	-	(93,025)	-	(93,025)	-
Total Nonoperating Revenues (Expenses)	<u>128,043</u>	<u>60,025</u>	<u>4,917</u>	<u>192,985</u>	<u>34,399</u>
INCOME (LOSS) BEFORE TRANSFERS	311,835	234,300	(126,314)	419,821	106,224
TRANSFERS					
Transfers In	-	-	605,582	605,582	-
Transfers Out	(370,735)	-	-	(370,735)	-
Total Transfers	<u>(370,735)</u>	<u>-</u>	<u>605,582</u>	<u>234,847</u>	<u>-</u>
CHANGES IN NET POSITION	(58,900)	234,300	479,268	654,668	106,224
Net Position - Beginning of Year, as Previously Reported	13,777,872	11,221,520	576,760	25,576,152	396,612
Restatement - implementation of GASB 101 (Note 16)	(10,008)	(11,533)	(3,793)	(25,334)	-
Net Position - Beginning of Year, as Restated	<u>13,767,864</u>	<u>11,209,987</u>	<u>572,967</u>	<u>25,550,818</u>	<u>396,612</u>
NET POSITION - END OF YEAR	<u>\$ 13,708,964</u>	<u>\$ 11,444,287</u>	<u>\$ 1,052,235</u>	<u>\$ 26,205,486</u>	<u>\$ 502,836</u>

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund	
	Water	Wastewater	Nonmajor: Clean Water	Total	Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Water, Sewer, and Clean Water Customers	\$ 4,770,546	\$ 4,296,165	\$ 570,990	\$ 9,637,701	\$ -	\$ 9,637,701
Cash Received from Other Operating Receipts	16,067	-	48,364	64,431	361,207	425,638
Cash Payments for Water Purchases, Distribution, and Treatment	(2,295,512)	-	-	(2,295,512)	-	(2,295,512)
Cash Payments for Sewer Collection and Maintenance	-	(26,831)	-	(26,831)	-	(26,831)
Cash Payments for Services and Supplies	(1,624,242)	(2,569,365)	(531,417)	(4,725,024)	(227,624)	(4,952,648)
Cash Payment to Employees for Services	(675,321)	(772,836)	(192,513)	(1,640,670)	(92,676)	(1,733,346)
Net Cash Provided (Used) by Operating Activities	191,538	927,133	(104,576)	1,014,095	40,907	1,055,002
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Cash Received from Other Funds	-	-	605,582	605,582	-	605,582
Cash Paid to Other Funds	(370,735)	-	-	(370,735)	-	(370,735)
Net Cash Provided (Used) by Noncapital Financing Activities	(370,735)	-	605,582	234,847	-	234,847
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(54,341)	(88,142)	(122,477)	(264,960)	-	(264,960)
Interest Payments on Long-Term Debt	(12)	(99,200)	-	(99,212)	-	(99,212)
Principal Payments on Long-Term Debt	-	(435,838)	-	(435,838)	-	(435,838)
Net Cash Used by Capital and Related Financing Activities	(54,353)	(623,180)	(122,477)	(800,010)	-	(800,010)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	131,035	155,436	4,369	290,840	35,148	325,988
Net Cash Provided by Investing Activities	131,035	155,436	4,369	290,840	35,148	325,988
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	(102,515)	459,389	382,898	739,772	76,055	815,827
Cash and Cash Equivalents - Beginning of Year	3,136,217	3,625,766	103,477	6,865,460	865,581	7,731,041
CASH AND CASH EQUIVALENTS - END OF YEAR						
	<u>\$ 3,033,702</u>	<u>\$ 4,085,155</u>	<u>\$ 486,375</u>	<u>\$ 7,605,232</u>	<u>\$ 941,636</u>	<u>\$ 8,546,868</u>
CASH AND CASH EQUIVALENTS						
Cash and Investments	\$ 3,033,702	\$ 3,523,348	\$ 486,375	\$ 7,043,425	\$ 941,636	\$ 7,985,061
Restricted - Cash and Investments	-	561,807	-	561,807	-	561,807
Total Cash and Cash Equivalents	<u>\$ 3,033,702</u>	<u>\$ 4,085,155</u>	<u>\$ 486,375</u>	<u>\$ 7,605,232</u>	<u>\$ 941,636</u>	<u>\$ 8,546,868</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 183,792	\$ 174,275	\$ (131,231)	\$ 226,836	\$ 71,825	\$ 298,661
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	415,673	662,549	17,769	1,095,991	-	1,095,991
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
(Increase) Decrease in Accounts Receivable	(107,762)	(11,355)	(1,483)	(120,600)	-	(120,600)
(Increase) Decrease in Inventory	(2,010)	3,093	-	1,083	-	1,083
(Increase) Decrease in Deferred Outflows of Resources	167,530	169,415	-	336,945	-	336,945
Increase (Decrease) in Claims Payable	-	-	-	-	(30,992)	(30,992)
Increase (Decrease) in Accounts Payable	(410,441)	(35,011)	16,494	(428,958)	74	(428,884)
Increase (Decrease) in Retentions Payable	(41,739)	-	(12,982)	(54,721)	-	(54,721)
Increase (Decrease) in Customer Deposits	22,310	-	-	22,310	-	22,310
Increase (Decrease) in Net Pension Liability	(14,053)	(14,128)	-	(28,181)	-	(28,181)
Increase (Decrease) in Compensated Absences	2,937	4,124	6,857	13,918	-	13,918
Increase (Decrease) in Deferred Inflows of Resources	(24,699)	(25,829)	-	(50,528)	-	(50,528)
Total Adjustments	7,746	752,858	26,655	787,259	(30,918)	756,341
Net Cash Provided by Operating Activities	<u>\$ 191,538</u>	<u>\$ 927,133</u>	<u>\$ (104,576)</u>	<u>\$ 1,014,095</u>	<u>\$ 40,907</u>	<u>\$ 1,055,002</u>
NONCASH INVESTING, CAPITAL, AND FINANCING RELATED ACTIVITY						
Noncash Changes in Fair Value of Investments	<u>\$ 7,832</u>	<u>\$ 10,343</u>	<u>\$ 662</u>	<u>\$ 18,837</u>	<u>\$ 2,241</u>	<u>\$ 21,078</u>

See accompanying Notes to Financial Statements.

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**CITY OF DEL MAR, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Custodial Funds
ASSETS	
Account Receivable	\$ 374
Restricted Assets:	
Cash and Investments	195,192
Total Assets	195,566
 NET POSITION	
Restricted for Bond Holders	195,566
Total Net Position	\$ 195,566

See accompanying Notes to Financial Statements.

**CITY OF DEL MAR, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>
ADDITIONS	
Investment Income	\$ 6,783
Special Assessments or Special Taxes Collected from Property Owners	58,866
Total Additions	<u>65,649</u>
DEDUCTIONS	
Payment for Special Assessment or Special Tax Debt	58,450
Total Deductions	<u>58,450</u>
CHANGE IN NET POSITION	7,199
Total Net Position - Beginning of Year	<u>188,367</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 195,566</u></u>

See accompanying Notes to Financial Statements.

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CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

The City reports the following major governmental funds:

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

- **Special Revenue Funds** are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.
- **Capital Project Funds** are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.
- The **Nonmajor Enterprise Fund** accounts for the mandated costs of the City's National Pollution Discharge Eliminations System (NPDES) permit.
- The **Internal Service Fund** is used to account for the workers' compensation services provided to other departments of the City.
- **Fiduciary Funds** are used to account for assets held by the City in a custodial capacity for individuals, private organizations, or other governments. The current City's fiduciary funds include: Stratford and Luneta Undergrounding Assessment District 1989-01; San Dieguito Drive Assessment District 6022-08; Seawall Refinance Assessment District 1999-01; Ocean View/Pines Assessment District 2005-01; and the Sunset Undergrounding Assessment District 2007-02.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the funds principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service fund are charges for sales and services. Operating expenses for enterprise funds include the cost of sales and services, general and administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments

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

E. 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.

F. Receivables and Payables

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

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

G. Capital Assets

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

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

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

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

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

Water System	40 to 50 Years
Wastewater System	40 Years
Structures	33 Years
Meters and Hydrants	25 Years
Machinery and Equipment	5 to 15 Years
Infrastructure	33 Years

H. Compensated Absences

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

During the year ended June 30, 2025, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, which seeks to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Inventory and Prepays

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses during the periods benefited.

J. Restricted Assets

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

K. Deferred Outflows/Inflows of Resources

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

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

In addition to liabilities, the statement of net position and governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources (Continued)

The City has the following items that qualify for reporting in this category:

- Deferred inflow from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, which is grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available and eligibility requirements are met.
- Deferred inflow related to pensions for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflow related to pensions for changes in proportion. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to pensions for differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are only recorded in the Statements of Net Position and are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflow related to leases are amortized on a straight-line basis over the length of the lease agreement.

L. Leased Property

Lessee

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

Lessor

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

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Property Taxes

Under California law, property taxes are assessed and collected by the County of San Diego up to 1% of assessed value, plus other increases approved by the voters. The County bills and collects the taxes and remits them to the City in installments. The City of Del Mar accrues these taxes as a receivable and revenue as of the levy date.

Lien Date	January 1
Levy Date	June 30
Due Dates	November 1 and February 1
Collection Dates	December 10 and April 10

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.

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position and Fund Equity (Continued)

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

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

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

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

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

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

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

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

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

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position and Fund Equity (Continued)

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

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 (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund, water enterprise fund and wastewater enterprise funds typically have been used in prior years to liquidate pension liabilities.

R. Use of Estimates

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 43,412,377
Restricted Cash and Investments	561,807
Statement of Fiduciary Net Position:	
Restricted Cash and Investments	195,192
Total Cash and Investments	<u>\$ 44,169,376</u>

Cash and investments as of June 30, 2025 consist of the following:

Cash and Deposits:	
Petty Cash on Hand	\$ 900
Demand Deposits	4,918,759
Total Cash and Deposits	<u>4,919,659</u>
Investments:	
U.S. Treasury Notes	12,106,255
U.S. Treasury Bills	4,088,490
U.S. Treasury Securities	2,249,252
Money Market	4,977,684
State Investment Pool	7,056,365
Investment in County Pool	3,148,016
Negotiable Certificates of Deposit	5,623,655
Total Investments	<u>39,249,717</u>
Total Cash and Investments	<u>\$ 44,169,376</u>

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

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

<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%	10%
Negotiable Certificates of Deposit	None	None	\$250,000
Repurchase Agreements	None	None	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	None	None
Supranationals	5 years	15%	5%
San Diego County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	\$75 million	None

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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>Remaining Maturity (in Months)</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>13 to 36 Months</u>	<u>37 to 60 Months</u>	
U.S. Treasury Notes	\$ -	\$ 12,106,255	\$ -	\$ 12,106,255
U.S. Treasury Bills	4,088,490	-	-	4,088,490
U.S. Government Agency Securities	198,980	2,050,272	-	2,249,252
Money Market	4,977,684	-	-	4,977,684
State Investment Pool	7,056,365	-	-	7,056,365
Investment in County Pool	3,148,016	-	-	3,148,016
Negotiable Certificates of Deposit	1,742,363	3,881,292	-	5,623,655
Total	<u>\$ 21,211,898</u>	<u>\$ 18,037,819</u>	<u>\$ -</u>	<u>\$ 39,249,717</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

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

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's Investment Policy, or debt agreements, and the Standard and Poor's actual rating as of year-end for each investment type.

Investment Type	Fair Value	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year-End		
				AAA	AA+	Not Rated
U.S. Treasury Notes	\$12,106,255	N/A	\$12,106,255	\$ -	\$ -	\$ -
U.S. Treasury Bills	4,088,490	N/A	4,088,490	-	-	-
U.S. Government Securities	2,249,252	N/A	-	2,249,252	-	-
Money Market	4,977,684	AAA	-	4,977,684	-	-
State Investment Pool	7,056,365	N/A	-	-	-	7,056,365
Investment in County Pool	3,148,016	AAA	-	3,148,016	-	-
Negotiable Certificates of Deposit	5,623,655	N/A	-	-	-	5,623,655
Total	\$39,249,717		\$16,194,745	\$10,374,952	\$ -	\$12,680,020

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer other than external investment pools that represent 5% or more of the City's investments.

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).

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by the state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2025, the City deposits (bank balances) were either insured by the Federal Deposit Insurance Corporation or collateralized as described above.

Investment in State Investment Pool

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

Investment in San Diego County Pool

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement

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

The City has the following recurring fair value measurements as of June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury Notes	\$ -	\$ 12,106,255	\$ -	\$ 12,106,255
U.S. Treasury Bills	-	4,088,490	-	4,088,490
U.S. Government Agency Securities	-	2,249,252	-	2,249,252
Negotiable Certificates of Deposit	-	5,623,655	-	5,623,655
Total Leveled Investments	<u>\$ -</u>	<u>\$ 24,067,652</u>	<u>\$ -</u>	<u>24,067,652</u>
State Investment Pool*				7,056,365
Money Market*				4,977,684
Investment in County Pool*				3,148,016
Total Investment Portfolio				<u>\$ 39,249,717</u>

* Not subject to fair value measurement hierarchy.

CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended June 30, 2025 is as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 18,300,380	\$ -	\$ -	\$ 18,300,380
Construction in Progress	9,622,103	9,481,352	(1,377,831)	17,725,624
Total Capital Assets, Not Being Depreciated	<u>27,922,483</u>	<u>9,481,352</u>	<u>(1,377,831)</u>	<u>36,026,004</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	28,970,688	71,874	-	29,042,562
Machinery and Equipment	2,856,132	109,685	(323,684)	2,642,133
Right to Use Asset - leases	834,557	-	-	834,557
Right to Use Asset - subscriptions	54,976	-	-	54,976
Infrastructure	57,285,322	1,250,453	(44,460)	58,491,315
Total Capital Assets, Being Depreciated	<u>90,001,675</u>	<u>1,432,012</u>	<u>(368,144)</u>	<u>91,065,543</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(8,532,163)	(861,737)	-	(9,393,900)
Machinery and Equipment	(1,951,332)	(268,787)	308,016	(1,912,103)
Right to Use Asset - leases	(377,869)	(151,397)	-	(529,266)
Right to Use Asset - subscriptions	(47,122)	(7,854)	-	(54,976)
Infrastructure	(16,110,521)	(1,742,491)	22,697	(17,830,315)
Total Accumulated Depreciation	<u>(27,019,007)</u>	<u>(3,032,266)</u>	<u>330,713</u>	<u>(29,720,560)</u>
Total Capital Assets, Being Depreciated, Net	<u>62,982,668</u>	<u>(1,600,254)</u>	<u>(37,431)</u>	<u>61,344,983</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 90,905,151</u>	<u>\$ 7,881,098</u>	<u>\$ (1,415,262)</u>	<u>\$ 97,370,987</u>

Depreciation expense was charged to functions for the fiscal year ended June 30, 2025 as follows:

Governmental Activities:	
General Government	\$ 624,186
Public Safety	297,472
Public Works	1,822,999
Parks and Recreation	71,024
Community Services	216,585
Total Depreciation Expense	<u>\$ 3,032,266</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CAPITAL ASSETS (CONTINUED)

A summary of changes in the business-type activities capital assets for the year ended June 30, 2025 is as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,365,688	\$ -	\$ -	\$ 1,365,688
Construction in Progress	-	65,230	-	65,230
Total Capital Assets, Not Being Depreciated	<u>1,365,688</u>	<u>65,230</u>	<u>-</u>	<u>1,430,918</u>
Capital Assets, Being Depreciated:				
Buildings	4,080,948	-	-	4,080,948
Improvements	4,252,263	44,879	-	4,297,142
Machinery and Equipment	2,259,441	81,782	(25,992)	2,315,231
Water System	16,504,481	16,665	-	16,521,146
Storm Drains	492,758	50,815	-	543,573
Wastewater System	19,273,095	5,590	-	19,278,685
Total Capital Assets, Being Depreciated	<u>46,862,986</u>	<u>199,731</u>	<u>(25,992)</u>	<u>47,036,725</u>
Less Accumulated Depreciation for:				
Buildings	(1,494,412)	(121,967)	-	(1,616,379)
Improvements	(2,089,308)	(90,574)	-	(2,179,882)
Machinery and Equipment	(1,778,957)	(84,875)	25,992	(1,837,840)
Water System	(7,611,750)	(316,058)	-	(7,927,808)
Storm Drains	(3,576)	(14,933)	-	(18,509)
Wastewater System	(9,242,779)	(467,584)	-	(9,710,363)
Total Accumulated Depreciation	<u>(22,220,782)</u>	<u>(1,095,991)</u>	<u>25,992</u>	<u>(23,290,781)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,642,204</u>	<u>(896,260)</u>	<u>-</u>	<u>23,745,944</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 26,007,892</u>	<u>\$ (831,030)</u>	<u>\$ -</u>	<u>\$ 25,176,862</u>

Depreciation expense was charged to functions for the fiscal year ended June 30, 2025 as follows:

Business-Type Activities:	
Water	\$ 415,673
Wastewater	662,549
Clean Water	17,769
Total Depreciation Expense	<u>\$ 1,095,991</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 LEASE RECEIVABLE

The City, acting as lessor, leases a wireless cell tower and land under long-term, noncancelable lease agreements. The leases expire at various dates through 2043 and do not provide for renewal options. During the year ended June 30, 2025, the City recognized \$308,302 and \$225,754 in lease revenue and interest revenue, respectively, pursuant to these contracts. The balance of the lease receivable at June 30, 2025 is \$8,869,710. The City has a deferred inflow of resources associated with this lease that will be recognized over the lease term. The balance of the deferred inflow of resources at June 30, 2025 is \$8,657,147.

NOTE 5 INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2025, interfund receivables and payables are as follows:

	Due From	Due To
General Fund	\$ 33,002	\$ -
Nonmajor Governmental Funds:		
Supplemental Law Enforcement	-	866
Regional Communications System	-	32,136
Total	\$ 33,002	\$ 33,002

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

NOTE 6 INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2025 were as follows:

Transfers In	Transfers Out			Total
	General Fund	Nonmajor Governmental Funds	Water Fund	
General Fund (B)	\$ -	\$ 540,945	\$ -	\$ 540,945
Capital Improvement Capital Projects Fund (A)	5,705,767	-	-	5,705,767
Nonmajor Governmental Funds (B)	453,009	1,079,225	-	1,532,234
Nonmajor Enterprise Fund Clean Water Fund (C)	-	234,847	370,735	605,582
Total	\$6,158,776	\$ 1,855,017	\$370,735	\$8,384,528

Purpose of Interfund Transfers:

- A. To fund current and future capital improvement projects.
- B. To fund current and future capital improvement projects.
- C. To fund current and future capital improvement projects.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2025 is as follows:

	Balance July 1, 2024*	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Governmental Activities:					
Direct Borrowings:					
Note Payable	\$ 2,446,250	\$ -	\$ (76,250)	\$ 2,370,000	\$ 80,000
Note Payable - City Hall	13,504,088	-	(430,317)	13,073,771	444,259
Note Payable - Regional Communications	96,927	-	(47,797)	49,130	49,130
Other Long-Term Liabilities:					
Compensated Absences*	709,873	96,843	-	806,716	201,679
Leases Payable	480,901	-	(155,292)	325,609	30,695
Subscriptions Payable	9,159	-	(9,159)	-	-
Claims Payable	724,002	165,044	(274,656)	614,390	352,207
Total Governmental Activities	<u>\$ 17,971,200</u>	<u>\$ 261,887</u>	<u>\$ (993,471)</u>	<u>\$ 17,239,616</u>	<u>\$ 1,157,970</u>
Business-Type Activities:					
Direct Borrowings:					
Notes Payable	\$ 4,991,192	\$ -	\$ (435,838)	\$ 4,555,354	\$ 447,237
Other Long-Term Liabilities:					
Compensated Absences*	166,609	14,341	-	180,950	45,237
Total Business-Type Activities	<u>\$ 5,157,801</u>	<u>\$ 14,341</u>	<u>\$ (435,838)</u>	<u>\$ 4,736,304</u>	<u>\$ 492,474</u>

*Beginning balances of compensated absences have been restated and current year changes are reported as a net addition or deletion, as a result of the implementation of GASB 101.

Note Payable

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

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

Fiscal Year Ending	Principal	Interest	Total
June 30			
2026	\$ 80,000	\$ 57,202	\$ 137,202
2027	81,250	55,833	137,083
2028	86,250	54,137	140,387
2029	91,250	52,277	143,527
2030	96,250	50,152	146,402
2031 - 2035	557,500	213,103	770,603
2036 - 2040	718,957	127,658	846,615
2041 - 2044	658,543	54,711	713,254
Total	<u>\$ 2,370,000</u>	<u>\$ 665,073</u>	<u>\$ 3,035,073</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Governmental Long-Term Debt (Continued)

Note Payable – City Hall

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 444,259	\$ 416,393	\$ 860,652
2027	458,653	401,765	860,418
2028	473,514	386,665	860,179
2029	488,855	371,075	859,930
2030	504,694	354,979	859,673
2031 - 2035	2,779,610	1,514,607	4,294,217
2036 - 2040	3,260,049	1,026,387	4,286,436
2041 - 2045	3,823,523	453,782	4,277,305
2046	840,614	13,618	854,232
Total	<u>\$ 13,073,771</u>	<u>\$ 4,939,271</u>	<u>\$ 18,013,042</u>

Note Payable – Regional Communication System

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 49,130	\$ 1,371	\$ 50,501
Total	<u>\$ 49,130</u>	<u>\$ 1,371</u>	<u>\$ 50,501</u>

Leases

The City leases land under a long-term, non-cancelable lease agreement. The lease expires at 2033 and does not have a renewal option.

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 30,695	\$ 12,958	\$ 43,653
2027	33,128	11,835	44,963
2028	35,753	10,558	46,311
2029	38,587	9,114	47,701
2030	41,645	7,487	49,132
2031 - 2033	145,801	10,615	156,416
Total	<u>\$ 325,609</u>	<u>\$ 62,567</u>	<u>\$ 388,176</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Business-Type Long-Term Debt

Note Payable – 21st Street Sewer Pump Station

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

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

Fiscal Year Ending	Principal	Interest	Total
June 30			
2026	\$ 273,689	\$ 70,328	\$ 344,017
2027	281,626	62,391	344,017
2028	289,793	54,224	344,017
2029	298,197	45,820	344,017
2030	306,845	37,172	344,017
2031 - 2033	974,964	56,087	1,031,051
Total	\$ 2,425,114	\$ 326,022	\$ 2,751,136

This note payable is secured by the net revenues generated by the Wastewater Enterprise Fund. Net revenue is defined as all revenues received less operations and maintenance costs (excluding depreciation) for the fiscal year. Net revenues for the fiscal year ended June 30, 2025 totaled \$848,861 and total debt service (principal and interest) paid during the year was \$344,017 for the note payable.

Note Payable – San Elijo Joint Powers Authority (SEJPA) Pipeline

The City entered into a finance agreement in June 2015 with the California Infrastructure and Economic Development Bank (IBank) and was approved for financial assistance in the amount of \$3,535,354 plus accrued interest provided through the Infrastructure State Revolving Fund Program. These funds were used for the replacement of a sewage pipeline. This note is secured by net revenues which are required to be 1.2 times the maximum annual debt service payable which in fiscal year 2024-2025 is \$217,931. The City's net revenue in fiscal year 2024-2025 is \$848,861 which exceeds the requirement. Annual payments began on August 1, 2016, are to be paid through August 2035 at an interest rate of 2.17% per annum.

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

Fiscal Year Ending	Principal	Interest	Total
June 30			
2026	\$ 173,548	\$ 44,343	\$ 217,891
2027	177,314	40,536	217,850
2028	181,161	36,647	217,808
2029	185,093	32,673	217,766
2030	189,109	28,613	217,722
2031 - 2035	1,008,910	79,012	1,087,922
2036	215,105	2,334	217,439
Total	\$ 2,130,240	\$ 264,158	\$ 2,394,398

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 FUND BALANCES

	General Fund	Capital Improvement Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid Items	\$ 20,142	\$ -	\$ -	\$ 20,142
Total Nonspendable	20,142	-	-	20,142
Restricted for:				
Public Safety	-	-	175,714	175,714
Public Works	-	-	679,196	679,196
Street Projects	-	-	283,373	283,373
Low-Income Housing	-	-	158,004	158,004
Total Restricted	-	-	1,296,287	1,296,287
Committed to:				
Parks and Community Center	-	-	429,810	429,810
Total Committed	-	-	429,810	429,810
Assigned to:				
Compensated Absences	100,000	-	-	100,000
Equipment Replacement	796,332	-	-	796,332
Public Television	8,267	-	-	8,267
Self-Insurance	410,216	-	-	410,216
Pension Reserve	4,977,684	-	-	4,977,684
Housing Reserve	1,650,000	-	-	1,650,000
Special Projects	453,852	-	-	453,852
Measure Q	7,449,974	-	-	7,449,974
Capital Projects	-	4,316,296	-	4,316,296
Total Assigned	15,846,325	4,316,296	-	20,162,621
Unassigned	6,551,419	-	-	6,551,419
Total Fund Balances	<u>\$22,417,886</u>	<u>\$ 4,316,296</u>	<u>\$ 1,726,097</u>	<u>\$28,460,279</u>

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

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

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 FUND BALANCES (CONTINUED)

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

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

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

Assigned to Compensated Absences are funds set aside for unpaid vacation time due to employees.

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

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

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

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

Assigned to Housing Reserve are funds set aside to help facilitate the production of affordable housing to meet the City's Housing Element goals.

Assigned to Special Projects are funds set aside from a voter's approved 1% sales tax measure that are set aside for community reinvestment/infrastructure types of projects.

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

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RETIREMENT PLANS

A. General Information about the Pension Plans

Plan Descriptions

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

Benefits Provided

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

The information in the following table includes the aggregate total pension-related items for the Miscellaneous and Safety plans:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Net Pension Liabilities	\$ 10,381,575	\$ 7,415,941	\$ 17,797,516
Deferred Outflows of Resources	3,166,999	2,199,657	5,366,656
Deferred Inflows of Resources	171,239	170,111	341,350
Pension Expense/(Income)	2,036,125	1,435,224	3,471,349

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RETIREMENT PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

The Plans' provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous		
	Classic Members	Classic Members	New Members
	Prior to January 1, 2013	On or After January 1, 2013	On or After January 1, 2013
Benefit Formula - Active	3% @ 60	2% @ 60	2% @ 62
Benefit Formula - Inactive	2% @ 55	N/A	N/A
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50 - 60	50 - 63	52 - 67
Monthly Benefits, as a Percentage of Eligible Compensation	2.0% to 3.0%	1.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rates	7.81%	6.93%	8.00%
Required Employer Contribution Rates:			
Normal Cost Rate	16.800%	10.430%	7.940%
Payment of Unfunded Liability	\$ 825,524	\$ 5,993	\$ 3,452

	Safety			
	Fire		Lifeguard	
	Prior to January 1, 2013	After January 1, 2013	Prior to January 1, 2013	After to January 1, 2013
Benefit Formula	3% @ 50	2.7% @ 57	3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement Age	50	57	50	50
Monthly Benefits, as a Percentage of Eligible Compensation	3.00%	2.70%	3.00%	2.70%
Required Employee Contribution Rates	8.99%	13.75%	8.96%	13.75%
Required Employer Contribution Rates:				
Normal Cost Rate	25.860%	13.760%	20.090%	13.760%
Payment of Unfunded Liability	\$ 469,549	\$ 1,269	\$ 132,927	\$ 367

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The City made contributions to the Miscellaneous and Safety Plans during the fiscal year ended June 30, 2025 of \$1,354,761 and \$902,099, respectively.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

As of June 30, 2025, the City reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 10,381,575
Safety	7,415,941
Total Net Pension Liability	\$ 17,797,516

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, 2024, 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, 2023 rolled forward to June 30, 2024 using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for each plan as of the measurement date ended June 30, 2023 and 2024 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2023	0.20910 %	0.10068 %
Proportion - June 30, 2024	0.21465	0.10172
Change - Increase (Decrease)	0.00555 %	0.00104 %

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2025, the City recognized pension expense of \$3,471,349 (\$2,036,125 – Miscellaneous Plan and \$1,435,224 – Safety Plan). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,354,761	\$ -	\$ 902,099	\$ -
Differences Between Expected and Actual Experience	896,582	(34,027)	605,207	(19,678)
Change in Assumptions	266,828	-	182,714	-
Differences Between the Employer's Contributions and Proportionate Share of Contributions	10,329	(104,467)	86,098	(85,976)
Change in Employer's Proportion	40,844	(32,745)	65,086	(64,457)
Net Differences Between Projected and Actual Earnings on Plan Investments	597,655	-	358,453	-
Total	\$ 3,166,999	\$ (171,239)	\$ 2,199,657	\$ (170,111)

\$2,256,860 (\$1,354,761 – Miscellaneous Plan and \$902,099 – Safety Plan) reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Miscellaneous	Safety
2026	\$ 523,898	\$ 423,544
2027	1,314,693	831,069
2028	7,220	(4,522)
2029	(204,812)	(122,644)

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

(1) Varies by entry age and service

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumption. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RETIREMENT PLANS (CONTINUED)

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

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class (a)	New Strategic Allocation	Real Return Years (a) (b)
Global Equity	30.00 %	4.54 %
Global Equity - Non-Cap-Weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-Backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00 %</u>	

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

(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 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		
		Current	
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's Proportionate Share of the Net Pension Liability	<u>\$ 15,904,035</u>	<u>\$ 10,381,575</u>	<u>\$ 5,835,778</u>
	Safety		
		Current	
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's Proportionate Share of the Net Pension Liability	<u>\$ 10,957,766</u>	<u>\$ 7,415,941</u>	<u>\$ 4,519,226</u>

Pension Plans Fiduciary Net Position

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

Payable to the Pension Plans

At June 30, 2025, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2025.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457 whereby employees authorize the City to withhold funds from their salary to be invested in the plan's investment options. The plan, organized as a trust for the exclusive benefit of the participants and available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of this plan are not the property of the City and are not subject to the claims of the City's general creditors. As a result, the assets of this plan are not reported in the financial statements. The City contributed \$28,692 to the plan during fiscal year 2024-2025.

NOTE 11 GOVERNMENTAL MONEY PURCHASE PLAN

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

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 LITIGATION AND COMMITMENTS

Litigation

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to have a material adverse financial impact on the City. Additionally, City management believes that sufficient reserves are available to the City to cover any potential losses, should an unfavorable outcome materialize. See Note 14 for additional information regarding the City's risk management and Note 8 for the amount of fund balance assigned to self-insurance.

Construction Contracts and Commitments

As of June 30, 2025, construction contracts totaled \$8,582,076 of which \$5,420,714 has been expended. City commitments for outstanding encumbrances (purchase orders and contracts for goods and services not yet delivered) by major governmental funds is \$9,381,180 for capital improvements in the City and is shown as committed, assigned or restricted.

NOTE 13 POSTEMPLOYMENT HEALTH CARE BENEFITS

The City has no obligation to provide postemployment health care benefits for retirees. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), eligible employees may elect to pay for a continuation of insurance to provide healthcare benefits. Certain requirements are outlined by the federal government for this coverage. The premium plus a 2% administration fee is paid in full by the insured on or before the tenth day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the City under this program.

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

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 RISK MANAGEMENT

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

General Liability

As a member of PRISM, the City is self-insured for the first \$100,000 of each occurrence. The difference between the City's \$100,000 self-insurance retention and \$25,000,000 of pooled liability insurance for each occurrence is covered by PRISM, with an additional \$25,000,000 of purchased liability for a total of \$50,000,000. Specific coverage includes bodily injury, property damage, municipal errors and omissions and personal injury.

The City accounts for general liability as part of long-term debt in governmental activities.

Workers' Compensation

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

General liability and workers' compensation claims were as follows for June 30, 2025:

	General Liability	Workers' Compensation
Unpaid Claims - June 30, 2023	\$ 260,905	\$ 460,375
Incurred Claims (Including IBNR)	25,799	61,683
Claims Payments	(33,953)	(50,807)
Unpaid Claims - June 30, 2024	252,751	471,251
Incurred Claims (Including IBNR)	280,706	84,670
Claims Payments	(359,326)	(115,662)
Unpaid Claims - June 30, 2025	\$ 174,131	\$ 440,259

The general liability claims are recorded in the governmental activities. The workers' compensation claims are recorded in the internal service fund.

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 RISK MANAGEMENT (CONTINUED)

Workers' Compensation (Continued)

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, 2025.

Other Insurance Policies

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

NOTE 15 ASSESSMENT DISTRICT BOND ISSUES

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

At June 30, 2025, the outstanding special assessment district bond is as follows:

- The Ocean View/Pines Assessment District No. 2005-01 Bonds of \$932,201 were issued October 1, 2005, to finance the removal of overhead utilities in the Ocean View Pines neighborhood area. The bonds outstanding at June 30, 2025 were \$50,000.

NOTE 16 PRIOR PERIOD RESTATEMENT

The City implemented GASB 101: *Compensated Absences* during the fiscal year. This adjustment recognized vacation and sick leave (and applicable payroll taxes) that has not been used but is more likely than not to be used or settled in the future.

	Water Fund	Wastewater Fund	Nonmajor Clean Water Fund	Business-Type Activities	Governmental Activities
Net position, beginning of year, as previously reported	\$ 13,777,872	\$ 11,221,520	\$ 576,760	\$ 25,576,152	\$ 94,084,139
Implementation of GASB 101	<u>(10,008)</u>	<u>(11,533)</u>	<u>(3,793)</u>	<u>(25,334)</u>	<u>(94,891)</u>
Net position, beginning of year, as restated	<u>\$ 13,767,864</u>	<u>\$ 11,209,987</u>	<u>\$ 572,967</u>	<u>\$ 25,550,818</u>	<u>\$ 93,989,248</u>

**CITY OF DEL MAR, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 17 SUBSEQUENT EVENTS

On November 12, 2025, the City entered into a financing lease with California Infrastructure and Economic Development Bank for an amount of \$5,000,000 to fund a portion of the utility undergrounding project on property owned by the City. The City will make payments ranging from \$511,300 to \$578,418 beginning in February 2026 and ending in August 2035. The interest rate paid by the City is 3.03 percent.

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Measurement Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Plan's Proportion of the Net Pension Liability	0.16365 %	0.17212 %	0.17671 %	0.18155 %
Plan's Proportionate Share of the Net Pension Liability	\$ 4,489,625	\$ 5,979,285	\$ 6,966,181	\$ 6,842,255
Plan's Covered Payroll	\$ 2,850,725	\$ 3,083,838	\$ 3,198,271	\$ 3,211,144
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	157.49 %	193.89 %	217.81 %	213.08 %
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.70 %	74.06 %	73.31 %	75.26 %

NOTES TO SCHEDULE

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

From fiscal year June 30, 2018 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

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

<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
0.18627 %	0.19267 %	0.23996 %	0.26470 %	0.20910 %	0.21465 %
\$ 7,459,379	\$ 8,126,992	\$ 4,556,451	\$ 9,694,211	\$ 10,455,933	\$ 10,381,575
\$ 3,595,869	\$ 3,860,641	\$ 3,735,541	\$ 3,786,039	\$ 4,002,813	\$ 4,643,321
207.44 %	210.51 %	121.98 %	256.05 %	261.21 %	223.58 %
75.26 %	75.24 %	86.87 %	73.79 %	73.22 %	74.63 %

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

	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Contractually Required Contribution (Actuarially Determined)	\$ 529,486	\$ 579,144	\$ 617,792	\$ 742,811
Contributions in Relation to the Actuarially Determined Contributions	<u>(529,486)</u>	<u>(579,144)</u>	<u>(617,792)</u>	<u>(742,811)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,083,838	\$ 3,198,271	\$ 3,211,144	\$ 3,595,869
Contributions as a Percentage of Covered Payroll	17.17 %	18.11 %	19.24 %	20.66 %

NOTES TO SCHEDULE

Valuation Date	6/30/2013	6/30/2014	6/30/2015	6/30/2016
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value

Inflation	2.75 %	2.75 %	2.75 %	2.75 %
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 years for 3.00%@60 and 2.0%@60, 52 years for 2.0%@62**

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
\$ 848,836	\$ 903,226	\$ 1,024,043	\$ 1,123,944	\$ 1,179,869	\$ 1,354,761
<u>(848,836)</u>	<u>(903,226)</u>	<u>(1,024,043)</u>	<u>(1,123,944)</u>	<u>(1,179,869)</u>	<u>(1,354,761)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,860,641	\$ 3,735,541	\$ 3,786,039	\$ 4,002,813	\$ 4,643,321	\$ 4,928,760
21.99 %	24.18 %	27.05 %	28.08 %	25.41 %	27.49 %
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Entry age (1) Market Value	Entry age (1) Market Value	Entry age (1) Market Value	Entry age (1) Market Value	Entry age (1) Market Value	Entry age (1) Market Value
2.65 %	2.50 %	2.50 %	2.30 %	2.30 %	2.30 %
(2) 7.25% (3) (4) (5)	(2) 7.00% (3) (4) (5)	(2) 7.00% (3) (4) (5)	(2) 6.90% (3) (4) (5)	(2) 6.90% (3) (4) (5)	(2) 6.90% (3) (4) (5)

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

	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Measurement Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Plan's Proportion of the Net Pension Liability	0.08038 %	0.08286 %	0.08291 %	0.08578 %
Plan's Proportionate Share of the Net Pension Liability	\$ 3,311,865	\$ 4,291,288	\$ 4,953,802	\$ 5,033,469
Plan's Covered Payroll	\$ 1,305,573	\$ 1,336,570	\$ 1,289,037	\$ 1,225,539
Plan's Proportionate Share of the Net Pension Liability as as a Percentage of Covered Payroll	253.67 %	321.07 %	384.30 %	410.71 %
Plan's Proportionate Share of the Fiduciary Net Position as as a Percentage of the Plan's Total Pension Liability	79.38 %	74.06 %	73.31 %	72.26 %

NOTES TO SCHEDULE

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

From fiscal year June 30, 2018 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

From fiscal year June 30, 2013 to June 30, 2024:

There were no changes in assumptions.

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

<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
0.08753 %	0.09021 %	0.09424 %	0.12040 %	0.10068 %	0.10172 %
\$ 5,464,373	\$ 6,010,435	\$ 3,791,431	\$ 7,008,796	\$ 7,526,032	\$ 7,415,941
\$ 1,330,403	\$ 1,434,515	\$ 1,370,574	\$ 1,281,066	\$ 1,311,964	\$ 1,439,566
410.73 %	418.99 %	276.63 %	547.11 %	573.65 %	515.15 %
75.26 %	71.92 %	82.83 %	70.70 %	69.71 %	71.40 %

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

	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Contractually Required Contribution (Actuarially Determined)	\$ 336,247	\$ 370,167	\$ 399,196	\$ 476,504
Contributions in Relation to the Actuarially Determined Contributions	<u>(336,247)</u>	<u>(370,167)</u>	<u>(399,196)</u>	<u>(476,504)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,336,570	\$ 1,289,037	\$ 1,225,539	\$ 1,330,403
Contributions as a Percentage of Covered Payroll	25.16%	28.72%	32.57%	35.82%

NOTES TO SCHEDULE

Valuation Date	6/30/2013	6/30/2014	6/30/2015	6/30/2016
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Inflation	2.75 %	2.75 %	2.75 %	2.75 %
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 years for 3.00%@50 and 2.0%@50

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
\$ 569,914	\$ 613,844	\$ 674,037	\$ 736,587	\$ 770,762	\$ 902,099
<u>(569,914)</u>	<u>(613,844)</u>	<u>(674,037)</u>	<u>(736,587)</u>	<u>(770,762)</u>	<u>(902,099)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,434,515	\$ 1,370,574	\$ 1,281,066	\$ 1,311,964	\$ 1,439,566	\$ 1,661,245
39.73%	44.79%	52.62%	56.14%	53.54%	54.30%
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Entry age (1) Market Value	Entry age (1) Market Value	Entry age (1) Market Value	Entry age (1) Market Value	Entry age (1) Market Value	Entry age (1) Market Value
2.65 %	2.50 %	2.50 %	2.30 %	2.30 %	2.30 %
(2) 7.275% (3)	(2) 7.00% (3)	(2) 7.00% (3)	(2) 6.90% (3)	(2) 6.90% (3)	(2) 6.90% (3)
(4)	(4)	(4)	(4)	(4)	(4)
(5)	(5)	(5)	(5)	(5)	(5)

**CITY OF DEL MAR CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 19,478,300	\$ 19,658,300	\$ 20,004,542	\$ 346,242
Licenses, Fees, and Permits	1,342,000	1,342,000	1,309,055	(32,945)
Intergovernmental	345,010	345,010	201,472	(143,538)
Charges for Services	2,540,000	2,840,000	2,853,514	13,514
Fines and Forfeitures	1,427,000	1,527,000	1,756,260	229,260
Investment Income	704,000	704,000	1,755,905	1,051,905
Contributions	-	48,347	48,384	37
Other	30,000	71,880	457,485	385,605
Total Revenues	<u>25,866,310</u>	<u>26,536,537</u>	<u>28,386,617</u>	<u>1,850,080</u>
EXPENDITURES				
Current:				
General Government	8,007,540	8,637,370	7,955,416	681,954
Public Safety	8,745,050	8,908,779	8,629,028	279,751
Public Works	773,030	1,189,806	533,013	656,793
Capital Outlay	6,720,500	15,216,225	6,885,074	8,331,151
Debt Service:				
Principal	-	-	164,450	(164,450)
Interest	-	-	16,168	(16,168)
Total Expenditures	<u>24,246,120</u>	<u>33,952,180</u>	<u>24,183,149</u>	<u>9,769,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,620,190	(7,415,643)	4,203,468	11,619,111
OTHER FINANCING SOURCES (USES)				
Gain on Disposal of Assets	-	41,390	41,390	-
Transfers In	20,000	10,000	540,945	(530,945)
Transfers Out	(5,979,432)	(6,140,825)	(6,158,776)	(17,951)
Total Other Financing Sources (Uses)	<u>(5,959,432)</u>	<u>(6,089,435)</u>	<u>(5,576,441)</u>	<u>(548,896)</u>
NET CHANGE IN FUND BALANCE	(4,339,242)	(13,505,078)	(1,372,973)	11,070,215
Fund Balance - Beginning of Year	<u>23,790,859</u>	<u>23,790,859</u>	<u>23,790,859</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 19,451,617</u>	<u>\$ 10,285,781</u>	<u>\$ 22,417,886</u>	<u>\$ 11,070,215</u>

See accompanying Note to Required Supplementary Information.

**CITY OF DEL MAR, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

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

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This “appropriated budget” covers City expenditures in the General, Special Revenue, and Capital Projects Funds. The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between individual accounts within a fund. Supplemental budgetary increases in appropriations for the General, Special Revenue, and Capital Project Funds in the amount of \$7,043,904 were made during the year ended June 30, 2025.
3. Formal budgetary integration is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Unencumbered appropriations at year-end automatically lapse. Those appropriations may be re-encumbered in the following year only after reconsideration.
4. Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds (for which annual budgets were adopted) are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for the Regional Transportation Congestion Improvement Program (RTCIP) capital project fund or proprietary funds as the City is not legally required to adopt a budget for these types of funds.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from certain proceeds of taxes. If proceeds of taxes exceed allowed appropriations, the excess must be either refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules, or other refund arrangements.

NOTE 2 Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2025, two fund reflected expenditures in excess of budgeted amounts.

Fund	Appropriations	Expenditures	Excess
Grants Special Revenue Fund	\$ 73,373	\$ 81,064	\$ (7,691)
Housing Special Revenue Fund	57,240	57,329	(89)

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SUPPLEMENTARY INFORMATION

**CITY OF DEL MAR, CALIFORNIA
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2025**

	General Fund	Measure Q	Total General Fund
ASSETS			
Cash and Investments	\$ 15,484,698	\$ 8,078,114	\$ 23,562,812
Receivables:			
Taxes	1,074,072	696,149	1,770,221
Accrued Interest	57,918	16,235	74,153
Accounts, Net	657,147	-	657,147
Leases	8,869,710	-	8,869,710
Due from Other Agencies	122,099	-	122,099
Due from Other Funds	33,002	-	33,002
Prepaid Items	20,142	-	20,142
	<u>\$ 26,318,788</u>	<u>\$ 8,790,498</u>	<u>\$ 35,109,286</u>
LIABILITIES			
Accounts Payable	\$ 1,496,216	\$ 813,467	\$ 2,309,683
Accrued Liabilities	462,316	-	462,316
Deposits Payable	497,302	312,205	809,507
Due to Other Agencies	6,236	-	6,236
Unearned Revenue	162,313	-	162,313
Retention Payable	-	214,852	214,852
Total Liabilities	<u>2,624,383</u>	<u>1,340,524</u>	<u>3,964,907</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	8,657,147	-	8,657,147
Unavailable Revenues	69,346	-	69,346
Total Deferred Inflows of Resources	<u>8,726,493</u>	<u>-</u>	<u>8,726,493</u>
FUND BALANCES			
Nonspendable	20,142	-	20,142
Assigned	8,396,351	7,449,974	15,846,325
Unassigned	6,551,419	-	6,551,419
Total Fund Balances	<u>14,967,912</u>	<u>7,449,974</u>	<u>22,417,886</u>
	<u>\$ 26,318,788</u>	<u>\$ 8,790,498</u>	<u>\$ 35,109,286</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,318,788</u>	<u>\$ 8,790,498</u>	<u>\$ 35,109,286</u>

**CITY OF DEL MAR, CALIFORNIA
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	General Fund	Measure Q	Total General Fund
REVENUES			
Taxes	\$ 16,469,815	\$ 3,534,727	\$ 20,004,542
Licenses, Fees, and Permits	1,309,055	-	1,309,055
Intergovernmental	201,472	-	201,472
Charges for Services	2,853,514	-	2,853,514
Fines and Forfeitures	1,756,260	-	1,756,260
Investment Income	1,332,089	423,816	1,755,905
Contributions	48,384	-	48,384
Other	457,485	-	457,485
Total Revenues	<u>24,428,074</u>	<u>3,958,543</u>	<u>28,386,617</u>
EXPENDITURES			
Current:			
General Government	7,955,417	-	7,955,417
Public Safety	8,629,028	-	8,629,028
Public Works	533,013	-	533,013
Capital Outlay	-	6,885,074	6,885,074
Debt Service:			
Principal	164,450	-	164,450
Interest	16,168	-	16,168
Total Expenditures	<u>17,298,076</u>	<u>6,885,074</u>	<u>24,183,150</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,129,998	(2,926,531)	4,203,467
OTHER FINANCING SOURCES (USES)			
Gain on Disposal of Asset	41,390	-	41,390
Transfers In	2,186,496	-	2,186,496
Transfers Out	(7,804,326)	-	(7,804,326)
Total Other Financing Sources (Uses)	<u>(5,576,440)</u>	<u>-</u>	<u>(5,576,440)</u>
NET CHANGE IN FUND BALANCES	1,553,558	(2,926,531)	(1,372,973)
Fund Balances - Beginning of Year	<u>13,414,354</u>	<u>10,376,505</u>	<u>23,790,859</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,967,912</u>	<u>\$ 7,449,974</u>	<u>\$ 22,417,886</u>

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**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Special Revenue Funds			
	Gasoline Tax	Open Space	Supplemental Law Enforcement	Regional Communications System
ASSETS				
Cash and Investments	\$ 58,584	\$ 553,047	\$ 884	\$ 47,664
Receivables:				
Accrued Interest	-	-	393	-
Accounts, Net	20,466	62,385	-	-
Total Assets	<u>\$ 79,050</u>	<u>\$ 615,432</u>	<u>\$ 1,277</u>	<u>\$ 47,664</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 59,071	\$ 58,164	\$ -	\$ -
Deposits Payable	-	65,819	-	-
Due to Other Funds	-	-	866	32,136
Total Liabilities	<u>59,071</u>	<u>123,983</u>	<u>866</u>	<u>32,136</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenues	-	61,639	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>61,639</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Public Safety	-	-	411	15,528
Low-Income Housing	-	-	-	-
Public Works	-	-	-	-
Street Projects	19,979	-	-	-
Committed to:				
Parks and Recreation	-	429,810	-	-
Total Fund Balances	<u>19,979</u>	<u>429,810</u>	<u>411</u>	<u>15,528</u>
Total Liabilities and Fund Balances	<u>\$ 79,050</u>	<u>\$ 615,432</u>	<u>\$ 1,277</u>	<u>\$ 47,664</u>

**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025**

Special Revenue Funds				Capital Projects Funds		
Grants	Housing	AB 939	RMRA	Transnet II Capital Improvements	RTCIP	Total
\$ 150,885	\$ 154,528	\$ 645,401	\$ 202,378	\$ 3,480	\$ 38,055	\$ 1,854,906
298	3,570	1,287	399	7	75	6,029
15,600	-	37,500	19,000	-	-	154,951
<u>\$ 166,783</u>	<u>\$ 158,098</u>	<u>\$ 684,188</u>	<u>\$ 221,777</u>	<u>\$ 3,487</u>	<u>\$ 38,130</u>	<u>\$ 2,015,886</u>
\$ 7,008	\$ 94	\$ 4,992	\$ -	\$ -	\$ -	\$ 129,329
-	-	-	-	-	-	65,819
-	-	-	-	-	-	33,002
<u>7,008</u>	<u>94</u>	<u>4,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,150</u>
-	-	-	-	-	-	61,639
-	-	-	-	-	-	61,639
159,775	-	-	-	-	-	175,714
-	158,004	-	-	-	-	158,004
-	-	679,196	-	-	-	679,196
-	-	-	221,777	3,487	38,130	283,373
-	-	-	-	-	-	429,810
<u>159,775</u>	<u>158,004</u>	<u>679,196</u>	<u>221,777</u>	<u>3,487</u>	<u>38,130</u>	<u>1,726,097</u>
<u>\$ 166,783</u>	<u>\$ 158,098</u>	<u>\$ 684,188</u>	<u>\$ 221,777</u>	<u>\$ 3,487</u>	<u>\$ 38,130</u>	<u>\$ 2,015,886</u>

**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			
	Gasoline Tax	Open Space	Supplemental Law Enforcement	Regional Communications System
REVENUES				
Taxes	\$ -	\$ 5,374	\$ -	\$ 43,596
Licenses, Fees, and Permits	-	423,759	-	-
Intergovernmental	115,990	3,817	100,000	-
Investment Income (Loss)	-	225,121	5,215	1,569
Other	-	2,856	94,663	-
Total Revenues	<u>115,990</u>	<u>660,927</u>	<u>199,878</u>	<u>45,165</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	708,590	-	-	-
Parks and Recreation	-	1,313,539	-	-
Capital Outlay	-	206,364	-	-
Debt Service:				
Principal	-	-	-	44,388
Interest	-	-	-	780
Total Expenditures	<u>708,590</u>	<u>1,519,903</u>	<u>-</u>	<u>45,168</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(592,600)	(858,976)	199,878	(3)
OTHER FINANCING SOURCES (USES)				
Transfers In	612,579	919,655	-	-
Transfers Out	-	-	(199,467)	-
Total Other Financing Sources (Uses)	<u>612,579</u>	<u>919,655</u>	<u>(199,467)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	19,979	60,679	411	(3)
Fund Balances - Beginning of Year	<u>-</u>	<u>369,131</u>	<u>-</u>	<u>15,531</u>
FUND BALANCES - END OF YEAR	<u>\$ 19,979</u>	<u>\$ 429,810</u>	<u>\$ 411</u>	<u>\$ 15,528</u>

**CITY OF DEL MAR, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Special Revenue Funds				Capital Projects Funds		
Grants	Housing	AB 939	RMRA	Transnet II Capital Improvements	RTCIP	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,970
-	162,855	-	-	-	-	586,614
78,751	-	5,000	107,819	191,159	-	602,536
6,316	59,282	24,709	6,574	122	1,526	330,434
-	-	150,000	-	-	-	247,519
<u>85,067</u>	<u>222,137</u>	<u>179,709</u>	<u>114,393</u>	<u>191,281</u>	<u>1,526</u>	<u>1,816,073</u>
-	57,329	72,572	-	-	-	129,901
69,556	-	-	-	-	-	69,556
-	-	-	-	-	-	708,590
11,508	-	-	-	-	-	1,325,047
-	-	-	-	60,000	-	266,364
-	-	-	-	76,250	-	120,638
-	-	-	-	54,909	-	55,689
<u>81,064</u>	<u>57,329</u>	<u>72,572</u>	<u>-</u>	<u>191,159</u>	<u>-</u>	<u>2,675,785</u>
4,003	164,808	107,137	114,393	122	1,526	(859,712)
-	-	-	-	-	-	1,532,234
-	(1,655,550)	-	-	-	-	(1,855,017)
-	(1,655,550)	-	-	-	-	(322,783)
4,003	(1,490,742)	107,137	114,393	122	1,526	(1,182,495)
<u>155,772</u>	<u>1,648,746</u>	<u>572,059</u>	<u>107,384</u>	<u>3,365</u>	<u>36,604</u>	<u>2,908,592</u>
<u>\$ 159,775</u>	<u>\$ 158,004</u>	<u>\$ 679,196</u>	<u>\$ 221,777</u>	<u>\$ 3,487</u>	<u>\$ 38,130</u>	<u>\$ 1,726,097</u>

**CITY OF DEL MAR, CALIFORNIA
GASOLINE TAX SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 114,770	\$ 114,770	\$ 115,990	\$ 1,220
Total Revenues	<u>114,770</u>	<u>114,770</u>	<u>115,990</u>	<u>1,220</u>
EXPENDITURES				
Current:				
Public Works	887,450	904,114	708,590	195,524
Total Expenditures	<u>887,450</u>	<u>904,114</u>	<u>708,590</u>	<u>195,524</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(772,680)	(789,344)	(592,600)	196,744
OTHER FINANCING SOURCES				
Transfers In	772,680	787,745	612,579	175,166
Total Other Financing Sources	<u>772,680</u>	<u>787,745</u>	<u>612,579</u>	<u>175,166</u>
NET CHANGE IN FUND BALANCE	-	(1,599)	19,979	371,910
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (1,599)</u>	<u>\$ 19,979</u>	<u>\$ 371,910</u>

**CITY OF DEL MAR, CALIFORNIA
OPEN SPACE SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 12,000	\$ 12,000	\$ 5,374	\$ (6,626)
Licenses, Fees, and Permits	440,000	440,000	423,759	(16,241)
Intergovernmental	5,000	685,000	3,817	(681,183)
Investment Income	221,670	221,670	225,121	3,451
Contributions	137,000	941,673	-	(941,673)
Other	42,860	42,860	2,856	(40,004)
Total Revenues	<u>858,530</u>	<u>2,343,203</u>	<u>660,927</u>	<u>(1,682,276)</u>
EXPENDITURES				
Current:				
General Government	31,000	31,000	-	31,000
Parks and Recreation	1,430,360	1,436,029	1,313,539	122,490
Capital Outlay	50,000	1,776,398	206,364	1,570,034
Total Expenditures	<u>1,511,360</u>	<u>3,243,427</u>	<u>1,519,903</u>	<u>1,723,524</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(652,830)	(900,224)	(858,976)	41,248
OTHER FINANCING SOURCES				
Transfers In	652,830	591,058	919,655	328,597
Total Other Financing Sources	<u>652,830</u>	<u>591,058</u>	<u>919,655</u>	<u>328,597</u>
NET CHANGE IN FUND BALANCE	-	(309,166)	60,679	369,845
Fund Balance - Beginning of Year	<u>369,131</u>	<u>369,131</u>	<u>369,131</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 369,131</u>	<u>\$ 59,965</u>	<u>\$ 429,810</u>	<u>\$ 369,845</u>

**CITY OF DEL MAR, CALIFORNIA
SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment Income	-	-	5,215	5,215
Other	60,000	94,000	94,663	663
Total Revenues	160,000	194,000	199,878	5,878
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	160,000	194,000	199,878	5,878
OTHER FINANCING USES				
Transfers Out	(160,000)	(194,000)	(199,467)	(5,467)
Total Other Financing Uses	(160,000)	(194,000)	(199,467)	(5,467)
NET CHANGE IN FUND BALANCE	-	-	411	411
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 411	\$ 411

**CITY OF DEL MAR, CALIFORNIA
REGIONAL COMMUNICATIONS SYSTEM SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 45,000	\$ 45,000	\$ 43,596	\$ (1,404)
Investment Income	-	-	1,569	1,569
Total Revenues	45,000	45,000	45,165	165
EXPENDITURES				
Debt Service:				
Principal	59,900	59,900	44,388	15,512
Interest	1,350	1,350	780	570
Total Expenditures	61,250	61,250	45,168	16,082
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(16,250)	(16,250)	(3)	16,247
OTHER FINANCING SOURCES				
Transfers In	13,897	13,897	-	(13,897)
Total Other Financing Sources	13,897	13,897	-	(13,897)
NET CHANGE IN FUND BALANCE	(2,353)	(2,353)	(3)	2,350
Fund Balance - Beginning of Year	15,531	15,531	15,531	-
FUND BALANCE - END OF YEAR	\$ 13,178	\$ 13,178	\$ 15,528	\$ 2,350

**CITY OF DEL MAR, CALIFORNIA
GRANTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 52,470	\$ 64,673	\$ 78,751	\$ 14,078
Investment Income	7,530	7,530	6,316	(1,214)
Total Revenues	<u>60,000</u>	<u>72,203</u>	<u>85,067</u>	<u>12,864</u>
EXPENDITURES				
Current:				
Public Safety	61,170	61,170	69,556	(8,386)
Parks and Recreation	-	12,203	11,508	695
Total Expenditures	<u>61,170</u>	<u>73,373</u>	<u>81,064</u>	<u>(7,691)</u>
NET CHANGE IN FUND BALANCE	(1,170)	(1,170)	4,003	5,173
Fund Balance - Beginning of Year	<u>155,772</u>	<u>155,772</u>	<u>155,772</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 154,602</u></u>	<u><u>\$ 154,602</u></u>	<u><u>\$ 159,775</u></u>	<u><u>\$ 5,173</u></u>

**CITY OF DEL MAR, CALIFORNIA
HOUSING SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Fees, and Permits	\$ -	\$ 132,850	\$ 162,855	\$ 30,005
Investment Income	30,000	30,000	59,282	29,282
Total Revenues	30,000	162,850	222,137	59,287
EXPENDITURES				
Current:				
General Government	40,000	57,240	57,329	(89)
Total Expenditures	40,000	57,240	57,329	(89)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,000)	105,610	164,808	59,198
OTHER FINANCING SOURCES (USES)				
Transfers Out	(26,375)	-	(1,655,550)	1,655,550
Total Other Financing Sources (Uses)	(26,375)	-	(1,655,550)	(1,655,550)
NET CHANGE IN FUND BALANCE	(36,375)	105,610	(1,490,742)	(1,596,352)
Fund Balance - Beginning of Year	1,648,746	1,648,746	1,648,746	-
FUND BALANCE - END OF YEAR	\$ 1,612,371	\$ 1,754,356	\$ 158,004	\$ (1,596,352)

**CITY OF DEL MAR, CALIFORNIA
AB 939 SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 5,000	\$ (145,000)
Investment Income	4,000	4,000	24,709	20,709
Other	-	-	150,000	150,000
Total Revenues	<u>154,000</u>	<u>154,000</u>	<u>179,709</u>	<u>25,709</u>
EXPENDITURES				
Current:				
General Government	<u>118,890</u>	<u>118,890</u>	<u>72,572</u>	<u>46,318</u>
Total Expenditures	<u>118,890</u>	<u>118,890</u>	<u>72,572</u>	<u>46,318</u>
NET CHANGE IN FUND BALANCE	35,110	35,110	107,137	72,027
Fund Balance - Beginning of Year	<u>572,059</u>	<u>572,059</u>	<u>572,059</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 607,169</u></u>	<u><u>\$ 607,169</u></u>	<u><u>\$ 679,196</u></u>	<u><u>\$ 72,027</u></u>

**CITY OF DEL MAR, CALIFORNIA
ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 100,860	\$ 100,860	\$ 107,819	\$ 6,959
Investment Income	-	-	6,574	6,574
Total Revenues	<u>100,860</u>	<u>100,860</u>	<u>114,393</u>	<u>13,533</u>
OTHER FINANCING USES				
Transfers Out	<u>(100,860)</u>	<u>(208,245)</u>	-	208,245
Total Other Financing Uses	<u>(100,860)</u>	<u>(208,245)</u>	-	<u>208,245</u>
NET CHANGE IN FUND BALANCE	-	(107,385)	114,393	221,778
Fund Balance - Beginning of Year	<u>107,384</u>	<u>107,384</u>	<u>107,384</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 107,384</u>	<u>\$ (1)</u>	<u>\$ 221,777</u>	<u>\$ 221,778</u>

**CITY OF DEL MAR, CALIFORNIA
TRANSNET II CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 147,000	\$ 578,000	\$ 191,159	\$ (386,841)
Investment Income	-	-	122	122
Total Revenues	<u>147,000</u>	<u>578,000</u>	<u>191,281</u>	<u>(386,719)</u>
EXPENDITURES				
Capital Outlay	147,000	578,000	60,000	518,000
Debt Service:				
Principal	-	-	76,250	(76,250)
Interest	-	-	54,909	(54,909)
Total Expenditures	<u>147,000</u>	<u>578,000</u>	<u>191,159</u>	<u>386,841</u>
NET CHANGE IN FUND BALANCE	-	-	122	122
Fund Balance - Beginning of Year	<u>3,365</u>	<u>3,365</u>	<u>3,365</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,365</u>	<u>\$ 3,365</u>	<u>\$ 3,487</u>	<u>\$ 122</u>

**CITY OF DEL MAR, CALIFORNIA
CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND - MAJOR FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,411,950	\$ 2,835,764	\$ 182,145	\$ (2,653,619)
Investment Income	-	-	214,538	214,538
Total Revenues	1,411,950	2,835,764	396,683	(2,439,081)
EXPENDITURES				
General Government	202,980	202,980	40,513	162,467
Capital Outlay	2,179,450	4,811,925	2,458,116	2,353,809
Debt Service:				
Principal	403,730	403,730	430,317	(26,587)
Interest	457,580	457,580	430,561	27,019
Total Expenditures	3,243,740	5,876,215	3,359,507	2,516,708
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,831,790)	(3,040,451)	(2,962,824)	77,627
OTHER FINANCING SOURCES				
Transfers In	4,331,790	4,617,098	5,705,767	1,088,669
Total Other Financing Sources	4,331,790	4,617,098	5,705,767	1,088,669
NET CHANGE IN FUND BALANCE	2,500,000	1,576,647	2,742,943	1,166,296
Fund Balance - Beginning of Year	1,573,353	1,573,353	1,573,353	-
FUND BALANCE - END OF YEAR	\$ 4,073,353	\$ 3,150,000	\$ 4,316,296	\$ 1,166,296

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**CITY OF DEL MAR, CALIFORNIA
CUSTODIAL FUNDS
JUNE 30, 2025**

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

The City of Del Mar has the following custodial funds:

- Stratford and Luneta Undergrounding Assessment District 1989-01
- San Dieguito Drive Assessment District 6022-08
- Seawall Refinance Assessment District 1999-01
- Ocean View/Pines Assessment District 2005-001
- Sunset Undergrounding Assessment District 2007-02

**CITY OF DEL MAR, CALIFORNIA
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Stratford and Luneta Undergrounding Assessment District 1989-01	San Dieguito Drive Assessment District 6022-08	Seawall Refinance Assessment District 1999-01	Ocean View/ Pines Assessment District 2005-01	Sunset Undergrounding Assessment District 2007-02	Total
ASSETS						
Accounts Receivable	\$ 229	\$ 5	\$ 53	\$ 65	\$ 22	\$ 374
Restricted Assets:						
Cash and Investments	116,064	17,898	27,057	22,772	11,401	195,192
Total Assets	<u>116,293</u>	<u>17,903</u>	<u>27,110</u>	<u>22,837</u>	<u>11,423</u>	<u>195,566</u>
NET POSITION						
Restricted for Bond Holders	<u>116,293</u>	<u>17,903</u>	<u>27,110</u>	<u>22,837</u>	<u>11,423</u>	<u>195,566</u>
Total Net Position	<u>\$ 116,293</u>	<u>\$ 17,903</u>	<u>\$ 27,110</u>	<u>\$ 22,837</u>	<u>\$ 11,423</u>	<u>\$ 195,566</u>

**CITY OF DEL MAR, CALIFORNIA
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	Stratford and Luneta Undergrounding Assessment District 1989-01	San Dieguito Drive Assessment District 6022-08	Seawall Refinance Assessment District 1999-01	Ocean View/ Pines Assessment District 2005-01	Sunset Undergrounding Assessment District 2007-02	Total
ADDITIONS						
Investment Income	\$ 4,651	\$ 92	\$ 1,084	\$ 499	\$ 457	\$ 6,783
Special Assessments or Special Taxes Collected from Property Owners	-	17,811	-	41,055	-	58,866
Total Additions	<u>4,651</u>	<u>17,903</u>	<u>1,084</u>	<u>41,554</u>	<u>457</u>	<u>65,649</u>
DEDUCTIONS						
Payment for Special Tax Debt	-	-	-	58,450	-	58,450
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,450</u>	<u>-</u>	<u>58,450</u>
CHANGE IN NET POSITION	4,651	17,903	1,084	(16,896)	457	7,199
Total Net Position - Beginning of Year	<u>111,642</u>	<u>-</u>	<u>26,026</u>	<u>39,733</u>	<u>10,966</u>	<u>188,367</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 116,293</u>	<u>\$ 17,903</u>	<u>\$ 27,110</u>	<u>\$ 22,837</u>	<u>\$ 11,423</u>	<u>\$ 195,566</u>

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CITY OF DEL MAR STATISTICAL SECTION

Fiscal Year 2024-2025



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

Contents	Page
Financial Trends These tables contain trend information that may assist the reader in the City's current financial performance by placing it in historical perspective.	112
Revenue Capacity These tables contain information that may help in assessing the viability of the City's most significant revenue sources - property taxes, transient occupancy tax (TOT), and sales and use tax.	124
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	138
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.	144
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.	147

City of Del Mar

Net Position by Component ⁽¹⁾

Last Ten Fiscal Years Ended June 30, 2025

(Accrual basis of accounting)

	Fiscal Year				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Governmental Activities					
Net investment in capital assets	\$ 63,917,170	\$ 70,677,865	\$ 70,478,246	\$ 71,168,471	\$ 73,838,956
Restricted	706,189	779,035	755,945	690,821	679,422
Unrestricted	3,657,031	(1,945,483)	2,549,881	1,320,489	(1,830,925)
Total governmental activities net position	\$ 68,280,390	\$ 69,511,417	\$ 73,784,072	\$ 73,179,781	\$ 72,687,453
Business-type Activities					
Net investment in capital assets	\$ 21,145,247	\$ 21,782,050	\$ 21,388,165	\$ 20,887,789	\$ 20,418,606
Restricted	-	-	-	-	563,791
Unrestricted	1,565,516	1,425,671	1,219,695	1,850,025	1,250,437
Total business-type activities net position	\$ 22,710,763	\$ 23,207,721	\$ 22,607,860	\$ 22,737,814	\$ 22,232,834
Primary Government					
Net investment in capital assets	\$ 85,062,417	\$ 92,459,915	\$ 91,866,411	\$ 92,056,260	\$ 94,257,562
Restricted	706,189	779,035	755,945	690,821	679,422
Unrestricted	5,222,547	(519,812)	3,769,576	3,170,514	(580,488)
Total primary government net position	\$ 90,991,153	\$ 92,719,138	\$ 96,391,932	\$ 95,917,595	\$ 94,356,496

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.

Source: City of Del Mar, Finance Department

Fiscal Year				
2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
\$ 72,058,048	\$ 71,521,446	\$ 72,814,107	\$ 74,124,783	\$ 80,199,344
934,485	1,123,980	1,822,991	2,041,721	1,296,288
1,674,375	6,639,579	12,806,433	17,917,635	20,371,411
<u>\$ 74,666,908</u>	<u>\$ 79,285,005</u>	<u>\$ 87,443,531</u>	<u>\$ 94,084,139</u>	<u>\$ 101,867,043</u>
\$ 20,447,077	\$ 20,926,230	\$ 20,591,860	\$ 21,022,639	\$ 20,533,561
-	-	-	-	561,807
2,453,280	2,795,724	4,190,537	4,553,513	5,110,118
<u>\$ 22,900,357</u>	<u>\$ 23,721,954</u>	<u>\$ 24,782,397</u>	<u>\$ 25,576,152</u>	<u>\$ 26,205,486</u>
\$ 92,505,125	\$ 92,447,676	\$ 93,405,967	\$ 95,147,422	\$ 100,732,905
934,485	1,123,980	1,822,991	2,041,721	1,858,095
4,127,655	9,435,303	16,996,970	22,471,148	25,481,529
<u>\$ 97,567,265</u>	<u>\$ 103,006,959</u>	<u>\$ 112,225,928</u>	<u>\$ 119,660,291</u>	<u>\$ 128,072,529</u>

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

	Fiscal Year				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Expenses					
Governmental Activities					
General government	\$ 5,362,200	\$ 6,676,027	\$ 6,360,890	\$ 8,461,528	\$ 9,079,633
Public safety	5,716,667	6,676,661	6,861,913	7,104,779	7,955,624
Public works	1,410,511	1,892,772	1,889,260	5,895,910	2,656,048
Parks and recreation	936,586	951,289	894,067	776,548	1,162,397
Interest on long-term debt	155,143	719,263	668,368	653,705	630,051
Total governmental activities expenses	13,581,107	16,916,012	16,674,498	22,892,470	21,483,753
Business-type Activities					
Water	3,072,195	3,286,281	3,323,365	3,375,306	3,666,650
Wastewater	2,500,851	2,530,107	2,996,746	3,217,465	4,029,879
Clean water	464,373	532,792	498,076	559,551	599,643
Total business-type activities expenses	6,037,419	6,349,180	6,818,187	7,152,322	8,296,172
Total primary government expenses	\$ 19,618,526	\$ 23,265,192	\$ 23,492,685	\$ 30,044,792	\$ 29,779,925
Program Revenues					
Governmental Activities					
Charges for services:					
General government	\$ 1,646,441	\$ 1,547,069	\$ 1,735,309	\$ 1,894,634	\$ 1,789,928
Public safety	1,457,029	1,382,501	1,405,751	1,778,983	1,868,370
Public works	-	-	-	2,404	2,483
Parks and recreation	410,206	383,027	378,446	418,447	413,491
Operating grants and contributions	285,416	231,257	522,338	481,814	329,537
Capital grants and contributions	951,754	1,802,911	885,773	585,058	915,994
Total governmental activities program revenues	4,750,846	5,346,765	4,927,617	5,161,340	5,319,803
Business-type Activities					
Charges for services:					
Water	2,822,138	2,745,721	3,085,668	3,440,656	3,348,654
Wastewater	3,675,632	3,486,362	3,283,228	3,096,774	3,261,067
Clean water	408,037	420,388	476,980	546,730	548,327
Capital grants and contributions	5,000	5,000	5,000	5,000	-
Total business-type activities program revenues	6,910,807	6,657,471	6,850,876	7,089,160	7,158,048
Total primary government revenues	\$ 11,661,653	\$ 12,004,236	\$ 11,778,493	\$ 12,250,500	\$ 12,477,851
Net revenues/(expenses): ⁽¹⁾					
Governmental activities	\$ (8,830,261)	\$ (11,569,247)	\$ (11,746,881)	\$ (17,731,130)	\$ (16,163,950)
Business-type activities	873,388	308,291	32,689	(63,162)	(1,138,124)
Total net revenues/(expenses)	\$ (7,956,873)	\$ (11,260,956)	\$ (11,714,192)	\$ (17,794,292)	\$ (17,302,074)
General Revenue and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	\$ 5,291,352	\$ 5,640,285	\$ 6,752,952	\$ 6,491,063	\$ 6,679,052
Unrestricted Shared Sales and Use Tax	1,998,279	2,332,522	2,227,309	4,854,514	5,043,747
Transient occupancy tax	2,444,275	2,617,866	2,697,297	3,001,300	2,982,510
Franchise tax	367,471	369,524	459,271	387,466	424,930
Business license tax	208,898	226,508	240,103	241,008	243,198
Intergovernmental-Unrestricted Other	278,081	182,140	133,399	212,514	162,280
Investment Income	239,734	298,974	245,548	386,787	519,309
Sale of capital assets	-	108,023	-	-	-
Other	493,914	1,050,341	437,304	211,161	913,350
Transfers	(35,381)	(54,285)	26,239	-	-
Total governmental activities	11,286,623	12,771,898	13,219,422	15,785,813	16,968,376
Business-type activities					
Unrestricted investment earnings	27,729	35,501	21,501	34,566	124,228
Transfers	35,381	54,285	(26,239)	-	-
Total business-type activities	63,110	89,786	(4,738)	34,566	124,228
Total primary government	\$ 11,349,733	\$ 12,861,684	\$ 13,214,684	\$ 15,820,379	\$ 17,092,604
Change in Net Position					
Governmental activities	\$ 2,939,316	\$ 4,537,556	\$ 1,231,027	\$ (1,945,317)	\$ 804,426
Business-type activities	402,787	709,838	496,958	(28,596)	(1,013,896)
Total primary government	\$ 3,342,103	\$ 5,247,394	\$ 1,727,985	\$ (1,973,913)	\$ (209,470)

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

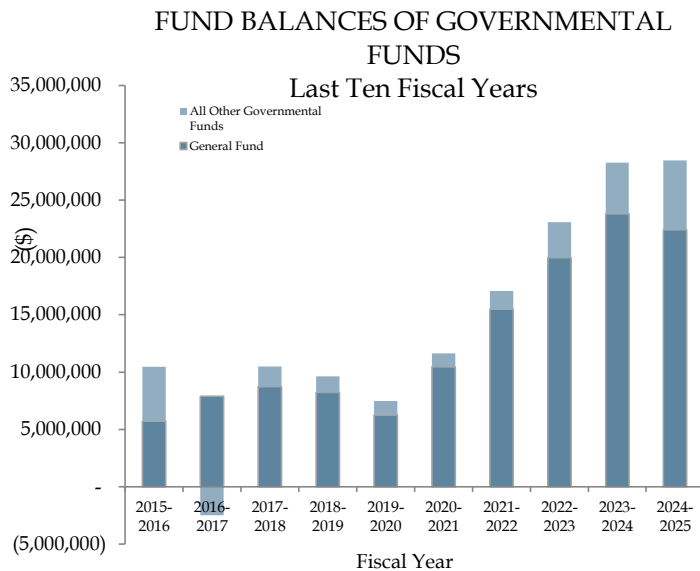
City of Del Mar
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

		Fiscal Year				
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	
\$	7,048,840	\$ 7,424,735	\$ 8,322,650	\$ 8,547,152	\$ 9,044,890	
	7,699,253	7,626,541	7,185,111	8,682,797	9,432,744	
	2,514,209	2,644,194	2,146,591	3,232,073	3,232,499	
	773,562	1,059,781	1,069,630	1,271,315	1,689,494	
	485,322	550,712	529,709	524,844	553,904	
	18,521,186	19,305,963	19,253,691	22,258,181	23,953,531	
	3,779,243	4,043,288	3,906,853	4,306,379	4,690,283	
	3,638,587	3,337,828	3,403,091	3,758,904	4,226,270	
	515,052	636,499	663,559	712,845	752,068	
	7,932,882	8,017,615	7,973,503	8,778,128	9,668,621	
\$	26,454,068	\$ 27,323,578	\$ 27,227,194	\$ 31,036,309	\$ 33,622,152	
\$	1,913,924	\$ 2,158,279	\$ 2,579,851	\$ 2,509,385	\$ 2,540,674	
	1,870,581	2,579,997	2,864,512	3,087,675	3,524,775	
	-	2,636	23,720	3,216	-	
	225,363	447,250	487,329	493,675	516,529	
	467,683	426,084	1,331,486	445,328	553,695	
	955,619	484,867	1,062,926	1,622,451	1,879,201	
	5,433,170	6,099,113	8,349,824	8,161,730	9,014,874	
	3,675,298	4,363,056	4,228,276	4,418,625	4,874,075	
	3,362,819	3,884,184	3,870,619	4,001,968	4,307,520	
	562,349	577,050	550,727	551,131	572,473	
	-	57,316	75,527	109,214	48,364	
	7,600,466	8,881,606	8,725,149	9,080,938	9,802,432	
\$	13,033,636	\$ 14,980,719	\$ 17,074,973	\$ 17,242,668	\$ 18,817,306	
\$	(13,088,016)	\$ (13,206,850)	\$ (10,903,867)	\$ (14,096,451)	\$ (14,938,657)	
	(332,416)	863,991	751,646	302,810	133,811	
\$	(13,420,432)	\$ (12,342,859)	\$ (10,152,221)	\$ (13,793,641)	\$ (14,804,846)	
\$	6,993,953	\$ 7,771,396	\$ 8,322,387	\$ 8,818,680	\$ 9,203,373	
	3,752,696	5,456,137	5,633,731	5,524,279	5,832,131	
	2,300,504	3,419,866	3,816,392	3,799,038	4,084,758	
	390,482	404,226	442,408	446,817	422,411	
	235,557	282,187	276,466	362,769	360,364	
	120,701	151,499	71,964	73,976	-	
	387,953	(139,964)	559,904	1,520,898	2,300,875	
	-	-	-	-	-	
	1,023,262	549,295	164,988	328,677	847,387	
	(77,893)	(87,871)	(225,846)	(138,075)	(234,847)	
	15,127,215	17,806,771	19,062,394	20,737,059	22,816,452	
	112,833	(112,089)	82,951	352,870	286,010	
	77,893	87,871	225,846	138,075	234,847	
	190,726	(24,218)	308,797	490,945	520,857	
\$	15,317,941	\$ 17,782,553	\$ 19,371,191	\$ 21,228,004	\$ 23,337,309	
\$	2,039,199	\$ 4,599,921	\$ 8,158,527	\$ 6,640,608	\$ 7,877,795	
	(141,690)	839,773	1,060,443	793,755	654,668	
\$	1,897,509	\$ 5,439,694	\$ 9,218,970	\$ 7,434,363	\$ 8,532,463	

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

	Fiscal Year				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
General Fund					
Nonspendable	\$ -	\$ 23,338	\$ 6,579	\$ 2,877	\$ 3,341
Assigned	1,530,159	2,233,502	5,100,305	2,669,278	3,747,450
Unassigned	4,192,011	5,647,975	3,633,422	5,558,534	2,507,169
Total general fund	<u>\$ 5,722,170</u>	<u>\$ 7,904,815</u>	<u>\$ 8,740,306</u>	<u>\$ 8,230,689</u>	<u>\$ 6,257,960</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	706,189	779,035	755,945	690,821	679,422
Committed	302,160	299,688	193,395	395,516	268,295
Assigned	3,737,345	(3,571,263)	805,635	320,493	278,065
Total all other governmental funds	<u>\$ 4,745,694</u>	<u>\$ (2,492,540)</u>	<u>\$ 1,754,975</u>	<u>\$ 1,406,830</u>	<u>\$ 1,225,782</u>

Source: City of Del Mar, Finance Department



(Concluded)

Fiscal Year				
2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
\$ 50,415	\$ 88	\$ 2,493	\$ 14,479	\$ 20,142
2,825,035	9,953,902	13,583,051	18,818,916	13,992,385
7,595,965	5,531,452	6,398,478	4,957,464	8,405,359
<u>\$ 10,471,415</u>	<u>\$ 15,485,442</u>	<u>\$ 19,984,022</u>	<u>\$ 23,790,859</u>	<u>\$ 22,417,886</u>
\$ 77	\$ 88	\$ -	\$ -	\$ -
698,223	869,203	1,822,991	2,539,461	1,296,287
147,207	358,387	278,263	369,131	429,810
308,370	360,814	991,015	1,573,353	4,316,296
<u>\$ 1,153,877</u>	<u>\$ 1,588,492</u>	<u>\$ 3,092,269</u>	<u>\$ 4,481,945</u>	<u>\$ 6,042,393</u>

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

	Fiscal Year				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Revenues:					
Taxes	\$11,291,573	\$ 12,483,838	\$ 15,119,862	\$ 15,561,911	\$ 13,865,011
Licenses and permits	1,313,261	1,473,672	1,560,470	1,424,462	1,175,755
Intergovernmental	2,049,910	640,435	940,761	1,144,117	1,247,627
Charges for services	1,471,767	1,537,125	1,760,952	1,969,158	2,102,617
Fines and forfeitures	579,364	561,080	716,505	740,862	797,887
Use of money and property	298,973	245,548	496,853	519,309	387,953
Contributions	13,612	77,464	161,500	25,730	32,680
Other revenues	1,046,464	1,101,638	190,250	902,630	1,028,748
Total revenues	<u>18,064,924</u>	<u>18,120,800</u>	<u>20,947,153</u>	<u>22,288,179</u>	<u>20,638,278</u>
Expenditures:					
General government	5,055,390	6,212,785	5,921,425	7,459,736	7,511,186
Public safety	5,769,859	6,411,309	6,405,468	6,823,281	7,309,028
Public works	589,870	646,739	613,939	753,994	860,139
Parks and recreation	907,484	910,515	834,530	916,556	945,702
Capital outlays	6,620,181	11,952,324	12,347,347	7,643,140	4,953,541
Debt service:					
Principal	50,000	88,352	481,658	478,878	499,788
Interest and fiscal charges	155,143	506,960	672,959	657,891	634,778
Cost of issuance	-	161,610	-	-	-
Total expenditures	<u>19,147,927</u>	<u>26,890,594</u>	<u>27,277,326</u>	<u>24,733,476</u>	<u>22,714,162</u>
Excess of revenues over (under) expenditures	<u>(1,083,003)</u>	<u>(8,769,794)</u>	<u>(6,330,173)</u>	<u>(2,445,297)</u>	<u>(2,075,884)</u>
Other Financing Sources (Uses)					
Proceeds from lease	157,431	-	-	-	-
Issuance of debt	622,150	3,687,966	11,413,179	1,587,535	-
Sale of capital assets	-	-	-	-	-
Transfers-in	3,642,313	2,156,104	6,491,721	3,452,909	3,390,584
Transfers-out	(3,696,598)	(2,129,865)	(6,491,721)	(3,452,909)	(3,468,477)
Total other financing sources (uses)	<u>725,296</u>	<u>3,714,205</u>	<u>11,413,179</u>	<u>1,587,535</u>	<u>(77,893)</u>
Net change in fund balances	<u>\$ (357,707)</u>	<u>\$ (5,055,589)</u>	<u>\$ 5,083,006</u>	<u>\$ (857,762)</u>	<u>\$ (2,153,777)</u>
Debt service as a percentage of noncapital expenditures	<u>1.25%²</u>	<u>1.64%</u>	<u>7.73%</u>	<u>6.65%</u>	<u>6.39%</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				
2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
\$ 13,491,345	\$ 17,366,143	\$ 18,529,539	\$ 18,974,595	\$ 20,053,512
1,430,060	1,692,744	1,972,169	1,842,590	1,895,669
636,338	910,521	2,355,821	1,223,095	986,153
2,563,903	2,492,438	2,239,149	2,461,651	2,853,514
1,049,002	1,066,270	1,594,094	1,639,710	1,756,260
229,973	(139,964)	559,904	1,520,894	2,300,877
214,996	83,719	106,516	50,993	48,384
978,681	491,857	399,252	460,536	705,004
20,594,298	23,963,728	27,756,444	28,174,064	30,599,373
6,250,367	6,310,134	7,677,405	7,679,901	8,125,830
7,124,556	7,206,806	7,684,300	8,110,951	8,698,584
764,118	904,826	1,120,549	1,355,532	1,241,603
773,085	1,016,920	1,052,138	1,195,383	1,325,047
585,334	1,830,395	2,819,510	3,645,475	9,609,554
482,853	602,207	639,014	703,574	715,405
490,611	555,927	535,325	530,271	502,418
-	-	-	-	-
16,470,924	18,427,215	21,528,241	23,221,087	30,218,441
4,123,374	5,536,513	6,228,203	4,952,977	380,932
-	-	-	381,611	-
-	-	-	-	-
-	-	-	-	41,390
2,127,964	3,505,148	4,292,440	5,378,385	7,778,946
(2,109,788)	(3,593,019)	(4,518,286)	(5,516,460)	(8,013,793)
18,176	(87,871)	(225,846)	243,536	(193,457)
\$ 4,141,550	\$ 5,448,642	\$ 6,002,357	\$ 5,196,513	\$ 187,475
6.14%	6.97%	6.57%	6.28%	4.03%

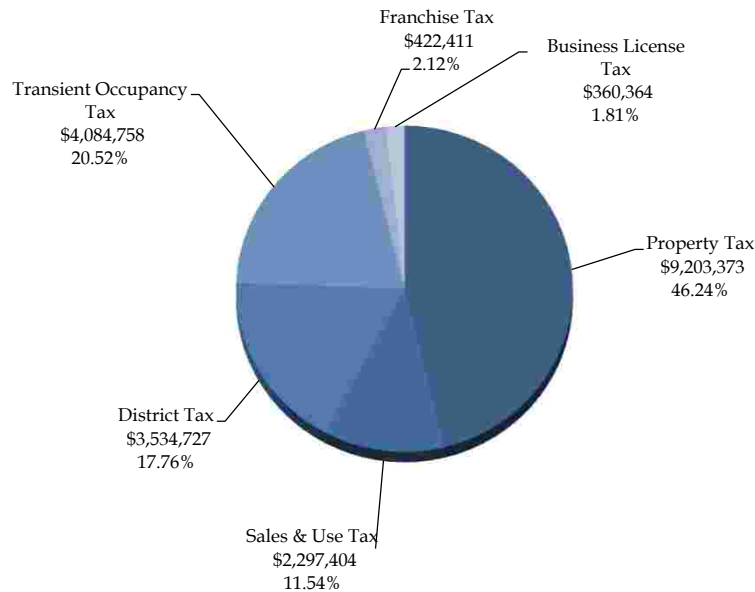
City of Del Mar
Governmental Activities Tax Revenues By Sources
Last Ten Fiscal Years

Fiscal Year	Property Taxes (1)	Sales & Use Tax (2)	District Tax (3)	Transient Occupancy Tax	Franchise Tax	Business License Tax	Total
2024-2025	\$ 9,203,373	\$ 2,297,404	\$ 3,534,727	\$ 4,084,758	\$ 422,411	\$ 360,364	\$ 19,903,037
2023-2024	8,818,680	2,196,466	3,327,813	3,799,038	446,817	362,769	18,951,583
2022-2023	8,322,387	2,306,262	3,327,469	3,816,392	442,408	276,466	18,491,384
2021-2022	7,771,396	2,068,716	3,387,421	3,419,866	404,226	282,524	17,334,150
2020-2021	7,496,882	1,147,970	2,305,453	1,792,090	324,805	229,534	13,296,734
2019-2020	6,993,953	1,472,389	2,280,307	2,300,504	390,482	235,557	13,673,192
2018-2019	6,679,052	2,208,416	2,835,331	2,982,510	424,930	243,198	15,373,438
2017-2018	6,491,063	2,136,523	2,717,991	3,001,300	387,466	241,008	14,975,351
2016-2017	6,752,952	1,492,965	734,344	2,697,297	459,271	240,103	12,376,932
2015-2016	5,640,285	2,332,522	-	2,617,866	369,524	226,508	11,186,705
Change from Base Year 2016	63.17%	-1.51%	100.00%	56.03%	14.31%	59.10%	77.92%

Notes:

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

GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE
Fiscal Year Ended June 30, 2025



Source: City of Del Mar, Finance Department

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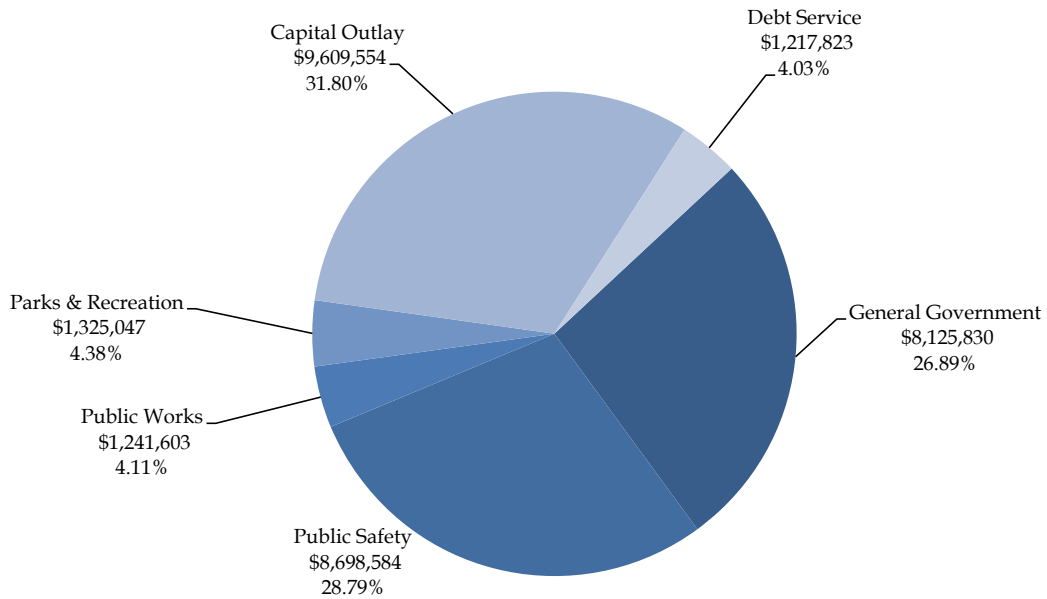
City of Del Mar

General Governmental Expenditures By Function ⁽¹⁾

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works
2024-2025	\$ 8,125,830	\$ 8,698,584	\$ 1,241,603
2023-2024	7,679,901	8,110,951	1,355,532
2022-2023	7,677,405	7,684,300	1,120,549
2021-2022	6,310,134	7,206,806	904,826
2020-2021	6,250,367	7,124,556	764,118
2019-2020	7,511,186	7,309,028	860,139
2018-2019	7,459,736	6,823,281	753,994
2017-2018	5,921,425	6,405,468	613,939
2016-2017	6,212,785	6,411,309	646,739
2015-2016	5,055,390	5,769,859	589,870

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
Fiscal Year Ended June 30, 2025**



Notes:

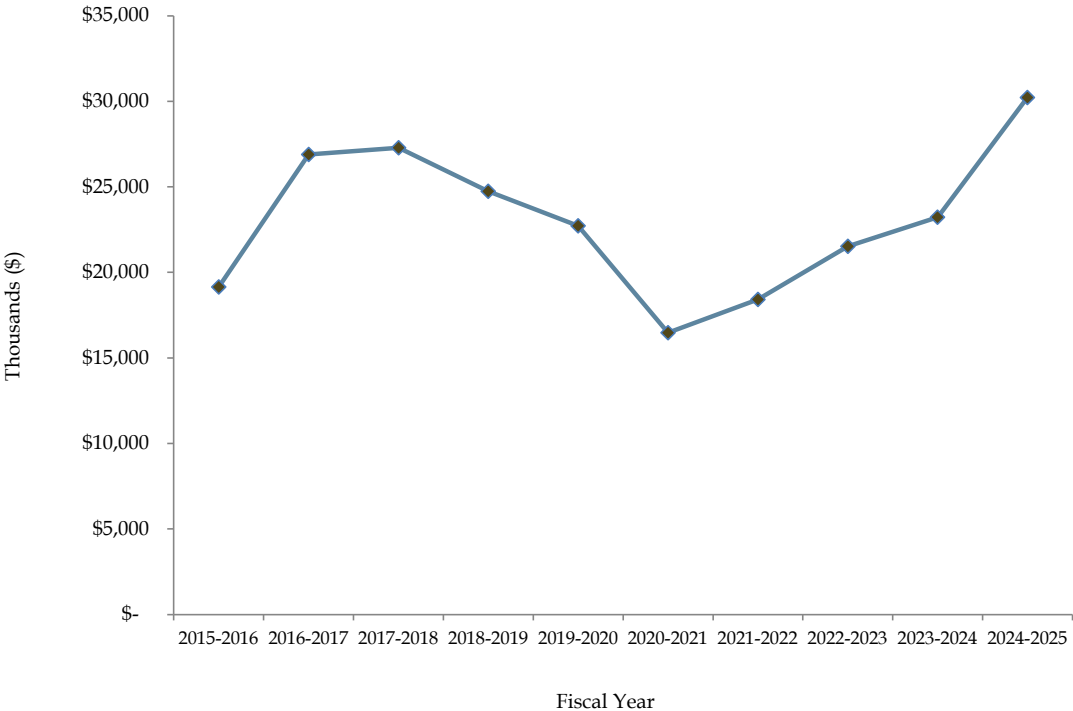
- (1) These amounts include all governmental fund types and exclude other financing sources (uses).
- (2) These amounts include lease and bond payments toward debt service.

Source: City of Del Mar, Finance Department

(Concluded)

	Parks and Recreation	Capital Outlay	Debt Service ⁽²⁾	Total
\$	1,325,047	\$ 9,609,554	\$ 1,217,823	\$ 30,218,441
	1,195,383	3,645,475	1,233,845	23,221,087
	1,052,138	2,819,510	1,174,339	21,528,241
	1,016,920	1,830,395	1,158,134	18,427,215
	773,085	585,334	973,464	16,470,924
	945,702	4,953,541	1,134,566	22,714,162
	916,556	7,643,140	1,136,769	24,733,476
	834,530	12,347,347	1,154,617	27,277,326
	910,515	11,952,324	756,922	26,890,594
	907,484	6,620,181	205,143	19,147,927

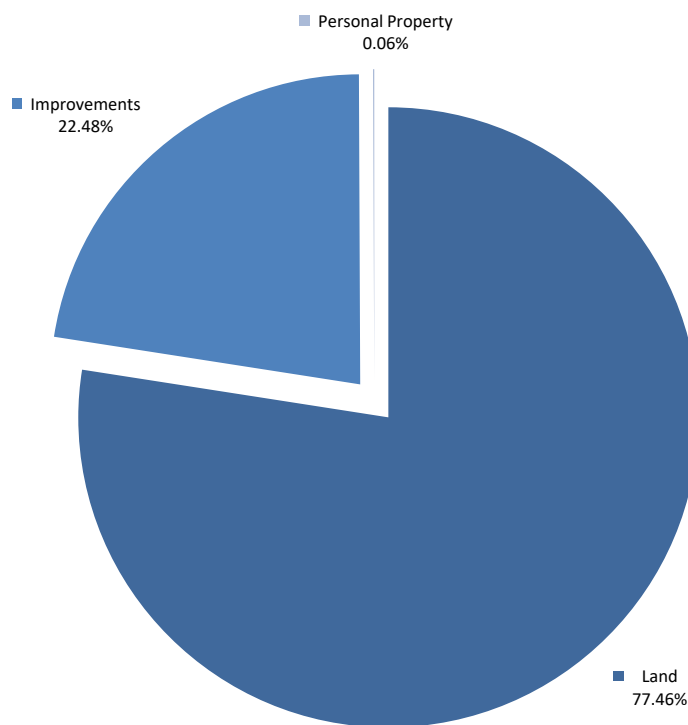
**TOTAL GENERAL GOVERNMENTAL EXPENDITURES
Last Ten Fiscal Years**



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		Personal Property		Secured		Personal Property		Total Before Exemptions
	Land	Improvements	Land	Improvements	Land	Improvements	Land	Improvements	
2024-2025	\$ -	\$ -	\$ -	\$ -	\$ 4,124,139,519	\$ 1,197,068,765	\$ 3,412,034	\$ -	\$ 5,324,620,318
2023-2024	-	-	-	-	3,849,065,848	1,151,230,653	3,828,690	-	5,004,125,191
2022-2023	-	-	-	-	3,608,363,857	1,101,807,140	3,683,127	-	4,713,854,124
2021-2022	-	-	-	-	3,301,052,950	1,039,149,940	2,948,682	-	4,343,151,572
2020-2021	-	-	-	-	3,180,503,455	1,037,644,343	3,626,200	-	4,221,773,998
2019-2020	-	-	-	-	2,981,613,683	994,360,252	2,152,584	-	3,978,126,519
2018-2019	-	-	-	-	2,784,788,946	952,475,503	2,134,395	-	3,739,398,844
2017-2018	-	-	-	-	2,635,240,948	916,630,647	2,276,279	-	3,554,147,874
2016-2017	-	-	-	-	2,491,586,010	882,844,518	2,419,711	-	3,376,850,239
2015-2016	-	-	-	-	2,311,411,842	845,516,967	2,516,792	-	3,159,445,601

ASSESSED VALUATION BY CATEGORIES
(TOTAL LOCALLY ASSESSED - BEFORE EXEMPTIONS)
Fiscal Year Ended June 30, 2025



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)

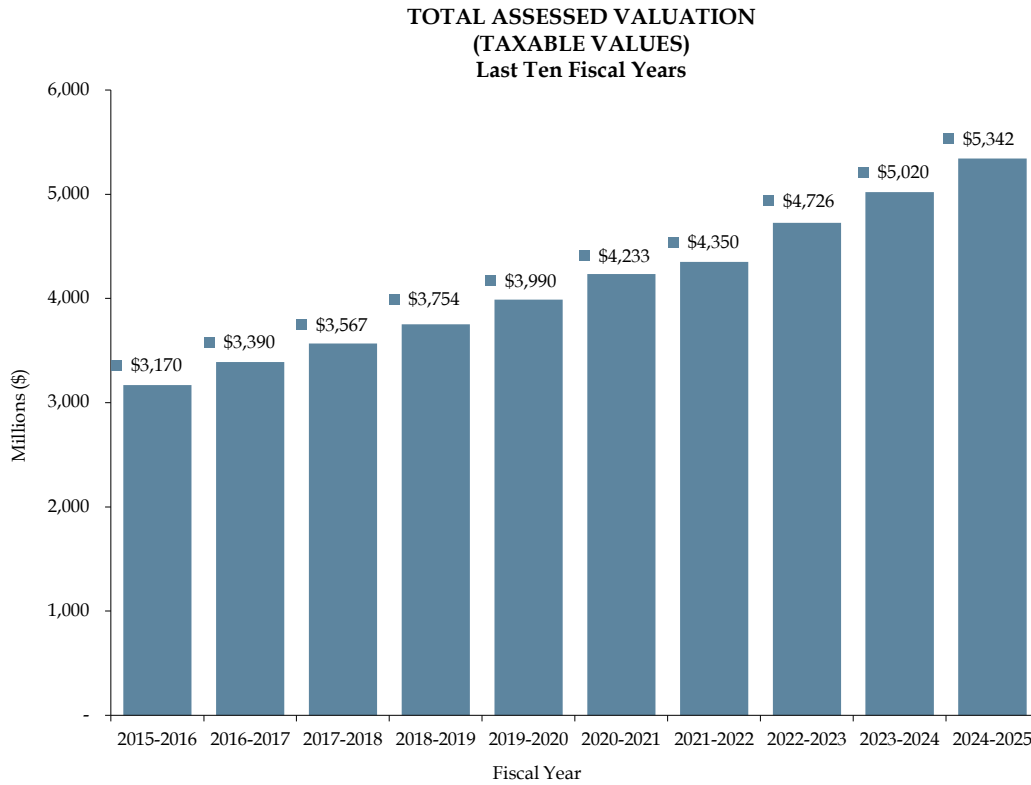
Locally Assessed

Secured			Unsecured				
Exemptions		Total After	Improvements	Personal Property	Total Before	Other Exemptions	Total After
All Others	Home Owners	Exemptions			Exemptions		Exemptions
\$ (4,857,416)	\$ (5,737,200)	\$ 5,314,025,702	\$ 9,879,076	\$ 18,511,183	\$ 28,390,259	\$ (333,615)	\$ 28,056,644
(4,746,103)	(5,859,000)	4,993,520,088	8,900,464	17,780,934	26,681,398	(357,020)	26,324,378
(4,629,250)	(5,877,200)	4,703,347,674	7,603,683	15,748,453	23,352,136	(322,546)	23,029,590
(3,908,286)	(5,950,000)	4,333,293,286	5,574,993	11,424,692	16,999,685	(287,207)	16,712,478
(3,859,965)	(6,062,000)	4,211,852,033	7,122,965	14,528,516	21,651,481	(308,607)	21,342,874
(3,781,202)	(6,137,600)	3,968,207,717	6,778,398	14,926,759	21,705,157	(356,966)	21,348,191
(3,701,074)	(6,004,600)	3,729,693,170	6,899,141	17,423,967	24,323,108	(313,771)	24,009,337
(3,493,995)	(6,144,600)	3,544,509,279	6,180,340	16,224,127	22,404,467	(198,997)	22,205,470
(3,423,957)	(6,227,200)	3,367,199,082	6,913,858	15,716,066	22,629,924	(167,519)	22,462,405
(3,374,099)	(6,332,200)	3,149,739,302	6,276,297	14,334,541	20,610,838	(247,256)	20,363,582

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
2024-2025	\$ 5,353,010,577	\$ 5,342,082,346	6.42%	1.06372%
2023-2024	5,030,806,589	5,019,844,466	6.21%	1.06116%
2022-2023	4,737,206,260	4,726,377,264	8.65%	1.06512%
2021-2022	4,360,151,257	4,350,005,764	2.93%	1.04621%
2020-2021	4,243,425,479	4,233,194,907	6.11%	1.06652%
2019-2020	3,999,831,676	3,989,555,908	6.28%	1.06641%
2018-2019	3,763,721,952	3,753,702,507	5.24%	1.03942%
2017-2018	3,576,552,341	3,566,714,749	5.22%	1.04022%
2016-2017	3,399,480,163	3,389,661,487	6.93%	1.02625%
2015-2016	3,180,056,439	3,170,102,884	6.36%	1.02622%



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

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

Category	Fiscal Year				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Residential	\$ 3,084,334,222	\$ 3,253,273,422	\$ 3,433,325,030	\$ 3,643,775,875	\$ 3,875,115,458
Commercial	271,336,627	278,157,135	283,644,529	309,755,624	322,793,000
Industrial	3,048,474	3,199,522	2,569,569	2,620,955	3,162,334
Institutional	2,936,793	2,995,528	3,055,438	3,116,546	3,178,876
Recreational	11,767,616	13,338,452	13,817,906	15,850,559	12,487,932
Miscellaneous	-	-	-	-	-
Total	\$ 3,373,423,732	\$ 3,550,964,059	\$ 3,736,412,472	\$ 3,975,119,559	\$ 4,216,737,600

Note:

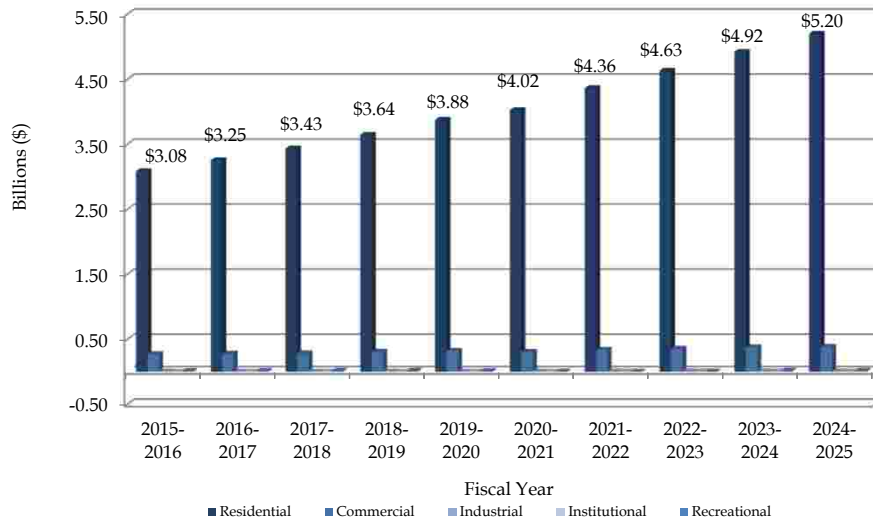
- (1) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of one percent based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" limited to a maximum of two 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				
2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
\$ 4,024,078,136	\$ 4,361,607,012	\$ 4,630,568,441	\$ 4,919,555,118	\$ 5,198,820,450
306,435,872	337,705,751	355,543,713	376,330,776	381,553,482
3,195,089	3,346,988	5,819,841	6,046,234	6,157,955
3,211,808	3,926,043	4,004,563	4,084,653	4,166,345
2,092,944	2,075,659	2,827,368	14,062,625	14,070,317
-	26,600	-	-	-
\$ 4,339,013,849	\$ 4,708,688,053	\$ 4,998,763,926	\$ 5,320,079,406	\$ 5,604,768,549

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
2024-2025	\$ 5,198,820,450	4,205	\$ 381,553,482	97	\$ 6,157,955	7
2023-2024	4,919,555,118	4,206	376,330,776	97	6,046,234	7
2022-2023	4,630,568,441	4,203	355,543,713	97	5,819,841	6
2021-2022	4,361,607,012	4,203	337,705,751	102	3,346,988	7
2020-2021	4,024,078,136	4,203	306,435,872	103	3,195,089	7
2019-2020	3,875,115,458	4,202	322,793,000	101	3,162,334	7
2018-2019	3,643,775,875	4,203	309,755,624	101	2,620,955	7
2017-2018	3,433,325,030	4,202	283,644,529	102	2,569,569	7
2016-2017	3,253,273,422	4,200	278,157,135	101	3,199,522	8
2015-2016	3,084,334,222	4,199	271,336,627	102	3,048,474	8

Notes:

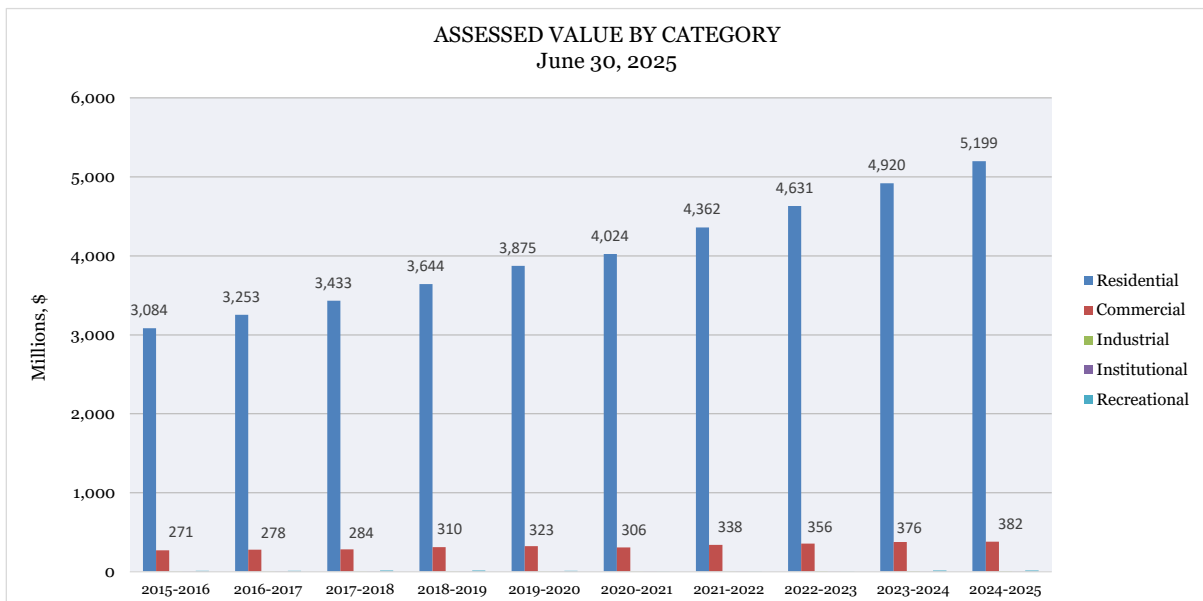
- (1) Report formatting changes have been made to comply with the GASB Number 44 standard reporting requirements. Public utility values are not included in this report.
- (2) The total direct tax rate is the weighted average of all individual direct rates applied by the government providing the statistical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

Source:

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

(Concluded)

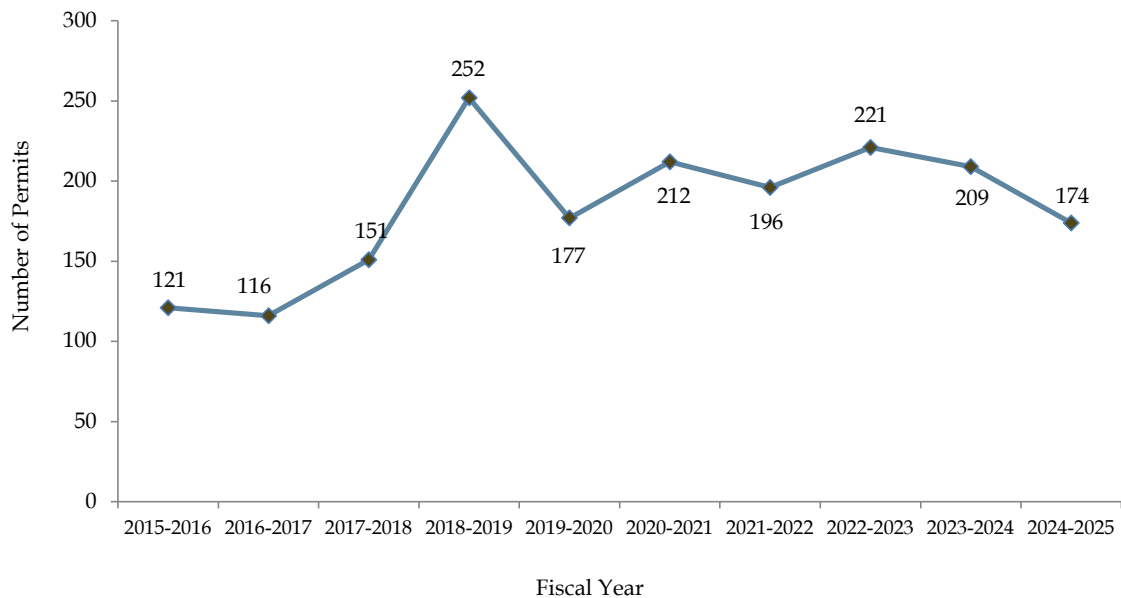
	Institutional		Recreational		Other		Total		Total Direct Tax Rate (%) (2)
	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	Assessed Value	Number of Parcels	
\$	4,166,345	1	\$ 14,070,317	247	-	1	\$ 5,604,768,549	4,557	0.14775
	4,084,653	1	14,062,625	253	-	-	5,320,079,406	4,564	0.14775
	4,004,563	1	2,827,368	312	-	-	4,998,763,926	4,619	0.14775
	3,926,043	1	2,075,659	306	26,600	1	4,708,661,453	4,620	0.14775
	3,211,808	1	2,092,944	337	-	-	4,339,013,849	4,651	0.14775
	3,178,876	1	12,487,932	340	-	-	4,216,737,600	4,651	0.14775
	3,116,546	1	15,850,559	342	-	-	3,975,119,559	4,654	0.14775
	3,055,438	1	13,817,906	342	-	-	3,736,412,472	4,654	0.14775
	2,995,528	1	13,338,452	346	-	-	3,550,964,059	4,656	0.14775
	2,936,793	1	11,767,616	350	-	-	3,373,423,732	4,660	0.14775



**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
2024-2025	154	\$ 17,507,750	20	\$ 5,827,650
2023-2024	188	28,431,550	21	3,608,550
2022-2023	208	22,760,412	13	8,913,250
2021-2022	177	21,181,429	19	912,000
2020-2021	173	19,649,957	12	3,761,147
2019-2020	129	16,153,000	17	1,931,000
2018-2019	181	10,456,000	9	300,000
2017-2018	105	15,674,999	5	278,000
2016-2017	90	13,885,482	24	13,700,850
2015-2016	75	10,798,630	17	572,000

NUMBER OF PERMITS
Last Ten Fiscal Years



Source:

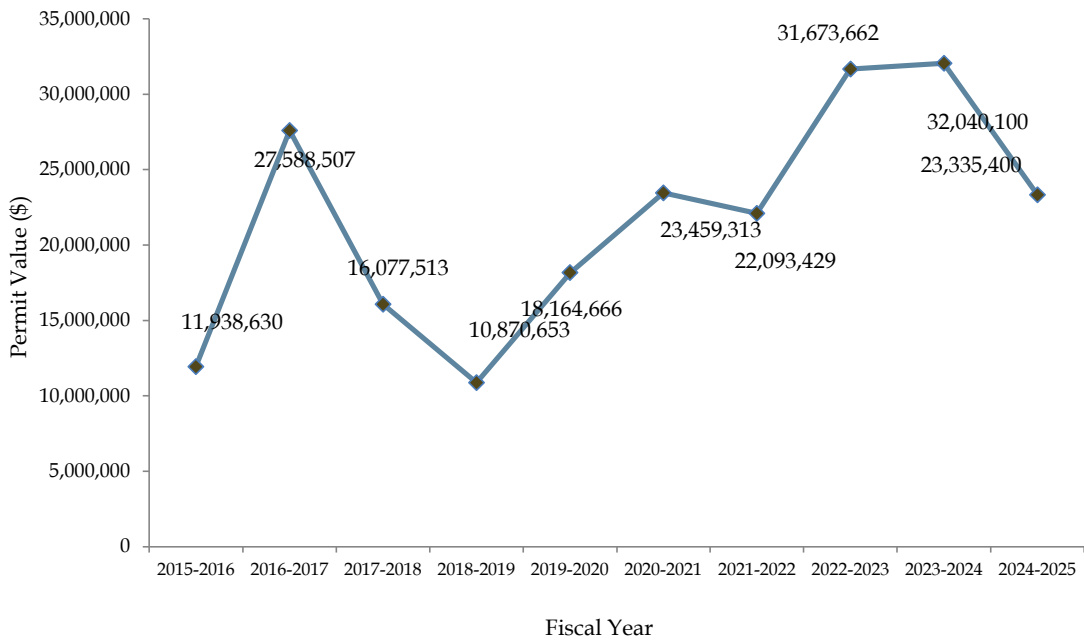
(1) City of Del Mar, Planning and Community Development Department

(2) Beginning in FY 2021-22, Residential construction permits under \$3,850, and Commercial construction permits under \$1,786 are no longer tracked.

(Concluded)

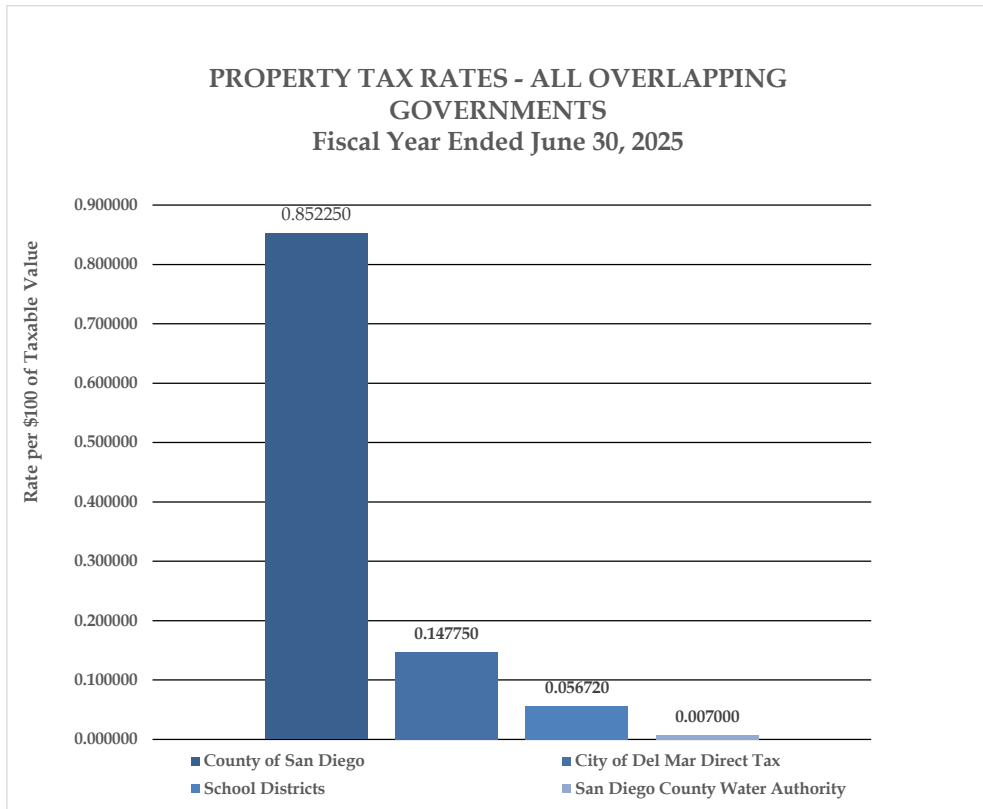
Construction ⁽²⁾		Total	
Number of Permits	Valuation	Number of Permits	Valuation
-	-	174	\$ 23,335,400
-	-	209	32,040,100
-	-	221	31,673,662
-	-	196	22,093,429
27	48,209	212	23,459,313
31	80,666	177	18,164,666
62	114,653	252	10,870,653
41	124,514	151	16,077,513
2	2,175	116	27,588,507
29	568,000	121	11,938,630

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 Districts ⁽²⁾	San Diego County Water Authority (SDCWA)	Total Special Districts	
2024-2025	-	0.85225	0.14775	1.00000	0.05672	0.00700	0.06372	1.06372
2023-2024	-	0.85225	0.14775	1.00000	0.05766	0.00350	0.06116	1.06116
2022-2023	-	0.85225	0.14775	1.00000	0.06162	0.00350	0.06512	1.06512
2021-2022	-	0.85225	0.14775	1.00000	0.04271	0.00350	0.04621	1.04621
2020-2021	-	0.85225	0.14775	1.00000	0.06302	0.00350	0.06652	1.06652
2019-2020	-	0.85225	0.14775	1.00000	0.06291	0.00350	0.06641	1.06641
2018-2019	-	0.85225	0.14775	1.00000	0.03592	0.00350	0.03942	1.03942
2017-2018	-	0.85225	0.14775	1.00000	0.03672	0.00350	0.04022	1.04022
2016-2017	-	0.85225	0.14775	1.00000	0.02275	0.00350	0.02625	1.02625
2015-2016	-	0.85225	0.14775	1.00000	0.02272	0.00350	0.02622	1.02622



Note:

(1) Tax Rate Area: TRA 11-001

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

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

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

Owner/Taxpayer	Primary Use	Fiscal Year 2024-2025		Fiscal Year 2015-2016	
		Assessed Valuation	Percent of Total City Assessed Valuation	Assessed Valuation	Percent of Total City Assessed Valuation
Lhoberge LP	Property management	\$ 95,750,989	1.80 %	73,784,186	2.34 %
Brixton Del Mar Plaza T I C LLC	Property management	52,596,722	0.99	-	-
2808 of Trust	Trust	48,600,083	0.91	-	-
Sandy Loan LLC	Property management	44,100,000	0.83	-	-
GLL BVK Properties 2007 LP	Property management	-	-	44,851,719	1.42
Jacobs Family Trust	Trust	43,312,780	0.81	32,762,185	1.04
Miyago Do LLC	Trust	37,540,778	0.71	-	-
Allred Family Living Survivors Trust	Trust	36,057,454	0.68	32,911,460	1.04
Madeleine A Pickens Trust	Trust	-	-	23,460,000	0.74
Del Mar Thoroughbred Club	Horse racing club	-	-	23,426,880	0.74
Lazier Stensrud Holding Trust	Trust	34,495,277	0.65	22,849,100	0.72
Jennifer A Moores Revocable Trust	Trust	29,123,486	0.55	-	-
McCarthy Revocable Survivors Trust	Trust	26,249,271	0.49	22,277,549	0.71
Los Arboles Apartment LLC	Property management	-	-	22,501,213	0.71
Delfina Del Mar Development	Lot	-	-	21,419,578	0.68
Top Ten Totals (secured and unsecured)		447,826,840	8.41 %	320,243,870	10.14 %
All Others (secured)		4,876,793,478	91.59 %	2,839,201,731	89.86 %
Total Assessed Valuation		\$ 5,324,620,318	100.00 %	\$ 3,159,445,601	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 Nine Years Ago

Fiscal Year 2024-2025		Fiscal Year 2015-2016	
Taxpayers	Business Type	Taxpayers	Business Type
1 Beeside Balcony	Casual dining	Americana	Casual dining
2 Brigantine	Fine dining	Banana Republic	Retail clothing
3 Bull Grills Spas	Speciality stores	Barretts Equine Limited	Business services
4 Chicken Charlie's Enterprises*	Quick-service restaurants	Brigantine	Fine dining
5 Del Mar Blue Print Co.	Printing	Bully's Del Mar	Casual dining
6 Del Mar Pizza & Pasta	Casual dining	Chicken Charlie's Enterprises*	Quick-service restaurants
7 Del Mar Thoroughbred Club	Horse racing club	Dawn Davidson Design	Home furnishings
8 Dexter Deli	Speciality stores	Del Mar Blue Print Co	Printing
9 En Fuego Cantina & Grill	Casual dining	Del Mar Rendezvous	Casual dining
10 Harry's Coffee Shop Del Mar	Casual dining	Del Mar Thoroughbred Club	Horse racing club
11 Il Fornaio	Fine dining	Dexter's Deli	Speciality stores
12 Jake's Del Mar	Fine dining	El Agave Del Mar	Casual dining
13 L'Auberge Del Mar	Casual dining	En Fuego Cantina & Grill	Casual dining
14 La Mesa RV Center*	Recreation products	Il Fornaio	Casual dining
15 Mattress Firm*	Home furnishings	Jake's Del Mar	Fine dining
16 Monarch	Casual dining	Jimmy O's	Fine dining
17 Pacifica Del Mar Restaurant	Fine dining	Kearney Mesa Acura	New motor vehicle dealers
18 Poseidon on the Beach	Fine dining	L'Auberge Del Mar	Casual dining
19 Premier Food Services*	Quick-service restaurants	Miwall Wholesale Ammo*	Recreation products
20 Salt + Lime	Casual dining	Pacifica Del Mar	Casual dining
21 Sbicca	Casual dining	Pinnacle Appliance Distributors	Sporting goods/Bike stores
22 Shimbashi Izakaya	Casual dining	Poseidon Restaurant	Home furnishings
23 Stratford Court Café	Casual dining	Premier Food Services*	Quick-service restaurants
24 Tamarindo	Casual dining	Prep Kitchen Del Mar	Fine dining
25 Viewpoint Brewing Co.	Casual dining	Sbicca An American Bistro	Fine dining
Percentage of total sales tax collected	72.11%		68.89%

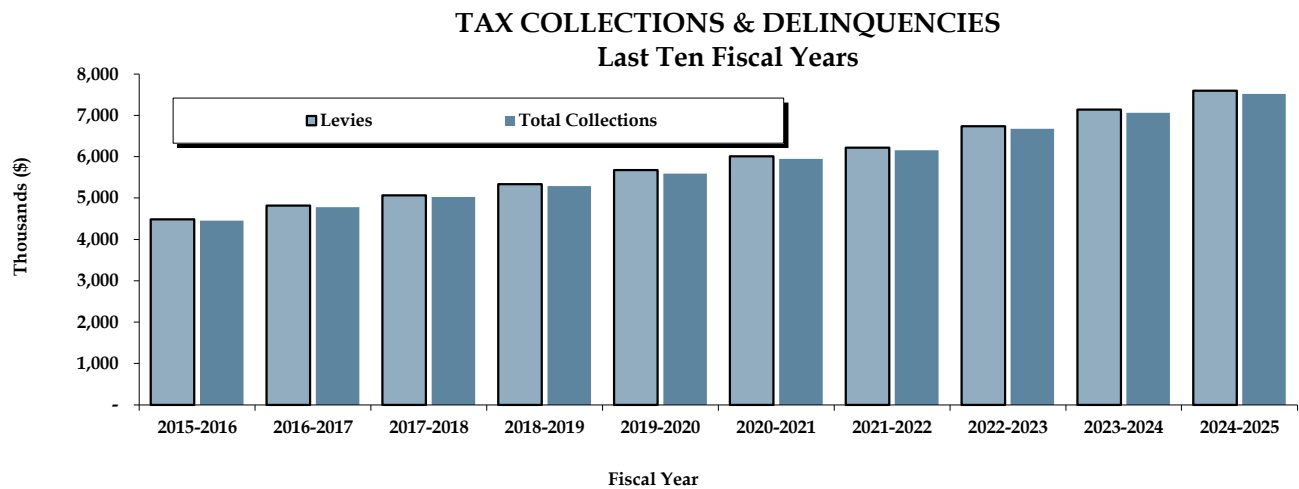
Note: The names are listed in alphabetical order and not by sales tax volume.

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

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

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
2024-2025	\$ 7,596,421	\$ 7,502,337	98.76%	\$ 10,380	\$ 7,512,717	98.90%
2023-2024	7,137,707	7,050,013	98.77%	12,296	7,062,309	98.94%
2022-2023	6,731,681	6,660,529	98.94%	10,566	6,671,095	99.10%
2021-2022	6,219,718	6,152,218	98.91%	6,047	6,158,264	99.01%
2020-2021	6,009,313	5,943,768	98.91%	3,807	5,947,575	98.97%
2019-2020	5,672,610	5,588,352	98.51%	5,345	5,593,697	98.61%
2018-2019	5,331,918	5,283,191	99.09%	3,785	5,286,976	99.16%
2017-2018	5,065,306	5,019,360	99.09%	5,290	5,024,650	99.20%
2016-2017	4,816,554	4,771,416	99.06%	5,426	4,776,842	99.18%
2015-2016	4,487,604	4,449,392	99.15%	4,285	4,453,677	99.24%



Note:

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

Source: Auditor and Controller, County of San Diego

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

Fiscal Year	Governmental Activities					Business-type Activities				
	Certificates of Participation	Liability Leases	Loans	Notes	Total	Revenue Bonds	Certificates of Participation	Liability Leases	Notes	Total
2024-2025	\$ -	\$ 325,609	#####	\$ -	\$ 15,818,510	\$ -	\$ -	\$ -	\$ 4,555,354	\$ 4,555,354
2023-2024	-	480,901	16,047,265	-	16,528,166	-	-	-	4,991,192	4,991,192
2022-2023	-	243,954	16,581,826	-	16,825,780	-	-	-	5,415,925	5,415,925
2021-2022	-	352,059	17,100,794	-	17,452,853	-	-	-	5,829,843	5,829,843
2020-2021	-	452,946	17,602,114	-	18,055,060	-	-	-	6,233,225	6,233,225
2019-2020	-	-	18,084,967	-	18,084,967	-	-	-	6,626,345	6,626,345
2018-2019	-	28,734	18,556,021	-	18,584,755	-	-	-	7,009,468	7,009,468
2017-2018	-	56,704	17,419,394	-	17,476,098	-	-	-	6,037,965	6,037,965
2016-2017	-	99,707	6,444,870	-	6,544,577	-	-	-	4,667,547	4,667,547
2015-2016	-	-	2,845,256	-	2,845,256	-	-	-	4,566,055	4,566,055

Fiscal Year	Population	Total Outstanding Debt	Taxable Assessed Value	Percent of Taxable Assessed Value	Debt Per Capita	Personal Income	Percent of Personal Income
2024-2025	3,950	\$ 20,373,864	\$ 5,347,451,831	0.38%	5,158	\$ 516,393	2.53%
2023-2024	3,919	21,519,358	5,025,703,466	0.43%	5,491	537,335	2.50%
2022-2023	3,903	22,241,705	4,732,254,464	0.47%	5,699	487,677	2.19%
2021-2022	3,929	23,282,696	4,355,955,764	0.53%	5,926	486,655	2.09%
2020-2021	4,258	24,288,285	4,239,256,907	0.57%	5,704	440,525	1.81%
2019-2020	4,268	24,711,312	3,995,693,508	0.62%	5,790	429,278	1.74%
2018-2019	4,451	25,594,223	3,572,859,349	0.72%	5,750	491,975	1.92%
2017-2018	4,322	23,514,063	3,395,888,687	0.69%	5,441	440,691	1.87%
2016-2017	4,297	11,212,124	3,176,435,084	0.35%	2,609	397,110	3.54%
2015-2016	4,274	7,411,311	2,986,826,078	0.25%	1,734	372,669	5.03%

Sources:

City of Del Mar, Finance Department
Office of the Auditor & Controller, County of San Diego
San Diego Association of Government (SANDAG)
State of California, Finance Department
HDL, Coren & Cone Demographic and Economic Statistics

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

Business-type Activities

Fiscal Year	Revenue (1)	Operating Expenses (1)	Net Available Revenue	Debt Service (2)				Total Debt Service	Percent Coverage
				Clean Water State Revolving		Certificates of Participation			
				Principal	Interest	Principal	Interest		
2024-2025	\$ 9,802,432	\$ 9,533,907	\$ 268,525	\$ 265,975	\$ 78,042	\$ -	\$ -	\$ 344,017	78.06%
2023-2024	9,080,938	8,676,310	404,628	258,480	85,537	-	-	344,017	117.62%
2022-2023	8,725,149	7,863,221	861,928	251,195	92,822	-	-	344,017	250.55%
2021-2022	8,881,606	7,899,048	982,558	244,116	99,901	-	-	344,017	285.61%
2020-2021	8,541,377	7,807,031	734,346	237,236	106,781	-	-	344,017	213.46%
2019-2020	7,600,466	8,161,847	(561,381)	230,550	113,467	-	-	344,017	-163.18%
2018-2019	7,158,048	7,113,464	44,584	224,052	119,965	-	-	344,017	12.96%
2017-2018	7,089,160	6,818,187	270,973	217,738	126,279	-	-	344,017	78.77%
2016-2017	6,850,876	6,349,180	501,696	211,601	132,416	-	-	344,017	145.83%
2015-2016	6,657,471	5,875,267	782,204	205,638	138,379	-	-	344,017	227.37%

Notes:

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

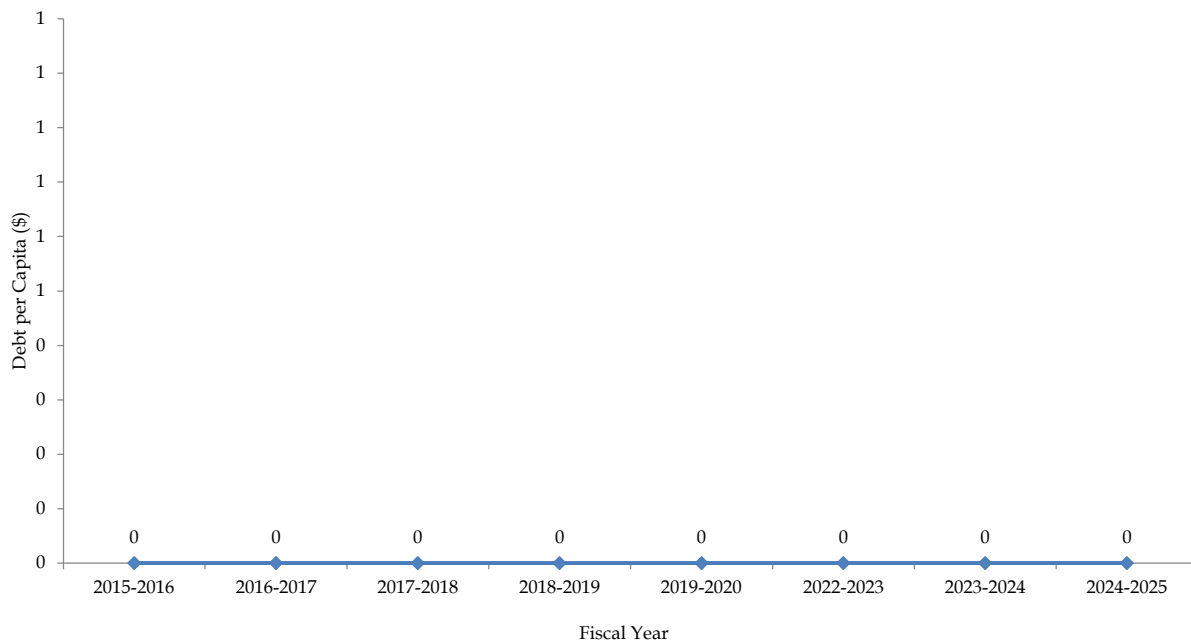
(2) Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

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	
2024-2025	3,950	\$ -	\$ 5,347,451,831	0.00%	\$ -	\$ 516,393	0.00%	
2023-2024	3,919	-	5,025,703,466	0.00%	-	537,335	0.00%	
2022-2023	3,903	-	4,732,254,464	0.00%	-	487,677	0.00%	
2021-2022	3,929	-	4,355,955,764	0.00%	-	486,655	0.00%	
2020-2021	4,258	-	4,239,256,907	0.00%	-	440,525	0.00%	
2019-2020	4,451	-	3,759,707,107	0.00%	-	429,278	0.00%	
2018-2019	4,322	-	3,572,859,349	0.00%	-	491,975	0.00%	
2017-2018	4,297	-	3,395,888,687	0.00%	-	440,691	0.00%	
2016-2017	4,274	-	3,176,435,084	0.00%	-	397,110	0.00%	
2015-2016	4,221	-	2,986,826,078	0.00%	-	372,669	0.00%	

GENERAL BONDED DEBT OUTSTANDING PER CAPITA
 Last Ten Fiscal Years



Source:

- (1) State of California, Finance Department
- (2) HDL, Coren & Cone Demographic and Economic Statistics by Calendar Year

City of Del Mar
Direct and Overlapping Bonded Debt
June 30, 2025

	Fiscal Year 2024-2025 Assessed Valuation Fiscal Year 2024-2025 Population	\$5,347,451,831 3,950		City's Share of Debt
		Total Debt June 30, 2025	Percent Applicable to City ⁽¹⁾	June 30, 2025
Overlapping Tax and Assessment Debt:				
San Diego County General Obligations		\$ 351,065,000	0.721 %	\$ 2,531,179
San Diego County Pension Obligations		140,370,000	0.721 %	1,012,068
San Diego County Superintendent of Schools - General Fund Obligations		5,125,000	0.721 %	36,951
Mira Costa Community College District - Certificates of Participation		48,020,000	3.554 %	1,706,631
San Dieguito Union High School District - General Fund Obligations		12,730,000	5871.000 %	747,378
Solana Beach School District - General Fund Obligations		5,162,096	0.393 %	20,287
Total Overlapping General Fund Debt		562,472,096		6,054,494
Direct Debt and Overlapping Tax and Assessment Debt:				
Direct Debt:				
City of Del Mar		15,818,510	100.000 %	15,818,510
Subtotal Direct Debt		15,818,510		15,818,510
Overlapping Tax and Assessment Debt:				
Metropolitan Water District		17,155,000	0.131 %	22,473
Mira Costa Community College District		349,345,000	3.554 %	12,415,721
San Dieguito Union High School District		392,195,000	5.871 %	23,025,768
Del Mar Union School District		127,655,000	20.891 %	26,668,406
Solana Beach School District School Facilities Improvements District		85,645,000	0.466 %	399,106
Subtotal Overlapping Tax and Assessment Debt		971,995,000		62,531,474
Total Direct and Overlapping Tax and Assessment Debt		987,813,510		78,349,984
Subtotal Overlapping Tax		1,534,467,096		68,585,968
Combined Total Debt		\$ 1,550,285,606		\$ 84,404,478

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

<u>Ratios to Fiscal Year 2024-2025 Assessed Valuation</u>		<u>Per Capita</u>
City Direct Debt	100.00%	\$4,005
Total Overlapping Tax and Assessment Debt.....	1.17%	19,835
Combined Total Debt.....	1.28%	21,368

Source: California Municipal Statistics, Inc.

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

	Fiscal Year				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Assessed valuation	\$ 3,176,435,084	\$ 3,395,888,687	\$ 3,572,849,349	\$ 3,759,707,107	\$ 3,995,693,508
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 794,108,771	\$ 848,972,172	\$ 893,212,337	\$ 939,926,777	\$ 998,923,377
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$ 119,116,316	\$ 127,345,826	\$ 133,981,851	\$ 140,989,017	\$ 149,838,507
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 119,116,316	\$ 127,345,826	\$ 133,981,851	\$ 140,989,017	\$ 149,838,507
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Note:

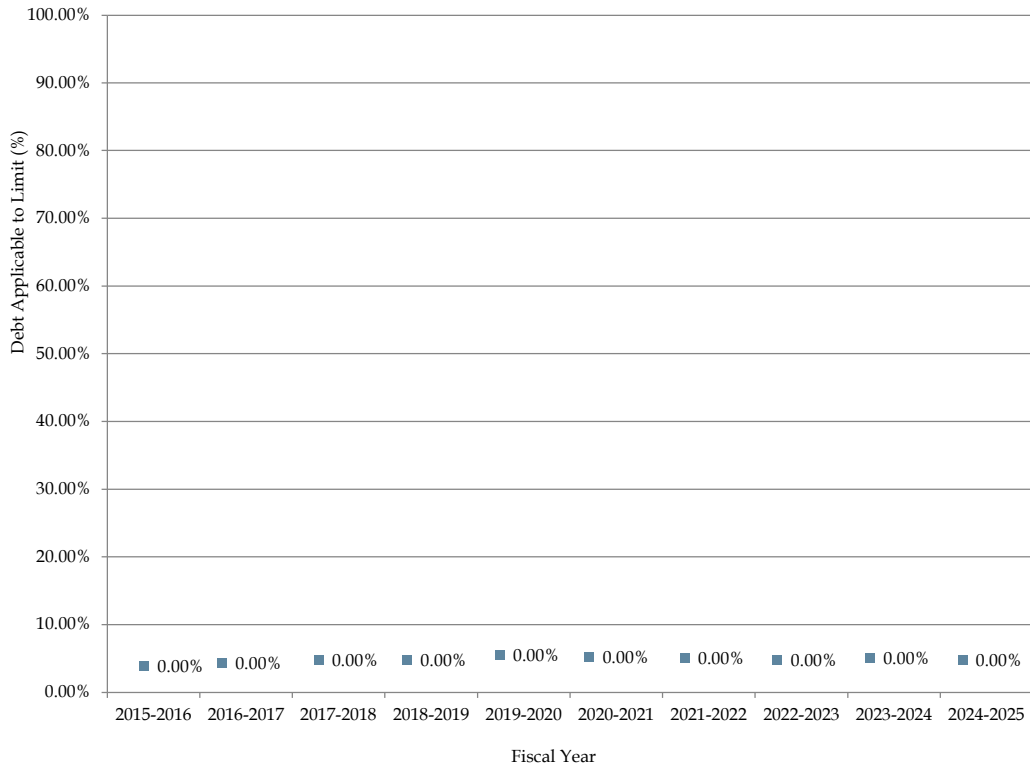
(1) Section 43605 of the Government Code of the State of California provides for a legal debt limit of 15 percent of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25 percent of market value. Effective with Fiscal Year 1981-1982, each parcel is now 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				
2020-2021		2021-2022		2022-2023		2023-2024		2024-2025	
\$	4,239,256,907	\$	4,355,955,764	\$	4,732,254,464	\$	5,025,703,466	\$	5,347,451,831
	25%		25%		25%		25%		25%
\$	1,059,814,227	\$	1,088,988,941	\$	1,183,063,616	\$	1,256,425,867	\$	1,336,862,958
	15%		15%		15%		15%		15%
\$	158,972,134	\$	163,348,341	\$	177,459,542	\$	188,463,880	\$	200,529,444
	-		-		-		-		-
\$	158,972,134	\$	163,348,341	\$	177,459,542	\$	188,463,880	\$	200,529,444
	0.00%		0.00%		0.00%		0.00%		0.00%

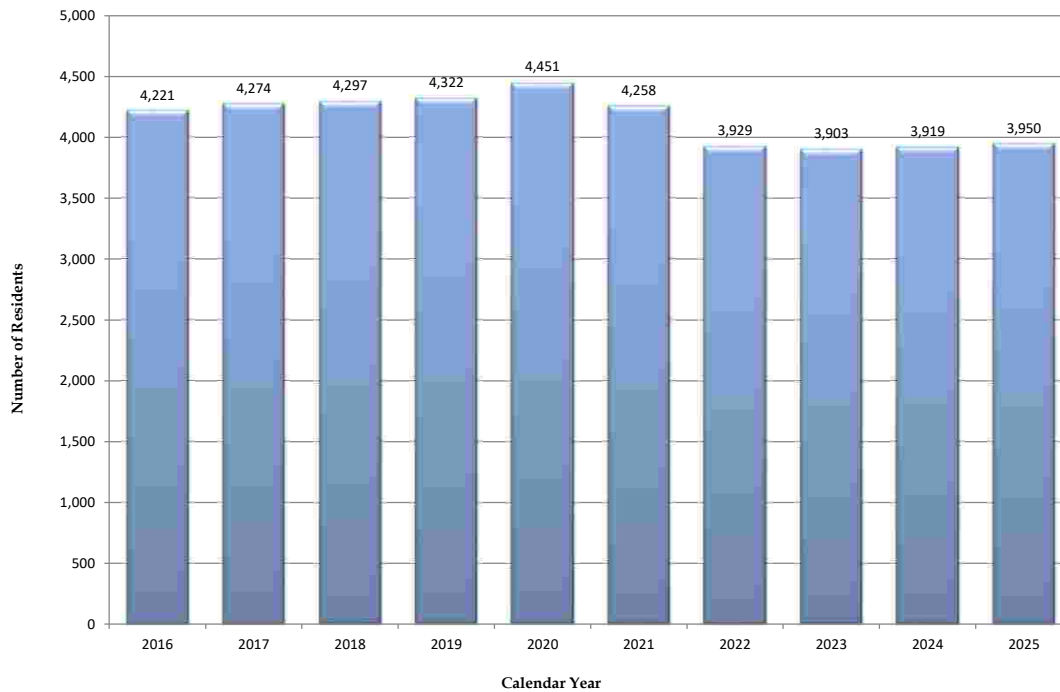
**DEBT APPLICABLE TO LIMIT
Last Ten Fiscal Years**



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

Year	City of Del Mar Housing Units ⁽¹⁾	Population ⁽²⁾			Personal Income ⁽³⁾				
		City of Del Mar	Average Annual Percent Change	County of San Diego	Average Annual Percent Change	City of Del Mar		County of San Diego	
						Personal Income (in Thousands)	Per Capita	Personal Income (in Thousands)	Per Capita
2025	2,600	3,950	0.79%	3,330,139	1.19%	516,393	130,732	*	*
2024	2,574	3,919	0.41%	3,291,101	0.65%	537,335	137,110	*	*
2023	2,543	3,903	-0.66%	3,269,755	-0.53%	487,677	128,428	258,709,555	79,122
2022	2,517	3,929	-7.73%	3,287,306	-1.32%	486,655	123,862	244,332,306	74,326
2021	2,512	4,258	-0.23%	3,331,279	-0.03%	440,525	103,458	244,349,315	73,350
2020	2,613	4,268	-4.11%	3,332,427	0.06%	429,278	100,580	220,825,596	66,266
2019	2,615	4,451	2.98%	3,330,459	-0.06%	491,975	110,531	202,642,332	60,845
2018	2,612	4,322	0.58%	3,332,483	0.49%	440,691	101,964	195,679,529	58,719
2017	2,611	4,297	0.54%	3,316,192	0.84%	397,110	92,415	193,296,405	58,289
2016	2,542	4,274	1.26%	3,288,612	1.89%	372,669	87,194	183,032,418	55,656

**DEL MAR
POPULATION
Last Ten Calendar Years**



Note:

* This information is not available.

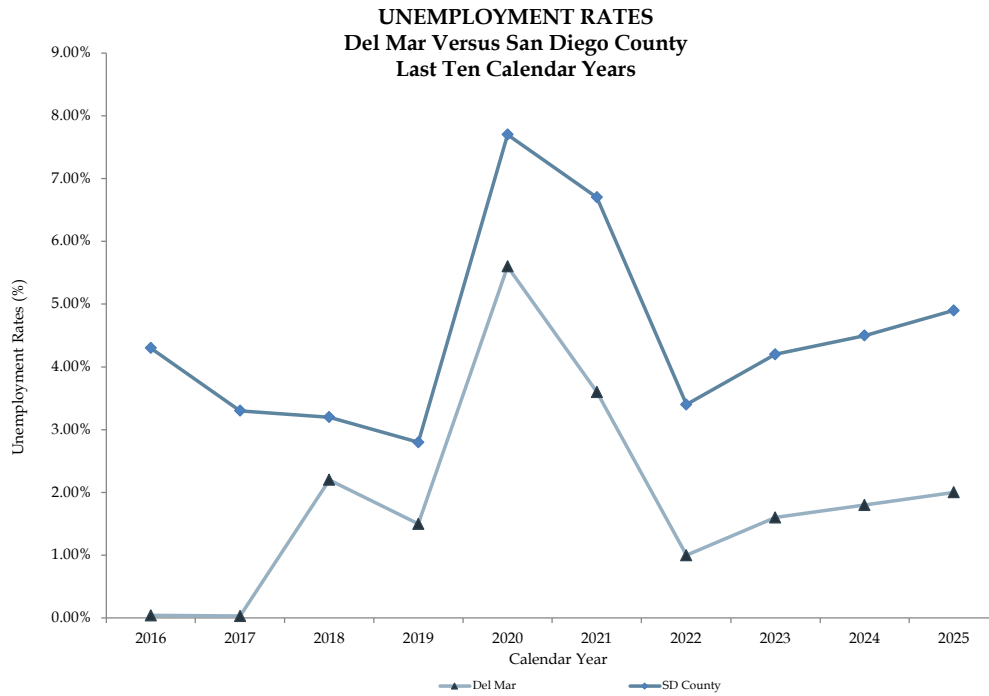
Source:

(1) City of Del Mar, Planning Department

(2) State of California, Finance Department

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

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	
2,200	2,200	2.00%	1,672,600	1,590,900	4.90%	3,662
2,100	2,100	1.80%	1,581,400	1,510,700	4.50%	3,662
2,100	2,100	1.60%	1,602,600	1,535,800	4.20%	3,748
2,200	2,200	1.00%	1,587,400	1,534,200	3.40%	3,895
2,000	1,900	3.60%	1,517,500	1,415,400	6.70%	3,853
2,300	2,200	5.60%	1,610,900	1,486,400	7.70%	4,132
2,500	2,500	1.50%	1,609,400	1,563,600	2.80%	4,263
2,500	2,500	2.20%	1,620,100	1,568,300	3.20%	4,453
2,700	2,700	0.03%	1,584,700	1,533,200	3.30%	4,413
2,700	2,700	0.04%	1,597,600	1,528,200	4.30%	4,334



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	2025		2024	
		Number of	Percent of	Number of	Percent of
		Employees	Employment	Employees	Employment
Del Mar Thoroughbred Club ⁽³⁾	Horse racing club	90-750 ⁽³⁾	34.09% ⁽³⁾	90-750 ⁽³⁾	35.71%
L'Auberge Del Mar Resort Spa	Resorts	180	8.18%	166	7.90%
Jake's Del Mar	Restaurant	123	5.59%	119	5.67%
Monarch Ocean Pub	Restaurant	111	5.05%	111	5.29%
Brigantine Seafood Restaurant	Restaurant	100	4.23%	100	4.76%
Poseidon Restaurant	Restaurant	85	3.86%	84	4.00%
Pacifica Del Mar	Restaurant	80	3.64%	75	3.57%
Viewpoint Brewing Company	Restaurant	48	2.18%	-	0.00%
Il Fornaio	Restaurant	42	1.91%	70	3.33%
Sbicca An American Bistro	Restaurant	32	1.45%	55	2.62%
Tamarindo	Restaurant			25	1.19%
Total Top Ten Employers		<u>1,551</u> ⁽³⁾		<u>1,555</u> ⁽³⁾	
Total City Employment ⁽²⁾		<u>2,200</u>		<u>2,100</u>	

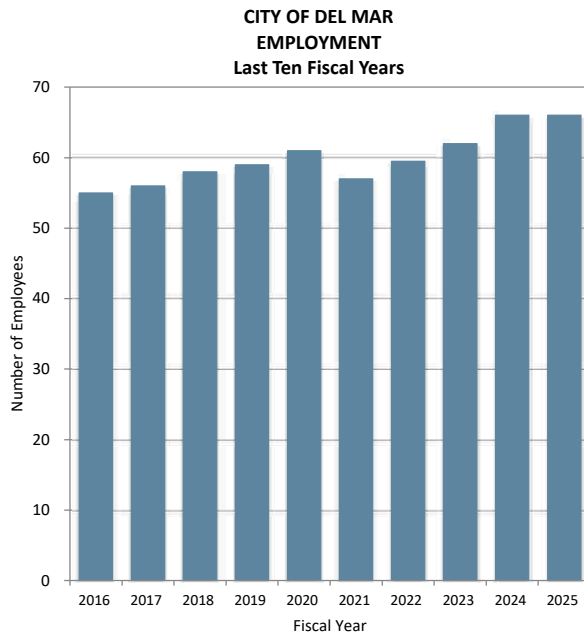
Notes:

- (1) Represents non-governmental employers.
- (2) Total City employment provided by the State Employment Development Department (EDD) - Labor Market Information Division.
- (3) Total number of employees fluctuates due to seasonal employees hired during the Horse Racing season. Calculation was based on the highest number from the range.

Sources: City of Del Mar

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

Function	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
General government	21	22	24	25	26	25	25	25	27	27
Public safety ⁽¹⁾	16	16	15	15	15	14	9	9	9	9
Public works	13	13	14	14	15	14	15	16	17	17
Parks and recreation	5	5	5	5	5	4	11	12	13	13
Total	55	56	58	59	61	57	60	62	66	66



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									
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
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	11,818	13,074	19,672	18,777	18,097	28,480	26,517	29,973	30,055	29,506
Fire:										
Emergency calls	1,309	806	881	849	1,033	861	1,622	1,834	1,853	1,265
Inspections	394	93	62	285	394	443	435	723	807	255
Public works:										
Street resurfacing (miles)	1.00	1.00	1.50	2.00	2.00	2.00	0.50	-	-	1.00
Street slurry (miles)	-	-	-	-	-	-	-	-	-	0.50
Parks and recreation:										
Number of recreational classes	485	222	287	281	192	-	36	66	79	154
Number of facility rentals	143	93	186	216	139	26	211	326	435	510
Water:										
New construction	-	-	-	-	-	-	-	-	-	-
Average daily consumption (in thousands of gallons)	803	838	962	859	852	934	900	957	846	830
Sewer:										
New construction	-	-	-	-	-	-	-	-	-	-
Average daily sewage treatment (in thousands of gallons)	499	523	448	421	444	369	367	391	403	386

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									
	2015-2016	2016-2017	2017-18	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
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	25.0	25.0	25.3
Street lights	74	74	81	81	81	81	81	81	81	81
Traffic signals	7	7	7	7	7	7	7	7	7	7
Parks and recreation:										
Parks	5	5	5	5	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles) ⁽¹⁾	29.87	29.87	29.87	29.87	29.87	29.87	29.87	29.87	29.87	29.87
Maximum daily capacity (thousands of gallons)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Sewer/Storm Drains										
Sanitary sewers (miles) ⁽¹⁾	24.98	24.98	24.98	24.98	24.98	24.98	24.98	24.98	24.98	24.98
Storm drainage (miles)	13.70	13.70	13.70	13.70	13.70	13.70	13.70	13.70	13.70	13.70
Maximum daily treatment capacity (thousands of gallons)	877	877	877	877	877	877	1,476	1,476	1,476	1,476

Note:

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

Source: City of Del Mar

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